THE MAGAZINE OF THE LOS ANGELES COUNTY BAR ASSOCIATION

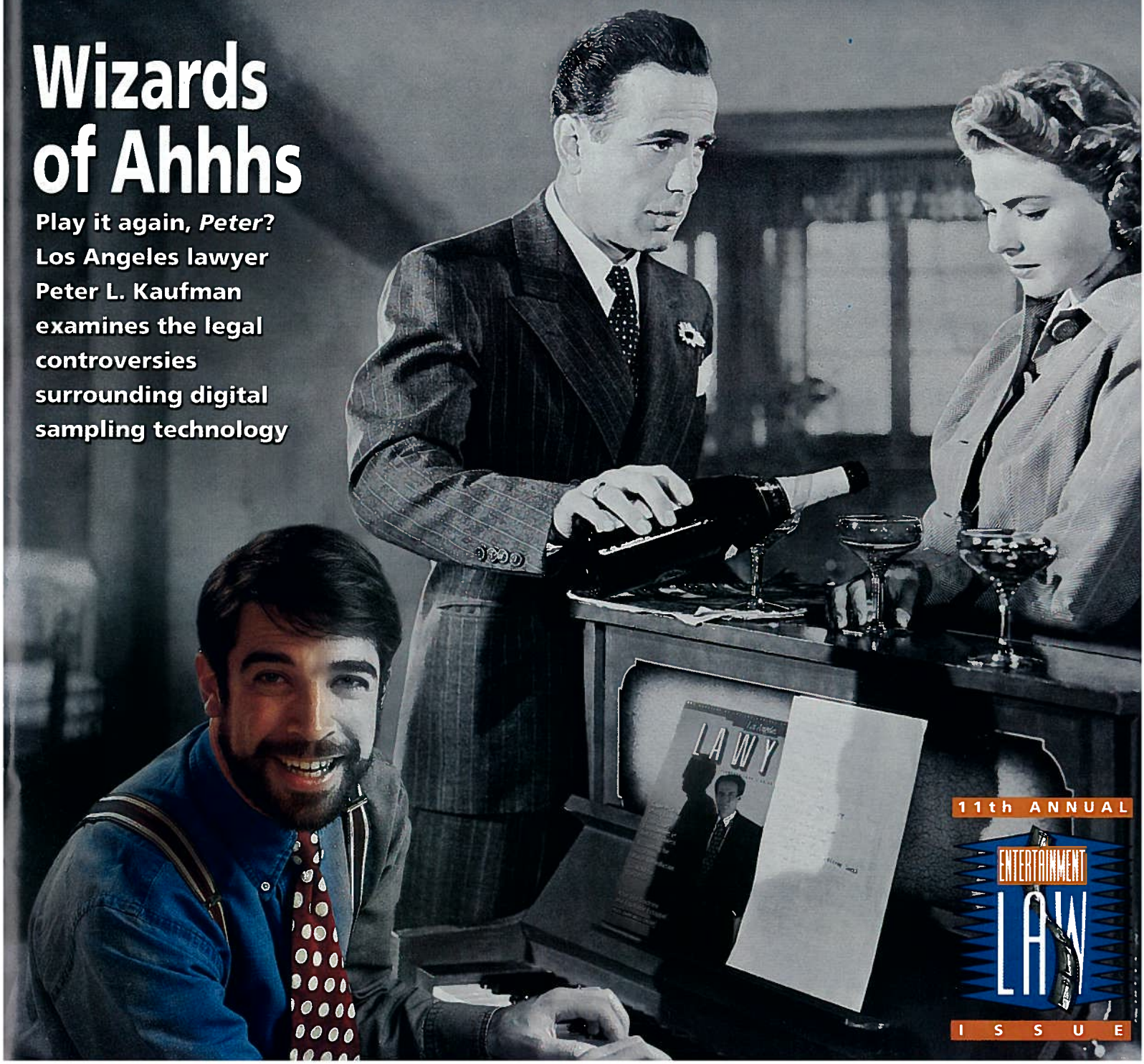
Los Angeles

LAWYER

APRIL 1995 / $3.00

Wizards of Ahhhs

Play it again, *Peter*? Los Angeles lawyer Peter L. Kaufman examines the legal controversies surrounding digital sampling technology



11th ANNUAL ENTERTAINMENT LAW ISSUE

Contents

COVER

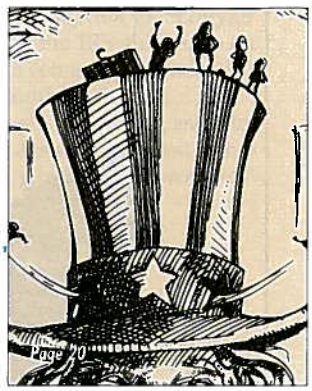
Peter L. Kaufman, a Century City intellectual property lawyer specializing in entertainment, multimedia, and litigation, joins the stars of *Casablanca*—Humphrey Bogart and Ingrid Bergman—in a demonstration of the art of visual digital sampling. His examination of the legal issues raised by the new technology begins on page 24.

Cover created by York Knowlton. Photograph courtesy of Bogart, Inc., c/o Curtis Management, Indianapolis, Indiana. Photograph © 1943 Turner Entertainment Co. Used by permission. All rights reserved.

Los Angeles Lawyer
The Magazine of the Los Angeles County Bar Association
April 1995
Vol. 18, No. 2

FEATURES

DEPARTMENTS



WIZARDS OF AHHS

Samplers and copyright holders will need to compromise in order to fully realize the magic of visual digital technology

By Peter L. Kaufman

ENTERTAINMENT LAW

HUMPHREY BOGART recently starred in HBO's "Tales from the Crypt"—his first role in nearly 40 years. Marilyn Monroe is Chanel's 1995 spokeswoman, endorsing its current line of perfume. Monroe reportedly received over six figures for her appearance and Chanel plans to use her again in another ad.[1] Not bad for two dead celebrities. But then, how is any of this possible? Are the recent appearances of Bogart and Monroe the result of a real-life "Tales from the Crypt?"

Not exactly. Bogart and Monroe were brought into the 1990s by optically scanning preexisting footage of the two performers into a computer. Optical scanning converts preexisting visual material (including direct camera input, video, and motion pictures) into a series of digits that computers can process and reuse in new visual works. In addition to resurrecting dead actors, visual sampling[2] technologies also can digitally recreate sets, locations, and costumes for use in new motion pictures, television programming, and advertising, as well as CD-ROMs and video games.[3]

A form of the technology was employed in the motion pictures *Forrest Gump* and *In the Line of Fire* to realistically place the principal actors in a recognizable historical context.[4] A recent Coca-Cola commercial "pasted"[5] visually sampled footage of Bogart, James Cagney, Cary Grant, and Louis Armstrong into a contemporary setting so that they could "interact" with celebrity endorsers Paula Abdul and Elton John.[6]

In the near future, this technology will also be able to create computer-generated performers—composite clones with physical features and vocal intonation determined by focus groups, combining the ideal nose visually sampled from footage of one real performer and the ideal pair of eyes and lips sampled from footage of others.[7] These "perfect" performers, along with deceased celebrities digitally revived and cast in new works, will soon be able to perform for audiences in a manner indistinguishable from that of real, live actors.[8]

Unlike most previous special-effects technologies, visual sampling technology, in varying forms of complexity and cost, is currently available to the general public. The amateur auteur, armed with only home video equipment and a personal computer, can now scan, store, manipulate, and paste full-motion sampled images into new visual works with a measure of realism virtually identical to that available to the industry professional.

While the availability of the technology has expanded, the ownership of original creative works has shrunk. During the past decade, owners of visual content (the studios, networks, and stock footage houses) consolidated their control over the supply of desirable audio-visual material through the merger and acquisition of entertainment entities.[9] The resulting "megacontent owners" have an almost infinite supply of content—movies, television programming, and other audio-visual material—that can be exploited in new, nontraditional formats such as multimedia, and in the licensing of visual and audio samples. Despite this concentration of product and the potential for substantial revenues from licensing their libraries of images, content owners have, thus far, proceeded with caution into this new market.

Content owners are reluctant to license their works for visual sampling for several reasons. Although content owners generally own the copyrights to the underlying

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DENNIS IRWIN

works that make up the majority of sources for visual sampling, they do not always own all the rights to exploit their libraries with impunity.[10] Performers, producers, writers, composers, and costume and set designers also may own various rights to these visual works. In addition, sympathetic courts have helped artists to retain rights and participate in revenues not explicitly transferred through standard contract language drafted in connection with the underlying work.[11]

Moreover, agreements and other documents relating to older material often no longer exist. Consequently, the determination of rights can be both costly and problematic. Furthermore, since the licensing of works for visual sampling is new to the entertainment industry, the licensing value of the material is unknown, and a modest use of a sampled image can carry an excessive license fee.[12]

Most important, unlike previously prevalent analog technology such as film, videotape, and photographs, visual sampling allows duplication of the sampled image with virtually no degradation in quality from the original. This ease of duplication eliminates the necessity of physically acquiring the digitized material from the content owner and increases the likelihood that the sampled images will be reused without the compensation, control, or consent of the owner of the original underlying work.[13] As a consequence, content owners are concerned that their role in the exploitation of their libraries will sharply diminish as the sampling market develops and are reluctant to license their material for visual sampling and other digital uses.[14]

Given the broad-based access and affordability of this technology today to potential exploiters ("samplers," or "visual samplers"), and despite the reluctance of content owners to digitize their visual libraries, powerful market forces will inevitably cause these two adversaries to meet—probably in the courts. Legal issues need to be addressed by parties on both sides of the visual sampling issue, and some solutions are emerging to ensure that visual sampling technology remains a beneficial entertainment tool and a significant source of revenue for the entertainment industry in the future.

PRIOR TO USING AN IMAGE IN A NEW work, a sampler must determine and clear any outstanding intellectual property rights in the underlying work. The Copyright Act sets out specific rights that are exclusive to the copyright/content owner, including the exclusive right to reproduce, distribute, display, and publicly perform the copyrighted work.[15] If a new work is based in whole or in part upon a preexisting work that is recast, transformed, or adapted, it is called a derivative work.[16] The content owner has the exclusive right to create such derivative works.[17]

Consequently, content owners are able to demand a share of revenues generated from subsequent exploitations and uses of the work in either original or adaptive form.[18] Therefore, a work using a sampled image from a copyrighted work would be a derivative work requiring payment to or, at least, permission of the content owner.

The sampler should make sure that the content owner actually has full rights to the property. Creative works currently subject to copyright law are governed under two different versions of the Copyright Act (depending on when the work was created). The 1909 Copyright Act governs the use of works copyrighted prior to January 1, 1978 (the effective date of the 1976 act) and still protected. If published prior to 1978,[19] these works are subject to a renewal period of an additional 28 years or 47 years after the initial 28-year term has lapsed. Works created after the effective date are governed by the 1976 act.[20]

When reviewing ownership of content rights, samplers must be cognizant of a complication created by the U.S. Supreme Court in *Stewart* v. *Abend*, the *Rear Window* case.[21] According to the Court's ruling, if the creator of an underlying work dies before the copyright renewal date (without renewing the copyright), the creator's heirs have no obligation to renew licensing rights to the derivative user even if the creator made a contractual agreement to do so. Consequently, samplers must be prepared to renegotiate with the creator's heirs if the creator dies before renewal, or they will be forced to either edit the offending sampled image out of the new work or remove the entire work from public distribution. Fortunately, the *Rear Window* problem only applies to pre-1978 materials. The 1976 act corrected the problem by allowing the continued use of derivative works even if the underlying rights have been terminated.[22]

Even with complete copyright protection, however, the content owner still may not hold all the rights in the images. Many content owners are unaware of the specific rights they own in underlying material. Determining what outstanding rights, if any, exist, and clearing them for visual sampling purposes in new media and traditional forms of exploitation, can be expensive and ultimately yield unreliable conclusions as to the actual owners of outstanding rights. Adding to the confusion is that many of the potentially more desirable sources of visual sampling (motion pictures circa 1930 to 1950) have little or no documentation setting out the rights content owners actually own in the material vis-à-vis those owned by writers, producers, actors, and others.[23] Even if these documents do exist, they were written at a time when current technological advances were not dreamed of, much less contracted for.

In 1992, Peggy Lee sued Disney over the home video release of the Disney animated motion picture *Lady and the Tramp*.[24] Lee cowrote and sang six songs and was the voice for four of the characters in the film. However, the agreement she signed in 1952 did not envision videotape technology. Disney, however, contended that Lee's contract granted Disney the right to "any other technology yet to be invented."[25] Nevertheless, a Los Angeles jury found in her favor due in part to a rarely negotiated term in Lee's contract with Disney that held back "transcription"[26] rights of her work.

Although Lee's lawsuit is not an appellate opinion and turned on unique facts, the case is significant in that it indicates a willingness on the part of performers and other artists to take action to increase their participation in the revenues that new technologies generate when exploiting underlying works. Indeed, news accounts of Lee's favorable verdict indicated that other performers who were the voices of characters in other animated films were pursuing similar remedies.[27]

The *Lee* case also illustrates the importance of ensuring that the bundle of rights that the content owner supposedly grants the sampler actually belongs to the content owner. Counsel for the sampler should attempt to obtain warranties and "hold harmless" (indemnification) clauses in licensing agreements with content owners.[28] Given these risks in using underlying material in this novel way, it appears that content owners will in many cases only be willing to grant a quitclaim to the sampler.[29] This grants the sampler a license for all the rights the content owner has to the underlying visual material without specifying the nature of the rights (and avoiding mention of any rights that others may have). The best advice under these circumstances is caveat emptor.

THERE ARE OTHER ALTERNATIVES TO gaining permission from content owners before using sampled images in new works. These alternatives, while not exhaustive or consistently exculpatory, include interim sampling or copying, fair use and First Amendment defenses to infringement, as well as the use of public domain works. Samplers who take this route should be aware that these alternatives will often involve significant risk of a lawsuit from content owners and other holders of rights to the underlying work. Regardless of the ultimate outcome, defense costs alone from appropriating images in this way can easily exceed the value of using the image in the first place.

A sampler attempting to avoid the need for a content owner's permission can make an interim sample or copy of the preexisting image and then alter the image—through computer-image manipulation or morphing—beyond the ability of the content owner to recognize the new use of the underlying work. At that point, the sampler could delete or erase the sampled image from stored memory, thus retaining only the manipulated image and possibly eliminating evidence of the infringement. In addition to the sampler's avoidance of detection through recognition, there is some case law to support this

form of sampling as a legitimate alternative to obtaining the content owner's consent.[30] Although the content owner still may have remedies at law under these circumstances, it may be problematic to establish substantial similarities between the new work and the appropriated material sufficient to sustain an infringement action against the sampler: "[T]he more completely an unauthorized work distorts the original, the less substantially similar to the original it will be—and the less likely it will be to infringe."[31]

Generally, copying a copyrighted visual work has been held to infringe the underlying owner's copyright to the preexisting material.[32] This infringement is based on a reuse of the subjectively creative elements of the preexisting visual material, such as poses, costumes, background, lighting,[33] and type of film.[34] However, if the sampler can avoid appropriating any of the protectible elements of the preexisting material while sampling the preexisting footage,[35] or if ultimately there is no substantial similarity between the protected elements of the footage and the resulting new work, there might not be actionable infringement.[36]

Samplers who appropriate images through replication and manipulation may circumvent detection as well as the reach of content owners who might have pursued a remedy at law. Such a scenario would have potentially adverse consequences for each member of the creative chain tied to the underlying work. Ironically, it also encourages content owners themselves (chiefly, the studios and other production entities) to become samplers. Although it will soon be possible to digitally revive or recreate performers to perform in new works without reference to the underlying work,[37] it is within current technology to replicate, manipulate, and reuse visual material such as costumes, locations, sets, and special effects in new works.

Interim copying may provide a means by which the content owner/sampler can successfully bypass the services of those who provided the original services with little fear of discovery. Although these contributors to the underlying work may have claims for unfair competition and their respective trade unions and guilds may have provisions in place for reuse of their services, they are ill-equipped to police the new technology. Like the content owners, these artisans may be unaware and unable to be compensated for their contributions to new works and potentially will lose new employment opportunities if the underlying visual material is altered beyond recognition.

Although existing case law supports the proposition that interim copying constitutes infringement of the underlying work,[38] the best solution for the rights owner may turn out to be technological, not legal. Recently, the Society of Motion Picture and Television Engineers (SMPTE) recommended embedding a digital tracer into film footage and

(Continued on page 44)

A Cover Is Born. Closeup of Sam (Dooley Wilson) from the original *Casablanca* still (*left*); photo of Peter Kaufman posed to fit into Sam's space (*middle*); composite of the manipulated images (*right*).

Painting By Pixel

Were you shocked—*shocked*—to see Century City attorney Peter L. Kaufman at the keyboard playing it again for Humphrey Bogart and Ingrid Bergman? How can Kaufman, a current member of the Association, appear in the classic wartime movie *Casablanca*, anyway? And what are Rick and Ilsa doing ensconced on the cover of *Los Angeles Lawyer*?

The success of the movie *Forrest Gump* has brought the technology of visual digital manipulation into mainstream awareness, but the details of the process itself are not as well known.

For *LAL*'s cover, we started by taking Peter Kaufman's legal analysis to heart and secured the appropriate clearances for the right to use and manipulate the celebrity images. We approached Edward Rosenthal, an attorney at Frankfurt, Garbus, Klein & Selz in New York City, who represents Bogart's estate (his two surviving children). He put us in touch with the estate's entertainment management firm, Curtis Management Group, who then received permission from the children for the magazine to use pictures from the estate. Our art director, Les Sechler, was provided with several photographs, from which he selected a still from *Casablanca*. While the still belongs to the estate, the copyright of the image is held by Metro-Goldwyn-Mayer's successor-in-interest, Turner Entertainment Co. in Los Angeles.

There we faced a formidable roadblock. Turner actually has a policy precluding the digital manipulation of images from its film library. Fortunately, the company graciously granted *LAL* a special exemption based on the scholarly focus of the magazine and the content of the article. Finally, Curtis secured permission for us from the Bergman estate. The magazine thus received permission from, and paid appropriate fees to, Turner, Bogart, Inc., and the Family of Ingrid Bergman.

Next we enlisted York Knowlton, of York Imagery, a Los Angeles-based photographer and specialist in digital imaging, to perform the manipulations necessary to compose the cover. The still was converted into digital information using a drum scanner, which reads the image in tiny increments (say, 1/4,000 of an inch) and assigns one tonal value to each pixel—the smallest individual building block of digital information. There are 256 possible values (which include highlights, shadows, and the tones in between) in a black-and-white image, and 16.7 million values in a color image. The scanned image, made up entirely of these created digitized pixels, was stored on disk.

Knowlton used Adobe Photoshop software to create the finished image—including moving Ingrid closer to Bogart, cutting her hands and rotating her arm for a better position next to the champagne glass, elongating the space above Bogart's head to recreate a higher ceiling, enlarging the keyboard, and removing Sam. Knowlton created a template for the space at the piano and placed it in the camera as he shot an image of Peter Kaufman with his hands resting on a white table. A transparency of Kaufman, as well as the image of *LAL* behind Sam's song list on the piano, also were converted into digital files and imported into the now-pix[e]lated scene from *Casablanca*. Knowlton's tools include cutting, pasting, cloning, and a variety of brush strokes that move and redefine pixels—all in the service of maintaining the integrity of the original image.

The technology is available to all and is getting simpler with each new version. But the artistic interpretation will always remain foremost. Rick could never accuse what is accomplished with visual digital manipulation as amounting to nothing more than just a hill of beans.—Lauren Milicov

Lauren Milicov is senior editor of Los Angeles Lawyer.

Wizards of Ahhhs

(Continued from page 27)

other visual material that may be subsequently digitized into a computer.[39] The SMPTE code would make it easier to identify the source material in the event it is later misappropriated by either samplers or content owners. Utilization of the SMPTE code in visually sampled material not only would benefit content owners and other rights holders in controlling use of content but would also increase the ability of trade unions and guilds to monitor subsequent reuse of their constituents' unauthorized contributions in new works.

The sampler, however, has still another alternative to receiving (and paying for) permission to use protected works: the fair use doctrine[40] or First Amendment.[41] The fair use doctrine "permits courts to avoid [enforcement]...of copyright...when...it would stifle the very creativity the law is designed to foster."[42] The fair use of material includes, but is not limited to, criticism, comment, parody, teaching, news reporting, scholarship, or research.[43]

If visual sampling litigation proves to be similar to the audio sampling litigation of the past few years, parody is going to be one of the most frequently asserted defenses. Parody may be defined as closely imitating the style of another for comic effect or social commentary, thereby creating a new work that ridicules the style and/or expression of the original.[44] Samplers should rely on this defense only if their use of the image can reasonably be construed as a parody and if the sampler's use of the image "does not unfairly diminish the economic value of the original."[45]

If the preexisting footage is in the public domain, the sampler need not obtain permission of the owner of the expired copyright to use the material. However, the sampler cannot be sanguine that other contributors to the underlying work will not assert their ownership of ancillary rights as well as pursue remedies under unfair competition and trademark laws. Moreover, although the sampling of a performer's physical attributes or voice is not copyrightable,[46] it may be subject to a performer's right of publicity regardless of whether the underlying work is in the public domain.

RIGHTS OF PUBLICITY ARE INDIVIDUAL rights that arise when a performer's likeness, voice, personality, or characterization is used without the consent of the performer or the performer's estate. The sampler may be liable for damages whether or not the materials are copyrighted or in the public domain.[47]

In addition to the common law right of publicity in California, Section 3344 of the California Civil Code protects performers from the commercial exploitation of their "name, voice, signature, photograph, or likeness" by others.[48] Performers may also have a defamation claim if the sampler uses the digitized image in an embarrassing situation either by context or altered footage.[49] In addition, the performer may have a remedy under unfair competition and trademark laws especially in those jurisdictions that do not recognize a performer's right of publicity.[50]

Civil Code Section 990 retroactively created a post-mortem right of publicity for the commercial exploitation of deceased performers on behalf of their estates.[51] This right remains in force for 50 years after the death of the performer or other personality, whether or not the performer commercially exploited his or her name, voice, signature, photograph, or likeness during the performer's lifetime.[52]

Lugosi v. *Universal Pictures Co.*[53] is a pre-statutory case that focused on the issue of the descendibility of Bela Lugosi's rights of publicity in his characterization of Dracula. In *Lugosi*, "[a] character involves more than just the actor's likeness; it may include a costume, mask, or even a nickname."[54] The court indicated that a performer's embodiment of a character may also be protected when the actor has the rights to, or becomes synonymous with, the character—and a right-of-publicity claim may be raised by the performer for the use of the character or portrayal associated with the performer.[55]

A similar issue was raised in connection with a living performer in *White* v. *Samsung Electronics America Inc.*,[56] in which the electronics company allegedly portrayed Vanna White, the "Wheel of Fortune" hostess, as a robot in a futuristic game show as the basis for an advertisement. Although the robot in Samsung's ad did not actually look like White, the robot's characterization as a game show letter-turner was sufficient for the court to rule in White's favor.[57] A performer's characterization may also be protected by trademark and unfair competition laws in addition to right-of-publicity actions.[58]

Thus, either content owner or sampler should clear publicity rights with the performer or the performer's estate prior to licensing. Prior to licensing sampled footage, counsel for both content owner and sampler should review agreements signed by performers in connection with the underlying work to determine if any of the performers retain any rights in their characterizations or on-screen portrayals of a character.[59] Although the performer's consent is usually granted by contract in connection with the underlying work, it is doubtful that such consent would extend to visual sampling of the performer's image from such works for use in another work. Consequently, content owners who believe that their exploitation rights in the underlying material extend to the exploitation of a performer's image apart from the material are likely exceeding the scope of the rights they possess.

If the rights are not cleared, the content owner and sampler alike should proceed with

caution unless they are confident that they can utilize First Amendment or fair use arguments to escape liability. As with copyright-infringement actions, a performer's right-of-publicity claim might be subject to a First Amendment or fair use defense of parody; but, if the use is intended for commercial exploitation, a court is less likely to find these defenses exculpatory.[60]

DESPITE THE PROTECTIONS NOW IN place for performers and their estates, counsel for these clients should take additional steps now to protect rights in images that might be subject to sampling technology. Aside from existing statutory and common law protection, and the use of monitoring devices like the SMPTE code, counsel for performers should draft language in newly crafted agreements that severely restricts the use of their client/performer's footage for visual sampling purposes other than for the exploitation of the underlying work as a whole. This language would still permit content owners the ability to exploit technologies that create new outlets for continued exhibition of the underlying work but would preclude image appropriation in the creation of new works without first seeking consent of the performer.

Content owners appear to be reluctant to grant licenses due to a collective unfamiliarity with the new technology. The entertainment industry has a history of resisting new avenues of exploitation (and legitimate reuse and license) of their pre-existing material.[61] This reticence may stem from the fact that the dollar value of the material used for visual sampling is still unknown—just as it was in the infancy of other emerging technologies.[62]

Content owners have not found a reasonable basis for computing fees for visually sampled uses. Some content owners literally overcompensate by demanding excessive, unrealistic fees. Others refuse to negotiate with visual samplers at all, preferring instead to wait until their competitors take the initial risk of setting a market value for sampling material. Moreover, unlike previous emerging technologies, digital sampling technologies have not proven workable under the license fee arrangements used in more traditional forms of exploitation (such as videotape, rebroadcast, and the like).[63]

When digitized images are used in conventional forms of exploitation such as motion picture production and current television programming and advertising, the production budgets usually can handle a sizable license fee for digitized imagery. While the high-end license fees for, say, Chanel's use of Marilyn Monroe's likeness may work as a royalty formula in television advertising or in motion pictures, it is wholly unworkable in new media uses such as computer software, multimedia, and CD-ROM technologies, where the production budgets are significantly less grandiose.

If content owners insist on charging dig-

ital media samplers a substantial license rate for film clips and other audio/visual material, the resulting licensing fees ultimately could exceed the total budgets of new visual works. Multimedia is inherently nonlinear[64] and interactive, so consumers may never see the licensed image when using the product.[65] Moreover, future uses of sampling technology in television programming will need to be increasingly cost-effective in a 500-channel universe where lower-cost programming will be needed to serve smaller audiences. In such circumstances, as with multimedia, the average television programming budget will be unable to sustain the substantial licensing fees now required for the use of visually sampled images.

Thus the interests of content owners and visual samplers have become polarized: "One is holding back rights that the other needs, and the other is blind to the overall value of the content and the threat that digital media presents to [the content owners']control of images; one has an enormous market to protect, the other is anxious to establish its own market...." As a result, a majority of content is not available to samplers for legitimate license.[66]

However, withholding content from the public and the industry will not work. Content owners will be unable to stop unauthorized sampling of preexisting works simply by refusing to license them. Rather, the owners will drive visual sampling underground, where it can be readily obtained from the nearest video store's supply of prerecorded tape or videodiscs, through the regular broadcasts of motion pictures and programming on television, or via computer online services such as America Online and Prodigy, where users can download[67] digitized images to their home computers.

THE ENTERTAINMENT INDUSTRY should not impede the growth of a legitimate market for visual sampling because of its collective desire to avoid addressing these licensing issues. Aside from the SMPTE code, counsel for both samplers and content owners should be creative in crafting contractual provisions that foster the content owner's ability to participate aggressively in the digitized image market today with affordable licensing fees without creating risk that they will lose out on greater revenues tomorrow when market values increase.[68]

The application of short license terms and "most favored nations" (MFN) clauses[69] in licensing agreements will encourage greater content owner participation in the legitimate use of digitized images. Licenses of short duration would minimize risk for the content owner in the event that the market for new uses improves over time. Similarly, as the market for digitized images improves, those content owners with MFN clauses in their

agreements with samplers could participate in greater compensation in the improved market. Initial licensing fees thus could be reduced, an inducement for samplers to obtain permission legitimately from the content owners.

The entertainment industry has never been fond of being ahead of the curve on legal issues emerging from new technologies. But carefully crafted, concrete solutions will no doubt deter unauthorized appropriations and protect proprietary interests. Without the creation of contractual agreements and provisions for rights clearances and royalty fee structures that encourage legitimate use, content owners may face unrestrained piracy that will be difficult, if not impossible, to control. Visual samplers will be virtual outlaws, obtaining sampled images in an underground black market, compelled to obscure the source of the images they misappropriate to avoid detection and prosecution. Meanwhile, the performers and other creative contributors may find their talents coopted by content owners and visual samplers—without compensation or consent in a latter-day (maybe even posthumous) digital recreation.[70]

This alternative is unthinkable for all involved, save outlaw samplers. To paraphrase Bogart in *Casablanca*, if content owners, creative contributors, and samplers can reach some consensus today regarding sampling issues, it "could be the beginning of a beautiful friendship." ◆

[1] Maria Racapito, *Monroe Doctrine*, ENTERTAINMENT WEEKLY, Jan. 20, 1995, at 11 (the Monroe estate received the licensing fee for use of her image in the Chanel ad).

[2] *Visual sampling* is not the industry-wide term for this technology. The terms most often used to describe the technology are *bit-mapping*, *frame-grabbing* (in the case of video), *scanning*, and *digitized imagery*. *See* Laura Buddine, *Content Issue for New Media Technologies*, in KAUFMAN AND SWARTH, NEW TECHNOLOGIES 101: A PRACTICAL APPROACH FOR ENTERTAINMENT LAWYERS 1, 21 (Los Angeles County Bar IPELS Symposium Syllabus, 1992).

[3] This process and similar techniques of sampling visual works (as well as much of the case law developed from litigation in this area) are akin to the audio sampling of music. Audio sampling technology enables musicians to add portions of preexisting musical material to their own musical works. *See, e.g.*, Grand Upright Music, Ltd. v. Warner Records, Inc., 780 F. Supp. 182 (S.D.N.Y. 1991); Jarvis v. A&M Records, 827 F. Supp. 282 (D.N.J. 1993).

[4] In the movie *Forrest Gump*, digitally sampled images of lead actor Tom Hanks were placed within the image as well as the context of old news footage of presidents Kennedy, Johnson, and Nixon. Similarly, in *In the Line of Fire*, a digitally sampled image of a younger Clint Eastwood was taken from previous Eastwood films and digitally pasted on the head of one of the Secret Service agents appearing in footage of Kennedy's assassination—giving viewers the impression that Eastwood was actually in the historic footage. These motion pictures, as well as Woody Allen's earlier film *Zelig*, all pasted contemporary actors into earlier footage, rather than the other way around.

[5] The term *paste* is commonly used to describe the process of placing the sampled image within or into a different image.

[6] *See* Brian Stonehill, *Images, So Easy to Manipulate,*

Lose Value, LOS ANGELES TIMES, Jan. 11, 1993, at B6.

[7] *See, e.g.*, the film *Looker* (Warner Bros., 1981) (fictional thriller directed by Michael Crichton and starring Susan Dey, predating visual sampling technology, that explores its possible abuses).

[8] *See* Joseph J. Beard, *Casting Call at Forest Lawn: The Digital Resurrection of Deceased Entertainers-A 21st Century Challenge for Intellectual Property Law*, 8:1 HIGH TECHNOLOGY L. J. 101 (1993), for an in-depth exploration into the legal issues of "reanimating" deceased performers.

[9] *See, e.g.*, MCA-Universal, now owned by Matsushita; Sony Pictures (née Columbia Pictures); the Time/Warner merger; and Paramount Pictures, now owned by Viacom.

[10] For purposes of this article, content owners are also copyright owners of the content (unless the copyright has lapsed and the work has passed into the public domain).

[11] Cohen v. Paramount Pictures Corp., 845 F. 2d 851 (9th Cir. 1988); Lee v. Walt Disney Prods., L.A.S.C. No. C705414, 2 Civ. No. B064800 (1992).

[12] Buddine, *supra* note 2, at 24-28; MICHAEL SCOTT, MULTIMEDIA: LAW AND PRACTICE §1.02[c] (1994).

[13] Buddine, *supra* note 2, at 24.

[14] Charles Morgan, *Sampled unto Death*, 3 NEW MEDIA 9, 17 (Sept. 1993).

[15] 17 U.S.C. §106. Digital images are not specifically listed as subject matter qualifying for protection under the current Copyright Act. However, such protection can be construed under the rubric definition of "pictorial [and] graphic...works" or from the act's general definition of appropriate subject matter.

[16] 17 U.S.C. §101.

[17] 17 U.S.C. §106.

[18] SCOTT, *supra* note 12, at §9.04[A]n. 33.1, *citing* Reichman, *Electronic Information Tools—The Outer Edge of World Intellectual Property Law*, 24 IIC 446, 456 (1993).

[19] Unpublished works are protected in perpetuity under the 1909 act. *See generally* NIMMER, 2 NIMMER ON COPYRIGHT §9.01-9.07 for certain works that are subject to a 47-year renewal term.

[20] 17 U.S.C. §§101, *et seq.*

[21] Stewart v. Abend, 110 S. Ct. 1780 (1990). *Rear Window*, the popular Alfred Hitchcock movie starring James Stewart and Grace Kelly, was a derivative work of a short story by Cornell Woolrich entitled "It Had to Be Murder." Woolrich sold the movie rights to Universal and later sold the overall rights to Sheldon Abend. Woolrich died before renewing the copyright for a second term. Abend, as Woolrich's heir, did renew the rights and subsequently sued Universal/MCA, claiming that he now owned all rights, including movie rights, and the original Woolrich-Universal agreement was now subrogated. The court held for Abend.

[22] SCOTT, *supra* note 12, at §9.09, *citing* 17 U.S.C. §203(b)(1).

[23] Buddine, *supra* note 2, at 15; SCOTT, *supra* note 12, at §§1.02[c], 24.04[B].

[24] Lee v. Walt Disney Prods., L.A.S.C. No. C705414, 2 Civ. No. B064800.

[25] *Id.* Lee's 1952 contract with Disney specifically excluded "photographs, transcriptions or recordings of *Lady and the Tramp*." Disney maintained that transcription rights amounted to radio promotion rights and were not in any way similar to video rights. *See* John Horn, *Peggy Lee's Video Victory in Court May Spark Other Suits*, THE ORANGE COUNTY REGISTER, Mar. 25, 1991, at F3.

[26] *Id.*

[27] *See* Horn, *supra* note 25.

[28] SCOTT, *supra* note 12, at §24.02.

[29] *Id.*

[30] The term *morphing* can be defined as the computerized blending of two or more digitized images to

form one image; Beard, *supra* note 8, at 114, *citing* See v. Durang, 711 F. 2d 141, 142 (9th Cir. 1983) (copyrighted material subsequently deleted or disguised "as to be unrecognizable is not copying"); Walker v. Time-Life Films, 615 F. Supp. 430 (S.D.N.Y. 1985), *aff'd*, 784 F. 2d 44 (2d. Cir. 1986), *cert. denied*, 476 U.S. 1159 (harmless error in excluding previous drafts of allegedly infringing screenplay since no substantial similarity exists between protectible portions of the final versions of the works).

[31] John Gastineau, *Bent Fish: Issues of Ownership and Infringement in Digitally Processed Images*, 1991 INDIANA L. J. 118, *citing* P. GOLDSTEIN, COPYRIGHT, PATENT, TRADEMARK AND RELATED STATE DOCTRINES: CASES AND MATERIALS ON THE LAW OF INTELLECTUAL PROPERTY 756 (3d ed. 1990); *but see* International News Service v. Associated Press, 248 U.S. 215 (1918); Feist Publications, Inc. v. Rural Tel. Serv. Co., 111 S. Ct 1282 (1991).

[32] Beard, *supra* note 8, at 112 n.54, *citing* FINAL REPORT OF THE NATIONAL COMMISSION ON NEW TECHNOLOGICAL USES OF COPYRIGHTED WORKS 12 (July 31, 1978): "[T]he placement of any copyrighted work into a computer is the preparation of a copy." Beard relies on analogies to cases in which the infringing copy was a similarly posed photograph. *Id.* at 110, *citing* Burrow-Giles Lithographic Company v. Sarony, 111 U.S. 53 (1884); Time, Inc. v. Bernard Geis Assocs., 293 F. Supp. 130 (S.D.N.Y. 1968) (sketches of Zapruder film footage); and Rogers v. Koons, 960 F. 2d 301, 307 (2d Cir. 1992), *cert. denied*, 113 S. Ct. 365 (sculpture). *See also* Gross v. Seligman, 212 F. 930 (2d Cir. 1914).

[33] Beard, *supra* note 8, *citing* Burrow-Giles, 111 U.S. 53.

[34] Beard, *supra* note 8, at 110, *citing* Time, Inc, 293 F. Supp. 130.

[35] Beard, *supra* note 8, at 114, and cases cited therein.

[36] *Id. See also* NIMMER, *supra* n. 19, at §8.01[D], n.38.1, *citing* Financial Control Associates Inc. v. Equity Builders Inc., 799 F. Supp. 1103, 1114 (D. Kan. 1992); and Feist Publications Inc., 111 S. Ct. 1282.

[37] *See* Beard, *supra* note 8.

[38] Walt Disney Productions v. Filmation Associates, 628 F. Supp. 871 (S.D. Cal. 1986); Walker v. University Books, Inc., 602 F. 2d 859 (9th Cir. 1979) (court held that mere "inchoate representation of some product to be marketed commercially does not in itself negate the possibility of infringement"). *But see* Sega Enterprises Ltd. v. Accolade, Inc., 977 F. 2d 1510 (9th Cir. 1992) (the court found actionable infringement but sustained fair use defense and acknowledged that in some cases interim copying might not be actionable).

[39] Morgan, *supra* note 14, at 20 (formally known as a universal header/descriptor identification code). However, Morgan remains skeptical about the utility of an embedded SMPTE code: "Embedded codes might be helpful...to establish the ancestry of [a] claimed infringement....[However, embedded] codes could not make a work that is fundamentally altered seem 'substantially similar' to its original state."

[40] 17 U.S.C. §107.

[41] Note that if the content owner is reluctant to allow digital use of these images, the sampler's inquiry puts the content owner on notice of the sampler's desire to use the material. However, the U.S. Supreme Court recently held that "being denied permission to use a work may not weigh against a finding of fair use." Campbell v. Acuff-Rose Music, Inc., 114 S. Ct. 1164, 1174 n.18 (1994).

[42] Campbell, 114 S. Ct. at 1169.

[43] 17 U.S.C. §107.

[44] Acuff-Rose Music, Inc. v. Campbell, 972 F. 2d 1429, 1438 (6th Cir. 1992).

[45] *Id.* The court stated that while "commercial use of copyrighted material is presumptively an unfair exploitation," it also had to be convinced that "parody does not unfairly diminish the economic value of the original." In Tin Pan Apple v. Miller Brewing

A	P	P	R	O	P	R	I	A	T	I	O	N		
D	I	M	E		R	E	T		I		C	E		
D	E	L	L	A		P	A	T	E	N	T	S		
U			E	G		U	L	P		S	E	T		
C	A	R	V	E		B	Y		U		T	E		
E	S		A	N	G	L		L	T	D		D		
	C	O	N	T	R	I	B	U	T	E	S			
C		J	C	S		C	A	G	E		I	P		
O	S		E		F	A		O	R	A	C	H		
R	C	A		L	O	T		S	I			O		
F	E	L	L	I	N	I		I	N	U	I	T		
A	N		S		D	O	E		G	O	B	O		
M	E	R	C	H	A	N	D	I	S	I	N	G		

ANSWER TO THIS MONTH'S PUZZLE (SEE PAGE 62).

Company, 737 F. Supp. 826 (S.D.N.Y. 1990). Miller produced a beer ad that featured a parody of a well-known band and their copyrighted songs. The court disagreed with Miller's use of the parody defense since Miller commercially exploited the band's copyrighted songs to market its products.

[46] Midler v. Ford Motor Co., 849 F. 2d 460, 462 (9th Cir. 1988), *cert. denied*, 112 S. Ct. 1513 (1992) ("A voice is not copyrightable. The sounds are not 'fixed.'").

[47] CIV. CODE §3344. *See generally* THOMAS MCCARTHY, THE RIGHTS OF PUBLICITY AND PRIVACY §§4.0, *et seq.*

[48] CIV. CODE §3344.

[49] SCOTT, *supra* note 12, at §16.04 n. 30-31, *citing* Peay v. Curtis Publishing Co., 78 F. Supp. 305 (D.D.C. 1948); Buckstaff v. Viall, 84 Wis. 129, 54 N.W. 111 (1983); Carlson v. Hillman Periodicals, Inc. 163 N.Y.S. 2d 21 (1957); JOHNSON-LAIRD, MULTIMEDIA AND THE LAW 14 ("Depending on the image, deformation can itself be transmuted into defamation.").

[50] *See, e.g.*, White v. Samsung Electronics America Inc., 89 F. 2d 1512, 26 U.S.P.Q. 2d 1362, 21 Media L. Rep. 1330 (9th Cir. 1993), asserting, *inter alia*, violation of §43(a) of the Lanham Act.

[51] CIV. CODE §990 (1988).

[52] CIV. CODE §990(g).

[53] Lugosi v. Universal Pictures Co., 114 Cal. 3d 813, 160 Cal. Rptr. 323, 603 P. 2nd 425 (1979).

[54] SCOTT, *supra* note 12, at §14.10[A].

[55] *Id.*

[56] White, 89 F. 2d 1512.

[57] *See also* Waits v. Frito Lay, Inc., 978 F. 2d. 1093 (9th Cir. 1992) (an animated advertisement featuring an animal with plaintiff's sound-alike voice held to violate plaintiff's right of publicity); Midler v. Young & Rubicam, Inc., 944 F. 2d 909 (9th Cir.1991); Midler v. Ford Motor Co., 849 F. 2d 460.

[58] Lugosi, 114 Cal. 3d at 825-26.

[59] SCOTT, *supra* note 12, at §14.11.

[60] Campbell, 114 S. Ct. at 1169.

[61] *See, e.g.*, Stodart v. Mutual Film Corp., 249 F. 507 (S.D.N.Y. 1917), *aff'd*, 249 F. 513 (2d Cir. 1918) (legitimate play owner versus newly created motion picture company); Autry v. Republic Pictures Prods., 213 F. 2d 667 (9th Cir. 1954), *cert. denied*, 348 U.S. 858 (1954) (movie actor versus newly created TV company); TelePrompTer Corp. v. Columbia Broadcasting Sys., 415 U.S. 394 (1974) (broadcast television versus cable company); Sony Corp. of Am. v. Universal City Studios, 464 U.S. 417 (1984) (motion picture company versus videotape recording manufacturer); Columbia Pictures Indus. v. Aveco, Inc., 800 F. 2d 59 (3d Cir. 1986) (motion picture company versus videotape exhibitors); Lee, L.A.S.C. No. C705414 (singer versus videotape distributor); Acuff-Rose Music, Inc. v. Campbell, 972 F. 2d 1429 (music copyright owner versus music samplers).

[62] Buddine, *supra* note 2, at 14-16; SCOTT, *supra* note 12, at §1.02.

[63] *Id.*

[64] The term *nonlinear* can be defined as the user's ability to choose from a variety of alternatives in how the story or plot of a particular work develops. Consequently, significant portions of a given work may not be available to the user on any particular exhibition of the work.

[65] Buddine, *supra* note 2, at 16-18.

[66] Morgan, *supra* note 14.

[67] The term *download* refers to the process of transferring data from one computer to the other by means of a modem or similar telecommunications device.

[68] *See generally* Buddine, *supra* note 2; and SCOTT, *supra* note 12, at §4.02[c].

[69] *Id.* In this context, an MFN clause guarantees a particular licensor the most favorable terms as those that are granted to any licensor in connection with a particular work.

[70] *See generally* Beard, *supra* note 8.