

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO**

Civil Action No. 02-M-1662 (MJW)

ROBERT HUNTSMAN, et al.,

Plaintiffs and Counterclaim Defendants

vs.

STEVEN SODERBERGH, et al.,

Defendants and Counterclaimants.

**CLEARPLAY INC.'S REPLY BRIEF IN SUPPORT OF THE PLAYER CONTROL
PARTIES' MOTION FOR SUMMARY JUDGMENT ON THE DIRECTOR PARTIES'
CLAIMS**

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION.....	1
ARGUMENT.....	2
I. THE DIRECTOR PARTIES BEAR THE BURDEN OF ESTABLISHING A TRIABLE ISSUE OF FACT REGARDING DIRECT TRADEMARK INFRINGEMENT.....	2
II. THE DIRECTOR PARTIES HAVE NOT ESTABLISHED A GENUINE DISPUTE REGARDING DIRECT TRADEMARK INFRINGEMENT OR DILUTION LIABILITY ARISING FROM DISTRIBUTION OF THE CLEARPLAY SOFTWARE.....	4
A. The Director Parties Allege Only Direct Trademark Infringement And Dilution Against ClearPlay	5
B. The Director Parties Have Failed to Adduce Evidence That ClearPlay Uses The Directors’ Trademarks in Commerce.	6
C. The Director Parties’ Claim For Injunctive Relief Based on ClearPlay’s Past Use of Directors’ Names Is Moot.....	9
D. The Director Parties’ Discussions of Likelihood of Confusion And Material Alteration Are Irrelevant to The Present Motion	11
III. THE SUPREME COURT’S RULING IN <i>DASTAR</i> ELIMINATES THE DIRECTORS’ SECTION 43(a) CLAIMS IN THIS CASE	12
A. <i>Dastar’s</i> Holding That Underlying Works Are Not “Goods” Under Lanham Act Section 43(a) Eliminates The Director Parties’ Lanham Act Claims.....	12
B. <i>Dastar’s</i> Holding Does Not Threaten The United States’ Compliance With The Berne Convention	13
IV. THE SUPREME COURT’S RULING IN <i>DASTAR</i> ALSO ELIMINATES THE DIRECTORS’ STATE UNFAIR COMPETITION CLAIMS IN THIS CASE.....	15
V. THE DIRECTOR PARTIES HAVE SHOWN NO REASON TO DEFER THE GRANT OF SUMMARY JUDGMENT FOR CLEARPLAY PURSUANT TO RULE 56(F).....	16
CONCLUSION	17

TABLE OF AUTHORITIES

CASES

<i>Adams v. Goodyear Tire & Rubber Co.</i> , 184 F.R.D. 369 (D. Kan. 1998).....	17
<i>American Bd. of Psychiatry and Neurology, Inc. v. Johnson-Powell</i> , 129 F.3d 1 (1st Cir. 1997).....	10
<i>Applied Genetics Int'l v. First Affiliated Sec.</i> , 912 F.2d 1238 (10th Cir. 1990).....	3
<i>Calderone v. United States</i> , 799 F.2d 254 (6th Cir. 1986)	3
<i>Carell v. Shubert Org.</i> , 104 F. Supp. 2d 236 (S.D.N.Y. 2000).....	14
<i>Carver v. Condie</i> , 169 F.3d 469 (7th Cir. 1999).....	5
<i>Celotex Corp. v. Catrett</i> , 477 U.S. 317 (1986)	3
<i>Cleary v. News Corp.</i> , 30 F.3d 1255 (9th Cir. 1994).....	15
<i>Dastar Corp. v. Twentieth Century Fox Film Corp.</i> , 123 S. Ct. 2041 (2003)	12, 13, 15, 18
<i>Davis v. TXO Prod. Corp.</i> , 929 F.2d 1515 (10th Cir. 1991).....	5
<i>Denbicare U.S.A. Inc. v. Toys "R" Us, Inc.</i> , 84 F.3d 1143 (9th Cir. 1996)	15
<i>Edison Bros. Stores v. Broadcast Music</i> , 954 F.2d 1419 (8th Cir. 1992).....	14
<i>Gilliam v. American Broad. Cos.</i> , 538 F.2d 14 (2d Cir. 1976).....	8, 9, 13
<i>King v. Dogan</i> , 31 F.3d 344 (4th Cir. 1994).....	5
<i>New Kids on the Block v. News Am. Publ'g, Inc.</i> , 971 F.2d 302 (9th Cir. 1992)	10
<i>Nihon Keizai Shimbun, Inc. v. Comline Bus. Data, Inc.</i> , 166 F.3d 65 (2d Cir. 1999).....	10
<i>Robert Stigwood Group, Ltd. v. Hurwitz</i> , 462 F.2d 910 (2d Cir. 1972)	10
<i>Schutt Mfg. Co. v. Riddell, Inc.</i> , 673 F.2d 202 (7th Cir. 1982).....	10
<i>Sega Enters. Ltd. v. Accolade</i> , 977 F.2d 1510 (9th Cir. 1992)	7
<i>Twentieth Century Fox Film Corp. v. Dastar Corp.</i> , 68 U.S.P.Q.2d (BNA) 1536 (C.D. Cal. Oct. 14, 2003).....	15
<i>U-Haul Int'l Inc. v. WhenU.com Inc.</i> , 279 F. Supp.2d 723 (E.D. Va. 2003).....	6, 7, 8

<i>Universal Money Ctrs., Inc. v. Am. Tel. & Tel. Co.</i> , 22 F.3d 1527 (10th Cir. 1994), <i>cert. denied</i> , 513 U.S. 1052 (1994).....	3
<i>Wells Fargo & Co. v. WhenU.com Inc.</i> , No. 03-71906, 2003 U.S. Dist. LEXIS 20756, *1 (E.D. Mich. Nov. 19, 2003).....	6, 7, 8
<i>Wesley v. Don Stein Buick</i> , 996 F. Supp. 1299 (D. Kan. 1998).....	16
<i>Whitney v. Robertson</i> , 124 U.S. 190 (1888)	14

STATUTES

15 U.S.C. § 1114.....	7
15 U.S.C. § 1125(a)	5, 6, 7 11, 12, 13 15, 16
17 U.S.C. § 101.....	14
17 U.S.C. § 106.....	13, 14
Berne Convention Implementation Act of 1988, 17 U.S.C. app. II § 2(1).....	14

RULES

Federal Rule of Civil Procedure 56	2, 16
--	-------

MISCELLANEOUS

H. R. Rep. No. 101-514 at 6918 (1990).....	14
Interview with new DGA president Michael Apted, <i>The Hollywood Reporter.com</i> , Aug. 18, 2003.....	2
J. Thomas McCarthy, <i>McCarthy on Trademarks and Unfair Competition</i> (2003)	7, 10
Melville B. Nimmer & David Nimmer, <i>Nimmer on Copyright</i> (2002).....	14, 15

Counterclaim Defendant and Counterclaimant ClearPlay Inc. (“ClearPlay”) files this reply memorandum in support of the Player Control Parties’ motion for summary judgment as to claims brought by the individual directors and the Directors Guild of America (collectively the “Director Parties”).

INTRODUCTION

From the beginning of this case the Director Parties have grasped at straws in bringing trademark claims against ClearPlay and the other Player Control Parties that simply have no merit under United States law.

The Director Parties first brought claims only for contributory trademark infringement, apparently based on the fact that consumers were using ClearPlay software in conjunction with genuine DVDs of motion pictures that carried directors’ names in the credits. Realizing that such claims were bound to fail because consumers, in the privacy of their own homes, do not use the directors’ marks in commerce, a threshold requirement for a Lanham Act claim, and after pointed questioning from the Court concerning the nature of their claims, the Director Parties amended their counterclaim to substitute a claim of direct infringement for a claim of contributory infringement against ClearPlay and the other Player Control Parties.

Having amended their counterclaims to assert claims for direct trademark infringement and dilution, however, the Director Parties encounter another fatal flaw: *ClearPlay does not use the Director Parties’ “marks” (evidently the personal names of the directors and the trade names of the Directors Guild of America) in any fashion.* In their opposition brief the Director Parties fail to point to *any* current use of the names by ClearPlay, much less a use at any time that would support a claim of direct trademark infringement or dilution. While, like the Studio Parties, the Director Parties base their arguments on the fiction that ClearPlay is itself distributing “Edited Motion Pictures,” there is no evidence to support that fiction. ClearPlay

distributes software that consumers, after having obtained a genuine motion picture DVD, may use to instruct their computers to mute or skip potentially objectionable content.

In a remarkably candid recent interview, the newly appointed President of the DGA, Michael Apted (himself an individual counterclaimant in this case) commented on the feeble nature of the Director Parties' claims:

We are on the cutting edge of that. We have this whole business of CleanFlicks. *We decided as a guild that frankly we had no chance of winning the lawsuit.* But we went for the lawsuit because we wanted to take a moral stand. And mercifully, because of the skill of the staff, and (DGA national executive director) Jay (Roth), we got the studios on board. So then it became a very serious and proper lawsuit.

See Declaration of Terri Y. Chen ("Chen Decl."), ¶ 2 and Ex. 1 (Interview with new DGA president Michael Apted, *The Hollywood Reporter.com*, Aug. 18, 2003) (emphasis added).

The Director Parties have already put three fledgling technology companies to enough expense defending spurious claims. In their opposition brief the Director Parties fail to establish any genuine dispute regarding trademark infringement or dilution arising from ClearPlay's distribution of its software. ClearPlay respectfully requests that the Court grant the Player Control Parties' motion for summary judgment.

ARGUMENT

I. THE DIRECTOR PARTIES BEAR THE BURDEN OF ESTABLISHING A TRIABLE ISSUE OF FACT REGARDING DIRECT TRADEMARK INFRINGEMENT.

In their opposition brief, the Director Parties fundamentally misstate the relative burdens of the parties under Rule 56, Fed. R. Civ. P. Specifically, the Director Parties repeatedly claim

that ClearPlay has not met its evidentiary burden under Rule 56 because it failed to lodge samples of its software into the record.¹

The relative burdens of the parties on a motion for summary judgment are clear: The plaintiff has the burden on a claim for relief and the defendant on an affirmative defense. *See Calderone v. United States*, 799 F.2d 254, 259 (6th Cir. 1986). While the party moving for summary judgment bears the initial burden of showing the absence of a genuine issue of material fact, that burden is met simply by “‘showing’ — that is, pointing out to the district court — that there is an absence of evidence to support the nonmoving party’s case.” *Celotex Corp. v. Catrett*, 477 U.S. 317, 325 (1986); *Universal Money Ctrs. v. American Tel. & Tel. Co.*, 22 F.3d 1527, 1529 (10th Cir. 1994), *cert. denied*, 513 U.S. 1052 (1994). There is “no express or implied requirement in Rule 56 that the moving party support its motion with affidavits or other similar materials *negating* the opponent’s claim.” *Celotex Corp. v. Catrett*, 477 U.S. 317, 323 (1986) (emphasis in original).

ClearPlay established in its opening brief and supporting affidavits that ClearPlay does not use the directors’ marks in commerce. As a consequence, the burden shifted to the Director Parties to “set forth *specific facts* showing that there is a *genuine issue* for trial as to those dispositive matters for which it carries the burden of proof.” *Universal Money Ctrs.*, 22 F.3d at 1529 (10th Cir. 1994) (emphasis in original) (quoting *Applied Genetics Int’l v. First Affiliated Sec.*, 912 F.2d 1238, 1241 (10th Cir. 1990)). The Director Parties have failed to provide any

¹ Ironically, ClearPlay originally sought the Director and Studio Parties’ consent to demonstrate its technology to the Court at the initial scheduling conference for this case. *See* Chen Decl., ¶ 3 and Ex. 2 (letter dated February 3, 2003 from Andrew P. Bridges to all counsel). The Director and Studio Parties, however, refused to agree. *See* Chen Decl., ¶ 3.

evidence to support their claim.² Although the Director Parties weakly claim that they need unspecified further discovery, the Director Parties have long had copies of not only ClearPlay's software itself, but the source code for its software, the proprietary application used to create ClearPlay's software, and the source code for that application, each of which was provided to the Director and Studio Parties during discovery. *See* Chen Decl., ¶¶ 4-10 and Exhs. 3-9. They have, throughout this case, had access to ClearPlay's website where it carries out its marketing, advertising, and delivery of software. If the Director Parties believe that ClearPlay's software product, advertising, or marketing somehow supports their claims or creates a genuine issue for trial, it is their burden to establish that fact, not ClearPlay's to disprove it.

II. THE DIRECTOR PARTIES HAVE NOT ESTABLISHED A GENUINE DISPUTE REGARDING DIRECT TRADEMARK INFRINGEMENT OR DILUTION LIABILITY ARISING FROM DISTRIBUTION OF THE CLEARPLAY SOFTWARE.

Conceding that ClearPlay's use of the directors' alleged "marks" (their personal names) in commerce is necessary for a valid trademark claim against ClearPlay, the Director Parties argue that they have nonetheless satisfied this requirement. *See* Director Parties' Opposition at 13. The Director Parties argue that ClearPlay has made use of the directors' marks in two ways: (1) ClearPlay's now discontinued use of directors' names as part of a broader description of a

² The Director Parties devoted much of their brief to extraneous issues that cannot obscure the fact that they have no substantive response to the basis on which ClearPlay brought this summary judgment motion. The Director Parties have tried to shift attention away from the straightforward legal principles and undisputed facts that call for summary judgment by focusing on the artistic endeavors of the Director Parties. For example, the Director Parties open their opposition brief with the declaration of Robert Rosen, Dean of UCLA's School of Theatre, Film and Television, as evidence that ClearPlay's software substantially alters the playback of movies. This issue, however, is not germane to this motion. ClearPlay has moved for summary judgment on a basic threshold issue: the undisputed facts show that there is no use in commerce of the Director Parties' "marks." The issue of substantiality of alleged "alterations" may be addressed in another motion if the need for another motion ever arises, but has nothing to do with this motion.

motion picture that might include the title, the MPAA rating, the date of release, synopsis, the genre, and the stars; and (2) the display of the directors' names in credits that takes place during the playback of a motion picture DVD once a consumer acquires a genuine motion picture DVD. *See* Director Parties' Opposition at 11. Because neither of these uses can possibly support the Director Parties' claims for injunctive relief for direct trademark infringement or dilution, the Director Parties' Lanham Act and related claims against ClearPlay must fail.

A. The Director Parties Allege Only Direct Trademark Infringement and Dilution Against ClearPlay.

The Director Parties filed a second amended counterclaim alleging only *direct* trademark infringement and dilution against ClearPlay, dropping the contributory trademark infringement claim of their previous counterclaim. *See* Director Parties' Amended Counterclaim at 25 and Director Parties' Second Amended Counterclaim at 40-45. An amended complaint supercedes the original complaint and renders it of no legal effect. *See Davis v. TXO Prod. Corp.*, 929 F.2d 1515 (10th Cir. 1991); *King v. Dogan*, 31 F.3d 344, 346 (4th Cir. 1994); *Carver v. Condie*, 169 F.3d 469, 472 (7th Cir. 1999).

The Director Parties did not reassert claims for contributory infringement in their Second Amended Counterclaim and made it crystal clear that they were asserting only claims for direct infringement against ClearPlay. In their Second Amended Counterclaim, the Director Parties specify that each of the three causes of action asserted against ClearPlay is "a claim for direct, *as opposed to* contributory, violations of the Lanham Act." *See* Second Amended Counterclaim at 40-45 (emphasis added); the Director Parties' Statement of Their Counterclaims at 5 ("[t]he Directors and the DGA allege that each Counterdefendant has directly (*as opposed to contributorily*) violated the rights of the directors ... under Section 43(a) of the Lanham Act, 15 U.S.C. 1125(a)"(emphasis added)). As a consequence of this repeated and carefully crafted

limitation on the Director Parties' claims, the focus of the Court's inquiry must be solely upon ClearPlay's alleged use of the claimed "marks," not on any alleged "uses" caused by ClearPlay's customers.

B. The Director Parties Have Failed to Adduce Evidence that ClearPlay Uses the Directors' Trademarks in Commerce.

The Director Parties must establish that ClearPlay somehow uses the director's marks in commerce. The Director Parties thus argue that their marks are used *by ClearPlay* "every time the [Player Control Parties'] technology products *are employed by consumers.*" Director Parties' Opposition at 8. The Director Parties make no effort to explain and cite no authority to support, however, how such activity *by consumers* supports a claim of direct infringement, or dilution, against ClearPlay.

In their opposition, the Director Parties attempt to obfuscate the Lanham Act's "use in commerce" requirement by emphasizing that their infringement claims are brought pursuant to Section 43(a) of the Lanham Act (applicable to unregistered marks) as opposed to Section 32 of the Lanham Act (applicable to registered marks). *See* Director Parties' Opposition at 9.³ As set forth in the Player Control Parties' Corrected Opening Brief at 15-18, however, the "use in

³ The Director Parties misconstrue ClearPlay's argument that use in commerce of the marks is a fundamental requirement for a Lanham Act claim under Section 43(a). Instead of addressing that there is no use in commerce of their marks, the Director Parties argue that the requirements for "affixation" have been relaxed, in a transparent attempt to conflate the distinct requirements of "use in commerce" of a mark and "affixation" of a mark on products/services. ClearPlay has not argued that there is no strict affixation of the Director Parties' marks; ClearPlay has argued that there is *no use of the Director Parties' marks in commerce at all*. Whether courts may have relaxed "affixation" requirements or not has no bearing on whether courts still require use in commerce, and it is clear from the statutory language and case law that use in commerce of the plaintiff's marks is indeed a requirement, regardless of the particular affixation details. *See* 15 U.S.C. §1125(a); *U-Haul Int'l Inc. v. WhenU.com Inc.*, 279 F. Supp.2d 723, 727-9 (E.D. Va. 2003); *Wells Fargo & Co. v. WhenU.com Inc.*, No. 03-71906, 2003 U.S. Dist. LEXIS 20756, at *65 (E.D. Mich. Nov. 19, 2003).

commerce” requirement is also a prerequisite to a finding of liability under Section 43(a).⁴ As stated unequivocally in a very recent decision, “[a] fundamental prerequisite for claims of trademark infringement pursuant to 15 U.S.C. 1114 [Section 32 of the Lanham Act] and of unfair competition pursuant to 15 U.S.C. 1125(a) [Section 43(a) of the Lanham Act] is proof that the defendant used one of the plaintiff’s protected marks in commerce.” *U-Haul Int’l Inc. v. WhenU.com Inc.*, 279 F. Supp.2d 723, 727 (E.D. Va. 2003) (granting defendant’s motion for summary judgment on plaintiff’s trademark claims because plaintiff failed to show how defendant used plaintiff’s trademarks in commerce). *See also Wells Fargo & Co. v. WhenU.com Inc.*, No. 03-71906, 2003 U.S. Dist. LEXIS 20756, at *65 (E.D. Mich. Nov. 19, 2003) (denying motion for preliminary injunction on plaintiff’s trademark claims because “defendant does not ‘use’ the plaintiff’s marks ‘in commerce’”).

The Director Parties in effect argue that, because ClearPlay’s products are designed to work with DVDs, which may contain motion pictures directed by the Director Parties, ClearPlay somehow uses the directors’ marks in commerce. *See* Director Parties’ Opposition at 7, 8. The Director Parties cite no authority to support this proposition, however, because it is not supported in the law.⁵

The Director Parties also discuss application of Lanham Act claims to “new forms of technologies,” which they argue supports their claims against ClearPlay. *See* Director Parties’

⁴ Similarly, a dilution claim requires a showing of a “commercial use in commerce,” a narrower category of “use in commerce.” *See* 15 U.S.C. § 1125(c)(1). ClearPlay’s arguments regarding the infringement claim apply with even greater force to the dilution claim.

⁵ In fact, courts and commentators have made it clear that trademark law is not an appropriate snare for a copyright owner to use in order to thwart legitimate competition (or, in this case, legitimate complementary products). *See* J. Thomas McCarthy, 1 *McCarthy on Trademarks and Unfair Competition* §7:78; *Sega Enters. Ltd. v. Accolade*, 977 F.2d 1510, 1528-29 (9th Cir. 1992). This issue need not be addressed fully at this time.

Opposition at 11. The examples they provide, however, are cases in which a defendant has *used a plaintiff's trademark* in metatags (words embedded in software code of websites that are searchable by Internet search engines) in order to misdirect traffic to its website. Those cases are entirely different from this case. Here, ClearPlay does not use the Director Parties' marks at all, much less to misdirect traffic to its website.

Two recent decisions, cited above, involved the application of the Lanham Act to new technologies and confirmed that use in commerce of a mark remains a threshold prerequisite for liability under the Lanham Act. In *U-Haul Int'l Inc. v. WhenU.com Inc.*, 279 F. Supp.2d 723 (E.D. Va. 2003) and *Wells Fargo & Co. v. WhenU.com Inc.*, No. 03-71906, 2003 U.S. Dist. LEXIS 20756, at *65 (E.D. Mich. Nov. 19, 2003), different plaintiffs sued the same defendant, WhenU.com, Inc., for providing software that caused pop-up advertisements on consumers' computer screens when visiting certain websites on the Internet. The pop-up advertisements were tailored to specific topical categories of websites so that when a consumer, for instance, visited plaintiff Wells Fargo's website, the software would superimpose a pop-up advertisement of a competitor bank on the Wells Fargo website viewed on the consumer's computer screen. Both courts held that defendant's software, which contained identifying references to plaintiffs' website addresses and altered the visual display of plaintiffs' websites with pop-ups on the consumer's computer screen, did not constitute a "use in commerce" of plaintiffs' marks under the Lanham Act. See *U-Haul Int'l Inc.* at 727-729; *Wells Fargo & Co.* at *78-*80.

The fact that ClearPlay does not use the Director Parties' marks in commerce is also a fundamental distinction between this case and the case relied upon by the Director Parties for the second aspect of their Section 43(a) claim against ClearPlay, *Gilliam v. American Broad. Cos.*, 538 F.2d 14 (2d Cir. 1976). In *Gilliam* the court held that *ABC's broadcast* of an edited version

of Monty Python's program constituted an actionable mutilation of the group's work. *Id.* at 23-24. In *Gilliam*, however, defendant ABC broadcast the edited version of Monty Python's program, which was designated as having been written and performed by Monty Python but which had been edited, without its consent, into a form that departed substantially from the original work. Thus the defendant *did use Monty Python's* name in connection with the public broadcast it carried out. ClearPlay, by contrast, does not broadcast or distribute edited versions of films directed by the Director Parties. Moreover, in *Gilliam*, the defendant actually dealt with an altered product to which the name was attached. Here, ClearPlay does not deal in any motion picture content. Whereas in *Gilliam* ABC broadcast the work, here ClearPlay has no involvement in any dissemination of motion pictures or DVDs to its customers. The customers must acquire the DVDs on their own.

Because the Director Parties are unable to meet the threshold Lanham Act requirement of use in commerce and cannot identify any factual disputes as to whether ClearPlay uses the Director Parties' marks in commerce, summary judgment should be granted in favor of ClearPlay.

C. The Director Parties' Claim for Injunctive Relief Based on ClearPlay's Past Use of Directors' Names is Moot.

The Director Parties also argue that ClearPlay's past use of directors' names on its website constitutes evidence of brand usage and thus raises genuine issues of material fact. *See* Director Parties' Opposition at 13. Because ClearPlay ceased all such use of directors' names on its website months ago, and filed a declaration with the court stating that it does not intend to resume such use in the future (*see* Player Control Parties' Corrected Opening Brief in Support of Motion for Summary Judgment, Exhibit A-4), this historical use is not a basis for denying

ClearPlay's motion for summary judgment in this case where the Director Parties are seeking only injunctive relief.

In a trademark case, where a defendant has voluntarily ceased the challenged activity, the request for injunctive relief may be mooted. *See* J. Thomas McCarthy, *5 McCarthy on Trademarks and Unfair Competition* §30:11 (2003) (citing *Robert Stigwood Group, Ltd. v. Hurwitz*, 462 F.2d 910 (2d Cir. 1972); *Schutt Mfg. Co. v. Riddell, Inc.*, 673 F.2d 202 (7th Cir. 1982) (trial court has discretion to refuse injunction where conduct has ceased and is not likely to recur)). This is particularly true where the defendant has stated in a sworn statement that a use has ceased and will not be repeated. *See American Bd. of Psychiatry and Neurology, Inc. v. Johnson-Powell*, 129 F.3d 1, 6 (1st Cir. 1997). ClearPlay's earlier references to directors' names in informational pages about certain motion pictures, therefore, should not constitute a basis for denying summary judgment.

Further, ClearPlay's earlier references to directors' names on its website as part of broader descriptions of motion picture were classic "fair use" of the names in their primary descriptive sense, *i.e.*, as part of a broader description of a motion picture, that included the title, the date of release, the genre, and the stars. As stated by a leading trademark commentator "[a] junior user is always entitled to use a descriptive term in good faith in its primary, descriptive sense other than as a trademark." *See 2 McCarthy on Trademarks and Unfair Competition* §11:45. Such use also qualifies as a nominative fair use. *See New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302 (9th Cir. 1992); *see also Nihon Keizai Shimbun, Inc. v. Comline Bus. Data, Inc.*, 166 F.3d 65 (2d Cir. 1999) (holding that defendant's use of plaintiff's mark to identify the source of defendant's translations of articles was a nominative fair use and not an infringement). The Director Parties have failed to adduce any evidence that ClearPlay ever used

directors' names other than in their primary descriptive sense, to identify the person credited with directing a given movie.⁶

D. The Director Parties' Discussions of Likelihood of Confusion and Material Alteration are Irrelevant to the Present Motion.

The Player Control Parties have moved for summary judgment on the Director Parties' trademark and related claims on a very narrow basis: the Director Parties' inability to meet threshold requirements regarding alleged use of the directors' "marks" in commerce. The Director Parties attempt to distract the Court's attention from this basic fact by glossing over the dispositive threshold issue and launching into a discussion of the factual inquiry relevant to claims for trademark infringement based on a "mutilation/alteration" theory under Section 43(a). That discussion is irrelevant to the Player Control Parties' motion for summary judgment. As stated in the Player Control Parties' Corrected Opening Brief, it is not necessary to reach the traditional six-factor likelihood of confusion analysis used in this Circuit because the Player Control Parties never use the Director Parties' marks in commerce.⁷

⁶ The Director Parties make the false assertion that "[d]uring discovery, ClearPlay has not produced any documents evidencing the character and nature of its use of the Directors' marks on its website." Director Parties' Opposition at 8. In fact, ClearPlay filed a declaration with the Court on March 11, 2003 which explained the full extent of its prior use of directors' names and submitted print-outs from its website illustrating the nature of its reference to directors' names. The declaration was also attached to the Player Control Parties' Corrected Opening Brief as Exhibit A-3. In addition, ClearPlay submitted a supplemental declaration explaining that it had removed all references to directors' names from its website and had no intention of restoring them. The supplemental declaration was attached to the Player Control Parties' Corrected Opening Brief as Exhibit A-4.

⁷ The Director Parties also attach the declaration of Robert Rosen, a film archivist, to support their theory that ClearPlay broadcasts mutilated and altered versions of films directed by the Director Parties. Mr. Rosen's opinion regarding the effect of ClearPlay's software product is also immaterial to the threshold issues raised in the Player Control Parties' motion for summary judgment because ClearPlay neither uses the Director Parties' marks, nor distributes altered versions of their creative works.

III. THE SUPREME COURT'S RULING IN *DASTAR* ELIMINATES THE DIRECTORS' SECTION 43(a) CLAIMS IN THIS CASE.

A. *Dastar's* Holding that Underlying Works are not "Goods" Under Lanham Act Section 43(a) Eliminates the Director Parties' Lanham Act Claims.

The Director Parties argue that the Supreme Court's recent decision in *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 123 S. Ct. 2041 (2003), has no application to their claims because *Dastar* dealt with a claim of reverse passing off and the Director Parties do not assert claims for reverse passing off. This simplistic misreading of *Dastar* ignores the fundamental holding of the decision that the phrase "origin" of "goods" in Lanham Act Section 43(a)(1)(A) refers only to the producer of the "*tangible goods that are offered for sale*" not the author or creator of the *underlying intellectual property embodied in those goods*. See *Dastar*, 123 S. Ct. 2041, 2050 (2003). Because the Director Parties' Section 43(a) claims relate only to the *underlying content* embodied in motion picture DVDs and not the DVD products themselves, *Dastar* unequivocally eliminates the Director Parties' claim for either false designation of origin or mutilation/alteration under Section 43(a)(1)(A).

In fact, the Director Parties themselves have unwittingly furnished evidence that *Dastar* eliminates their Lanham Act claims. Their own declarant, Robert Rosen, expressly recognized the same distinction between tangible goods and the underlying content of those goods that the U.S. Supreme Court articulated in *Dastar*. Rosen stated:

As a film archivist, I have often found it useful to draw a distinction between a cinematic work in its status as film and its status as a movie. As film it is a physical piece of material that stores sounds and images. It can be cut, altered and otherwise mutilated and, as an archivist it is often my role to reconstruct the original. But it is only when a film is experienced as a movie by a live audience viewing it on the screen that it becomes relevant to the culture. It is the viewing experience of the work that we are buying at the box office. The integrity of that work can either be sustained or undermined in the context of the viewing event.

Director Parties' Opposition, Rosen Decl., ¶ 18.

The Director Parties argue that *Dastar* applies only to a Section 43(a)(1)(A) claim for confusion as to “origin” or source of a good, and not confusion as to “sponsorship or approval,” related to “creative works” under the Lanham Act. Director Parties' Opposition at 43. The plain language of Section 43(a)(1)(A) contradicts the Director Parties' erroneous reading of *Dastar*.

Section 43(a)(1)(A) states:

Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which—

(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to *the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person.* . . .

Lanham Act Section 43(a)(1)(A) (emphasis added). The limitation set forth in *Dastar* as to the meaning of the term “goods” clearly applies to claims relating to likely confusion as to “sponsorship” or “approval” as well as “origin.” Moreover, the Director Parties' *Gilliam* claim against ClearPlay is itself a claim of alleged confusion as to the “origin” of “goods” in so much as it involves “the right of the artist to have his work attributed to him in the form in which he created it.” *See Gilliam*, 538 F.2d at 24.

B. *Dastar's* Holding Does Not Threaten the United States' Compliance With the Berne Convention.

The Director Parties also argue that this Court should not follow *Dastar's* holding because to do so would challenge the United States' compliance with the Berne Convention. They fail to address, however, the fact that the United States explicitly provides protection for moral rights pursuant to the Visual Artists Rights Act of 1990 (“VARA”). VARA post-dates both the *Gilliam* decision and United States' accession to Berne. With VARA, Congress has

specifically addressed the issue of moral rights coverage in the United States and excluded motion pictures from its protections.⁸

In any event, the Berne Convention cannot trump the United States Supreme Court's ruling in *Dastar*. The Berne Convention is not a self-executing treaty. 17 U.S.C. app. II § 2(1) (Berne Convention Implementation Act); see *Carell v. Shubert Org.*, 104 F. Supp. 2d 236, 259 (S.D.N.Y. 2000); *Edison Bros. Stores v. Broadcast Music*, 954 F.2d 1419, 1425-26 (8th Cir. 1992); Melville B. Nimmer & David Nimmer, 1 *Nimmer on Copyright* § 1.12[A] n.26.2 (2003). Only self-executing treaties, those that "require no legislation to make them operative," may have the effect of legislative enactment. *Whitney v. Robertson*, 124 U.S. 190, 194 (1888). Non self-executing treaties "can only be enforced pursuant to legislation to carry them into effect, and such legislation is as much subject to modification and repeal by congress as legislation upon any other subject." *Id.*

Moreover, the text of the Berne Convention that concerns moral rights specifically provides that "[t]he means of redress for safeguarding the rights granted by this Article shall be governed by the *legislation* of the country where protection is claimed." Berne Convention, art. 6bis, par. 3 (emphasis added). As Nimmer notes, "even if U.S. constitutional law were such as to require self-execution of the Berne Convention as a whole, Article 6bis intrinsically would appear to be an exception to such putative self-execution." 3 *Nimmer on Copyright, supra*, §

⁸ VARA explicitly excludes motion pictures from its ambit. See 17 U.S.C. § 101 (definition of "a work of visual art"); see also 17 U.S.C. § 106A. Congress's decision to exclude motion pictures came after repeated rejection of separate moral rights legislation for movies, see H.R. Rep. 101-514 at 6918 (noting that defeated "H.R. 2400, introduced in the 100th Congress, was designed to grant film directors and screenwriters certain moral rights."); *id.* at 6917-18 (noting directors' pleas at the time of the BCIA), and after considering and declining to act on directors' pleas as VARA moved through committee, *id.* at 6919 ("Granting [the numerous collaborators behind audiovisual works] the rights of attribution and integrity might conflict with the distribution and marketing of these works."); *id.* (noting that "critical factual and legal differences in the way visual arts and audiovisual works are created and disseminated have important practical consequences").

8D.02[C]. The Director Parties point to no legislation under the Berne Convention applicable to this case. Their argument that a Court should implement foreign policy in the absence of legislation, and in a context where Congress has already legislated narrowly in the Visual Artists' Rights Act, flies in the face of reason.

IV. THE SUPREME COURT'S RULING IN *DASTAR* ALSO ELIMINATES THE DIRECTORS' STATE UNFAIR COMPETITION CLAIMS IN THIS CASE.

As stated in the Player Control Parties' opening brief, courts have consistently held that state common law and statutory claims of unfair competition are "substantially congruent" to claims made under the Lanham Act. *See* Player Control Parties' Brief In Support of Their Motion for Summary Judgment at 15 n.5 (citing *Cleary v. News Corp.*, 30 F.3d 1255 (9th Cir. 1994); *Denbicare U.S.A. Inc. v. Toys "R" Us, Inc.*, 84 F.3d 1143 (9th Cir. 1996)).

On remand after the Supreme Court's ruling in *Dastar* that eliminated the plaintiffs' Lanham Act claims, the Central District of California granted a judgment in favor of defendants on the California unfair competition claim, reversing a previous judgment for plaintiffs. The court noted the U.S. Supreme Court's definition of "origin" of goods in the Lanham Act and ruled that because "Plaintiffs' California unfair competition claim is congruent with their Lanham Act claim, this Court must reconsider Plaintiffs' unfair competition claim in light of the Supreme Court's interpretation in *Dastar*." *See Twentieth Century Fox Film Corp. v. Dastar Corp.*, 68 U.S.P.Q.2d (BNA) 1536, 1538 (C.D. Cal. Oct. 14, 2003). The district court dismissed the plaintiffs' Lanham Act claims, which had been based solely on § 43(a)(1)(A) of the Lanham Act, because of the congruence of the Lanham Act claims and the state unfair competition

claims. Similarly, here, the Director Parties' cannot prevail on their § 43(a)(1)(A) Lanham Act claims, which should therefore also doom the Director Parties' state unfair competition claims.⁹

V. THE DIRECTOR PARTIES HAVE SHOWN NO REASON TO DEFER THE GRANT OF SUMMARY JUDGMENT FOR CLEARPLAY PURSUANT TO RULE 56(F).

At the end of their opposition, the Director Parties summarily state that, to the extent the Court is not inclined to deny the Player Control Parties' Motion for substantive reasons, the Motion should be continued pursuant to Rule 56(f) due to "critical outstanding discovery matters." Director Parties' Opposition at 49. The Director Parties attach the Rule 56(f) Declaration of Catherine S. Bridge ("Rule 56(f) Declaration") to support their alleged need for a continuance. Ms. Bridge's Rule 56(f) Declaration, however, fails to identify any outstanding discovery issues concerning ClearPlay that are essential to justify the Director or Studio Parties' oppositions.¹⁰

A party seeking a continuance under Rule 56(f) must identify with specificity what material is sought and exactly how such materials will support its opposition to summary judgment. *See Wesley v. Don Stein Buick*, 996 F. Supp. 1299, 1309 (D. Kan. 1998) (denying plaintiff's Rule 56(f) motion because plaintiff failed to show with specificity what information she had been unable to obtain that would support her opposition).

Although Ms. Bridge summarily states that "ClearPlay's responses to the Director Parties' requests for production of documents and things were insufficient," the only document

⁹ The Director Parties concede that they only bring § 43(a)(1)(A) and not § 43(a)(1)(B) claims under the Lanham Act. The Player Control Parties expressly stated in their opening brief that the Director Parties' claims were solely § 43(a)(1)(A) claims, which the Director Parties silently concede. *See* Player Control Parties' Brief In Support of Their Motion for Summary Judgment at 16.

¹⁰ The portion of Ms. Bridge's Rule 56(f) declaration relevant to ClearPlay is located at pages 9-12.

issue identified in her Rule 56(f) Declaration as allegedly outstanding concerns a filter file for the film *Training Day*. See Rule 56(f) Declaration at 10-11. As explained to the Director Parties in a letter dated July 23, 2003, ClearPlay never completed any filter files relating to the film *Training Day*. See Chen Decl., ¶ 11 and Ex. 10.

The Director Parties also state that they “have not completed their deposition of ClearPlay” and “reserved their right” to further depose ClearPlay principles they have already deposed. Rule 56(f) Declaration at 11. The Director Parties fail to explain why additional depositions of ClearPlay are necessary or relevant to issues raised in the Player Control Parties’ motion.

Finally, the Director Parties claim that depositions of software developers Shatalmic and Knowledge Track (with which ClearPlay worked) are necessary. Although the Studio Parties served notices of deposition for Knowledge Track and Shatalmic, they subsequently cancelled those depositions and never rescheduled them. See Chen Decl., ¶ 12-13 and Exhs. 11-12.

In short the Director Parties have identified no uncompleted discovery that would be reasonably expected to create a genuine issue of material fact and have shown no reason to defer the grant of summary judgment to ClearPlay pursuant to Rule 56(f). See *Adams v. Goodyear Tire & Rubber Co.*, 184 F.R.D. 369, 373 (D. Kan. 1998) (denying plaintiff’s request for a continuance because its Rule 56(f) affidavit fell short of the Tenth Circuit’s requirements for such affidavits, which must identify probable facts that are unavailable and state with specificity how additional material will rebut summary judgment motion).

CONCLUSION

As a fundamental threshold requirement for their Lanham Act claims, the Director Parties must show that ClearPlay has actually used their marks in commerce, which they are unable to

do. Further, the recent Supreme Court decision in *Dastar* eliminates the Director Parties' Lanham Act and California unfair competition claims because underlying creative works are not "goods" for purposes of the Lanham Act. Accordingly, the Director Parties cannot raise any genuine issues of material fact to support their arguments that ClearPlay is liable under the Lanham Act or California state unfair competition laws. There is no need for the Court to delay disposition of this case: under the undisputed facts, the law calls for summary judgment to ClearPlay. For these reasons, ClearPlay respectfully requests that this Court grant ClearPlay summary judgment at this time.

Dated: December 14, 2003

By: Andrew P. Bridges
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**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO**

Civil Action No. 02-M-1662 (MJW)

ROBERT HUNTSMAN, et al.,

Plaintiffs and Counterclaim Defendants

v.

STEVEN SODERBERGH, et al.,

Defendants and Counterclaimants.

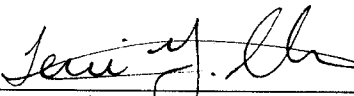
**DECLARATION OF TERRI Y. CHEN IN SUPPORT OF CLEARPLAY INC.'S
REPLY BRIEF IN SUPPORT OF THE PLAYER CONTROL PARTIES'
MOTION FOR SUMMARY JUDGMENT ON THE DIRECTOR PARTIES'
CLAIMS**

I, Terri Y. Chen, hereby declare as follows:

1. I am an attorney at Wilson Sonsini Goodrich & Rosati, counsel of record for ClearPlay Inc. ("ClearPlay"). I submit this declaration in support of ClearPlay's Reply Brief in Support of the Player Control Parties' Motion for Summary Judgment on the Director Parties' Claims. I have personal knowledge of the facts set forth in this Declaration, and if called to testify, could and would testify thereto.
2. Attached as Exhibit 1 is a true and correct copy of the August 18, 2003 edition of *The Hollywood Reporter.com*, featuring an interview with new DGA president Michael Apted.
3. Attached as Exhibit 2 is a true and correct copy of a letter dated February 3, 2003 from Andrew Bridges, counsel for ClearPlay, to all counsel in the case proposing a demonstration of ClearPlay's technology for the Court. The Director and Studio parties rejected this proposal.
4. Attached as Exhibit 3 is a true and correct copy of a letter dated May 28, 2003 from Jennifer Golinveaux, counsel for ClearPlay, producing non-confidential documents to the Director and Studio Parties' document depository pending the entry of a protective order.
5. Attached as Exhibit 4 is a true and correct copy of a letter dated June 10, 2003 from Jennifer Golinveaux, counsel for ClearPlay, producing confidential and highly confidential documents to the Director and Studio Parties' document depository.
6. Attached as Exhibit 5 is a true and correct copy of a letter dated June 11, 2003 from Jennifer Golinveaux, counsel for ClearPlay, producing highly confidential source code for ClearPlay software and unencrypted filter files to the Director and Studio Parties' document depository.
7. Attached as Exhibit 6 is a true and correct copy of a letter dated June 19, 2003 from Terri Chen, counsel for ClearPlay, producing highly confidential patent applications to the Director and Studio Parties' document depository.

8. Attached as Exhibit 7 is a true and correct copy of a letter dated July 3, 2003 from Jennifer Golinveaux, counsel for ClearPlay, producing highly confidential source code to ClearPlay's internal screening application to the Director and Studio Parties' document depository.
9. Attached as Exhibit 8 is a true and correct copy of a letter dated July 9, 2003 from Jennifer Golinveaux, counsel for ClearPlay, producing written agreements between ClearPlay and independent contractors to the Director and Studio Parties' document depository.
10. Attached as Exhibit 9 is a true and correct copy of a letter dated July 14, 2003 from Jennifer Golinveaux, counsel for ClearPlay, to Daniel Schechter, counsel for the Director Parties, producing highly confidential compiled source code for ClearPlay's screening application.
11. Attached as Exhibit 10 is a true and correct copy of a letter dated July 23, 2003 from Jennifer Golinveaux, counsel for ClearPlay, to Tehmina Jaffer, counsel for the Director Parties, reiterating that work on the *Training Day* filter file was never completed.
12. Attached as Exhibit 11 is a true and correct copy of a letter dated July 30, 2003 from Jennifer Golinveaux, counsel for ClearPlay, to Jacques Rimokh and Christian Carbone, counsel for the Studios indicating the willingness of Shatalmic and Tony Pittman to appear for deposition and produce documents.
13. Attached as Exhibit 12 is a true and correct copy of a letter dated August 1, 2003 from Jennifer Golinveaux, counsel for ClearPlay, to Jacques Rimokh, counsel for the Studios following up on whether the Studios planned to move forward on the Shatalmic and Tony Pittman deposition and document subpoenas. The Studios never responded to ClearPlay's inquiry.

I declare under penalty of perjury that the foregoing is true and correct to the best of my information and belief. This declaration is executed on December 14, 2003 at Palo Alto, California.



Terri Y. Chen

CERTIFICATE OF SERVICE

I hereby certify that on the 15th day of December, 2003 a true and correct copy of:

- (1) **CLEARPLAY INC.'S REPLY BRIEF IN SUPPORT OF THE PLAYER CONTROL PARTIES' MOTION FOR SUMMARY JUDGMENT ON THE DIRECTOR PARTIES' CLAIMS; and**
- (2) **CLEARPLAY INC.'S REPLY BRIEF IN SUPPORT OF THE PLAYER CONTROL PARTIES' MOTION FOR SUMMARY JUDGMENT ON THE STUDIOS' COPYRIGHT CLAIMS**

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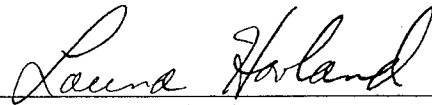
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