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Entertainment Law Boutique

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Hypothetical: "A Summer Blockbuster"

As in-house counsel for a major motion picture studio, you are assigned to a highly anticipated film project, CARLIE: THE MOVIE, based on the famous Carlie doll, an iconic favorite that goes back decades. The film will be a fanciful take on Carlie's forays into the real world, from a bright utopia in Carlie's signature shade of lavender to the intimidating skyscrapers of Manhattan. Roberta Margaux, a leading actress of the moment, has signed on to play Carlie. Margaux's deal includes contingent compensation based on the studio's gross receipts from the movie, as well as box-office bonuses.

Carlie was created decades ago by the real-life toy magnates Stuart and Trudy Sandler, who named the doll after their daughter, Carlotta. The Sandlers later sold their company, Strudle Toys, which makes the doll today and is co-producing CARLIE with your studio. The Sandlers themselves, now in their sunset years but alive and well, have declined to be involved in the movie, as has Carlotta.

The writers and creative executives involved in CARLIE would like to pay homage to the Sandlers through a scene depicting them interacting with the Carlie character. In real life, the Sandlers ran into trouble with the Securities Exchange Commission for technical violations of relatively obscure securities laws. Since this aspect of the Sandlers' history is hard to understand, the writers have substituted references to the Sandlers getting into trouble with the IRS for tax evasion, since this will be easier for the audience to grasp.

As buzz from the development of the movie picks up steam, there have been third-party uses of the Carlie name, image or trade dress on which you have been asked to opine. In one instance, Warren Holler, an artist well known for psychedelic imagery of celebrities and pop culture icons, has applied his trademarked techniques to a copyrighted image of Carlie, without first securing a license from your company or Strudle. In another instance, the maker of dog-

grooming tools has begun to sell a comb under the name "Snarlie," in the shape and color of a Carlie doll.

To bring some musical flair to the silver screen, the creators of CARLIE had hoped to include "Carlie Girl," a well-known song about the eponymous doll. Unfortunately, the holders of rights in that track refused to grant a license. To capture a similar musical mood, the music supervisor assigned to the picture plans to commission a new, AI-generated composition, with an eight-note introduction evoking the "Carlie Girl" chorus.

Your studio is part of a media conglomerate that includes a streaming service, PlusMax. Although all involved are hoping that CARLIE can be a box office hit, your corporate overlords may decide to make the movie available for streaming on the PlusMax service at the same time as its theatrical release, to provide a nice incentive for subscribers.

You have a Zoom meeting in 15 minutes with the head of the studio, who is eager to hear your take on all of this. Break a leg!

ISSUES

- Is the signature shade of lavender protectible, possibly under a trade dress theory?

  Barbie Pink: What Do Mattel's Trademark Right Look Like?
  The Fashion Law
  https://www.thefashionlaw.com/barbie-pink-what-is-it-and-what-do-mattels-trademark-right-look-like/
  "On more than one occasion since at least 2001, Mattel has applied to register the "Barbie Pink" word mark with the U.S. Patent and Trademark Office ("USPTO") for use on goods/services like dolls, homewares, paper products, garments, hair accessories, eyewear, etc., only to ultimately abandon those applications. (Peep three of the "Barbie Pink" applications for registration here, here, and here.)
  No Registration, No Problem

  A lack of color registrations for Mattel is hardly the whole picture, though, as trademark rights are garnered through the use of a mark (not registration of it) and Barbie has been partying in multiple pink hues for decades, with Pantone 219C – a color that combines "magenta and pink" – being the most prominent among them. In fact, all signs seem to point to Mattel maintaining rights in the specific Pantone hue for use on products in its immediate orbit – i.e., on things like dolls, corresponding toys/accessories, apparel and accessories for humans, various forms of media, etc. – due to years of consistent use of the Pantone 219C shade.

Reflecting on Mattel's rights on this front and in particular, the pink billboards that have popped up ahead of the movie's release, which consist almost exclusively of the color pink, trademark lawyer and Suffolk Law IP Clinic Director Rachael Dickson stated that the Barbie pink hue as used on doll packaging "has gained distinctiveness over the years." Such secondary meaning bodes well from a trademark perspective given that a single color (as distinct from certain multi-color marks) may function and be protected as a trademark as long as it has acquired distinctiveness."

Does Mattel own pink?
Trademark Lawyer
https://trademarklawyermagazine.com/does-mattel-own-pink/
"Trademark law views colors skeptically for at least two reasons. First, the public is not conditioned to immediately see a color by itself as a distinguishing symbol. Second, color often serves a function in connection with products.

Color alone can acquire secondary meaning and become eligible for trademark protection if it becomes closely associated with a specific good or service. This secondary meaning occurs when consumers perceive the particular color as an identifier of the brand itself. Any color that is used in a functional capacity (such as a warning or an aesthetically pleasing color) will never gain trademark rights.

Mattel has made sure pink is more than a color Barbie wears. Mattel has used "Barbie Pink" (Pantone 219C) on Barbie's packaging, cars, dream houses, etc. This long-standing and consistent use has allowed the public to associate this color with Mattel's Barbie. Mattel is confident it has made this connection as it recently advertised this summer's Barbie movie by putting up billboards that were entirely Barbie Pink except for the film's release date of "July 21" written in white. As for functionality, Barbie Pink primarily serves as a visual identifier and decorative element for Barbie and does not provide any functional benefit to the dolls or their accessories."

- Would a sophisticated studio make a deal for contingent compensation to be based on gross receipts with box office bonuses, or would it be more likely to insist on a defined receipts approach (with deductions for distribution expenses, etc) or even a full buy-out?

How Talent Deals Are Evolving as Studios Become Streamers
Hollywood Reporter (2020)
"Disney wants to be Netflix, yet the new contracts for stars and producers are causing entertainment lawyers to question which platforms are better for profit participants,

writes a top attorney…. Today, as we see spending on premium scripted content — both in production and marketing — rapidly accelerate, there has been a pronounced shift in business models from linear to on-demand; the result thus far has been a race to the bottom for profit margins and free cash flow generation. Will the media giants treat profit participants in the same manner as the giant digital companies?"
https://www.hollywoodreporter.com/news/general-news/ken-ziffren-how-talent-deals-are-evolving-as-studios-become-streamers-guest-column-1274871/

Inside Film Talent Deals in the Streaming Era: 'It's the Wild, Wild West'
The Wrap
"According to interviews with multiple Hollywood insiders, every studio is handling the situation differently and therefore no widespread industry standard has emerged for how to compensate top actors, directors and producers on films that may or may not get an exclusive run in theaters."
https://www.yahoo.com/entertainment/inside-film-talent-deals-era-130249509.html

As Streaming Giants Evolve Their Business, It's Time to Rethink Talent Deals
Hollywood Reporter (Nov. 2022)
"The trade-off of back-end incentives for upfront fees needs to be updated and platforms should work with partners to develop transparent performance metrics for creatives, the agency chief writes."
https://www.hollywoodreporter.com/business/business-news/uta-jeremy-zimmer-talent-deals-streaming-1235265743/

- Would the co-production present any issues between the studio and Strudle Toys? What are some points to keep in mind for that negotiation (merchandise rights; exclusivity over Carlie in theatrical film).

- Is it of any significance that the Sandlers and their daughter have declined to be involved in the movie. Would there be value in a life story rights deal with the Sandlers?

  Significant Practical Reasons for Entering into Rights
  Los Angeles Lawyer (May 2016)
  By Lee Brenner & Cathy Lee
  "Real life" stories are often produced with the consent and encouragement of their subjects, who are compensated in exchange for entering into what is commonly known as a life rights agreement. One of the primary benefits of a life rights agreement is that it eliminates or significantly reduces the risk of a lawsuit, especially a claim for injunctive or other equitable relief. However, obtaining permission from every real person who may be depicted in a work may not be practical or even possible. This raises the question of whether life rights agreements are legally necessary.

The term "life rights" is misleading because a person does not own the facts that make up his or her life story or a portion thereof. What a producer is purchasing when it enters into a life rights deal is permission to use and perhaps fictionalize the person's story and to use the person's name and likeness without the risk of claims for libel, invasion of privacy, or misappropriation of personality.?

In fact, often it is film financiers, distributors, and insurers that require an executed life rights agreement in order to reduce the risk of litigation or other interference with the production and distribution of the film. A life rights agreement also may secure the depicted real person's agreement to cooperate with the producers, assist with the promotion of the film, and furnish nonpublic materials that may be helpful to the creative process."
https://venable.sharefile.com/share/view/s06ae7967006c4ac2a85c51c12d236397

Private Ownership of Public Facts: Docudramas, Deals, and Life Story Rights
UC Davis Law Review, Forthcoming
University of Utah College of Law Research Paper No. 560 (Last revised: 23 Aug 2023)
Profs. Dave Fagundes, Jorge L. Contreras
https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4480628
"From Elizabeth Taylor to Mike Tyson, celebrities have claimed ownership of their personae. But while the right of publicity and other laws give individuals the right to control commercial exploitation of their images, voices, mannerisms and taglines, the law stops short of recognizing a property interest in the events of their lives. On the contrary, the First Amendment protects producers of expressive works when telling non-defamatory stories about real people. The intuition that exists among celebrities and lay persons alike that individuals own their "life stories" has been fueled by the decades-old Hollywood practice of "acquiring" life story rights from the subjects of docudrama features based on actual events, sometimes for large sums. In this Article, we explore, critique, and propose to remedy the growing privatization of life stories and show that while the life story deal may seem to reflect beneficial private ordering, it in fact creates a significant negative externality by converting an essential part of the public domain into private property, thereby upsetting the balance of shared and proprietary information on which our systems of free speech and creative expression depend. We offer a parsimonious solution to this problem: Congress should enact a new federal statute barring the enforcement of state rights of publicity against fact-based creative productions such as books, films, and television programs, provided that, for private individuals, their name, image and likeness are altered to protect their identities. Having a single, clear rule that operates ex ante provides uniformity and clarity that will secure the status of life story facts as part of the public domain without limiting the legal protection of individuals' dignitary, reputational and privacy interests."

The Life Story Rights Puzzle
14 Harvard J. Sports & Entertainment L. 153 (2023)
Prof. Dave Fagundes
https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4166215
"The life story deal is a staple of Hollywood entertainment law practice. Studios seeking to make a docudrama (a feature based on real life facts but including dramatized elements) often do so only after securing life story rights from the subject of the production. Yet "life story rights" are a fiction. No source of law vests exclusive rights in the facts that comprise the narratives of our lives. Despite popular misconceptions, neither copyright, trademark, privacy, nor the right of publicity give individuals the exclusive right to exploit facts concerning their lives. On the contrary: in the United States, First Amendment considerations severely limit any legal constraint on expressive speech, including dramatic depictions. So why do production companies pay amounts that are sometimes in the millions to acquire these "rights"? Drawing on interviews with practitioners across the entertainment industry, we approach this puzzle by identifying the principal components of life story rights: a grant of (illusory) rights, a waiver of liability claims, guaranteed access to the subject, and an agreement to work exclusively with the acquirer. The modularization of these distinct jural relations under the rubric "life story rights" is the result of successful private ordering within a fast-moving and highly competitive industry, thereby enhancing transactional efficiency through reduced information costs, signaling and litigation avoidance."

The Michael Oher 'Blind Side' scandal shows that Hollywood studios are just pretending to follow the law when they buy 'life story rights'
Fortune
"In his official complaint, Oher claims that through forgery, trickery or sheer incompetence, the Tuohys enabled 20th Century Fox to acquire the exclusive rights to his life story. The Tuohys, Oher continues, received millions of dollars for a "story that would not have existed without him," while he claims that he received nothing. Just a year earlier, former heavyweight champion Mike Tyson was similarly incensed when he learned that Hulu had created a miniseries dramatizing his career without seeking his permission. Oher and Tyson – not to mention countless influencers and wannabe celebs – share the conviction that they own, and can monetize, their life stories. And given regular news stories about studios buying "life story rights," it's not surprising to see why."
https://fortune.com/2023/08/31/blind-side-scandal-michael-oher-life-story-rights-legality/amp/

- Does this raise defamation by fiction issues, similar to those that arose from The Queen's Gambit on Netflix? Would substantial truth come into play as a defense? In the same vein, does the Sandlers' conviction make them libel-proof on this issue?

> In September 2021, Soviet-era chess champion Nona Gaprindashvili sued Netflix for defamation and false light over a line in the series that allegedly disparages her accomplishments as a women chess champion, i.e., that she "never faced men" when, in fact, she had played and beaten several male opponents. The line in the drama states: ""Elizabeth Harmon's not at all an important player by their standards. The only unusual thing about her, really, is her sex. And even that's not unique in Russia. There's Nona Gaprindashvili, but she's the female world champion and has never faced men. My guess is Laev was expecting an easy win, and not at all the 27-move thrashing Beth Harmon just gave him."

Complaint: Gaprindashvili v. Netflix
https://storage.courtlistener.com/recap/gov.uscourts.cacd.831571/gov.uscourts.cacd.831571.1.0.pdf

Denial of Motion to Dismiss
https://storage.courtlistener.com/recap/gov.uscourts.cacd.831571/gov.uscourts.cacd.831571.37.0_1.pdf

> "Plaintiff submits admissible evidence sufficient to demonstrate falsity of the Line and to defeat Netflix's defense of substantial truth. As to evidence of the Line's defamatory meaning, along with allegations of the Line in context, Plaintiff submits evidence that viewers did in fact interpret the Line as defamatory. This evidence, though not dispositive, supports the allegation that a "reasonable" viewer would believe the line to be defamatory.
>
> Plaintiff further submits evidence supporting the element of actual malice, including a declaration by chess master Nicholas Carlin that "[a]nyone who is at all familiar with the game [of chess] and its history knows of Nona Gaprindashvili. She was very famous for the fact that she was one of the few women . . . who played in tournaments with men at the top level." As discussed above, Netflix's own evidence demonstrates knowledge of the truth in its choice to deviate from the text of the Novel, which states that Plaintiff had faced the male Russian Grandmasters "many times before." Plaintiff further refutes evidence that Netflix relied on chess experts and conducted good faith research, because (1) Plaintiff was well-known in the chess world such that the information would be common knowledge; (2) "[a]ny simple Google search" would reveal the truthful information; and (3) the information was readily available on multiple common websites, as well as common chess-related sites." (citations omitted).

- Is the psychedelic art form sufficiently transformative to constitute fair use?

  Andy Warhol Foundation v. Goldsmith
  https://www.supremecourt.gov/opinions/22pdf/21-869_87ad.pdf

  The Supreme Court's Warhol Ruling Makes Fair Use Defense Seem Even Riskier
  Venable
  "The Supreme Court's majority decision appears to have made the already risky fair use defense even riskier, now that the Court has declined to hold new works transformative when their purpose is similar to that of the original work. The inability of Justices Sotomayor and Kagan to see the issue through anything like the same lens underscores the caution with which creators of new works should proceed before declaring with confidence that their new work is truly a fair use of the original work."
  https://www.venable.com/insights/publications/2023/05/the-supreme-courts-warhol-ruling

- Is there an expressive element to this that could afford a defense against a claim of trademark infringement?

  Jack Daniel's Properties v. VIP Products (U.S. June 2023)
  "Today's opinion is narrow. We do not decide whether the Rogers test is ever appropriate, or how far the "noncommercial use" exclusion goes. On infringement, we hold only that Rogers does not apply when the challenged use of a mark is as a mark. On dilution, we hold only that the noncommercial exclusion does not shield parody or other commentary when its use of a mark is similarly source-identifying. It is no coincidence that both our holdings turn on whether the use of a mark is serving a source-designation function. The Lanham Act makes that fact crucial, in its effort to ensure that consumers can tell where goods come from."
  https://www.supremecourt.gov/opinions/22pdf/22-148_3e04.pdf

- Does the evocative use of eight notes create exposure on a copyright infringement theory? Apart from the copyright issue over the eight notes, does the use of AI raise any issues? Could an AI-generated song duplicate other copyrighted material? On the flipside, could the studio secure copyright protection for an AI-generated composition?

  Gray v. Hudson (9th Cir. 2022)
  Affirming judgment as a matter of law to singer Katy Perry finding her song "Dark Horse" did not copy plaintiff's prior work. "At oral argument and in their briefing, plaintiffs argued that we are required to defer to the jury's determination that the Joyful Noise

and Dark Horse ostinatos are substantially similar. But even when juries serve as the factfinders, judges retain an important gatekeeping role in applying the law. To be sure, the intrinsic test for substantial similarity is "uniquely suited for determination by the trier of fact" because of its focus on the lay listener, and so "this court must be reluctant to reverse" a jury's finding that two works are intrinsically similar."
https://cdn.ca9.uscourts.gov/datastore/opinions/2022/03/10/20-55401.pdf

Thaler v. Perlmutter (D.D.C. Aug. 18, 2023)
"Copyright is designed to adapt with the times. Underlying that adaptability, however, has been a consistent understanding that human creativity is the sine qua non at the core of copyrightability, even as that human creativity is channeled through new tools or into new media."
https://ecf.dcd.uscourts.gov/cgi-bin/show_public_doc?2022cv1564-24

Generative AI Art: Copyright Infringement and Fair Use
Prof. Michael Murray
SMU Science & Technology Law Review, vol. 26-2 (forthcoming, 2023).
"The originality and creativity requirements of the owner's expression have prompted the development of several doctrines that limit copyrightability by focusing on what and how much of an artist's creation truly was original to the artist, not preexisting and not borrowed or adopted from earlier works. The scènes à faire doctrine in visual art refers to work that contains stock scenes or stock images and commonplace expressions or elements that are firmly rooted in a style or genre's traditions, that are not original to the artist, and that the artist copied or at least adapted for her own expressions."
https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4483539

- Could simultaneous streaming and theatrical release expose the studio to liability to Margaux based on her contingent compensation rights tied to box office performance?

Scarlett Johansson, Disney Settle Explosive 'Black Widow' Lawsuit
Hollywood Reporter
The settlement ends a back-and-forth PR battle pitting the CAA-repped star against the studio that was poised to have dramatic implications for all of Hollywood's majors.
https://www.hollywoodreporter.com/business/business-news/scarlett-johansson-disney-settle-black-widow-lawsuit-1235022598/