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STOLEN TREASURES

by Pamela Crane



A federal sting operation spanning 18 months recently uncovered a ring of looters trafficking in Native American artifacts in the Four Corners area.¹ Twelve indictments charged 24 defendants with violations of the Archaeological Resources Protection Act and the Native American Graves Protection and Repatriation Act of 1990 for the sale, purchase, and exchange of artifacts illegally taken from public or Indian lands in the Four Corners region. A former artifact dealer who cooperated as an informant bought 256 artifacts valued at almost \$336,000 as part of this operation. Two people who were indicted have committed suicide.²

It seems the Native American artifact arena is a dangerous one. When is it legal for a gallery, museum or individual to buy, sell or own Native American antiquities? Simply put, it is legal to dig for archaeological relics on private property, except at burial sites. It is also legal to purchase items from others who have obtained them lawfully or by inheritance. Unfortunately, what is simple to state is often difficult in practice.

Several laws apply to artifacts and their associated trade. Beginning in 1906 with the Antiquities Act,³ a series of laws have forbidden the taking of Native American artifacts from federal lands. Additional laws have expanded upon those prohibitions. While the Antiquities Act of 1906 remains in effect and is still used today to designate national monuments, the main laws affecting museums, galleries and collectors of native artifacts today are NAGPRA and ARPA.

NAGPRA⁴ provides for repatriation to descendants and makes illegal the trafficking in Native American human remains, funerary objects, sacred objects and materials of cultural patrimony discovered on federal and tribal lands. Objects of cultural patrimony are defined in the act as those having ongoing historical, traditional,

or cultural importance central to the Native American group or culture itself. "Native Americans" here include federally recognized Indian tribes, Native Hawaiians and Alaskan natives.

Museums and federal agencies that hold collections of such objects must contend with NAGPRA's provisions for inventory and repatriation to descendants. However, as the Four Corners defendants have found, there are major consequences for collectors and traffickers in objects that fall under the NAGPRA purview. NAGPRA requires proof that the objects were collected before the date of adoption of the act or proof of legal origin for objects collected after the law was enacted. Objects can be confiscated without compensation, and a trafficker faces fines and imprisonment for up to five years.⁵

Even a prudent gallery owner or collector could be fooled by false documentation. The Four Corners defendants provided purchasers with fake letters of provenance stating the objects were gathered from private lands, while admitting on hidden video that the objects came from federal and tribal lands. What should a buyer do? There is no "safe harbor" in the laws, so one can only minimize the risk of buying illegal artifacts. First, become educated in the subject matter. Visit museums and read about the collecting area of interest. Do not buy funerary or burial objects, human remains or anything that is touted as an important or sacred object to a tribe. Do not buy anything collected on federal or tribal land. Deal with reputable sellers who provide documentation of the chain of ownership and who provide money-back guarantees regarding that provenance.

The Archaeological Resources Protection Act of 1979⁶ protects archaeological resources over 100 years old found on public lands and Indian lands. ARPA prohibits the excavation or defacement of and trafficking in the material remains of past human life, including but not limited to pottery, basketry, bottles, weapons, projectiles, tools, structures, pit houses, rock paintings, rock carvings, intaglios, graves, human skeletal materials, or any portion or piece thereof.

In addition, under ARPA, violation of a state statute or another federal statute (e.g., NAGPRA) is also a violation of ARPA. Most states have laws controlling antiquities. In New Mexico, human burials, whether marked or unmarked, including associated artifacts, cannot be disturbed on private or public lands without proper permit.⁷

ART FRAUD OR CAVEAT VENDOR?

by Benjamin Allison



Source: <http://www.museumsyndicate.com>.

Compared to its predecessor antiquities laws, ARPA substantially increased the penalties that can be levied against convicted violators. First-time felony offenders can be fined up to \$20,000 and imprisoned for up to one year under ARPA. Second-time felony offenders can be fined up to \$100,000 and imprisoned for up to five years. In addition, ARPA enables federal or Indian authorities to prosecute violators using civil fines, either in conjunction with or independent of any criminal prosecution, and also seek forfeiture of vehicles and equipment used in committing violations.

The National Stolen Property Act of 1934,⁸ provides additional means to recover cultural property and has been used against traffickers in stolen art and cultural property of all types and origins. This act criminalizes the importation or interstate transport of goods worth \$5,000 or more if the defendant knows they are stolen, converted or taken by fraud.

Worldwide, looters in antiquities and unscrupulous dealers and collectors who feed the machine are stealing the cultural heritage of nations—their treasures. Cultural property derives much of its value from its relationship to its place and time. Even if the physical item is later recovered and repatriated, much is lost when an artifact is removed from its original location—information that can never be regained.

Endnotes

¹ "Artifact Thefts Targeted by Federal Officials," *Deseret News*, June 10, 2009; "23 People Are Arrested or Sought in the Looting of Indian Artifacts," *The New York Times*, June 11, 2009.

² "Another Suicide in American Indian Artifacts Looting Case," *The Salt Lake Tribune*, June 20, 2009.

³ 16 U.S.C. §§ 431-433.

⁴ 25 U.S.C. 3001 et seq; 43 C.F.R. § 10.

⁵ 18 U.S.C. § 1170.

⁶ 16 U.S.C. § 470aa-mm; 43 C.F.R. § 7.

⁷ NMSA 1978 § 18-6-11.2 and § 30-12-12.

⁸ 18 U.S.C. §§ 2314-15.

About the Author:

Pamela Crane, a registered patent attorney, practices intellectual property law and has litigated patent, trademark, copyright, fraud, counterfeiting, and trade secret cases in federal courts and before the International Trade Commission. She can be reached at pcrane@pcrane.com.

In 2004, a convent in upstate New York decided to raise money by selling a large 1889 painting by William Adolphe Bouguereau entitled *Our Lady of the Angels*. The convent approached Mark LaSalle, a dealer in Albany, who told them the painting was worth between \$150,000 and \$250,000, especially if it were restored. The convent took LaSalle's advice and spent \$14,000 for restoration. After the restoration, LaSalle told the convent that the painting had a fair market value of \$350,000 to \$450,000.

According to a lawsuit filed by the convent against LaSalle and others, LaSalle then told the nuns that he had located a potential buyer, Mark Zaplin of Zaplin Lampert Gallery in Santa Fe, who was willing to pay \$350,000 for the painting. LaSalle reportedly advised against a public auction and when

the nuns considered keeping the painting, upped the offer to \$450,000, according to the lawsuit. The nuns sold the Bouguereau to Zaplin for \$450,000.

According to their lawsuit, the nuns then found out that Sotheby's had appraised the painting for \$1.8 to \$2.2 million—and LaSalle knew it. The nuns also found out that Zaplin had flipped the masterpiece for more than \$2 million. The nuns' lawsuit alleges that LaSalle cheated the nuns with a dishonest appraisal and conspired with Zaplin to defraud the nuns. Lawyers for the defendants say their clients simply bought low and sold high. The nuns are seeking \$50 million in punitive damages.

About the Author:

Benjamin Allison is a copyright and trademark lawyer at Sutin Thayer & Browne in Santa Fe, where his practice includes commercial and art litigation. He has served as a law clerk for U.S. Court of Appeals Judge Paul J. Kelly, Jr. He teaches regularly on art law and related subjects.

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An Interview with Lisa Strout, Director of the New Mexico Film Office

by Tony Couture



New Mexico has been a hot bed of film activity for the last several years. It has become an everyday occurrence to see cameras and crews. Some of the summer's biggest movies, like *Terminator: Salvation* and *Transformers: Revenge of the Fallen*, were filmed here. One of the big reasons for all of this film activity is the New Mexico Film Office.

The NMFO assists productions with all aspects of filming in the state. It does not provide legal services, but it does have a bank of legal forms and a list of film attorneys that productions can access.

As director of the New Mexico Film Office, Lisa Strout is the primary contact for potential film, television, and media projects looking to shoot in New Mexico. Strout came to New Mexico in 2000 bringing 20 years of film and television production experience to the state. Her credits include location manager on scores of feature films including *Falling Down* with Michael Douglas, *Mulholland Falls* with Nick Nolte, *Red Corner* with Richard Gere, *Gattaca* with Uma Thurman, *Dante's Peak* with Pierce Brosnan, and *Thirteen Days* with Kevin Costner.

Lisa, what would you say are the top five reasons that productions are choosing New Mexico?

We only get five?! Well then, I'd have to say incentives, locations, infrastructure, crew base, and film-specific businesses and services.

How does the film industry benefit New Mexico?

By providing high-paying jobs to New Mexicans, increased revenue for our businesses directly and indirectly related to the film industry, and increased exposure to the state as it relates to tourism dollars. And then there are the non-financial benefits: enhanced quality of life, increased pride and personal satisfaction, and opportunities for students presently enrolled in film and media studies at our colleges and universities.

We are lawyers, so we like data. Is there any data to back that up?

Absolutely. The economic impact for fiscal year 2002 was \$8.8 million. Fiscal year 2008 generated \$852.6 million in economic impact. In 2002, there were less than 200 film crew members working in the business. There are now 2,500. Average yearly salary of a film crew worker: \$49,500. Average yearly salary in New Mexico: \$30,500. And there are now over 200 film-specific businesses in our state. The Ernst and Young study is another great example of the economic impact the film industry is generating for the state. A full copy is available on our Web site, www.nmfilm.com

Could you elaborate on the Ernst and Young study a bit and wasn't there a competing study by the Arrowhead Center at NMSU that was not so favorable to the film industry?

The Arrowhead Center at NMSU was commissioned by the Legislative Finance Committee. It examined a specific narrow scope of fiscal data that could not be compared as "apples to apples" with the Ernst and Young study. In addition, the Arrowhead study used flawed data on which it based its conclusions, calling into question the study's ultimate conclusion. Ernst and Young, which has an impeccable reputation and record, strongly believes that to gauge the true economic impact of the industry you have to include a broad range of data. It is clear to Ernst and Young, and we agree, that when all of the appropriate numbers are considered, New Mexico enjoys a significant economic boost from the film industry.

What does New Mexico need to do better to encourage even more productions to choose New Mexico?

Our office makes every effort to lure productions to the state, and it's certainly evident that we've been successful. Our budget was cut this year so we actually had to curtail our marketing, but New Mexico has been an established film destination for some time and is definitely on the map and in the forefront of filmmakers' minds when choosing a location. The Association of Film Commissioner's International Locations Tradeshow is an event we attend each year. This is an excellent opportunity to connect with previous clients, establish new relationships, and have personal face time with filmmakers to explain the enticements, financial and otherwise, of shooting in New Mexico.

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You Can Take My Picture, But Not My Right Of Publicity

by Jeffrey Albright

A mother in the United States took a picture of her family and posted it on Facebook®. Shortly thereafter, her friend traveling in Europe discovered a Belgian restaurant using the image in its marketing campaign. Does the mother have rights in the image or can the restaurant use the picture without getting permission from the family?

Recently, Woody Allen filed a federal lawsuit against a clothing manufacturer who used an image of him from the 1977 movie *Annie Hall* on billboards without permission. Allen asserted the ads violated his longstanding policy of not making commercial endorsements and damaged his longstanding reputation. American Apparel argued that the use of Allen's image in a satirical or social context was protected under the First Amendment of the *Constitution*. In May of 2009, Allen accepted a settlement of \$5 million from American Apparel prior to the case going to a jury trial.¹

The area of law involving these situations is not well understood and differs significantly depending on the jurisdiction. The issue of the "right of publicity" pits the private rights of individuals against First Amendment free speech and free press rights. For New Mexico, with its burgeoning film industry and a number of high-profile celebrities living here, this area of law is relevant to our state, even if our case law and statutes are not yet well-defined.

The right of publicity protects every person's ability to control the commercial use of his or her identity.² The right makes it illegal for one person to use another's identity as a means of attracting attention to an advertisement or product without first obtaining a license.³ The right protects celebrities, athletes, and public figures from commercial exploitation of a person's name, picture, or likeness or to prevent others from unfairly appropriating that value for commercial benefit. Any trait that uniquely identifies celebrities or implicates their marketable identities deserves protection under the right. However, a person's name or picture may still be used in news reporting, in an unauthorized biography, or in entertainment parody, such as *Saturday Night Live*.⁴

To make a *prima facie* showing of a right-of-publicity claim, the claimant must prove (1) that the claimant owns an enforceable right in the identity of a human being; (2) that the defendant, without permission, has used some aspect of the identity or person in such a way that plaintiff is identifiable from the defendant's use; and (3) defendant's use is likely to cause damage to the commercial value of that persona.



Woody Allen in American Apparel's Billboard. Source: <http://frillr.com>

The first element, that of valid ownership, is much like the concept of standing to sue. Either the plaintiff's *own* identity is at issue, or the plaintiff is an assignee or exclusive licensee of someone else's right of publicity. Sometimes this right can reside with an heir, but some states do not recognize commercial rights in human identity. This is particularly true if the right of publicity is claimed in something other than a human being—such as a corporation, partnership, institution or animal.

The second element requires a showing that the alleged infringer used some aspect of the plaintiff's

identity or persona that makes the plaintiff clearly identifiable.⁵ These might include facial expressions or body characteristics, association with certain products or, in the case of Vanna White of *Wheel of Fortune* fame, a robot posed next to a game board and dressed in a wig, gown and jewelry. Samsung used just such an image in conjunction with an advertising campaign that so closely resembled White's dress and mannerisms that the court determined Samsung had violated White's right of publicity.⁶ The court determined that the common law right of publicity is based on the use of any indicia by which the plaintiff is identifiable.

The final element requires a plaintiff to prove that the defendant used the plaintiff's identity or persona in a way that is likely to cause damage to the commercial value of that entity or persona. Absent damage, a plaintiff will not prevail.

The two main defenses are consent and First Amendment protection. If a defendant had permission to use a likeness, image or persona, then there can be no violation. The outcome from a First Amendment protection argument often depends on the facts of each case. Freedom of speech and freedom of the press can limit the application of the right of publicity, but even those First Amendment rights have bounds. The U.S. Supreme Court case of *Zacchini v. Scripps* addressed these limitations.⁷

Hugo Zacchini was a human cannonball whose act of being shot from a cannon lasted about 15 seconds. A reporter videotaped the entire performance over Zacchini's objections. That night, the entire



Hugh Zacchini and his cannonball act. Source: <http://www.edward-samuels.com>.

performance was aired on local television, although the reporter admonished the audience that people needed to see the live performance to appreciate it. The Supreme Court stated that while reporting of Zacchini's act would not have violated Zacchini's right of publicity, the broadcast of the entire act posed a substantial threat to the economic value of the entire performance. The Court said much of the economic value "lies in the right of exclusive control over the publicity given to his performance; if the public can see the act free on television, it will be less willing to pay to see it . . . and goes to the heart of petitioner's ability to earn a living as an entertainer."⁸ While recognizing the right to report on the act, the Court's ultimate decision weighed in favor of the right of publicity and the individual's livelihood.



Vanna White and Samsung's Robot. Source: <http://web.hamline.edu/>

Parody can also play a role in courts' decisions related to their First Amendment analyses. The Vanna White case also raised the issue of parody. Samsung attempted to argue that the use of the robot, even if it mimicked White, was really a parody and should prevail over any claim of the right of publicity. The court determined otherwise, deciding the ad's spoof of White and *Wheel of Fortune* was subservient to and only tangentially-related to the ad's primary message: buy Samsung VCRs. The court reasoned that the difference between a "parody" and a "knock-off" was the difference between fun and profit. However, there is no bright line, and whether a particular use is commercial or communicative is very subjective and fact-specific.

We can now reach some conclusions about the Facebook photo and Woody Allen billboard. It is difficult to imagine that the use

of the family Facebook photo by the restaurant caused commercial harm to the subjects. That is not to say that the restaurant might not profit from using the photo, but it might be difficult to show that the family was damaged. Woody Allen, however, seems to fit all of the criteria—hence the reason that American Apparel settled for \$5M just prior to trial.

Endnotes

- ¹ See "American Apparel Settles Lawsuit with Woody Allen," by C. J. Hughes and Sewell Chan (New York Times, May 18, 2009).
- ² J. Thomas McCarthy, *McCarthy on Trademarks & Unfair Competition*, §28:1, at 28-3.
- ³ J. Thomas McCarthy, *The Human Person as Commercial Property: The Right of Publicity*, 10 Colum. VLA J.L. & Arts 129, 1334.
- ⁴ McCarthy, *The Human Person as Commercial Property; The Right of Publicity*, at 131.
- ⁵ Roy S. Kaufman, Ed., *Art Law Handbook*, § 307E, at 222.
- ⁶ *White v. Samsung Electronics America, Inc.*, 971 F.2d 1395, 1401 (9th Cir. 1992).
- ⁷ See *Zacchini v. Scripps-Howard Broadcasting Co.*, 433 U.S. 562 (1977).
- ⁸ *Id.* at 575, 576.

About the Author:

Jeffrey Albright is a partner with the law firm of Lewis and Roca LLP. His intellectual property practice emphasizes trademarks, copyrights, trade secrets, work for hire, and IP licensing and assignments. He has litigated cases in federal court involving trademark infringement, fraud before the U.S. Patent and Trademark Office and has appeared in proceedings before the Trademark Trial and Appeals Board.

Interview with Lisa Strout *continued from page 5*

Could you address some of the issues that have arisen around the film industry in New Mexico—Judge Campbell's recent ruling with respect to the denial of the Los Ranchos home occupancy permit; Las Vegas residents' concerns; and general residential concerns about noise, location, etc. in their communities?

As New Mexico's film industry has expanded, there have been some expected growing pains along the way, such as the situations in Los Ranchos and Las Vegas. A permit that is workable for all has been designed in Las Vegas and production continues in that community. We stand ready to assist local communities as they work to create rules that make sense for their residents while embracing appropriate opportunities. The truth is, the vast majority of New Mexicans support the film industry and are clamoring for more, not less.

What are the top three things that you think a lawyer wanting to work in the film industry in New Mexico should know?

Know the industry and its lingo, be prepared for "interesting" personality types and, of course, specialize in entertainment law.

What kinds of legal issues do you see coming through the Film Office?

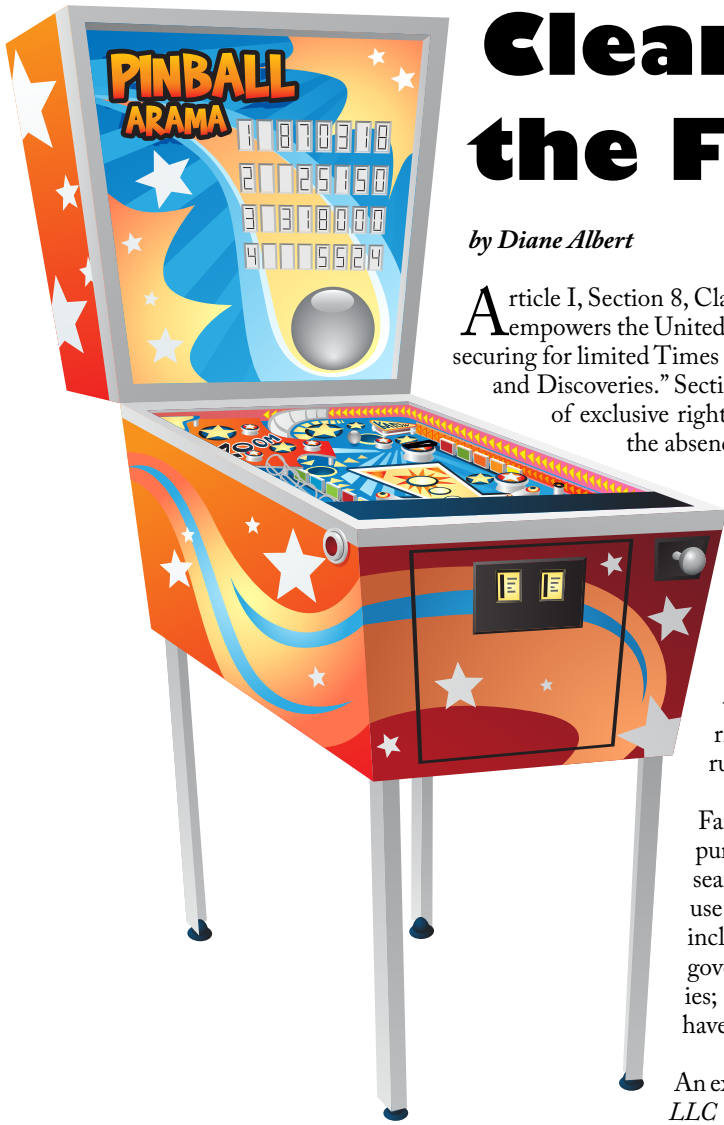
Disputes over location contracts are the usual complaints. A film company scratched a wall and the homeowner is claiming \$5,000 to repair it while the film company's insurance adjuster argues that it's only \$2,000. Things along that nature.... I think our most unusual complaint was from an animal owner who demanded to be compensated for the trauma inflicted upon her dog from the loud noises of the film company trucks. Her dog needed therapy and claimed the film company should foot the bill.

Is there any message you would like to get out to the legal community or anything else you would like to say to the legal community?

Simply, that we send our gratitude for your support of the film industry in New Mexico.

About the Author:

Tony Couture practices film entertainment law at Couture Law in Albuquerque. He handles most pre- and post-production legal needs for filmmakers in New Mexico including private placement memorandums, contract issues, and general production legal. Web site: www.nmfilmat-torney.com.



Clearance Issues in the Film Industry

by Diane Albert

Article I, Section 8, Clause 8 (the copyright and patent clause) of the *United States Constitution*, empowers the United States Congress “To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.” Section 106 of the Copyright Act of 1976¹ grants copyright owners a bundle of exclusive rights, including the rights to reproduce the copyrighted work in copies. In the absence of defenses, these exclusive rights normally give a copyright owner the right to seek royalties from others such as film production companies who wish to use the copyrighted work.

New Mexico has invested heavily in encouraging the film industry to conduct business in New Mexico. Works that are subject to copyright protection should only be used in films with the permission of the copyright owner or with a documented determination of fair use or other exception to the copyright law. While fair use (§107) is probably the most widely used exception to seeking permission for uses of copyrighted works, there are other exceptions in the copyright law, such as rules for music (§108, §112, §114, §115) and works of visual art (§113).

Fair use provides that certain limited use of copyrighted materials for such purposes as teaching, criticism, commentary, reporting, scholarship, and research is not infringement of copyright. However, determining what is fair use can be difficult. Some materials are not subject to copyright protection, including works that lack originality (e.g., the phone book); freeware; U.S. government works; facts; ideas, procedures, concepts, principles or discoveries; and works in the public domain, including works with copyrights that have expired.

An example of why clearance is important is illustrated by *Gottlieb Development LLC v. Paramount Pictures Corporation*,² where the Federal Court for the

Patent Protection for Artwork and Designs

by Ryan Kennedy

Patent protection is normally associated with technological advances, such as high tech computing, medical devices and pharmaceuticals. These types of patents are known as utility patents and they generally address the functional aspects of an invention. Patent protection is also available for the ornamental design or appearance of an object without any consideration to whether the object performs any useful function. Design patents provide protection for any “new, original and ornamental design for an article of manufacture.”¹

In fact, design patent protection is generally limited only to those elements of an article of manufacture that are non-functional.² For example, an automobile tire can be subject to utility patent protection based on its chemical composition or its tread shape. The same tire can be subject to design patent protection based solely on the ornamental features of its tread. However, any design patent protec-

tion related to the tire tread will likely be limited solely to those aspects that are nonfunctional. To the extent that the tread design increases the performance of the tire, it may not be eligible for design patent protection unless there are other designs that could perform the same function.³ Nevertheless, a creator can have both copyright and design patent protection on the same article of manufacture.

Similar to utility patents, a creator seeking design patent protection for his or her design must file a patent application with the USPTO. Design patents are examined by a specialized examination corps and evaluated in accordance with the normal statutory requirements of novelty and nonobviousness set forth in sections 102 and 103 of the Patent Act. Unlike utility patents, design patents are not made public until they are issued, and their term is 14 years from the date of issue as opposed to 20 years from the date of filing.

Southern District of New York recently decided a case involving the use as a background prop of a pinball machine in the movie *What Women Want*. As described by the Court, the scene at issue involved stars of the film, Mel Gibson and Helen Hunt, “brainstorm[ing] with other employees to develop these ideas for marketing certain consumer products to women. At various points during the scene, . . . a pinball machine—the “Silver Slugger”—appears in the background.” The Silver Slugger machine was distributed by the plaintiff in the case and was apparently used in the film without approval. The Court denied the plaintiff’s claims for copyright and trademark infringement for use of the pinball machine in the background. In large part, both of these claims were dismissed on the rationale that the use was *de minimus*. The Court noted that the machine was only shown in the background, was never the focus, did not serve as a central part to any of the plot line, and was only present in a three-and-a-half minute scene out of a film running over two hours. Although the film production company prevailed in this case, the fact that it was litigated at all emphasizes the importance of having an attorney conduct a final clearance review of a production before the work is distributed, published or sold. The review will identify copyright infringement, branding concerns, trademark infringement, and music clearances. Also, other production companies, distributors, and/or networks can condition a sale on an assurance that the originating company obtained all rights free and clear from the claims of any third parties.

As first set forth in *Folsom v. Marsh* in 1841,³ four factors are to be considered when making a determination of fair use: the purpose and character of the use, including whether such use is commercial or nonprofit; the nature of the copyrighted work; the amount and substance of the portion used in relation to the copyrighted work as a whole; and the effect of the use upon the potential market for or value of the copyrighted work. These four factors are often difficult to apply and highly subjective. A proper review using these factors requires making several time-consuming judgments in the course of weighing and balancing many facts. Liability is difficult to predict and the consequences of infringement are costly. Risk-averse and time-crunched intellectual property users will seek rights clearance where perhaps none is needed.

Design patents are also similar to copyrights, which give an author the exclusive right to copy and make derivative works of his or her creation. However, in order to infringe a copyright, a copier typically must have access to the original work and make a copy of it. Which is to say that, at least in theory, a copyright infringer must know of the copyrighted material in order to infringe—there is no accidental copyright infringement. On the other hand, a design patent can be infringed by accident by an infringer that was blissfully ignorant of the patentees rights.

A design patentee is granted a negative right to exclude others from making, using, selling or offering for sale, or importing any articles that are claimed in the asserted patent.⁴ The claims of a design patent consist exclusively of drawings. Accordingly, infringement of a design patent involves a comparison between the claims, i.e. drawings, and the accused product. The test for infringement of a design patent is whether an ordinary observer familiar with the prior art would be deceived into thinking that the accused design was the same as the patented design; and further that the accused article embodies the patent design or any colorable imitation thereof.⁵ Given the relative ease with which design patents can be obtained and the *Egyptian Goddess* tests for

Before a project is started, pre-production clearance review is mandatory. Always check on whether the material you want is available and at a fee you can afford. If your creative project involves music clearance, such as the use of a commercial recording, permissions are needed from the music publisher, the record company, musicians, background singers and possibly principal performers. To make your own recording of the music and lyrics of popular songs exactly as written, you need permission from the music publisher and releases from the performers you hire.

If your creative project involves trademark clearances, the trademark owner’s permission must be obtained. Trademarks can protect such widely varied things as names (Coca Cola), letters (NBC), numbers (Chanel No. 5), titles, short phrases or slogans, distinctive symbols (McDonald’s golden arches), container shapes, or logos (the CBS eye). Owners of trademarks have a variety of responses to requests for use of the marks. For the public relations value of the use, some grant permission without charging a fee. Others hardly ever allow their marks to be used for any reason, and some companies use their trademarks as a source of profit.

By preparing ahead of time, production companies and other users of trademarks and copyrighted works can help prevent possible infringement actions as well as increase the production’s likelihood of being picked up by third parties.

Endnotes

¹ 17 U.S.C. §101 *et seq.*

² 2008 WL 8396360 (S.D.N.Y. 2008).

³ 9 F.Cas. 342 (Cir. Ct. D. Mass.1841).

About the Author:

Diane Albert practices as an intellectual property attorney at Peacock Myers PC in Albuquerque. Prior to attending the UNM School of Law, she had a 20-year career as a materials scientist. She is chair-elect of the Intellectual Property Practice Section of the State Bar.

infringement, it is expected that more companies, designers and artists will begin focusing more on their design patent portfolios in the coming years to buttress their existing copyright protection.

Endnotes

¹ 35 U.S.C. § 171.

² *See generally, Lee v. Dayton-Hudson Corp.*, 838 F.2d 1186 (Fed. Cir. 1988).

³ *See e.g., Avia Group Int’l, Inc. v. L.A. Gear Cal.*, 853 F.2d 1557 (Fed. Cir. 1988).

⁴ 35 U.S.C. § 271.

⁵ *Egyptian Goddess, Inc. v. Swisa, Inc.*, 543 F.3d 665, 683 (Fed. Cir. 2008) *en banc*.

About the Author:

Ryan Kennedy is a registered patent attorney focusing his practice on the procurement and exploitation of patents and other forms of intellectual property. Further information is available at his Web site, www.kennedylltd.com.

The Entertainment Industry and Copyright Law Converge: Who Owns Creative Works?

by Simone M. Seiler and Alberto A. León

The Copyright Act of 1976 protects the creative work of the work's author. The creator of a work is usually considered the work's author and owner. However, when a work is created by an employee or is commissioned by someone other than the creator, the work-for-hire doctrine may turn that scheme on its head. Under the work-for-hire doctrine, the employer or person who commissioned the work is the author of the work for copyright purposes. The result is that in such cases the creator does not have standing to sue for copyright infringement.

In the absence of ownership via qualification as a work-for-hire, the person or company commissioning a work often requires an assignment. A common clause in work-for-hire agreements is that if the work does not qualify as a work-for-hire, the creator agrees to assign ownership of the work to the commissioning party. Ownership as a work-for-hire is superior to ownership via assignment because an assignment may not last for the life of the copyright.

The life of a copyright for a work-for-hire is different than other copyrights where the copyright's term is the life of the author plus 70 years. The term of a work-for-hire copyright is 95 years from first publication or 120 years from the date of creation, whichever is shorter.

The work-for-hire doctrine applies to employees and independent contractors. The doctrine applies to employees when the employer has the right to control the manner and means by which the work is created. Interestingly, the doctrine may also apply to artists who create work under the auspices of their own corporation. The author or owner of the work may be the corporation, not the creator.

Three factors determine whether the work-for-hire doctrine can be applied to independent contractors: (1) the work must be commissioned or special ordered; (2) the agreement that the work will be considered a work-for-hire must be verified by a writing signed by both parties; and (3) the work must fit into one of nine statutory categories: a contribution to a collective work, a part of a motion picture or other audiovisual work, a supplementary work, a compilation, an instructional text, a test, answer material for a test, or an atlas.

As applied to the entertainment industry, there are several circumstances in which a contractor's creative works could be considered work-for-hire if the first two factors of the work-for-hire doctrine are met. Those include pictorial or graphical works, motion pictures and other audiovisual works, musical works and sound recordings. In the case of a movie, besides the obvious copyrightable components (screenplay, video footage, soundtrack, etc.), contractors may create movie trailers, a logo, posters and other print advertisements. All of those could be works-for-hire.

The Copyright Act explicitly mentions motion pictures and audiovisual works as falling under the work-for-hire doctrine. Audiovisual

works include any accompanying sounds. Therefore, a soundtrack for a motion picture or television show composed by one or more contractors may be a work-for-hire. Video games and similar computer programs are considered to be audiovisual works.

Pictorial, graphical and sculptural works include photos, logos and graphic designs. Pictorial illustrations can be considered supplementary works if they are prepared for publication as a secondary adjunct to a work by another author.

Collective works include newspapers and magazines, run advertisements, photos and other copyrightable materials. While the photos may qualify as works-for-hire, the ads do not. The publisher of the collective work does not generally create the ad and therefore would not own the ad. The publication is considered a licensee of the work, not an owner.

The work-for-hire doctrine can apply to several types of musical works. As discussed above, if a musical work is part of a motion picture or video game soundtrack, it may be a work-for-hire. Musical arrangements of another composer's music are considered supplementary works. A compilation of music by various artists would fall under the category of collective works.

Sound recordings do not qualify as works for hire per se. The Satellite Home Viewer Improvement Act of 1999 added them as a tenth work-for-hire category. However, the law was repealed in 2000. It is possible for a sound recording to qualify as a work-for-hire if it fits into another category. For instance, a recording of a book could be considered a supplemental work.

All parties involved in production of works in the entertainment industry need to be aware of the work-for-hire implications of their actions and the actions of the people they work with to create a final product.

Endnotes

¹17 U.S.C.S. § 101 et seq.

²*Community for Creative Non-Violence v. Reid*, 490 U.S. 730 (1989).

³*Martha Graham Sch. & Dance Found., Inc. v. Martha Graham Ctr. Of Contemporary Dance, Inc.*, 72 U.S.P.Q.2d 1143 (2^d Cir. 2004).

⁴*Warren v. Fox Family Worldwide, Inc.*, 328 F.3d 1136 (9th Cir. 2003).

⁵*Midway Mfg. Co. v. Arctic Int'l. Inc.*, 704 F.2d 1009 (7th Cir. 1983).

⁶*Central Tel. Co. of Va. Johnson Pub. Co.*, 526 F.Supp. 838 (D. Colo. 1981).

About the Authors:

Simone M. Seiler, J.D. is a registered patent attorney and practices with Bauman, Dow & León PC. Her practice encompasses the areas of intellectual property and litigation.

Alberto A. León, J.D., Ph.D. is a registered patent attorney and managing partner of Bauman, Dow & León PC, where he assists clients in the protection of intellectual property assets and related litigation.



BAUMAN, DOW & LEÓN, P.C.

Attorneys & Counselors at Law

**ALBERTO A. LEÓN, JD, Ph.D.
SIMONE M. SEILER, JD
REGISTERED PATENT ATTORNEYS**

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