2005

Not All Edits Are Created Equal: The Edited Movie Industry's Impact on Moral Rights and Derivative Works Doctrine

Aaron Clark

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NOT ALL EDITS ARE CREATED EQUAL:  
THE EDITED MOVIE INDUSTRY'S IMPACT ON  
MORAL RIGHTS AND DERIVATIVE WORKS  
DOCTRINE  

Aaron Clark†

I. INTRODUCTION

Kate Winslet's performance in Titanic helped propel the movie to become the highest grossing film of all time.¹ One of her scenes in particular also begat an industry, and now a copyright controversy, when a small video store in Utah started snipping her nude scene out of customers’ videocassettes of the movie. Since then, the number of businesses offering edited VHS and DVD movies has increased dramatically. For at least as long as these new businesses have been editing movies, the directors of such movies have condemned the practice as violative of their moral rights to maintain the artistic integrity of their movies. Additionally, the practices of the edited movie industry also implicate potential copyright law violations,² specifically regarding potential infringement of the movie studios’ exclusive right to prepare derivative works.

The current CleanFlicks litigation in the Federal District Court of Colorado and the recently signed Family Movie Act look to offer definitive answers to the immediate questions of whether the current editing practices infringe the Studios’ and Directors’ moral rights or copyright protections. Those answers, though, will implicate more than the future viability of the edited movie industry. They also promise to add another chapter to American copyright law regarding the legitimacy of moral rights claims for works not specifically

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† Associate, Payne & Fears, LLP, Irvine, California. J.D., Harvard Law School, 2005. B.A., Brigham Young University, 2002. I would like to thank David Vincent, Matt Astle, and Professor William W. Fisher, III, for their direction and encouragement at various stages of the writing process. The patient support of my wife, Michelle, also deserves particular mentioning.


2. The trademark specific issues alleged by the Directors and Studios, to the extent that they do not implicate alleged moral rights violations, are beyond the scope of this paper.
protected by statute, as well as the expansion or limitation of a copyright holder’s control over the preparation of derivative works of her product.

This paper gauges the impact of the CleanFlicks case and the Family Movie Act on both sets of questions. Part II briefly examines the background of American copyright law involving the doctrine of moral rights and the right to prepare derivative works. Part III details the rise of the edited movie industry, the current technologies of digital editing and player control filtering, and the litigation both have provoked. Part IV then evaluates the moral rights and derivative works infringement claims raised in the CleanFlicks litigation, concluding that the Directors’ and Studios’ moral rights based Lanham Act Claims will likely fail, as well as the Studios’ allegations of copyright infringement by the Player Control Parties. The copyright claims raised against the Digital Editors, however, ultimately require a fair use evaluation, which slightly favors the Digital Editors. These conclusions are then considered in light of the potential impact of the Family Movie Act, which grants superfluous protection to the Player Control Parties and potentially negatively impacts the Digital Editors’ fair use claim. Finally, Part V evaluates the impact of the likely resolution of the CleanFlicks case on American copyright law and argues that the case portends the extinguishment of moral rights claims outside explicit statutory protection.

With regards to a copyright holder’s right to prepare derivative works, the case should reinforce the bar against a first sale defense of derivative works infringement claims, but otherwise lead to greater restrictions. While the full extent of those restrictions rest upon the success or failure of the Digital Editors’ fair use claim, the current litigation and legislation at a minimum will restrict the definition of infringing derivative works to those that 1) possess some level of originality, and 2) have fixed the incorporated underlying work.

II. BACKGROUND LAW ON MORAL RIGHTS AND DERIVATIVE WORKS

A. Moral Rights

The doctrine of “moral rights,” or droit moral, concerns a copyright holder’s rights of attribution, as well as the right to protect the integrity of her works, or copies of her works, once they are no
longer in her control.\(^3\) It originated in France, where an artist’s work was said to embody an expression of the artist’s soul.\(^4\) Thus any distortion or alteration of that work, even after the work was no longer in the artist’s possession, required the permission of the artist.\(^5\) To that end, the moral rights doctrine protects “the personal and reputational, rather than purely monetary, value of a work to its creator.”\(^6\)

The United States has been slow to embrace the concept of moral rights, partly due to the fact that American copyright law is primarily driven by economic theories.\(^7\) Hence, courts looking to enforce moral rights have sometimes looked outside copyright law. The Second Circuit’s opinion in Gilliam v. American Broadcasting Co. is perhaps the most prominent example of such, when the court looked to trademark law, specifically Section 43(a) of the Lanham Act, to resolve an issue that the court itself said implicated copyright holders’ moral rights.\(^8\)

At issue in Gilliam, was the American Broadcasting Company’s (ABC) October 1975 broadcast of a ninety-minute special, which comprised three thirty-minute episodes of the BBC comedy series “Monty Python’s Flying Circus.” ABC heavily edited the original content, cutting out a total of 24 minutes from the original 90 minutes of programming.\(^9\) The purpose of the editing was apparently both to make time for commercials, and to remove offensive or obscene content.\(^10\) After viewing a tape of the special, the plaintiffs, consisting of Monty Python writers and performers, were appalled at the broadcast’s discontinuity and “mutilation” of the original programs. They quickly thereafter filed suit to enjoin the broadcast of a second special that ABC was to air one month later.

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5. Id. at 456.
7. See, e.g., Gilliam v. Am. Broad. Cos., 538 F.2d 14 (2d Cir. 1976) (noting that moral rights are not recognized in American copyright law because the law “seeks to vindicate the economic, rather than the personal, rights of the authors”).
8. Id.
9. Id. at 18.
10. Id.
On review from the district court, the Second Circuit issued a preliminary injunction against ABC. In reaching its decision, the court found that a second edited broadcast would likely result in irreparable harm to Monty Python’s professional reputation, and that the plaintiff was likely to succeed on the merits because the amount of editing in the first special, 27% of the original, probably violated ABC’s licensing agreement with Time Warner.

However, the court also elaborated on a second theory, one with “roots in the continental concept of droit moral, or moral right,” under which the plaintiffs would likely prevail: ABC’s edited broadcast of the Monty Python programs was likely “an actionable mutilation” of the copyrighted works and thus violated the Lanham Act, § 43(a). While invoking the notion of moral rights, the Court recognized that “American copyright law, as presently written, does not recognize moral rights or provide a cause of action for their violation.” It nevertheless proceeded with its analysis because:

the economic incentive for artistic and intellectual creation that serves as the foundation for American copyright law cannot be reconciled with the inability of artists to obtain relief for mutilation or misrepresentation of their work to the public on which the artists are financially dependent.

The Lanham Act § 43(a) embodies federal unfair competition law and is aimed at preventing and redressing “misrepresentations that may injure plaintiff’s business or personal reputation, even where no trademark is concerned.” According to the court, the broadcast

11. Id. at 19.
12. Id.
13. Id. at 21-23.
14. Id. at 24.
15. Id. at 23-24. This section of the Lanham Act is now codified as 15 U.S.C. § 1125(a) (2005).
16. Id.
17. Id. at 24.
18. Id. The statute provides:

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, or
“at times omitted the climax of the skits to which appellant’s rare brand of humor was leading and at other times deleted essential elements in the schematic development of the story line.”  

Such edits constituted a valid cause of action under §43(a) because they “impaired the integrity of appellant’s work and represented to the public as the product of the appellants, what was actually a mere caricature of their talents.” Thus, the Gilliam court could carefully invoke Monty Python’s moral rights because its holding relied on a theory “outside the statutory law of copyright.”

Perhaps not surprisingly, the Gilliam court’s approach has been embraced more by academics than by the courts, as courts have been reluctant to adopt Gilliam’s back-door approach to moral rights. Still, the murmur of moral rights rhetoric in the enforcement of some non-moral rights based statutes has become audible enough that Judge Posner observed that the doctrine “is creeping into American copyright law.”

One example of this may be courts’ interpretations of the first sale doctrine, a doctrine within the realm of copyright law. The statute allows owners of copies of copyrighted works to, “without the authority of the copyright owner . . . sell or otherwise dispose of the possession of that copy . . . “ While the language otherwise appears to limit moral rights protection, courts have construed the statute to not apply when asserted to justify the sale of an unauthorized derivative work. This means that copyright holders

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(B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person’s goods, services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.


20. Id.

21. Id. at 24.


23. Ty, Inc. v. GMA Accessories, 132 F.3d 1167, 1173 (7th Cir. 1997).


25. See, e.g., Mirage Editions, Inc. v. Albuquerque A.R.T. Co., 856 F.2d 1341, 1344 (9th Cir. 1988) (holding that the first sale doctrine does not impair the copyright holder’s exclusive
still retain some modicum of control over copies of their works (or at least derivatives of their works) once they enter the marketplace.

Even so, Congress has until recently been hesitant to formally recognize moral rights protection. This was perhaps best evidenced by the United States' reluctance to join the Berne Convention until 1989.26 The Berne Convention, first established in 1886, is a multilateral agreement administered by the World Intellectual Property Organization requiring all governments party to the agreement to provide minimum protections to its copyright holders. The required protections include a copyright holder's moral rights:

  Independently of the author's economic rights, and even after the transfer of said rights, the author shall have the right to claim authorship of the work and to object to any distortion, mutilation or other modification of, or other derogatory action in relation to, the said work, which would be prejudicial to his honor or reputation.27

When Congress eventually authorized entry into the Berne Convention, it did so without providing for any additional form of moral rights despite the Convention's requirements. Instead, it reasoned that the existing "patchwork of federal and state statutes and common law" was already sufficient to satisfy the requirements.28

A year later, however, Congress granted limited moral rights protection with the passage of the Visual Artists Rights Act of 1990 (VARA).29 Among the rights granted by the Act are the right of the author of a "work of visual art" to claim authorship,30 and to prevent the use of the author's name "in the event of a distortion, mutilation, or other modification" of her work that would prejudice or dishonor the author's reputation.31 The Act then goes further to allow authors of "work[s] of visual art" the right:

  To prevent any intentional distortion, mutilation, or other modification of that work which would be prejudicial to his or her

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honor or reputation, and any intentional distortion, mutilation, or modification of that work is a violation of that right . . . .\textsuperscript{32}

This right may be waived by the author, but it cannot be transferred.\textsuperscript{33}

On the surface, the rights granted under VARA appear to be broad and expansive, but significantly less so when one notes how narrowly it defines "work of visual art." Congress restricted the definition of "works of visual art" to paintings, drawings, prints, photos, or sculptures "existing in a single copy" or otherwise limited to 200 copies or less.\textsuperscript{34}

Perhaps even more interesting than the works Congress chose to protect under VARA are the works it chose not to protect, most notably movies. Movies, in fact, appear to be doubly restricted from the statute's protection because, in addition to being excluded from the definition of "work of visual art," the statute expressly states that a work of visual art does not include a work made for hire.\textsuperscript{35} Since most film directors are employed by a movie studio, the work for hire exemption covers the product of their labors. The precise reason for exclusion of movies from statutory protection is unclear, though it may rest with the notion that the movie industry is almost as much a consumer oriented business as it is an art form. It may also involve the fact that most of the artists creating movies do not hold the copyrights in their works.

\textit{B. Derivative Works}

The doctrinal underpinnings of American copyright law lay in Article I, Section 8 of the U.S. Constitution, which grants Congress the power "To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."\textsuperscript{36}

To that end, the Copyright Act of 1976 grants copyright holders broad protections for their copyrighted works.\textsuperscript{37} Among those protections, § 106(2) gives the copyright holder an exclusive right "to

\begin{itemize}
\item \textsuperscript{33} 17 U.S.C. § 106(A)(d) (2000).
\item \textsuperscript{34} 17 U.S.C. § 101 (2000).
\item \textsuperscript{35} \textit{Id}.
\item \textsuperscript{36} U.S. CONST. art I, § 8, cl. 8.
\item \textsuperscript{37} \textit{See} 17 U.S.C. § 106 (2000).
\end{itemize}
prepare derivative works based on the copyrighted work” or to authorize such.38 The Act defines a “derivative work” as:

[a] work based upon one or more preexisting works, such as translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgement, condensation, or any other form in which a work may be recast, transformed, or adapted. A work consisting of editorial revisions, annotations, elaborations, or other modifications, which, as a whole, represent an original work of authorship, is a “derivative work.”39

Because courts have interpreted the right to reproduction so expansively,40 surprisingly few cases have interpreted §106(2). Of those that have, most have centered on resolving the statute’s vagueness regarding: (1) whether infringement requires that a derivative work be fixed in a tangible medium of expression; and (2) how much originality in the new work is required to trigger the statute.

1. Fixation

Any potential fixation requirement, it would seem, should be easily resolved by the legislative history of §106(2), which addresses it directly. It explains:

[The exclusive right to prepare derivative works] is broader than [the exclusive right to reproduction] . . . in the sense that reproduction requires fixation in copies or phonorecords, whereas the preparation of a derivative work, such as a ballet, pantomime, or improvised performance, may be infringement even though nothing is ever fixed in tangible form.41

That explanation, however, has proven to be far from conclusive, mostly because of the absurdity that would result if the explanation were to be applied literally.42

38. Id.
40. 17 U.S.C. § 106(1); See also H.R. REP. NO. 94-1476, 62 (1976) (noting that the right to prepare derivative works overlaps the right of reproduction to some extent).
The Ninth Circuit considered fixation in *Galoob v. Nintendo of America*, and actually seemed to assume without discussion that the opposite was true. After an explanation of the facts and the underlying statute, the court stated flatly: "A derivative work must incorporate a protected work in some concrete or permanent 'form.'" At issue in *Galoob* was the Game Genie, a product designed to alter some of the features of video games played on the original Nintendo. By entering codes provided in an accompanying manual, players could block and replace the values of certain data bytes sent from the video game to the Nintendo. Importantly, the Game Genie's effects were temporary and made no alterations to the data stored in the game cartridge. Nintendo argued that the audiovisual displays created by the Game Genie violated Nintendo's exclusive right to prepare derivative works.

The Ninth Circuit disagreed, holding that the Game Genie was not a derivative work because "[t]he Game Genie merely enhances the audiovisual displays (or the underlying data bytes) that originate in the Nintendo game cartridges. The altered displays do not incorporate a portion of the copyrighted work in some concrete or permanent form." The court further pointed to the fact that the Game Genie was useless by itself, as it still required the original video game cartridge to function. This meant that the Game Genie would not supplant consumer demand for original cartridges, and the court concluded that "[s]uch innovations rarely will constitute infringing derivative works under the Copyright Act."

The Ninth Circuit revisited the fixation requirement in *Micro Star v. Formgen, Inc.* Formgen Inc. owned the rights to Duke

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44. *Id.* at 967. Judge Kozinski recognized as much when the Ninth Circuit revisited the issue years later, stating, "[t]he requirement that a derivative work must assume a concrete or permanent form was recognized without much discussion in *Galoob.*" *Micro Star v. Formgen, Inc.*, 154 F.3d 1107, 1111 (9th Cir. 1998). Furthermore, *Galoob* and *Micro Star* apparently try to differentiate "fixation" from "assuming a concrete or permanent form" but the ideas appear to be fundamentally the same. *See Ochoa, supra* note 42 at 1004.
45. *Galoob*, 964 F.2d at 967.
46. *Id.* The court explains: "If that value controls the character's strength, for example, then the character can be made invincible by increasing the value sufficiently." *Id.*
47. *Id.*
48. *Id.*
49. *Id.* at 968 (emphasis in original).
50. *Id.* at 969.
51. *Id.*
Nukem 3D, a popular computer game. The retail version of the game bundled with it a “Build Editor” that allowed players to create their own game levels. Micro Star, in turn, compiled 300 player-created levels on a CD and then sold it commercially as “Nuke It.” The issue in Micro Star was whether the Nuke It CD, consisting solely of MAP files that had to be used in conjunction with the original game, violated Formgen’s exclusive right to prepare derivative works. Micro Star argued that Nuke It was not a derivative work because, similar to Galoob, the audiovisual displays generated by running Duke Nukem 3D with Nuke It’s MAP files were not incorporated in a concrete or permanent form, and that the MAP files “do not copy any of Duke Nukem 3D’s protected expression.” The Ninth Circuit disagreed.

In finding that Nuke It was an infringing derivative work, the court first clarified Galoob’s fixation requirement with a “low-tech example”:

Imagine a product called the Pink Screener, which consists of a big piece of pink cellophane stretched over a frame. When put in front of a television, it makes everything on the screen look pinker. Someone who manages to record the programs with this pink cast (maybe by filming the screen) would have created an infringing derivative work. But the audiovisual display observed by a person watching television through the Pink Screener is not a derivative work because it does not incorporate the modified image in any permanent or concrete form. The Game Genie might be described as a fancy Pink Screener for video games, changing the value of the game as perceived by the current player, but never incorporating the new audiovisual display into a permanent or concrete form.

The court then distinguished the MAP files in Nuke It from Galoob’s Game Genie by pointing to the fact that “whereas the audiovisual displays created by the Game Genie were never recorded in any permanent form, the audiovisual displays generated by Duke Nukem 3D from the Nuke It MAP files are in the MAP files themselves.” The court later explained that MAP files did not contain the actual audiovisual displays, but rather “exact, down to the

53. *Id.* at 1109.
54. *Id.*
55. *Id.* at 1111.
56. *Id.* at 1111 n.4 (emphasis added). Judge Kozinski’s example also reveals just how minimally the Ninth Circuit construes the originality requirement of §106(2), which will be discussed below.
57. *Id.*
last detail, descriptions of [the] audiovisual display[s]," which were sufficient to meet the "permanent or concrete form" requirement in Galoob.58

The Ninth Circuit thus far appears to be the only appellate court to have addressed fixation. Each time, it has required that for every derivative work, the incorporated portion of the underlying copyrighted work must be embodied in some concrete or permanent form.

2. Originality

As noted above, the statutory definition of a derivative work captures those "form[s] in which a work may be recast, transformed, or adapted" as well as works "consisting of editorial revisions, annotations, elaborations, or other modifications, which, as a whole, represent an original work of authorship ...."59 That an artist must make some "more than merely trivial" original contribution to a work in order for it to be a derivative is apparently well settled.60 The various circuits have, however, interpreted the originality requirement differently.

The Ninth Circuit apparently requires a very low threshold of originality. In Mirage Editions, Inc. v. Albuquerque A.R.T. Co., the defendant purchased books of artwork, in which plaintiffs held the copyrights for.61 The defendant then carefully removed the pictures from the book, mounted them on ceramic tile, and resold them. The court found that this process amounted to preparation of a derivative work, relying on the statutory definition's disjunctive clause "or any other form in which a work may be recast, transformed or adapted."62

Nine years later the Seventh Circuit considered essentially the same case and held the opposite. In Lee v. A.R.T. Co.,63 the A.R.T. company bought the plaintiff's artwork, either lithographed or on note cards, and then similarly mounted the work on ceramic tiles.64 Despite plaintiff's reliance on Mirage, the court held that the process did not recast or adapt the copyrighted artwork, nor did it transform it "in the slightest," because "[i]t still depicts exactly what it depicted

58. Id. at 1111-12.
61. Mirage, 856 F.2d at 1342.
62. Id. at 1343.
63. Lee, 125 F.3d at 580.
64. Id.
when it left Lee's studio." The court, seemingly speaking both to the plaintiff and the Ninth Circuit, noted that if mounting a work met § 106(2)'s "transformation" requirement, "then any alteration of a work, however slight, requires the author's permission." The court continued:

We asked at oral argument what would happen if a person jotted a note on one of the note cards, or used it as a coaster for a drink, or cut it in half, or if a collector applied his seal (as is common in Japan); Lee's counsel replied that such changes prepare derivative works, but that as a practical matter the artists would not file suit. A definition of derivative work that makes criminals out of art collectors and tourists is jarring despite Lee's gracious offer not to commence civil litigation.

The problem seems to be that, as with the fixation requirement, too strict an interpretation of the statutory definition leads to untenable results.

With the current conflicts surrounding the edited movie industry, both Congress and the courts have an opportunity to revisit the derivative works doctrine and provide further guidance on properly identifying a derivative work under § 106(2). Specifically, in evaluating industry practices, both branches have an opportunity to expand, refine, reinforce, or even reject: (1) the fixation requirement some courts have read into the statute; (2) the various interpretations of the originality requirement; and (3) the reasons justifying fair use. These decisions also implicate changes to the moral rights doctrine in the United States, since a broad definition of a derivative work inherently expands copyright holders' moral rights, just as a more narrow definition would restrict them. Together with a reevaluation of Gilliam's approach to moral rights, the legal landscape is poised to either further the "creep" of moral rights into American copyright law, or barricade off any further intrusion.

III. THE EDITED MOVIE INDUSTRY

A. Background

The edited movie industry has its origins in Northern Utah, where the population is predominantly of the Mormon faith.
Mormons are generally expected to maintain high moral standards regarding their entertainment choices. As such, their standards have increasingly required avoiding most of Hollywood's entertainment offerings—particularly with regard to movies. For years this meant that many Mormons would only see otherwise objectionable movies when they happened to catch them edited on an airline flight, on television, or at Brigham Young University's Varsity Theater.

In 1998, however, the immense popularity of the Academy-Award winning movie *Titanic*, led two Utah businesses to devise more creative ways for their Mormon customers to keep up with popular, if sometimes objectionable, movies while still comporting to Mormon beliefs. One theater in American Fork, Utah decided to show an edited version of *Titanic* that removed Kate Winslet's nude scene, as well as a scene where Winslet's and Leonardo DiCaprio's characters apparently have sex. Once the film was released on videocassette, the owners of Sunrise Family Video in Pleasant Grove, UT offered to snip those same scenes from customers' copies of the movie for a small fee. Paramount Pictures acted quickly to stop both practices, but could only prevail upon the movie theater by pulling the movie and forcing its executives to sign an agreement that they would no longer display edited movies. The video store, on the other hand, dismissed Paramount's letter requesting that they discontinue the practice, reasoning that if patrons owned the movie, they had the right

68. See, e.g., THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS, FOR THE STRENGTH OF YOUTH: FULFILLING OUR DUTY TO GOD 17 (2001). The relevant portion of the booklet advises youth "Do not attend, view, or participate in entertainment that is vulgar, immoral, violent, or pornographic in any way. Do not participate in entertainment that in any way presents immorality or violent behavior as acceptable."


72. Andy Seiler, Near, Far, Wherever You Are, Utah Store Snips Titanic' Nudity, USA TODAY, Sept. 3, 1998, at D3. Sunrise Family Video charged five dollars to remove the above mentioned scenes, and three dollars for anything else the customers wanted removed. *Id.*

to do whatever they wanted with it.74 Paramount never pursued the matter further.

The appetite for edited movies quickly grew beyond Titanic, and so too did the number of companies offering to edit customers' videocassettes. In fact, with technological advancements, including the proliferation of DVDs, the original method of splicing videotape has given way to less cumbersome, more efficient alternatives.75 At present, the edited movie industry divides along two technological lines: digital editing and player controlled filtering.

1. Digital Editors: CleanFlicks et al.

Companies offering digital editing,76 while keeping some aspects of the process secret,77 generally use similar methods to edit movies. The movie editor purchases a copy of a movie, transfers it to the hard drive of a computer and creates an edited master copy of the original.78 Then, when customers send in their original video copy of a movie,79 the editor records his edited master copy of the movie over the original.80 If the customer has requested an edited DVD, the editor records the edited master copy onto a DVDRW.81 Several of these

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75. See Sharon Weinberg Nokes, E-Rated Movies: Coming Soon to a Home Theater Near You?, 92 GEOGTOWN L.J. 611, 618 (2004) (noting that the time required to splice videocassettes "made editing large quantities of video tapes financially impracticable").


77. See Kieth Merrill, Cleaning Up the Movies, Part 1, at 5, MERIDIAN MAGAZINE, available at http://www.meridianmagazine.com/arts/020604clean.html (last visited Oct. 4, 2005) (noting that none of the editing companies interviewed were willing to discuss how they digitize the DVD).

78. See Id. ("Before you or I ever order our cleaned up version of The Patriot, the company has already purchased it in DVD, dumped it into a computer, and dropped the graphic violence.").

79. Recently some digital editing companies have stopped requiring that customers send in their original copies of movies, instead only requiring them to indicate that they do in fact already own the movie. See, e.g., https://www.cleanflicks.com/buynow.php?movieID=822 (last visited Oct. 4, 2005).

80. Id., See also Mark Eddington, Director's Cut? Try Censor's Cut, SALT LAKE TRIBUNE, Apr. 14, 2002, El. (quoting an owner of several edited video stores that "we record the edited version over the original copy").

81. Merrill, supra note 77. Companies like CleanFlicks and CleanFilms additionally disable the original copy of the DVD but include it with the edited copy as "proof of purchase."
companies, including CleanFlicks, even offer rental co-ops, whereby members pay a fee and are ostensibly given partial ownership in each movie the company owns. They can then rent out the edited movies of their choosing. At all times the companies are careful to maintain a one to one ratio between purchased original versions of a movie and edited copies.

The standards governing the content of the edits are roughly the same among the various editing businesses. For example, CleanFilms promises:

We take out all profanity and other offensive language, including vain or disrespectful references to Deity. We also remove nudity, sexual situations, and extreme or gory violence. Our intent is to edit movies so that they would qualify for a PG rating, which usually means we will edit out content that the broadcast networks and airlines might leave in when they show the same movie.

The edits are generally accomplished either by dropping the volume for profanity or cutting the objectionable portions of the scene. For some scenes, CleanFlicks, rather than cut a scene entirely, blurs some of the images on the screen. Most companies admit that some movies are "uneditable," either because they would require too many edits or because their overall theme is objectionable.


83. See, e.g., CleanFilms, Is it Legal to Edit Movies, http://www.cleanfilms.com/about_edited.phtml (last visited Oct. 4, 2005). ("CleanFilms collectively purchases original, unedited DVD movies then has them edited always maintaining a 1 to 1 ratio of edited and non-edited originals.").


85. See, e.g., CleanFilms, How are the movies edited?, http://www.cleanfilms.com/about_edited.phtml (last visited Oct. 4, 2005). The website further claims that "the cut edit is not noticeable, similar to viewing PG-13 or R rated movies that have been edited for TV." Id. While this is generally true, the edits are often slightly noticeable.

86. See Michael Janofsky, Utah Shop Offers Popular Videos With the Sex and Violence Excised, N.Y. TIMES, Jan. 31, 2001, at A11. (noting that Ray Lines, founder of CleanFlicks and CEO blurred images of naked men in concentration camps in Schindler's List because "he felt their appearance overstated their dehumanization").

2. Player Control Filtering

The second form of editing technology, player control filtering, edits movies without ever creating a permanent edited copy. ClearPlay, a Salt Lake City based company, is the most prominent developer and vendor of this form of editing. With ClearPlay and similar software, the original DVD remains intact and unaltered. Instead, a DVD is loaded onto a computer or customized DVD player with the ClearPlay or like software. A “filter” for the particular movie is either installed or can be downloaded from ClearPlay’s website. The customer then chooses from a number of categories the desired level of content editing, and while the movie is playing, the software mutes or skips the objectionable portions of the movie as determined by the customer’s preference level. Patrons may purchase and download filters for movies on an individual basis, or pay a monthly subscription fee and have access to all available filters.

According to ClearPlay, the filter files simply consist of “timing and instructions” references for the DVD movies and do not themselves contain or describe any content from the DVD. ClearPlay describes the process as follows:

ClearPlay employees review movies that have been released on DVD and create timing data for offensive segments that occur on the different DVDs. ClearPlay’s employees then assign navigation instructions to the timing data identifying when to skip or mute portions of a DVD containing offensive content. If profanity is heard from 0:12:59:00 to 00:12:59:20 on a DVD, the Filter File will identify that period of two-thirds of a second to be muted. If a decapitation and bullets tearing through flesh are shown from

88. The ClearPlay service uses “ClearPlay Filters” that are associated with each different movie. The ClearPlay filters are compiled by a staff which goes through individual movies to identify content which may have contributed to a movie’s PG-13 or R rating. The content they identify generally falls under the categories of graphic violence, sexual content, and language. ClearPlay, http://www.clearplay.com/About.aspx (last visited Oct. 17, 2005).


The filtering software therefore functions like a precisely timed "pre-programmed remote control."\(^9^3\)

An alternative form of the technology, developed by Trilogy Studios, is MovieMask. The MovieMask software functions much like ClearPlay, in that it similarly makes no physical changes to the original DVD. It also requires downloaded "masks," and provides various menu options for selecting the desired level of editing for a particular film.\(^9^4\) MovieMask distinguishes itself, however, by its ability not only to remove unwanted content from movies, but to superimpose images and sounds over the original material.\(^9^5\) For instance, as opposed to merely deleting Kate Winslet's nude scene in *Titanic*, the MovieMask software can instead dress her in a corset, covering the nudity but leaving the scene intact.\(^9^6\) The software also comes with tools allowing customers to create their own masks.\(^9^7\) Interestingly, though, the MovieMask software quietly went off the market in September 2004, for what the company has cryptically termed "licensing issues."\(^9^8\)

**B. Huntsman v. Soderbergh: The "CleanFlicks Case"**

Not unexpectedly, several Hollywood directors were upset that companies were making unauthorized edits to their movies. The legal wrangling between the directors and the edited movie industry began when representatives from Trilogy studios met with a few prominent directors to display their MovieMask software's capabilities.\(^9^9\)

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92. *Id.*
93. *Id.* at 24.
98. *See id.* The company spokesman further notes that "Hopefully as time progresses the doors will be opened, and we will be able to bring this much needed technology to families that are waiting for this service." *Id.*
Apparently Rob Reiner, among others, “went ballistic” when he saw one version of his movie “The Princess Bride” where Trilogy had created a mask replacing the swords in a battle scene with light sabers.\textsuperscript{100}

A short time after the meeting, a press release was inadvertently posted on the Director’s Guild of America (DGA) website condemning the practices of both MovieMask and CleanFlicks and contemplating a lawsuit.\textsuperscript{101} Once Robert Huntsman, a franchisee of CleanFlicks in Colorado, saw the document, he and another CleanFlicks franchisee filed a pre-emptive lawsuit in the Colorado District Court against several Hollywood film directors seeking a declaratory judgment that their editing practices were legal.\textsuperscript{102} Huntsman cited the one to one relationship between purchased original versions of movies and edited versions, as well as the idea that the “Clean Flicks methodology” targets a new audience beyond the original that finds parts of the original works objectionable.\textsuperscript{103} The complaint alleges that these two factors help protect their movie editing practices under the first sale and fair use doctrines.\textsuperscript{104}

In response to the lawsuit, the DGA successfully filed to intervene on behalf of the named and unnamed directors implicated,\textsuperscript{105} and along with the named directors, answered, counterclaimed,\textsuperscript{106} and moved to join other third party movie editors, including ClearPlay and the Player Control Parties.\textsuperscript{107}
Since the movie studios, not the directors, hold copyrights in the movies being edited, the original counterclaim alleged mostly Lanham Act violations relating to trademark infringement, dilution, and unfair competition. However, the Directors also moved to join the movie studios. The Studios, in turn, submitted their own answer and counterclaim, this time alleging violations of § 101 by the Digital Editors and Player Control Parties, as well as trademark infringement and violations of the Lanham Act § 43(a) by the Digital Editors. In May 2003, ClearPlay and the other Player Control Parties filed a motion for summary judgment, and the motion is still awaiting a ruling.

Perhaps not surprisingly, none of the Defendants' counter-claims regarding copyright or Lanham Act violations explicitly allege infringement of their moral rights by the edited movie industry. The Directors' rhetoric regarding the case, however, indicates that moral rights lay at the heart of their claims. In a letter addressing the implications of the lawsuit, DGA President Martha Coolidge stated: "All creative works, whether they are films, novels, paintings or comic books, are the output of their creators, and stand as representatives of their creator's intentions" and "are what their creators wanted them to be."

The plaintiffs, meanwhile, have framed the litigation as one that implicates consumers', particularly families', right to privately view the movies in the way they wish to view them, even when this entails

108. See Proposed Amended Counterclaim, supra note 106.
111. See Player Control Parties' Motion for Summary Judgment, supra, note 91.
112. Again, although the defendants Section 43(a) Lanham Act false designation of origin claims are not entirely separable from the trademark infringements alleged, the trademark issues are likely met by the extensive labeling practices of the plaintiffs and, even if not, are beyond the scope of this paper.
113. See, e.g., Tom Feran, Commentary: Movie 'Cleaners' Rake in Dirty Money, NEWSHOUSE NEWS SERVICE, Sept. 27, 2002 (quoting the DGA's executive director, Jay Roth: "... this is fundamentally about artistic and creative rights and whether someone has the right to take an artist's work, change it, and then sell it.").
effectively paying someone to permanently mute or fast forward the portions they find objectionable.\textsuperscript{115}

IV. EVALUATING THE CLEANFLICKS CASE

A. Moral Rights and the Lanham Act

Defendants’ moral rights claims, masked by \textit{Gilliam} like assertions of false designation of origin, are unlikely to prevail, in part because reliance on \textit{Gilliam} for such claims has proven tenuous at best.\textsuperscript{116} In the thirty years since \textit{Gilliam} broke new ground for enforcement of moral rights, courts have simply been unwilling to affirm or extend its holding, which means if the court ever embraces \textit{Gilliam}, it would be the exception rather than the rule. Perhaps, if Judge Posner is correct in stating that moral rights are “creeping into American copyright law,” the atmosphere might be right for the Colorado District Court, and later the Tenth Circuit, to use \textit{Gilliam’s} approach for false designation of origin claims. In the thirty years following \textit{Gilliam}, we’ve seen American copyright law uphold or endorse some limited form of moral rights, both through entry into the Berne Convention and the enactment of the VARA.

However, neither of those Congressional Acts hinted at moral rights protection of movies. Additionally, courts are unlikely to ignore the fact that Congress not only failed to mention movies in its definition of “visual art,” but also specifically excluded them from protection under works made for hire. In the end, the court is unlikely to ignore both VARA’s exclusion and an almost thirty year failure by the courts to embrace \textit{Gilliam’s} holding. Even if the court embraces \textit{Gilliam}, the defendants’ still have a difficult time meeting the burden it imposes on successful claims.\textsuperscript{117}

The purpose of the Lanham Act § 43(a) is to prevent misrepresentations, such that the author of an original work is not “present[ed] to the public as the creator of a work not his own, and thus [keep him from being] subject to criticism for work he has not

\textsuperscript{115} See, e.g., Benny Evangelista, The Digital Censor: Utah Firm Locked in Legal Battle Over Software that Blocks Out Sex and Violence on DVDs, S.F. CHRONICLE, Jan. 20, 2003, at E1 (quoting Andrew Bridges, attorney for ClearPlay: “If ClearPlay is illegal, so is the remote control.”).

\textsuperscript{116} See Micro Star, 154 F.3d at 1109.

\textsuperscript{117} The weakness of a § 43(a) false designation of origin claim against the Player Control Parties, even with a finding that the technology created infringing derivative works, seems evidenced by the fact that the studios did not even raise such claims.
done.\textsuperscript{118} The studios and directors both allege that the plaintiffs’ industry works just such a misrepresentation. The mutes and cuts (and additions with MovieMask) are made without authorization, and thus adulterate the defendants’ intended viewing experience with sometimes disjointed dialogue or plot sequences.\textsuperscript{119} The expurgated elements also are often critical to establishing the directors’ intended mood of a film, portrayal of a character, or depth of a relationship. As a result, scenes, characters, and plotlines are at best left misrepresented, and at worst left with gaping holes. The movies are therefore mutilated, distorted, and misrepresented from the defendants’ intended versions, and consequently are infringing under \textit{Gilliam}’s interpretation of \textsection 43(a).

The above-mentioned impact of editing movies might therefore legitimize defendants’ claims, had \textit{Gilliam} indeed established that mutilation and distortion of an underlying work constitutes a cause of action under the Lanham Act \textsection 43(a) that is separable from the misrepresentation of the underlying work to the public. As much as it tries to however, the \textit{Gilliam} court cannot separate the claims and still remain within the Lanham Act. The truth is that the \textit{Gilliam} opinion only gets to invoke language about violation of Monty Python’s moral rights because it found that: (1) ABC had not disclosed to the public that it had edited the underlying programs; (2) viewers tuning into the broadcast would miss a disclaimer at the beginning of the program and not be aware that it was edited;\textsuperscript{120} and (3) “the viewer ha[d] no means of comparing the truncated version with the complete work in order to determine for himself the talents of the plaintiffs.”\textsuperscript{121} The court weakly tries to argue that the claims are separable by asserting that ABC’s special wrought such distortion and mutilation on the original programs that no disclaimer could prevent it from being a

\textsuperscript{118} \textit{Gilliam}, 538 F.2d at 24.

\textsuperscript{119} See, e.g., Motion Picture Studio Defendants’ Answer and Counterclaims ¶¶ 24, 50, 51, \textit{Huntsman}, No. 02-M-1662 (D. Colo. Dec. 13, 2002). Also note that the studios allege that these derivative copies of the movies, both on video cassette and DVD, are often of inferior quality because of degraded audio and visuals from the copying process, as well as with the absence of additional features normally available on originals. \textit{Id.}

\textsuperscript{120} \textit{Gilliam}, 538 F.2d at 25 n.13. The oddity of the court’s opinion, perhaps for reasons related to the technological limitations of the 1970s, is that it seems to assume that Judge Gerfein’s disclaimer suggestion at the beginning of the program was the most extensive labeling possible. \textit{Id.} Even though the court is “doubtful that a few words could erase the indelible impression that is made by a television broadcast,” a more extensive display of those words (e.g., every few minutes of the broadcast) would conceivably mitigate, if not eliminate, the plaintiff’s Lanham Act claims. \textit{Id.}

\textsuperscript{121} \textit{Id.}
misrepresentation under the Lanham Act § 43(a). The argument, however, assumes that misrepresentation of the intent, character, or purpose of the original can amount to misrepresentation to the viewer that the truncated version is the original under the statute. Such a finding simply is not supportable. Without the latter form of misrepresentation, no claim for the former exists under the Lanham Act § 43(a).

None of the problems distinguishing the altered version from the original that plagued the ABC broadcast at issue in Gilliam appear to burden the plaintiffs in this case. With the Digital Editors, for example, the movies bear extensive markings indicating that they are edited: on the sleeve, on the DVD (or videocassette), at the beginning of a movie, and often during the movie itself. This says nothing of the fact that the people viewing edited movies are almost entirely a self-selecting group, renting or purchasing the edited movies and filtering technology at a premium because they desire to see the movie in edited form. The businesses offering the edits also cater exclusively to this segment of the population by advertising and representing themselves only as purveyors of an edited movie experience. Additionally, the original versions of movies are far more widely available than their edited counterparts, which ensure an edited movie viewer has ample "means of comparing the [edited] version with the complete work in order to determine for himself the talents of the [defendants]."

But even absent a requirement of misrepresentation, the amount and substance of plaintiffs’ edits likely do not match the level of mutilation and distortion described in Gilliam. In Gilliam, ABC’s broadcast cut nearly a third of the original programming, "sometimes omitted the climax of some of the skits,” and “at other times deleted essential elements in the schematic development of a story line.” For the most part, the edits provided by both the Digital Editors and Player Control Parties purportedly involve substantially less editing, often amounting to only a few minutes of a movie’s run time. To

122. See id.
123. CleanFlicks and FamilyFlix for example now frequently insert their logo every few minutes within the film to remind viewers they are watching an edited version.
125. Id. at 25.
126. See Counterdefendant Player Control Parties’ Opening Brief in Support of Their Motion for Summary Judgment at 12, Huntsman, No. 02-M-1662 (D. Colo. 2002) (giving as an example, “if profanity is heard from 00:12:59:00 to 00:12:59:20 on a DVD, the Filter File will identify that period of two-thirds of a second to be muted.”).
the extent that the plaintiffs cannot expurgate a movie without significant edits or distortions of the plot, they will not edit it.\footnote{127}{See The Edited Artist FAQ, \textit{supra} note 87. Nor does the industry have an incentive to edit such movies since the customer would probably have little interest in seeing a movie missing key plot elements.}

The Defendants' moral rights claims are weakened somewhat, too, by the fact the plaintiffs are simply doing for their customers what the Defendants already do to prepare their movies for airlines and television, venues on which nearly all popular movies eventually find themselves. It is true that directors often have a hand in preparing the edited versions for these venues, or at least consenting to them, and that the Plaintiffs' versions are unauthorized. The very fact that a director/studio has approved or consented to the existence of a movie in edited form, though, undercuts the notion that a third party providing the same sort of edits inherently distorts or mutilates the director's intent.

Furthermore, with most of the edits performed, the companies are only providing for the customer a version of the movie that they could otherwise provide for themselves if they were adept enough with the fast-forward and mute buttons on a remote control.\footnote{128}{This analogy exempts MovieMask's software to the extent that it allows users to add images and sound to their masks. It also does not contemplate Clean Flicks' apparent ability to blur portions of a screen image, rather than skip the image entirely.} The studios even facilitate this somewhat, and thus tacitly approve of the use of the remote control, by including direct access scene selection with their DVDs.\footnote{129}{The inclusion of the scene selection feature was important enough to the studios that they mentioned in their complaint the absence of such in the Digital Editor's version. Motion Picture Studio Defendants' Answer and Counterclaims, \textit{Huntsman} ¶ 51, No. 02-M-1662 (D. Colo. 2002).} With that in mind, the defendants' consternation that CleanFlicks would cut five minutes from the opening scene of "Saving Private Ryan" seems less justified when the owner of the original version of the movie on DVD could, seemingly with the defendants' approval, just as easily skip the opening scene entirely, as well as any subsequent scene, and enjoy the rest of the movie.\footnote{130}{For this reason, the subtractive Player Control Technology is even more benign than Galoob's Game Genie, which lets the user do things with his video game that he could not do absent the technology. \textit{See} 964 F.2d at 967. This line of reasoning is what probably underlies ClearPlay attorney Andrew Bridges' comment: "If ClearPlay is illegal, so is the remote control." \textit{See} Benny Evangelista, \textit{The Digital Censor: Utah Firm Locked in Legal Battle Over Software that Blocks Out Sex and Violence on DVDs}, \textit{S.F. Chronicle}, Jan. 20, 2003, at E1.}
Lastly, the Defendants’ moral rights claims are not helped by the fact that they often target their movies for specific MPAA ratings.131 In fact, directors even admit that a movie’s rating is a “marketing tool” for a film.132 Steven Spielberg noted openly:

In a way it’s better to get a PG-13 than a PG for certain movies . . . . Sometimes PG, unless it’s for an animated movie, it turns a lot of people off. They think it’s going to be too below their radar and they tend to want to say, ‘Well, PG-13 might have a little bit of hot sauce on it.’133

Another director was even more explicit: “People will go out of their way to put in one dirty word in [a movie] just to get the rating that they need to give the picture some legitimacy.”134 Of course this is not true of all movies, since in many, the objectionable content serves some artistic or aesthetic purpose.135 Presumably, these are often the same types of movies that the Plaintiffs will not edit. It is true enough, though, that in light of the above quotes it seems somewhat disingenuous for defendants’ to summarily decry plaintiffs’ actions as mutilation of their artistic expression, when the third party editors often do no more than remove the “hot sauce” that defendants expected would give the movie broader appeal. The entire edited movie industry simply establishes that some segments of the population prefer, and often will only tolerate, their movies without “hot sauce.”

In any event, the Defendants’ lack of statutory protection for moral rights outside of Gilliam’s tenuous Lanham Act ties make it doubtful that they will be vindicated in the CleanFlicks’ case.

B. Defendants’ Derivative Works Claims

1. ClearPlay and the Player Control Parties

The studios’ copyright claims against the Player Control Parties hinge on their ability to convince the court that movies viewed

131. See e.g. Mark Armstrong, Stiller’s PG-13 Orgy, Er, ‘Love Fest,’ E-Online (Sept. 10, 2001) at www.eonline.com/News/Items/0,18803,00.html (chronicling Ben Stiller’s success in taming his film “Zoolander” to a PG-13, rather than an R, rating).
133. Id.
134. Id.
135. Ironically, the two examples often cited where the objectionable content serves an artistic or expressive purpose are Spielberg’s “Schindler’s List” and “Saving Private Ryan.” Not coincidentally, these are among two movies that ClearPlay does not edit.
through filtering software on a computer or television screen amount to derivative works under § 106(2). To that end they argue that a derivative work does not require fixation in order to be infringing.\textsuperscript{136} The studios seem to recognize, though, that relying on an unqualified non-fixation requirement leads to untenable results.\textsuperscript{137} It is probably for this reason that they embrace the Ninth Circuit's limited fixation requirement in \textit{Micro Star}.

Proving that the Player Control Parties violated § 106(2) under \textit{Micro Star} requires showing that the edited movie the viewer experiences using the filtering software "incorporate[s] a protected work in some concrete or permanent form."\textsuperscript{138} The studios assert, in a clear analogy to the software in \textit{Micro Star}, that a ClearPlay edited movie is a combination of the software, the filter file, and the original DVD.\textsuperscript{139} The resultant audio-visual is therefore "permanently and concretely embodied in the individual motion picture-specific Filter Files."\textsuperscript{140}

At first glance, the comparison to \textit{Micro Star}'s Nuke It looks appealing. The filters instruct the DVD player just as the MAP files instructed the Duke Nukem 3D game engine.\textsuperscript{141} The comparison, however, ignores the fact that the "concrete or permanent form" requirement in \textit{Micro Star} requires some "incorporation [of the

\begin{footnotesize}
\begin{enumerate}
\item See Defendant Motion Picture Studios' Response Brief in Opposition to ClearPlay, Inc.'s, Trilogy Studios, Inc.'s, and Family Shield Technologies, LLC's Motion for Summary Judgment at 5, \textit{Huntsman}, No. 02-M-1662 (D. Colo. Aug. 8, 2003) [hereinafter Defendant's Response Brief]. Among other things, the studios point to the absence of a fixation requirement in the language of § 106(2) and to the statute's legislative history stating that "a derivative work ... may be an infringement even though nothing is ever fixed in a concrete or permanent form." Id.

\item Aside from rendering punishable one's imagination of a derivative work as noted by Ochoa, \textit{supra} note 42, removing a fixation requirement from § 106(2) would also make illegal any original use of the remote control to rewind, mute, skip, fast-forward, or even pause a movie. It seems highly unlikely that a court would be willing to accept a definition of a derivative work that criminalized original uses of the remote control. \textit{See} Lee, 125 F.3d at 582 ("A definition of derivative work that makes criminals out of art collectors and tourists is jarring despite Lee's gracious offer not to commence civil litigation."). It is for this reason that Ochoa, \textit{supra} note 42, at 1020, argues that Congress' intent in noting that a derivative work need not be fixed to be infringing was merely to prohibit public performance or display of a derivative work. In other words, the right to prepare derivative works is infringed only in conjunction with at least one of the other exclusive rights of § 106. Id.

\item \textit{Micro Star}, 154 F.3d at 1111.

\item \textit{See} Defendant's Response Brief, \textit{supra} note 136 at 7. In \textit{Micro Star} the court noted that "Duke Nukem 3D" consisted of three separate components: the game engine, source art library, and MAP files. 154 F.3d at 1110.

\item \textit{See} Defendant's Response Brief, \textit{supra} note 136 at 6.

\item \textit{Micro Star}, 154 F.3d at 1110.
\end{enumerate}
\end{footnotesize}
underlying] protected work." The Player Control Parties' software and filter files simply do not incorporate any of the underlying copyrighted work. Instead a filter is made up only of the time code of the DVD and instructions to mute or skip at certain moments. It is true that the mute and skip instructions in the filter were implemented by an editor viewing the original movie, but then it seems unlikely that a time code that happens to match the running length of a DVD could even be said to embody some portion of the underlying copyrighted movie.

Even if the court did stretch to construe the time code to be an embodiment of the underlying movie, the timing sequence of a movie can hardly be said to be an "exact, down to the last detail, description" of a movie, as the MAP files in *Micro Star* were of the Duke Nukem 3D. In fact, the time code of a movie does not describe or detail *anything*, except for the movie's run time. When the mute and skip instructions are laid over the time code, the filters still contain no detail or description of what it is they are muting or skipping. In the end, the Player Control Parties' filtering software simply does not permanently or concretely embody enough, if any, of the underlying movies and cannot therefore create infringing derivative works under § 106(2). This, in turn, means that neither the Studios nor the Directors should have any successful claims against the Player Control Parties.

2. CleanFlicks and the Digital Editors

The studios' § 106(2) claim against the Digital Editors is stronger, if for no other reason than the fact that Digital Editors' edited movies concretely and permanently embody most of a copyrighted movie in a videocassette or DVD. The edited master copy of a movie is also fixed on the companies' hard drive, so the CleanFlicks methodology easily satisfies *Micro Star's* fixation requirement.

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142. *Id.* at 1111 (quoting *Galoob*, 964 F.2d at 967).
143. *See Player Control Parties' Motion for Summary Judgment, supra* note 91 at 12.
144. If the time code did embody some underlying portion of a copyrighted movie, then ostensibly a director intent on matching the running length of his new movie with the running length of his favorite movie *Titanic* would then embody a portion of copyrighted work and thus be liable for infringement. The ridiculousness of the proposition should foreshadow the unlikelihood of a court embracing the concept.
146. The manner in which the Digital Editors concretely or permanently embody the underlying movies also clearly seem to implicate § 106(1)'s exclusive right of reproduction because the edits are not made to the original copy of the movie, but rather the movie is copied
The remaining question, then, is whether the edited movies "recast, transform[,] or adapt[ ]" the underlying movie or otherwise consist of "other modifications, which, as a whole represent an original work of authorship."\textsuperscript{147} This originality issue is perhaps slightly more nuanced, but still heavily favors the movie studios.

To begin with, the digitally edited movies seem to fit well within the Ninth Circuit's low threshold originality requirement in \textit{Mirage}.\textsuperscript{148} The Ninth Circuit there found that simply removing pictures from a book and mounting them on ceramic tile "certainly recast or transformed the individual images."\textsuperscript{149} While the Digital Editors' movie editing practices are not entirely analogous to mounting pictures with new backgrounds, the court's matter of fact analysis that such a minimally transformative act was within the statute's definition leaves little dispute that the Digital Editors' altering of the actual content of the underlying work would also fit the definition.

Judge Kozinski's "Pink Screener" example in \textit{Micro Star} provides further support that the Digital Editors meet the Ninth Circuit's originality requirement.\textsuperscript{150} The example was part of a footnote to the opinion aimed at illustrating a derivative work's fixation requirement, but also inadvertently showed how little originality § 106(2) actually required. The court noted that putting a piece of pink cellophane in front of a television would recast in pink all the images perceived on that particular television. Under the court's reasoning, as long as someone was recording the recast images (thus meeting § 106(2)'s fixation requirement) the pinker versions of the television programs would be derivative works. Presumably, then, when the Digital Editors carefully edit movies by deleting or muting those elements that meet their criteria for being objectionable, they exercise significantly more originality and creativity than one who merely places a piece of cellophane in front of a television.

\textsuperscript{148} \textit{Mirage}, 856 F.2d at 1343.
\textsuperscript{149} \textit{Id.} at 1344.
\textsuperscript{150} \textit{Micro Star}, 154 F.3d at 1111 n. 4.
Their editing practices should likewise meet the slightly more stringent requirement of the Seventh Circuit in *Lee*, which found the actions described in *Mirage* to be "mechanical," and therefore neither transformative of the underlying artwork nor original. The Digital Editors might hang on the language of *Lee* and argue that they likewise simply mechanically excise a predetermined list of words, acts, and images. Such a general characterization, however, would belie the deftness and care that likely go into making edits as unnoticeable as possible, where objectionable words and images are removed while still trying to preserve the flow of a scene or dialogue. This too, entails affecting the content of the copyrighted work, as opposed to simply changing the backdrop or frame of a piece of artwork. The implication is that, in all likelihood, under either circuit's interpretation, the Digital Editors' reworking of the underlying movies amounts to preparation of a derivative work in violation of § 106(2).

*a. First Sale Defense*

Anticipating the possibility of a § 106(2) violation, the Digital Editors assert two affirmative defenses, the first of which is the first sale defense. As noted above, § 109(a) entitles the owner of a lawfully made copy of a work to, "without the authority of the copyright owner . . . sell or otherwise dispose of the possession of that copy." The Digital Editors basically argue that because they (or the consumers themselves) own legitimate copies of the underlying movie, they can do whatever they please with that copy, including edit it for content, so long as they are careful to retain a one to one ratio between the number of original copies purchased and edited copies produced.

The Digital Editors' argument here probably fails for two reasons. First, courts thus far interpreting the first sale doctrine as an affirmative defense to § 106(2) infringement have uniformly held that the "mere sale" of a copy of an underlying work does not transfer with it the right to prepare derivative works. It seems worth noting that within the literal language of the statute the case can be made that § 109(a) *does* limit the rights of copyright holders to preparation of some types of derivative works, namely subtractive derivative works, or those derivative works that merely

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151. *Lee*, 125 F.3d 580 at 582.
153. *Mirage*, 856 F.2d at 1344; *see also* Precious Moments v. La Infantil, Inc., 971 F. Supp. 66 (D.P.R. 1997) (holding that the first sale doctrine limits only distribution rights of the copyright owner and not other exclusive rights conferred by § 106, including the right to prepare derivative works). It seems worth noting that within the literal language of the statute the case can be made that § 109(a) *does* limit the rights of copyright holders to preparation of some types of derivative works, namely subtractive derivative works, or those derivative works that merely
applies only to a legitimately purchased copy of the work. When the Digital Editors copy the movie onto a hard drive and then subsequently copy the edited version over the original or onto a blank DVD, they likely lose the protection of the first sale doctrine. This should be the case even when they maintain a one to one ratio of original versions to edited versions, and even when companies like CleanFlicks subsequently disable the original copy. A court would strain the meaning of § 109(a) by holding otherwise.

b. Fair Use

The Digital Editors alternatively claim that their editing practices amount to “fair use” of the original movies under § 107. The section provides:

Notwithstanding the provisions of sections 106 and 106A, the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include—

(1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;

(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.

remove elements of an original work to create a new work. Support for this argument is within the statute itself, which confers the ability to “sell or otherwise dispose of” a legitimately purchased copy of the original. The idea is that, since the statute says that the owner of a copy is entitled to dispose of or alienate his ownership in all of an original, he therefore is also permitted to dispose of parts of the original if he chooses. Hence an owner, completely within § 109(a)’s protection, should be able to tear out pages or cross out words of his copy of the latest Harry Potter novel in an original way and then resell the book as a derivative of the original novel. This type of derivative work has not yet been considered by courts in light of the first sale doctrine, but would presumably protect the old splicing method of editing videocassettes that only disposes of images or audio on an otherwise lawful copy of a movie. This possible protection does not apply to the Digital Editors’ current practices though for the reason articulated below.
The fact that a work is unpublished shall not itself bar a finding of fair use if such is made upon consideration of all the above factors.\textsuperscript{154}

Fair use determinations are "mixed question[s] of law and fact"\textsuperscript{155} and accordingly are "not to be simplified with bright-line rules, for the statute, like the doctrine it recognizes, calls for a case-by-case analysis."\textsuperscript{156} The following examines the Digital Editors' claim in light of the factors set forth by the statute.

\textit{i. The Purpose and Character of the Use}

Analysis of the purpose and character of the Digital Editors' use of Defendants' movies looks first to whether the use is for commercial or non-profit purposes. Finding that a use is commercial weighs against, but does not preclude, a determination of fairness.\textsuperscript{157} Additionally, it looks to whether the new work simply substitutes for the old work or alternatively transforms it by "add[ing] something new, with a further purpose or different character, altering the first with new expression, meaning, or message."\textsuperscript{158} The "more transformative the work, the less will be the significance of other factors, like commercialism."\textsuperscript{159}

The Digital Editors' use of the Defendants' movies is clearly commercial, since these businesses sell their edited versions of Defendants' movies with the intent to profit from them. Whether their edits are transformative of the underlying movies, however, is a little more difficult to determine. In one respect, the edits made to the movies often only minimally impact the characters and storyline. In fact, as noted previously, the Digital Editors' incentives are to keep the edited movie as close to the original movie as possible in terms of plot, theme, and characters, removing only what is necessary to make it more palatable to sensitive viewers. This essentially means that the Digital Editors' goal is to edit the movies while leaving the new versions as non-transformative as possible. This obviously works in the Defendants' favor.

\begin{thebibliography}{9}
\bibitem{156} Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 578 (1994). § 107's legislative history reiterates this point: "Indeed, since the doctrine is an equitable rule of reason, no generally applicable definition is possible, and each case raising the question must be decided on its own facts." H.R. REP. No. 94-1476, at 65-66 (1976).
\bibitem{157} Acuff-Rose, 510 U.S. at 584.
\bibitem{158} \textit{Id.} at 579.
\bibitem{159} \textit{Id.}
\end{thebibliography}
The possibility that the edited versions are still transformative, however, is somewhat compelling. The argument is that the edited versions must transform the expression of the original movies in some meaningful way because otherwise there would be no separate market for them. At present there is a healthy market for the edited films,¹⁶⁰ a market that pays a premium of as much as double the price of the original movie.¹⁶¹ The very fact that consumers sometimes pay double the price of the originals for edited DVDs seems to indicate that sanitizing these movies does meaningfully alter their expression, even if not by entirely transforming it.

Additionally, the edited movies purportedly do not supersede the market for the original, but instead capture "a new audience beyond the audience of the original work."¹⁶² In other words, the edited versions do not replace or supplant the original version because those people in the market for the edited film would not have otherwise been in the market for the original. This also tends to indicate that the Digital Editors' use is transformative.

ii. The Nature of the Copyrighted Work

The second statutory factor looks to the nature of the underlying copyrighted work and how closely it comes to "the core of intended copyright protection."¹⁶³ In this regard, works that rise above mere fact compilations and demonstrate some measure of creativity are more deserving of protection, making fair use more difficult to establish.¹⁶⁴

Movies are, of course, highly creative works, and as such "fall[] within the core of the copyright's protective purposes."¹⁶⁵ This factor weighs against the Digital Editors' fair use claim.

¹⁶². Second Amended Complaint and Jury Demand at 3, Huntsman, No. 02-M-1662 (D. Colo. Oct. 31, 2002).
iii. Amount and Substantiality of Copyrighted Work Used

The third factor also clearly weighs against the Digital Editors’ fair use claim. It looks to “the amount and substantiality of the portion used in relation to the copyrighted work as a whole.”\textsuperscript{166} By their very nature, the edited movies incorporate almost all of the underlying originals. As mentioned previously, the intended purpose is to retain as much of the original movie as possible, excising parts only as necessary to meet the entertainment standards of the consumer. The Supreme Court has noted that “the extent of permissible copying varies with the purpose and character of the use,”\textsuperscript{167} and that even copying a work in its entirety does not necessarily “militate against a finding of fair use.”\textsuperscript{168} While the amount copied might not militate against finding fair use, it certainly weighs against it here.

iv. Effect Upon Potential Market or Value of Copyrighted Work

Lastly, the fair use analysis considers a derivative work’s “effect . . . upon the potential market for or underlying value of the copyrighted work.”\textsuperscript{169} This is “undoubtedly the single most important element of fair use.”\textsuperscript{170} The underlying principle behind this factor is that “[f]air use, when properly applied, is limited to copying by others which does not materially impair the marketability of the work which is copied.”\textsuperscript{171} The standards for what specifically constitute “potential market or underlying value,” however, vary widely.\textsuperscript{172}

The Digital Editors’ chief argument in the fair use analysis is that their businesses pose no harm to the markets of the original movies. Instead, their edited movies actually expand the market base for the original movies because their customers are required to purchase (or have the businesses purchase) an original copy of each

\begin{footnotesize}
\begin{enumerate}
\item[167.] \textit{Acuff-Rose}, 510 U.S. at 586-87.
\item[170.] \textit{Harper & Row}, 471 U.S. at 567.
\item[171.] \textit{Id.} at 566-67.
\item[172.] See, e.g., \textit{Harper & Row}, 471 U.S. at 568 (holding that inquiry under this factor “must take account not only of the harm of the original but also harm to the market for derivative works”); \textit{Acuff-Rose}, 510 U.S. at 592 (holding that “[t]he market for potential derivative uses includes only those that creators of original works would in general develop or license others to develop); \textit{Kelly v. Arriba Soft Corp.}, 336 F.3d 811, 821-22 (9th Cir. 2003) (interpreting the standard as contemplating only those markets that the plaintiff has already entered); \textit{Suntrust Bank v. Houghton Mifflin Co.}, 268 F.3d 1257, 1275 (11th Cir. 2001) (interprets the fourth factor as examining whether the new work supplants demand for the original and its already licensed derivatives).
\end{enumerate}
\end{footnotesize}
edited movie they order. Far from “materially impair the marketability of [the Defendants’ movies],”173 the Digital Editors’ derivative works actually generate more revenue for the Defendants—revenue that the movies otherwise would not have captured. This alone would likely satisfy the Eleventh Circuit’s interpretation of “potential market” in Suntrust Bank as well as the Ninth Circuit’s standard in Arriba Soft, both of which focus the inquiry solely on harm, or lack thereof, to the markets that the copyright holder has already entered.174

The analysis of the Supreme Court in Acuff-Rose, however, not only evaluates the derivative work’s harm on the current market for the copyrighted work, but also those markets “that creators of original works would in general develop or license others to develop.”175 It is here that some commentators have been quick to conclude that the Digital Editors obviously impair the Defendants’ potential market for edited versions of their own movies and thus cannot effectively claim fair use.176 Initially, this seems possible under Acuff-Rose because the market for edited versions of the original movies certainly seems to be the type of market one might reasonably expect the studios to enter—especially given that they already license similar edited versions of movies to airlines and network television.

The Digital Editors’ businesses, though, still do not cause any substantial harm to even these potential markets for the Studios. This is true for several reasons. For one, the Studios themselves allege that the copies produced by the Digital Editors are inferior in quality to the originals. Not only are the audio and video “sometimes significantly degraded” from the original videocassettes, but the DVD copies:

do not have most, if any, of the have enhanced features, such as crystal clear digital images or sound, surround sound, navigation menus, direct access scene selection, foreign languages, or special extra features such as the directors’ commentary or deleted scenes, which consumers have come to expect on commercially-released DVDs from the Studios.177

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173. Id.
174. See Suntrust, 268 F.3d at 1275; Arriba Soft, 336 F.3d at 821.
175. Acuff-Rose, 510 U.S. at 592. The Court here appears to narrow the broader standard of Harper & Row that stated the fourth factor should simply look to the “harm to the market for derivative works.” 471 U.S. at 568.
176. See, e.g., NOKES, supra note 75, at 648.
If the facts are as the studios allege, the only potential market the Digital Editors have adversely affected is the market for poor quality edited DVDs and videocassettes. The market for edited versions of the high quality DVDs that the Studios are known for, with all of the features “consumers have come to expect,” remains entirely unaffected and within the Studios’ control, according to their own version of the facts.¹⁷⁸

A second factor worth considering is that in addition to being able to produce higher quality edited versions of the original movies, the studios could also easily undercut the Digital Editors’ market as soon as they decide to enter it. The reason for this is that the Digital Editors are encumbered by having to incorporate the retail cost of an original copy of the movie into their pricing scheme.¹⁷⁹ This comes in addition to charging for the edited version. The studios, by contrast, can easily at any time enter that same market, charge only half what the Digital Editors must charge, and still make profits similar to what they make on sales of their original DVDs and videocassettes. This essentially means that as soon as the Studios decide to enter the edited movie market, they can almost immediately price the Digital Editors out of business. Thus the Digital Editors’ are not likely to cause any substantial harm to any potential markets for the Studios.

Ultimately this fourth “most important element” of fair use should favor the Digital Editors, regardless of which of the several interpretations the court chooses to adopt.

v. Additional Fair Use Considerations

One additional factor sometimes considered by courts in a fair use analysis is public policy or the perceived social utility of a derivative work.¹⁸⁰ It is worth mentioning that, on balance, having edited versions of popular movies available for the public would likely be considered socially desirable as a means of limiting the objectionable material children are exposed to.¹⁸¹ The court would

¹⁷⁸  Id.
¹⁷⁹  Alternatively, they have to make sure that customers have already imposed that cost on themselves by previously purchasing an original copy.
¹⁸⁰  See National Rifle Ass’n. of Am. v. Handgun Control Fed., 15 F.3d 559, 562 (6th Cir. 1994) (noting that “The scope of Fair Use is wider when the use relates to issues of public concern.”) (citing Consumers Union of U.S., Inc. v. Gen. Signal Corp., 724 F.2d 1044, 1050 (2d Cir. 1983)).
¹⁸¹  See, e.g., Press Release, Congressman Lamar Smith: 21st District of Texas, Smith’s Bill to Protect Children to Become Law (Apr. 19, 2005), available at
likely be hard-pressed to ignore this element, even if not expressly part of the analysis.

c. Weighing the Fair Use Factors

Considering all of the factors together, the Digital Editors may have a successful fair use claim. Professor Paul Weiler gave what may be the bottom line in deciding the issue:

There is a qualitative difference between someone making a whole host of free copies from the original, and someone making changes in a whole host of originals they've bought. [CleanFlicks] bought these copies, and if consumers want to use their computers to edit out something, clearly they have a right to do that.\textsuperscript{182}

Given the above analysis, Professor Weiler's conclusion is, of course, anything but certain. The factors play out in such a way that the court could plausibly take either side's position and argue it sensibly, depending on just how heavily it weighs the fourth factor. The character of the Digital Editors' use of the Defendants' movies is obviously commercial, though the court could find either way on whether or not the new works are transformative. Movies are also highly creative works, and the Digital Editors substantially incorporate them in their edited versions. Both of these factors weigh heavily against fair use. However, the heaviest factor, —the effect of the use on the actual and potential markets—is where the Digital Editors have the strongest claim. Their edited movies are at best minimally intrusive on the studios potential market for edited films and actually serve to expand both the current market and revenue for Defendants' movies. Public policy may also play a role finding fair use, since facilitating parents' abilities to further screen children from objectionable content in movies seems generally desirable.

3. Enter the Family Movie Act

Recent legislative activity indicates that Congress also wants a hand in the litigation's outcome. In February of this year, the Senate passed the Family Movie Act of 2005,\textsuperscript{183} which exempts the use of


\textsuperscript{183} See Jerry Spangler, \textit{House to OK Film Filter}, \textsc{Deseret Morning News}, Apr. 19, 2005, available at \url{http://www.deseretnews.com/dn/print/1,1442,600127632,00.html}.
ClearPlay and other subtractive filtering technology from copyright and trademark liability.184 President Bush signed the bill in late April of 2005.185

With the bill now signed, The Family Movie Act has already heavily influenced the current CleanFlicks litigation by effectively ending the lawsuit against the Player Control Parties.186 Less certain is how the legislation will subsequently impact the Defendants' remaining claims against the Digital Editors. A few scenarios seem possible: (1) it may compel the Defendants to settle their remaining claims against the Digital Editors, perhaps by granting some licensing agreement; (2) if agreement remains out of the question, the studios may alternatively initiate release of their own edited DVDs and videocassettes, which would easily push both the Digital Editors' and Player Control Parties' out of the market; (3) the court may look to the Player Control Parties' legislative exemption, reason that both technologies offer "functionally equivalent" edited versions, and allow such to tip the scales in finding fair use for the Digital Editors; or (4) the court may look to Congress' failure to exempt the Digital Editors and see it as a reason to find against fair use.

This last scenario seems especially plausible, since the drafters of the bill obviously had the CleanFlicks litigation in mind while crafting the exemption.187 The fact that Congress only chose to protect one form of the technology, therefore, may be viewed as a condemnation of digital editing as much as a Congressional blessing

184. The text of the bill makes legal: "the making imperceptible, by or at the direction of a member of a private household, of limited portions of audio or video content of a motion picture, during a performance in or transmitted to that household for private home viewing, from an authorized copy of the motion picture, or the creation or provision of a computer program or other technology that enables such making imperceptible and that is designed and marketed to be used, at the direction of a member of a private household, for such making imperceptible, if no fixed copy of the altered version of the motion picture is created by such computer program or other technology." Family Movie Act of 2005, S.167, 109th Cong. (2005).


187. Orrin Hatch even noted that the bill "will help to end aggressive litigation threatening the viability of small companies like ClearPlay which are busy creating innovative technologies for consumers that allow them to tailor their home viewing experience to their own individual or family preferences." See Jesse J. Holland, Bill to Let Companies Sanitize Hollywood Movies Moving Fast in Congress, THE SAN DIEGO UNION-TRIBUNE (Feb. 2, 2005) available at http://www.signonsandiego.com/news/nation/20050202-1430-cuttingmoviescenes.html.
on filtering technology.\textsuperscript{188} This seems further evident by the fact that Congress rushed to the aid of that part of the edited movie industry which was in least need of its help. Where the industry was in the most need of protection, and where Congress could have been the most help, its stoic watch from the sidelines speaks volumes. The court is not likely to ignore this in determining fair use.

V. CONCLUSIONS

In conclusion, even without the Family Movie Act, the likely failure of the Defendants' moral rights based Lanham Act claims portends at least a temporary halt to the "creep" of moral rights into American copyright law. The Defendants' Gilliam-like claims simply cannot survive absent the misrepresentation or inadequate labeling required by the Gilliam court. This means that the Studios and Directors will be unable to vindicate their moral rights in movies unless and until Congress expressly protects those rights by statute, something that Congress has thus far been unwilling to do. Until such time, the Defendants must be content with the limited moral rights protections indirectly afforded under both § 106 and a narrow interpretation of the first sale defense.

The resolution of the Studios' copyright claims against both the Player Control Parties and Digital Editors should further define the boundaries of a copyright holder's exclusive right to prepare derivative works. At one end, the court will likely reject the first sale doctrine as a defense for infringing a copyright holder's right to prepare derivative works. At the other, the court, in granting the Player Control Parties' summary judgment motion, will likely define a limitation of that right by requiring some form of fixation in an infringing derivative work. Additionally, the court's determination that the Digital Editors' methods satisfy the statute's originality requirement may work to fill the void created by the Ninth Circuit's near silence on this requirement. Lastly, the court's decision regarding the Digital Editors' fair use of the Defendants' movies will either expand or restrict § 106(2)'s protections, depending on how the court ultimately answers the question. That ultimate answer, assuming

\textsuperscript{188} Soon after that passage of the Family Movie Act in the House, Senator Orrin Hatch spoke to the Digital Editors advising them to "be careful" because "Copyright is very important, and we cannot just run over it." Jerry Spangler, Hatch Gives Film Filterers a Warning, DESERET MORNING NEWS, Apr. 20, 2005 at B2, available at http://www.deseretnews.com/dn/print/1,1442,600127632,00.html (The quote certainly seems to show that the exclusion of the Digital Editors from the bill's protection was not a mere oversight.).
the court weighs heavily the Digital Editors' minimal intrusion on the current and potential market of Defendants' movies, should tip the balance in favor of fair use, though only by the slightest of margins. The passage of the Family Movie Act, however, may lead the court against a finding of fair use and, ironically, grant Defendants' a victory they otherwise might not have been entitled to. This result would then expand § 106(2) protections, ironically because of a bill that expressly attempts to limit them. Either way the Studios and Directors retain ultimate control over whether the third party edited movie industry survives and for how long. What they are no longer in control of is whether expurgated versions of their movies can exist at all.