



Publications

CASES OF INTEREST

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IP/ENTERTAINMENT LAW WEEKLY CASE UPDATE FOR MOTION PICTURE STUDIOS AND TELEVISION NETWORKS

July 13, 2011

Table of Contents

- Brownmark Films, LLC v. Comedy Partners, et al.
- Warner Bros. Entertainment et al. v. X One X Productions, Inc., et al.

Brownmark Films, LLC v. Comedy Partners, et al., USDC Eastern District of Wisconsin, July 6, 2011

 [Click here for a copy of the full decision.](#)

- District court dismisses plaintiff's copyright infringement claim, holding, on a motion to dismiss, that defendants' parody of plaintiff's music video in their animated comedy television series constitutes fair use.

Plaintiff, Brownmark Films, LLC, is the purported co-owner of a copyright in a music video entitled "What What (In the Butt)" (WWITB), a four-minute long song that includes "an array of bizarre imagery" and features the singer, an adult African American male wearing a bright red silk shirt, dancing and grinning at the camera, while repeatedly singing the same refrains: "I said, what what, in the butt" and "you want to do it in my butt, in my butt." Defendants are the creators and producers of "South Park," the animated series on Comedy Central about the adventures of "four foul-mouthed fourth graders in a small mountain town in Colorado." Plaintiff alleged that defendants infringed on its copyright in WWITB, based on an episode of South Park in which one of the characters, Butters Stotch, is persuaded by his classmates to record an internet music video in order to make money. The video, which lasts for less than a minute of the 25-minute episode, involves the nine-year-old character singing the central refrains from WWITB while dressed in a variety of costumes, including as a teddy bear, an astronaut and a daisy. In the episode, the video "goes viral" but the kids' attempts at collecting "internet money" prove fruitless.

Acknowledging that its work in resolving the defendants' motion to dismiss is "hardly the sort of subject that would create millions of fans, as the work of all of the parties before the court did," the district court "forge[d] on" to resolve the motion in favor of defendants, holding that the defendants' parody of the WWITB video falls squarely within the fair use protections of the Copyright Act and dismissing plaintiff's amended complaint with prejudice.

As a preliminary matter, the court rejected defendants' argument that plaintiff did not have standing to assert a claim for copyright infringement because only two of the three original copyright holders in WWITB assigned their rights to plaintiff. Under section 501(b) of the Copyright Act, only those who have exclusive rights in a copyright have standing to sue for infringement. The court reasoned that, under Seventh Circuit precedent, the Copyright Act affords "significant" benefits to joint owners of a copyrighted work, that each owner holds an "undivided interest in the work," and that each owner may independently use and license



Publications

CASES OF INTEREST

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the joint work, subject only to the obligation to account to co-owners for any profits. Co-owners are tenants in common and have the right to sell or gift their ownership to others, including a grant of exclusive rights.

The court declined to follow *Sybersound Records, Inc. v. UAV Corp.*, upon which defendants relied, rejecting the Ninth's Circuit's more restrictive interpretation of the Copyright Act that the only means by which a third party can obtain exclusive rights in the copyright of a jointly owned work is to have all of the co-owners grant those rights. Discussing at length why it – and other commentators – found the Ninth's Circuits reasoning faulty, the court held that the determination of whether a grant of rights is exclusive or nonexclusive depends on the grant. Accepting the allegations in the complaint as true, the grant by the two co-owners of their interest in WWITB was a complete assignment of rights to plaintiff, giving it standing to sue for infringement of the underlying copyright.

The court then considered the defendants' argument that their use of WWITB was protected by the fair use doctrine, as codified by the Copyright Act. At the outset, the court acknowledged that fair use is an affirmative defense, as opposed to a central element of copyright infringement, but concluded that an affirmative defense can be the basis for granting a motion to dismiss when the allegations of the complaint, and material expressly referenced in the complaint and central to the plaintiff's claims, set forth everything necessary to establish the defense. Looking at the context of the case and the pleadings – specifically that the infringing conduct alleged in the complaint was limited to the use of WWITB in the production and distribution of the single episode – the court concluded that it could resolve the fair use argument based on the complaint and the material it referenced, including the WWITB video and the "South Park" episode.

Noting that the fair use doctrine allows for a limited privilege for others to use copyrighted material without the copyright owner's consent for reasonable purposes, including "criticism" and "comment," the court enumerated the statutory considerations from Section 107 of the Copyright Act: (1) the purpose and character of the use; (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and (4) the effect of the use upon the potential market for or value of the copyrighted work. In addition, as cautioned by the Seventh Circuit, the "fair use" copier must use no more of the copyrighted material than necessary to accomplish its fair use goal – such as criticizing the original work.

Applying the section 107 factors and considering the principles behind the fair use doctrine, the court concluded that the defendants' use of plaintiff's music video in the "South Park" episode constituted fair use. According to the court, only a fleeting glance at the episode reveals the purpose and character of the use of the WWITB video – "to lampoon the recent craze in our society of watching video clips on the internet that are – to be kind – of rather low artistic sophistication and quality." Defendants' use of plaintiff's work is transformative in that used parts of the original work not only to poke fun at the original, but also to comment on a social trend, making it a classic parody. Specifically, the court found that defendants' use accomplished "the seemingly impossible – making the WWITB video even more absurd by replacing the African American male singer with a naive and innocent nine-year old boy dressed in adorable outfits." The



Publications

CASES OF INTEREST

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episode not only highlights the inanity of the "viral video" craze by having the fourth graders' video go viral, but also comments on the ultimate value of viral video clips, as the main characters learn that while society is willing to watch absurd video clips on the internet, it places little monetary value on these such works.

With respect to the other factors, the court noted that the use of the copyrighted work in the South Park episode was relatively insubstantial. The defendants' use of WWITB did not mirror the original work, but rather was a derivative work, a cartoon of a fourth-grade boy repeating just enough lines to conjure up the WWITB video. The "snippet" used in the episode less than a third of the length of the original WWITB video, the imagery and words of the original work were used minimally, only as needed by the defendants to accomplish their goal of commenting on the viral video phenomenon. Finally, the court found little risk that defendants' derivative work would somehow usurp the market demand for the original, reasoning that the episode lampoons the viral video craze, while the WWITB video is the epitome of the kind of video that fuels the craze.

The district court dismissed plaintiff's complaint with prejudice, finding that plaintiff had filed two complaints with the court alleging copyright infringement based on "South Park" episodes and failed, despite ample opportunity, to cure "glaring problems" with his pleading in the dispute.

Warner Bros. Entertainment et al. v. X One X Productions, Inc., et al., USCA Eighth Circuit, July 5, 2011

 [Click here for a copy of the full decision.](#)

- Circuit court affirms a permanent injunction restricting defendants' depictions of copyrighted film characters derived from images in the public domain, allowing only a faithful reproduction, in whole or in part, of the uncopyrighted public domain images.

Defendants, makers of licensed products, appealed a permanent injunction issued by the district court preventing them from using images extracted from publicity materials for the films *Gone with the Wind* and *The Wizard of Oz*, as well as animated short films featuring Tom & Jerry. The district court held that defendants had infringed on plaintiff Warner Bros.'s copyrights in those films by using the images, alone or in combination with other elements, on a variety of products including t-shirts, playing cards and lunch boxes, and as models for objects including statuettes and action figures. On appeal, defendants argued that since they used images extracted from uncopyrighted publicity materials in the public domain, they had not infringed on copyrights in the films. The Eighth Circuit affirmed in large part the district court's grant of summary judgment in plaintiff's favor and upheld the resulting permanent injunction to the extent it barred defendants from using the uncopyrighted images in new ways that evoked protectable elements of copyrighted film characters. The court reversed the summary judgment and vacated the injunction only to the extent that defendants' use of the public domain images reproduced, in whole or in part, the identical uncopyrighted images.



Publications

CASES OF INTEREST

LOEB & LOEB adds Depth.

The publicity materials at issue were movie posters and lobby cards depicting images and photographs created in the 1930s, '40s and '50s to promote the films. The images were not derived from the films, but rather from photographs of the actors in costume taken on the movie sets and, in the case of Tom & Jerry, drawings of the cat and mouse characters. The materials failed to carry notices of copyright, a prerequisite for copyright protection under the then-governing 1909 Copyright Act. Defendants argued that distributing the materials without the requisite copyright notices injected them into the public domain and precluded any restrictions on their subsequent use.

Since Warner Bros. was not asserting copyrights against the unaltered reproductions of the publicity materials, the district court found it unnecessary to determine whether the materials were in the public domain. Instead, the district court granted summary judgment in favor of Warner Bros., holding that defendants' practice of modifying the images extracted from the materials for use on retail products constituted infringement of the copyrights in the films. The district court entered a permanent injunction against all use of the images, except for exact duplication of individual publicity materials.

In affirming the majority of the district court's decision, the circuit court did find that the images in the publicity material were in the public domain because they were both uncopyrighted and had been circulated widely, not just in the movie posters and lobby cards, but also in newspaper and magazine advertisements, as well as in handouts and promotional flyers. distribution constituted a "general publication" resulting in injection into the public domain, and not merely a "limited publication." The court's finding that the publicity materials were in the public domain did not end its inquiry, however. Warner Bros. did not challenge – and district court did not restrict – any products that were exact reproductions of an entire item of publicity material. Rather, Warner Bros. alleged that defendants extracted images from the public domain materials and used them in new ways that infringe the copyrights in the associated films. The circuit court agreed that, even though the images were in the public domain, defendants could still have infringed on Warner Bros.'s undisputed copyrights in the films and the film characters, because they placed the images in new contexts.

Turning to the elements of copyright infringement, the court reasoned that it could infer copying based on a showing that (1) defendants had access to the films, and (2) that defendants' creations were substantially similar to protectable elements of the films. The court easily found access, since the films had a "long history of popularity." The court also found it undisputed that the images depicted in defendants' works were substantially similar to the copyrighted images in the films – in fact, they were images of the same actors in the same costumes or, in the case of Tom and Jerry, of the same cartoon characters. The remaining question for the court was whether the defendants had appropriated original – and therefore protected – elements of the movie characters or merely used elements that were in the public domain.

The court rejected defendants' argument that the fact that the publicity materials were in the public domain meant that the entirety of each film character depicted in the materials was also in the public domain. The



Publications

CASES OF INTEREST

LOEB & LOEB adds Depth.

publicity materials only placed into the public domain exactly that which they portrayed and nothing more – a particular image of the character. The court also held that the film characters were sufficiently distinctive to be protectable and that because the publicity materials carried only static depictions of characters such as *Gone with the Wind*'s Rhett Butler and Scarlett O'Hara, they did not undermine the protectability of these characters as depicted in the films. Because no visual aspects of the film characters were in the public domain, any depiction of the films' copyrighted characters beyond a faithful replication of the unprotected images contained within the publicity materials infringed on Warner Bros.' copyrights in the films.

Of the three categories of works covered by the permanent injunction, the court found that two infringed on plaintiff's copyrights in the movies and should be subject to the injunction. The first category included images extracted from the publicity materials and placed by defendants into a larger arrangement. For instance, an unprotectable publicity image of Judy Garland from *The Wizard of Oz*, accompanied by the phrase "There is no place like home," taken from the book from which the movie was created, evoked elements of the Dorothy character that were present in the copyrighted movie character, not the publicity image. The second category included three-dimensional objects, such as statuettes, busts and action figures, which, while based on the publicity images, were designed to resemble the film characters as closely as possible and were based on visual information that could have only been obtained from the films.

The circuit court vacated the injunction only as to defendants' use of the public domain images that simply involved transferring one image onto another surface, such as a t-shirt or a lunch box. The court rejected Warner Bros.' argument that the only allowable use of the images was a reproduction of the entire movie poster or lobby card, reasoning that printing a public domain image on a new surface instead of the original surface did not add an increment of expression of the film character to the image. In a footnote, the court did note that its reasoning would not apply, however, if the new surface was independently evocative of the film character – such as reproducing a publicity image of Judy Garland as Dorothy on a ruby slipper.

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