



# NYPTC BULLETIN

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## NYPTC Plans Spring CLE Weekend

The Continuing Legal Education Committee, chaired by Dale L. Carlson, is planning a continuing legal education weekend at Skytop Lodge, Skytop, Pennsylvania on the weekend of April 11-13. The program will begin with a panel discussion on Saturday morning, April 12, headed by Larry Kastriner and devoted to prosecution of commercially important patent applications. The panel will consider the steps necessary or desirable to the successful issuance of an enforceable patent.

The Saturday morning program will conclude with a presentation by Assistant Commissioner of Patents and Trademarks Rene D. Tegtmeyer on recent developments in PTO rules and practice.

Sunday morning's program will begin with a panel headed by Jim Foster discussing litigation of the commercially important patent. A mock hearing will be held on a motion for preliminary injunction involving the patent.

The program will conclude with a panel discussion headed by Albert Robin concerning recent developments in trade dress litigation.

The Committee has rescheduled this CLE weekend from the Fall to the Spring in order to give members an opportunity to discard Winter blues by planning to enjoy a Springtime weekend at Skytop Lodge. Skytop provides tennis, biking, hiking, golf, an indoor swimming pool and lakeside activities on several hundred acres only two hours from the Hudson River. Everyone should mark their calendars now for what is expected to be a delightful weekend.

## Nominations Open for Inventor of the Year

Nominations are now open for the Inventor of the Year - 1986 Award. The deadline for all nominations is March 15, 1986.

This marks the seventh year that the Association has made this Award.

By nominating a client, an employee of a client, or a fellow employee, you indicate that in your professional opinion that person has made a most significant contribution or contributions. This is an opportunity for recognition by you that is not often presented. Each nomination will be acknowledged in writing by the Association.

You may nominate as many inventors as you wish. You may nominate sole or joint inventors. The recipient will be chosen by the Board of Directors of the Association. The criteria used by the

Board in making its choice is that the Inventor of the Year:

- a) must have been issued one or more United States Patents;
- b) must be able to attend the presentation of the Award at the NYPTCA outing in Spring, 1986; and
- c) must be respected by the nominee's professional peers.

Enclosed is a nominating form. Should you require any additional information or assistance in making a nomination, please contact the Chairman of the Committee on Public Information and Education, Stanley Silverberg at 201-831-2120.

## Commissioner Quigg Addresses Joint Dinner Meeting

Donald J. Quigg, Assistant Secretary of Commerce and Commissioner of Patents and Trademarks, addressed a joint meeting of the New York Patent, Trademark and Copyright Law Association and the New Jersey Patent Law Association. At the meeting, held on January 16, 1986, Commissioner Quigg recounted his experiences during the nomination and confirmation process and outlined the status of certain Patent and Trademark Office matters.

According to Commissioner Quigg, his tenure as Acting Commissioner was prolonged because a number of bureaucratic and congressional snags were encountered. Among the matters which delayed his confirmation as

commissioner were President Reagan's surgery and congressional pique at Reagan's appointments made during the summer recess as a result of which Congress delayed action on outstanding nominations.

Commissioner Quigg noted that in January 1985 he had suggested that the patent bar ask Congress to raise Patent and Trademark Office fees to a point where costs of the office would be fully offset by fees. At that point, he believes the bar should ask Congress to allow the Patent and Trademark Office to be run as a corporation outside the bureaucracy. Commissioner Quigg noted that full cost offset by fees would be

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undercut by the Gramm-Rudman-Hollings Act which requires a 4.3% cut in all line items totaling about a nine million dollar cut for the Patent and Trademark Office.

Turning to the goals he had set for Patent and Trademark Office performance, Commissioner Quigg noted that the "3-13" objective for trademark applications had been passed last year. That goal called for a first action on a trademark application within three months of filing and publication within thirteen months. He also noted that pendency of trademark applications had been reduced by 48% in 1985. As a final point respecting trademarks, he explained that automated electronic searching was being implemented with an aim toward better quality searches.

Turning to the patent side of the office, Commissioner Quigg noted that the number of examiners had been expanded to 1400 resulting in a record number of disposals in 1985. A random selection of 4% of allowed applications is being made to assess the need for remedial training of examiners and to assure the quality of issued patents. The goal of the office is to reduce patent pendency to eighteen months without loss of quality. Commissioner Quigg requested that the bar give input concerning areas to be targeted for improvement.

Commissioner Quigg reported that efforts are underway to improve the quality of performance of the Board of Patent Appeals and Interferences. The union was decertified for the Board last

year and standards regarding the minimum number of cases an examiner must produce are being implemented. The Board also has hired legal counsel.

The program for automation of patent searching is progressing. Tests in Group 220 have been completed with data loading to be completed in February 1986 barring budgetary delays. A second automation master plan has been submitted to the Office of Management and Budget for review. The plan will be circulated for comments. The ultimate goal of the automation process is to achieve a paperless office. Efforts are underway toward standard elements which will allow access among the European, U.S. and Japanese systems despite differences in those systems.

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# Defining Entertainment Law

by Melvin Simensky

Over the past several years, this writer has been privileged to read many interesting articles on Entertainment Law. During such period, few have apparently considered it appropriate in such articles to offer a definition of the area of law about which he or she has been writing. There presently exists a glaring lack of proposals setting forth a conceptual framework for Entertainment Law, so as to give cohesion to what may otherwise appear unrelated subject matter. The absence of attempts to define Entertainment Law is understandable, since the subject matter embodied under such rubric tends to defy definition. More than once has this writer heard comments to the effect that Entertainment Law is incapable of definition but, rather, that it is a "catchword" for unrelated - albeit individually definable - areas of law.

Unquestionably, there is truth to such comments, but they do not tell the complete story. Accordingly, this article will propose one definition of Entertainment Law which has been shaped by this writer's experience over several years in teaching and writing about the theory of Entertainment Law, accompanied by the implementation of such theory through practice.

Our definition of Entertainment Law is as follows:

"Entertainment law, as practiced in the United States, is that body of principles governing activities within the entertainment industry in this

country. This industry has five branches: movies, television, live theatre, music and print publishing. Among these branches are common issues, such as the structure of power relationships within the branches; the importance of credit or billing; the methods of structuring compensation and related issues; creative control and the interests at stake in seeking to obtain or restrict such control; the different methods by which rights and creative products may be transferred; and representations, warranties, and indemnities relating to risks particularly characteristic of the entertainment world."

To understand the principles which apply to these issues throughout the entertainment industry, it is submitted that practitioners of Entertainment Law must first understand the business practices which exist in the different branches of the industry. The principles of Entertainment Law, after all, are merely aids for resolving disputes arising among business people in the industry. To use these aids effectively, however, it is essential to understand the business issues at stake for the parties to the dispute.

Our definition of Entertainment Law suggests a view, functionally speaking, which holds that the subject matter of

Entertainment Law is "the deal", *i.e.*, the exploitation of an entertainment project. Such view, in turn, supports an analogy wherein business is perceived to be the skeleton to which legal principles, in part, bestow flesh. In the world of Entertainment Law, therefore, business, not law, dominates.

Different from most industries, in the entertainment business the foundation of a "deal" is an underlying piece of intellectual property. Thus, in the movie branch of the entertainment industry an obvious example of intellectual property with which such branch is identified is the screenplay. In the television branch, it is the teleplay; in the theater, it is the play; in music, it is record and songs; and in the print publishing branch of the entertainment industry, the analogy is books. Accordingly, the practitioner of Entertainment Law must have knowledge of the legal principles governing the use and protection of intellectual property rights, *i.e.*, primarily copyright and trademark law.

The negotiation of intellectual property rights, in the context of making a "deal" in the entertainment business, requires knowledge of certain additional matters primarily relevant to the entertainment industry. Echoing our definition of Entertainment Law above, it is suggested that these additional matters comprise the following: issues of credit or billing (*i.e.*, attribution of function to person); particular issues of compensation (dealing, for example, with concerns

about contingent as opposed to present remuneration); artistic control, (i.e., determining the appearance of an entertainment project); grants of rights (dealing with such concerns as the differences between licenses and assignments); and representations, warranties and indemnities pertaining to risks based on rights characteristic of the entertainment industry (such as the rights of privacy, publicity and copyright).

One question posed by our definition of Entertainment Law is the effect such definition might have upon the entertainment practitioner. It is submitted that such definition would heighten sensitivity to the fact that business considerations really dictate resolution of an issue, whether in the obvious context of negotiating a business deal, or the less obvious context of resolving a dispute through litigation. Two cases whose plaintiffs this writer has represented are described below in illustration of this point. They are *Perin Film Enterprises, Ltd. v. TWG Productions, Inc.* 78-4031 (SDNY 1978), and *Silverman v. CBS, Inc.*, 84 Civ. 1894 (SDNY 1984).

In *Perin*, the court held that plaintiff stated a valid cause of action for unfair competition in claiming that he had been denied credit as the executive producer of a television series, while someone else was billed as the series' "executive in charge of production". Plaintiff had been the executive producer of the nationally syndicated television series "For You . . . Black Woman." At the time of suit, the series was in its second year, and was seen in New York City on Sundays on WABC-TV. It was a half hour weekly talk show presenting topics of special interest to black women. Plaintiff claimed that when the series went into its second year, he served as executive producer of the first twenty-two shows before he was dismissed, but that he received no screen credit for his work prior to dismissal. Instead, the name of another employee was substituted under the confusingly similar credit "executive in charge of production."

On the basis of these facts, plaintiff commenced suit, alleging that his failure to obtain an appropriate screen credit for his executive producer services, coupled with the unjustified attribution of a confusingly similar credit to another, constituted a violation of his trademark rights under Section 43(a) of the Lanham Act. Section 43(a) holds actionable the false designation of goods or services in interstate trade.

Plaintiff moved for a temporary restraining order and preliminary

injunction enjoining defendants' television series until receipt of his executive producer credit. Plaintiff argued that his failure to receive proper screen credit represented an irreparable harm, supporting injunctive relief. Such argument presupposed recognition of the economic value of credit, so that the loss of credit represented an economic injury not readily calculable in precise damages.

In response to plaintiff's motion, defendants cross-moved to dismiss the complaint, charging that plaintiff's claim was not cognizable as a valid cause of action under Section 43(a) of the Lanham Act. In a bench decision, the court rejected defendant's motion, whereupon the case settled. Plaintiff obtained an immediate monetary settlement, and, in addition, received billing as executive producer on programs broadcast in major television markets, including New York, Los Angeles, Chicago, Philadelphia and San Francisco. Plaintiff also received the right, after deductions, to half the net proceeds of two thirty second commercial spots.

One conclusion which *Perin* suggests is that business considerations dominated the adjudication and resolution of plaintiff's rights. By claiming that the failure to receive screen credit constituted irreparable harm, in effect, plaintiff was really telling court that his credit had substantial pecuniary value, whose deprivation represented real injury. To convince the court of such proposition, plaintiff sought - almost pedagogically - to inform the court about credit's economic value. Absent such information, the court would have lacked the requisite data to determine the appropriateness of granting injunctive relief for the failure to accord screen credit.

*Perin's* ruling denying defendants' motion to dismiss was not subsequently embodied in a published opinion, because the case settled shortly thereafter. Nevertheless, the legal theory espoused in *Perin* and the business oriented method of its litigation were subsequently endorsed in a reported decision in the Ninth Circuit Court of Appeals, namely, *Smith v. Montoro*, 648 F2d 602 (9th Cir. 1981). The facts in *Smith* were very similar to those in *Perin*. Like *Perin*, the plaintiff in *Smith* argued that his failure to receive proper screen credit coupled with the misattribution of such billing to another constituted a violation of Section 43(a) of the Lanham Act. The Ninth Circuit, in citing *Perin* as persuasive authority, agreed. In pertinent language reflecting the business considerations informing its opinion, the Court stated:

"In the film industry, a particular actor's performance which may have received an award or other critical acclaim, may be the primary attraction for moviegoers. Some actors are said to have such drawing power at the box office that the appearance of their names on the theater marquee can almost guarantee financial success. Such big box office names are built, in part, through being prominently featured in popular films and by receiving appropriate recognition in film credits and advertising. Since actors' fees for pictures, and indeed, their ability to get any work at all, is often based on the drawing power their names may be expected to have at the box office, being accurately credited for films in which they have played would seem to be of critical importance in enabling actors to sell their 'services', i.e., their performances. We therefore find that appellant has stated a valid claim for relief under section 43(a) of the Lanham Act."

In *Silverman v. CBS*, plaintiff was engaged in producing a Broadway show using "Amos 'n' Andy" characters in a modern script. Plaintiff was aware that at various times, CBS had claimed ownership of such characters, and had threatened suit to restrain others' use of the characters. Although plaintiff did not necessarily agree with CBS' claim of ownership in the "Amos 'n' Andy" characters, nevertheless - to expedite matters and help assure his right to produce such characters on the stage - plaintiff sought to negotiate a license for their use from CBS. Plaintiff's efforts to obtain such license proved fruitless.

CBS' rejection of this request for a license posed for plaintiff a very real and immediate problem, since it called into question plaintiff's legal right to produce his play. Without being able to assure his investors of his possession of the necessary underlying rights, plaintiff stood little chance of raising the millions of dollars required to fund his production. Unable to negotiate a license from CBS, plaintiff was left with little choice but to sue CBS for a declaratory judgment, claiming that defendant possessed no intellectual property rights in the "Amos 'n' Andy" characters, whether under copyright, trademark or otherwise.

Plaintiff's litigation strategy raised the question whether plaintiff's claim was, in

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fact, justiciable, absent the appearance of plaintiff's characters on stage to determine, among other things, their "substantial similarity" to the characters in which CBS claimed ownership. CBS' expected motion which, indeed, occurred, was an application to dismiss the complaint as not being ripe for adjudication. CBS posed the issue whether conceivably years before plaintiff's characters might, if ever, grace the Broadway stage, plaintiff's claim - under such circumstance - could be considered justiciable. Interestingly, no case law near point could be found.

In determining matters of justiciability, two standards to maintain suit must be satisfied: (1) notice to a claimant of a threat to suit; and (2) a present actual dispute sufficient to render the court's decision, were it to hear the case, other than an advisory opinion. To meet these standards, particularly the need to show a present actual dispute, plaintiff was compelled to demonstrate that he had generated present production activity sufficient to make his claims against CBS genuine. To do so, plaintiff sought to educate the court about the business of producing theater on Broadway, and by comparison to his own activities, demonstrate that he was actually and purposefully moving to such end. To compensate for the fact that he was not, at time of suit, able to put his characters on stage - and indeed, might never be able to do so - plaintiff was obligated to

show the court that, nevertheless, the activities in which he had by then engaged represented very real and substantial acts of production.

To educate the court about producing theater on Broadway, and to indicate his own acts directed to such end, plaintiff submitted an affidavit opposing defendant's motion replete with business references to Broadway, from such sources as *Variety*, *The New York Times*, well-known theatre books, and the former Bible for producing Broadway theatre, i.e., the Dramatists Guilds' "Minimum Basic Production Contract."

One excerpt from plaintiff's opposition affidavit illustrates the business orientation which the entire affidavit took. Thus, at the beginning of the affidavit at paragraph three, plaintiff stated:

"CBS' motion distorts business reality. It seeks to define my claim, which requests a declaration as to the invalidity of CBS' rights respecting the fictional characters, "Amos 'n' Andy" and their entourage, solely in terms of my use of such characters on the Broadway stage. CBS ignores the fact that the production of a play involves a multiplicity of activities and interdependent creations which, working and developed together, may result in the appearance of the play

upon the stage. Probably the most significant of these activities and interdependent creations is the writing of the play's script. In the case of a character play, the script must, obviously, make preliminary use of such characters, both in their reproduction on the pages of the script and otherwise, before the play's 'final' stage presentation. Thus, a play - whether a drama or musical - represents the development of a project culminating in a stage presentation."

The court rejected defendant's motion to dismiss for lack of justiciability, and the suit presently continues.

### Conclusion

The definition of Entertainment Law suggested above, with its emphasis on business as opposed to purely legal considerations, is not meant to lessen the importance of specific legal developments, such as new case law. It is this writer's view, however, that new cases involving new legal issues are only understood as they relate to the underlying business to which they apply. The *Sony Betamax* case is illustrative. By validating the home taping of copyrighted materials, the United States Supreme Court legitimized an entire industry. Although possibly wrong as a matter of pure copyright law, the decision is probably correct as a matter of business. It is hard to imagine, irrespective of likely subsequent Congressional remediation, that the Supreme Court would have effectively disenfranchised an entire industry worth hundreds of millions, if not millions, of dollars.

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