June 1999

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Recommended Citation

Strauch, Bruce; Montgomery, Jack G.; and Jennings, Anne F. (1999) "Cases of Note-Nihon Keizai Shimbun, Inc. v. Comline Business Data, Inc., Dustin Hoffman v. Capitol Cities/ABC, Inc., Gerig v. Krause Publications, Inc.," *Against the Grain*: Vol. 11: Iss. 3, Article 19. DOI: <https://doi.org/10.7771/2380-176X.3912>

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LEGAL ISSUES

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Cases of Note

Nihon Keizai Shimbun, Inc. v. Comline Business Data, Inc., Dustin Hoffman v. Capital Cities/ABC, Inc., Gerig v. Krause Publications, Inc.

by Bruce Strauch (the Citadel) <strauchb@citadel.edu>

Copyright Infringement - Abstracts

Nihon Keizai Shimbun, Inc. v. Comline Business Data, Inc., 166 F.3d 65 (2d Cir.1999).

When I saw the headnotes about abstracts as an infringement, I almost croaked. The facts of the case will leave you a bit more at ease.

Nikkei is a Japanese publisher of financial, business and industry news. Many of its articles are available in English through a Web site and LEXIS/NEXIS. **Comline** gathers news articles and publishes abstracts. One-third of its 17,000 abstracts published in 1997 were derived from **Nikkei**. Viewing the "abstracts" as nothing more than rough translations, **Nikkei** sued and won. Copyright holders have the right to "reproduce the work in copies" and to "prepare derivative works." *Copyright Act of 1976*, 17 U.S.C. 106. **Comline** admitted to copying due to its method of creating the abstracts directly from **Nikkei**'s articles. It argued, however, that the similarity between the two came out of reporting the same unprotected facts. And facts being unprotected is a "fundamental axiom." *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 344 (1991).

Facts v. Expression

Originality of expression, however, is the key here, and facts may receive protection due to originality in selection, arrangement or presentation. *Id.* at 348. While there can be no copyright in the news, there is protection for "the manner of expression, the author's analysis or interpretation of events, the way he structures his material and marshals facts, his choice of words, and the emphasis he gives to particular developments." *Wainwright Sec. Inc. v. Wall St. Transcript Corp.*, 558 F.2d 91, 95-96 (2d Cir.1977).

The substantial similarity test asks whether the lay observer would conclude that copying had been done. *Knitwaves, Inc. v. Lollytogs Ltd.* 71 F.3d 996, 1002 (2d Cir.1995). The Court found the abstracts to be "direct, if not word-for-word, translations" from the Japanese of the **Nikkei** articles, tracking sentence by sentence. And hence the structure and organization was

identical. (Westlaw *71)

Comline argued their infringement was *de minimis* which is not actionable. *Sandoval v. New Line Cinema Corp.*, 147 F.3d 215, 217 (2d Cir.1998). Only twenty articles out of **Nikkei**'s annual 90,000 were infringed. The Court found to the contrary that **Nikkei** was entitled to protection for each and every separate article. And they brought out that old **Learned Hand** rib-tickler, "no plagiarist can excuse the wrong by showing how much of his work he did not pirate." *Sheldon v. Metro-Goldwyn Pictures Corp.*, 81 F.2d 49, 56 (2d Cir.1936).

So. You're still uneasy. Is the fabulous **Cases of Note** column in danger? Surely Strauch's meanderings bear only the faintest resemblance to the erudite opinions of the Federal Courts. And as you guessed, it's now time for that fall-back argument —

Fair Use

"[T]he fair use of a copyrighted work, ... for purposes such as criticism, comment, news reporting, ... or research, is not an infringement of copyright." 17 U.S.C. 107.

Well. There it is. *Strauch* is nothing if not critical. And he does make his little comments.

Purpose and Character: True, **Comline** was reporting the news which would be a fair use if it added something to make the abstracts transformative. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579 (1974). But **Comline**, as we have learned, merely translated the articles.

Nature of the Copyrighted Work: "[S]ome works are closer to the core of intended copyright protection than others." *Id.* at 586. Fiction is at the core, while news is ... well, not so close to the core. "Copying a news broadcast may have a stronger claim to fair use than copying a motion picture." *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 455 n. 40 (1984).

Amount and Substantiality of Portion Used: The Court did point out that it would be possible for **Comline** to abstract facts without infringing or using them unfairly. Factual content differs from copyrighted expression. And the amount of the expression copied is the is-

sue here. *Salinger v. Random House, Inc.*, 811 F.2d

90, 97 (2d Cir.1987). But once again, recall that **Comline** was translating line for line.

Effect of Use Upon Potential Market: Yes, **Comline** was competing with **Nikkei** and a reader of **Comline** wouldn't need to buy from **Nikkei**. And, as your mother said, "what if everyone did it?" *Campbell*, 510 U.S. at 590.

Campbell didn't really quote your mother. It spoke of widespread conduct that would have a substantial impact.

And if you're still fretting about the future of this column, rest at ease. **Cases of Note** has yet to be cited in a court of law in lieu of the *West* reporters.

Copyright/ Inv. of Privacy - Digitally Dressed

Dustin Hoffman v. Capital Cities/ABC, Inc., 33 F.Supp.2d 867 (C.D. Ca. 1999)

Dustin Hoffman is that one-time cinematic lover of **Mrs. Robinson**, and recipient of **Academy Awards**, **Golden Globes**, **Emmys**, you name it. Since *The Graduate*, he has never licensed his identity for commercial purposes. No, not even **American Express**. Yes, he was in one VW ad before that smash hit of college grad alienation from the plastics industry. But nevermore. He feared he would be perceived by the public as a dying star grubbing for dollars.

Disney owns **ABC, Inc.** which in turn owns **Los Angeles Magazine**. As they are all independent subsidiaries and no evidence was shown of ratification or alter ego, **ABC** was dismissed from the suit.

In March, 1997, **Los Angeles Magazine** took a Hoffman photo from *Tootsie* and digitally altered it to put him in a **Richard Tyler** silk gown and **Ralph Lauren** high-heel shoes. This was part of a "Grand Illusions" article with famous actors/actresses all dressed in famous designer clothing. Yes, many of said designers

continued on page 46

Cases of Note from page 44

just happened to advertise in *LA Magazine*. And there was a shopping guide. *LA Magazine* did not seek Hoffman's consent to "shill" for hot designers. And if that wasn't enough, they replaced dumpy ol' Dustin's body with a buff male model's (!). *LA Magazine* argued that the Copyright Act preempted the state claims and the owner of the copyright of the *Tootsie* photo should be the party suing. For the federal Act to not preempt, the state cause of action must have something different in it from the equivalent of a copyright infringement claim. *Del Madera Properties v. Rhodes & Gardner, Inc.*, 820 F.2d 973, 977 (9th Cir.1987). Hoffman claimed the state right to protect his celebrity image. As his likeness and name is not a "work of authorship", then preemption does not apply. 17 U.S.C. 102.

Rise and Stumble of a Hard-charging Ed

Michael Caruso was hired as ed-in-chief to "rev the magazine up to the volume of the city." 33 F.Supp.2d at 871. Of course he thought of celebrities. He did the clothes thing with Grammy-nominated singers, but he asked their permission. Likewise TV comedienesses. And they all posed in the clothes. But when it came to the actors, he chose to dodge paying the hefty sums he knew they would demand. So he hit upon digitizing. Caruso got the photos from photo archive companies, but simply ignored a variety of contract restrictions that would have prevented him from doing the digital alterations.

Appropriation

Appropriation of another's name or likeness is an old Common Law variety of invasion of privacy. It doesn't even have to be a commercial advantage that is achieved. Just an advantage to the appropriator. *Eastwood v. Superior Court*, 149 Cal.App.3d 409, 417, 198 Cal.Rptr. 342 (1983). California Civil Code Section 3344 is a right of publicity statute that provides a separate and distinct remedy from the Common Law.

Although why that makes any difference beats me because the statute reads: "Any person who knowingly uses another's name, voice, signature, photograph or likeness, in any manner, on or in products, merchandise or goods, or for purposes of advertising or selling ... merchandise, goods or services without such person's prior consent ... shall be liable for any damages sustained by the person or persons injured as a result thereof."

The Court found no First Amendment defense as the Constitution does not protect exploitative commercial use of someone's name and does not protect knowingly false speech. *Eastwood v. Superior Court*, 149 Cal.App.3d 409, 425, 198 Cal.Rptr. 342 (1983). *LA Magazine* was not reporting the news. Hoffman had never worn the clothes they put him in, and it wasn't even his body. The "news

defense" is limited to using a likeness only to convey news. *Zacchini v. Scripps-Howard Broadcasting Co.*, 433 U.S. 562 (1977).

The Court found that Hoffman could have gotten \$1,500,000 Fair Market Value for selling his image. Which seems a tad piker-ish for that star of *Wag the Dog*. But the Court did say he was entitled to punitive damages to be determined later (*invasion of privacy is an intentional tort which allows punitives to deter similar acts in the future*). And they gave him attorney's fees. So there.

Copyright - Registration Required for Suit

Gerig v. Krause Publications, Inc., 33 F.Supp.2d 1304 (D. Ka. 1999).

This deals with that oddity of law wherein you can have copyright but can't sue without a certificate.

Collector's Mart Magazine, later **Krause Publications**, hired photographer **Gerig** to take shots, and used some but not all of them in the magazine. "Assignment fees" were paid for all of them. In November, 1997, Krause then published a book — *Decorating With Collectibles* — using photos previously published and some which hadn't been. **Gerig** claimed copyright in that latter bunch. **Gerig** had one registration certificate dated Dec. 2, 1997. He said the rest were pending and had canceled

checks as evidence.

Are the dates bothering you? They're not significant. Either Gerig had or didn't have copyright in November, 1997. It doesn't matter that Krause got the book into print before his registration.

And of course you're bugged by the "assignment fees." Sounds like **Gerig** was an independent contractor (see **ATG** vol. 10 #6, pp.52-53) and held copyright. But what rights did **Krause** buy when they paid him a fee?

None of that is explained in the case which is about when you can bring suit.

You can't sue for infringement unless you've registered your copyright. 17 U.S.C. 411(a).

And here the case law splits. **Eleventh Circuit** and various district courts hold you need receipt of an actual registration certificate. *M.G.B. Homes v. Ameron Homes*, 903 F.2d 1486, 1488-89 (11th Cir.1990). **Fifth and Third Circuits** and another slew of district courts hold that initiating the process of registration is enough. *Apple Barrel Prods., Inc. v. Beard*, 730 F.2d 384 (5th Cir.1984); *Sebastian Intern., Inc. v. Consumer Contact Ltd.*, 664 F.Supp. 909, 912 (D.N.J.1987), vacated on other grounds, 847 F.2d 1093 (3d Cir.1988).

Our Kansas court chose to go with the "plain language" of the statute and dismiss the case. Which means **Gerig** could continue his copyright application process and sue later. 🐿

Questions and Answers — Copyright Column

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QUESTION: Does the suggestion of five for Interlibrary loan for ILL apply to periodical issues as well as copies? This library is a part of a three-library district, and each library counts ILL statistics separately. Libraries in the district also borrow magazine issues and make copies among the three. Should these transactions be counted as well?

ANSWER: The ILL guidelines apply to five articles from journals, not five issues of a journal. If your library borrows the original journal issue from a member of the consortium (district) then the ILL guidelines do not apply. They apply only when the lending library supplies a reproduction rather than the original item. If, however, a member of the consortium sends you a photocopy or other reproduction in response to an ILL request, then you count that as one article from that journal.

QUESTION: What is the wording that should be put on the photocopier to alert users about copyright?

ANSWER: Section 108(f)(1) requires that reproduction equipment contain a notice that making a copy may be subject to the copyright law. No particular wording is specified. There are three alternatives that are commonly used. (1) "Notice: Making a copy may be subject to the copyright law." (2) The Register of Copyright's warning that is required under section 108(d). or (3) "Notice: The copyright law of the United States (Title 17 U.S. Code) governs the making of photocopies or reproductions of copyright material; the person using this equipment is liable for any infringement." This latter statement is recommended in **ALA & NEA, The Copyright Primer for Librarians and Educators** 13 (1987).

continued on page 48