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# THE ROLE OF THE STUDIO LAWYER IN THE NEW MEDIA AGE

Zane B. Melmed\*

## I. INTRODUCTION

The Internet is the fastest-growing mass medium in history—surpassing the worldwide expansion of broadcast television, radio, cable television, and the telephone.<sup>1</sup> More than one billion people worldwide will be online in less than five years—with more than 75 percent of those users living outside North America.<sup>2</sup> Already, English is the minority language online, and digital trade is quickly becoming a driving force of the global gross domestic product.<sup>3</sup> The entertainment industry is making major footprints in this potentially lucrative space; entertainment studios partner with technology companies every day to create new media growth opportunities in areas such as digital music, interactive television and broadband network applications, including distribution of films on the Internet.

The in-house entertainment studio lawyer who deals with new media issues (the “Studio Lawyer”) is not an in-house entertainment lawyer in the job’s traditional sense. The vocation does not simply entail

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<sup>1</sup> Press Release, *Worldwide AOL Membership Surpasses Landmark 30 Million Milestone*, June 25, 2001 <[http://media.aoltime Warner.com/media/press\\_view.cfm?release\\_num=55252019](http://media.aoltime Warner.com/media/press_view.cfm?release_num=55252019)>.

<sup>2</sup> Stephen M. Case, *Remarks for CNN World Report Dinner*, May 31, 2001 <<http://www.aoltime Warner.com/press/speeches/case/case053101.html>>.

<sup>3</sup> *Id.*

drafting contracts, letters of intent and long-form agreements for the studio. Such responsibilities still exist, but in this rapidly expanding age of new media, qualified Studio Lawyers should expect and be prepared to participate in their department's entire corporate strategic planning process.

As the entertainment, technology and finance sectors of the media industry are brought together by the Internet, one may find Studio Lawyers as busy these days reading *Daily Variety*, *Red Herring*, and *Wall Street Journal* as they are drafting agreements. As Robert J. Dowling, editor-in-chief and publisher of *The Hollywood Reporter*, writes: "Radical changes will eventually morph the media industry, and that shift is starting to show."<sup>4</sup> The role of Studio Lawyers continues to be central in this major metamorphosis, and they will help pave this revolutionary road that studios are taking.

## II. WHAT IS A NEW MEDIA DEPARTMENT?

In the past six or seven years, most television, music and movie studios created new media departments. New media departments form strategic alliances between the studio and technology companies. Such alliances provide a studio with the chance to distribute its branded information and entertainment copyrights on, for example, the Internet or via wireless or broadband network applications. In general, new media technology provides studios with much more expansive exploitation than more traditional outlets such as television and film. For example, America Online's ("AOL") 30 million subscribers are now instantly available viewers of promotional material for Time Warner Inc.'s ("Time Warner") films, television shows, music, magazines and other publishing brands; the \$106 billion merger between the two companies closed on January 11, 2001.<sup>5</sup>

Currently, new media departments at entertainment studios are relatively small, typically including a business development team, an assigned Studio Lawyer, a technology expert, two or three managers

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<sup>4</sup> Chad Graham, *New Media 'Just Getting Started,'* THE HOLLYWOOD REP., July 5, 2000, at A6.

<sup>5</sup> Press Release, *America Online & Time Warner Complete Merger to Create AOL Time Warner*, Jan. 11, 2001 <[http://media.aoltimewarner.com/media/press\\_view.cfm?release\\_num=50252141](http://media.aoltimewarner.com/media/press_view.cfm?release_num=50252141)>.

and some staff assistants. Such departments are rapidly expanding, however, in sync with the evolution and growth of new media. Before Time Warner's merger with AOL, the major entertainment company's business interests reflected those of traditional media markets. Time Warner classified such business interests into the following areas: cable networks, consisting principally of interests in cable television programming; publishing, focusing mostly on magazine publishing, book publishing and direct marketing; music, with interests primarily in recorded music and music publishing; filmed entertainment, which includes theatrical films, television production and television broadcasting; and cable, which consists principally of interests in cable television systems.<sup>6</sup> Breaking with standard media market strategy, in the first quarter of 2000, Time Warner added digital media to these business interests by creating a division to deal in Internet-related and digital media.

Most entertainment companies are moving fast to capitalize in the new media space. With this expansion comes the convergence of major companies like AOL and Time Warner. According to AOL Time Warner's Chairman Stephen Case: "If the last decade of the 20th Century was about the Internet, then the first decade of the 21st Century will surely be about convergence—as lines between traditional media blur."<sup>7</sup> To keep up with the world's first Internet-powered media and communications company, other tech-friendly entertainment companies like Disney/ABC and Vivendi Universal will follow the lead of AOL Time Warner in the near future—merging with directory and e-commerce leaders like Yahoo! after expanding their existing new media departments.<sup>8</sup>

### III. NEW MEDIA'S LEGAL DILEMMAS AND THE GENERAL ROLE OF THE STUDIO LAWYER

The reality today is that new media will take the old media schema

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<sup>6</sup> Edward Adler, *Time Warner Businesses Report Record Second Quarter Operating Results*, July 18, 2000, at 7 <<http://www.aoltimewarner.com/investors/financials/qtrearningsreleases/2Q00.pdf>>.

<sup>7</sup> Case, *supra* note 2.

<sup>8</sup> See, e.g. Beth Cox, *Yahoo! Merger Rumors Rampant*, Jan. 18, 2001, <[http://www.internetnews.com/ec-news/article/0,,4\\_563631,00.html](http://www.internetnews.com/ec-news/article/0,,4_563631,00.html)>.

and either swallow and integrate it—or turn it upside down altogether. *The Hollywood Reporter's* Dowling explains that, “[n]o new media has ever cannibalized the old media. New media has only become a part of the new franchises.”<sup>9</sup> Therefore, for AOL Time Warner, Disney/ABC and Vivendi Universal, it is a bonanza that will allow such companies to better market their existing product. Such a bonanza will not occur without legal issues arising from almost every aspect of the deal. This is why the Studio Lawyer needs to be present and participating at every level of a studio’s alliance with a technology company, and why the Studio Lawyer’s role is becoming even more important.

When a technology-based company comes to a studio’s new media department with hopes of forming a strategic alliance, most do not foresee the plethora of legal issues that arise from the combination of interests; the studio may not catch them all either. While the studio wants to create new revenue streams in the wireless, broadband and Internet markets on a global level, the Studio Lawyer must keep its studio’s feet on the ground, to explore the often not-yet-written laws, unforeseeable lawsuits and present and foreseeable judicial roadblocks that lie ahead. When every major record label in the United States banded together to sue the once-underground-turned-mainstream song-swapping service called Napster, Studio Lawyers were made well aware of the unanticipated legal implications to every new media deal. Such is the problem: when venturing into the realm of the unknown, no one is fully prepared to anticipate all of the possible legal implications.

On July 11, 2000, Michael Robertson, the founder of MP3.com, spoke before the United States Senate Judiciary Committee on the future of digital music. Regarding the ambiguous legal issues currently looming over the music industry, Robertson said: “Never before in history has there been such a fog surrounding what a consumer can lawfully do with their music.”<sup>10</sup> MP3.com recently lost its copyright

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<sup>9</sup> Graham, *supra* note 4.

<sup>10</sup> Michael Robertson, Chairman and Chief Executive Officer of MP3.com, Inc. statement on *The Future of Digital Music: Is There an Upside to Downloading?* Before the Senate Judiciary Committee United States Senate (July 11, 2000) <[http://www.senate.gov/~judiciary/7112000\\_mr.htm](http://www.senate.gov/~judiciary/7112000_mr.htm)>.

battle with the Recording Industry Artists of America (RIAA). "I do not have the answers, but I do know the questions," Robertson continued. "Can I play my music over the Internet? Can I store my music using a music service provider without fear of shutdown? Can I stream my music to my cell phone? How about to my Palm Pilot? Where do my rights start, and where do they end? What do companies that I need to help me access these rights have to do so I know they are lawful companies to choose to help me?"<sup>11</sup> Like the RIAA's battles with companies like Napster and MP3.com, movie and television studios are certainly no exception to new media's shaky ground. Guild residuals, investment strategies, copyright issues and appropriate drafting are just some of the many obstacles the Studio Lawyer must parry.

#### IV. THE ROLE OF THE STUDIO LAWYER

##### A. *A Business Architect*

The first-generation of new media studio executives were mostly "creative types," convincing their companies that creating compelling Internet content mattered.<sup>12</sup> Those who have stepped in to fill their shoes are primarily executives that come from a business background.<sup>13</sup> Why such a shift? One reason is that the new-sprung technology companies that studios' new media departments deal with have not had years to assemble all of their professional advisers and strategic partners.<sup>14</sup> Whether technology companies like it or not, new media departments often serve as business consultant, investment banker, professional team assembler, manager, strategic power broker and even corporate psychologist.<sup>15</sup> Moreover, to ensure that the technology company works right for the studio, the Studio Lawyer must have, according to one lawyer, "a level of enthusiasm for the whole process and a fascination with the new technology equal to or greater than that

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<sup>11</sup> *Id.*

<sup>12</sup> Ann Donahue, *Studio Execs Warm to New Media*, DAILY VARIETY, Aug. 1, 2000, at A1.

<sup>13</sup> *Id.*

<sup>14</sup> Christopher J. Gulotta, et al., *Are You a New Media Lawyer?*, N.Y.L.J., Mar. 27, 2000, at S4.

<sup>15</sup> *Id.*

of the clients.”<sup>16</sup> Studio Lawyers play an important role in constructing their studios’ rapid evolution of technology, mobility of capital and the ability of new entrants to respond to consumer preferences.

Thus, the Studio Lawyer does not idly make contracts while business development makes the deal. The Studio Lawyer also acts as an additional business consultant for the young technology companies. Without the Studio Lawyer’s relative expertise, the all too typical fresh-out-of-Harvard Business School types with the next multimillion dollar technology who are ready to make a soft launch next quarter, are usually either legally way in over their heads or underestimating the entertainment studio’s expectations.

For example, the technology company’s plans may be simple, like turning their Internet-based animation shorts into a television deal with a studio. On the other hand, the studio’s new media department is thinking globally, seeking to establish an alliance with the company for the creation and distribution of multimedia content in *all* forms of media—including television, websites, publishing, theatrical, consumer products/merchandising, home video, music and video games. Warrants and stock are on the studio’s proposed term sheet as well. In this unmapped new media environment where almost no business model is conventional, the Studio Lawyer must uncover legal avenues that will help combine the company’s new technology with the studio’s global visions.

It is the Studio Lawyer’s job to sit attentively and ask pressing legal questions to the company’s representative or lawyer in meetings between the company and the studio. Studio Lawyers must begin to ponder some of the preliminary legal issues that could arise from a particular deal. There are also many factors of which Studio Lawyers need to be aware. For instance, new media departments are often reminded by their superiors within the studio to close deals; technology companies do not just stop at one studio to pitch their product; if a studio fails to seize upon a quality client, another studio may step in. If there are too many negative issues, the Studio Lawyer’s recommendation to business development will be to can the deal, despite quality venture capitalists already invested or a product’s probability of success (lawsuits notwithstanding).

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<sup>16</sup> *Id.*

The Studio Lawyer and new media's business development team must intellectually question and dissect each product. In some instances, while business development is talking globally with the technology company executive, the Studio Lawyer wrestles with other studio department lawyers about inter-studio legal complexities and future legal issues.<sup>17</sup>

*B. The Corporate Guru*

The Studio Lawyer must possess an extraordinarily expansive, keen comprehension of general business know-how and insight into the radically changing paradigm for success in the new economy.<sup>18</sup> As alluded to, the Internet is not technically an "industry" and the profile of the Internet entrepreneur revolves around his technological sophistication.<sup>19</sup> Therefore, business wisdom on the part of the Studio Lawyer is a must for successful alliances not only with the studio's new media clients, but also with new media's business development team and even the studio in general.

Business knowledge on the part of Studio Lawyers helps business development in many ways. The two must work together to position their respective studio and partnering technology company in the right place. Developing equity investment strategy and protecting the value of their studio's underlying assets are just some of the many areas where broad legal and business knowledge is required of Studio Lawyers when dealing with these new technologies. Like new media counsel generally, Studio Lawyers must possess a "strong cross-disciplinary orientation within the law," coupled with a particular strength in the areas of corporate finance, securities and copyright.<sup>20</sup> If

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<sup>17</sup> See IV. D. The Studio Lawyer Needs Superior Drafting Skills, *infra* p.179, for more information on the inter-studio legal complexities.

<sup>18</sup> "A 'new economy' company is one with a focus on products or services related to the Internet, telecommunications, or other high-tech business enterprises. A new economy company often is an emerging growth private company. An 'old economy' company typically is a more mature public company that uses traditional methods of manufacturing, communications, and advertising." Jonathan M. Ocker & Gregory C. Schick, *Employment Agreements for New Economy Chief Executives*, 23 L.A. LAW. 21, Oct. 2000, at n1.

<sup>19</sup> See Gulotta, *supra* note 14.

<sup>20</sup> *Id.* at S10.



business development wants to make a deal, Studio Lawyers in the cross-industry global arrangement must draft proposed term sheets that complement and guide the subtleties in the methods and trends of a wide variety of industries and businesses.

In addition, new media initiatives affect multiple divisions within the studio. For a studio to benefit, the new media department requires a tactical and strategic approach from the entire studio. It is up to the new media department to convince the other studio departments (and their lawyers) that for the studio to maintain a dominant position, a collaborative, proactive approach is necessary. The Studio Lawyer's role here is to design proposed global term sheets that will benefit every division within the studio. For example, a television department may have more incentive to form an alliance with the aforementioned Internet-based animation company if the television department is promised warrants to acquire a certain percentage of the Internet-based company at a reduced share price upon the first-airing date of the television series. While such a term may seem basic, when it comes time to draft the deal memo, there are competing interests that the Studio Lawyer must consider, including the interests of other studio divisions and the technology company as well.<sup>21</sup>

Since new media's landscape is so new, some transactional knowledge is often only attainable through related business experiences. For example, Clarissa Weirick, corporate counsel for Warner Bros. New Media, a subsidiary of AOL Time Warner ("WB New Media"), warned never to sign a confidentiality agreement with a new technology company if the studio has greater bargaining power in the deal. Weirick explains the reason: "Company A, a small technology company going bankrupt, may try to grab onto [AOL] Time Warner on its way down. So many technology companies that [WB New Media] meets with share the same ideas or inventions. We only choose one partner. So, Company A will say that when they met with [WB New Media], it shared a similar idea in a meeting to one that [WB New Media] is now developing with Company B. Company A will subsequently claim that [WB New Media] and Company B are now using

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<sup>21</sup> See IV. D. The Studio Lawyer Needs Superior Drafting Skills, *infra*, p.179, for more information on the inter-studio legal complexities.

Company A's expression as its own."<sup>22</sup> Despite gaining such insight the hard way—through experience—WB New Media puts it to use to avoid frivolous lawsuits in the future.

C. *Foreseeing the Unforeseeable to Create Industry Standards*

No one knows exactly what the Internet—or the business environment contained within it—will look like once it matures. There is no historic precedent from which to draw conclusions. The Studio Lawyers responsible for drafting agreements that will apply and have potentially significant financial consequences years from now, must, as one author states, “look ahead onto the horizon and creatively imagine what is likely to develop in order to plan for it.”<sup>23</sup> Yet, forecasting is only part of the Studio Lawyer's responsibility. In drafting the unprecedented deals, Studio Lawyers are also creating new legal standards. The Studio Lawyer is not alone in this daunting task. High-level corporate lawyers assist the Studio Lawyer when a deal comes close to fruition.

Suppose a technology company (the “Company”) and a studio (the “Studio”) seek to establish a relationship where the company provides time-shifted Internet viewing of the Studio's television content to consumers. Such an alliance raises a number of unprecedented and challenging legal questions for the Studio, including who controls the copies created, preventing piracy, fulfilling obligations to guilds and avoiding conflicts with other license holders. Answering these pressing legal issues are fundamental in the Studio's decision on whether or not to recommend its participation and potential investment in the Company.

Assume the Company develops proprietary software to enable Internet viewing in a controlled, protected fashion (e.g., password protected single viewing within five days of airing), and intends to capture and playback shows within each local market with advertising intact. Without any industry standard to follow, the Studio will make it clear to the Company that it address rights issues head-on, only airing shows from which the Company receives studio, network and local af-

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<sup>22</sup> Interview with Clarissa Weirick, Vice President and Corporate Counsel, Warner Bros. New Media (Aug. 3, 2000).

<sup>23</sup> Gulotta, *supra* note 14 at S10.

filiate clearances. The Studio will also insist that the Company employ whatever security standards are necessary to ensure protection of the Studio's intellectual property (e.g., 4C watermarking, 5C encryption).

By agreeing to a license relationship, the Company will stand to avoid the legal issues that shut down iCrave TV, and which are now pending against Record TV. The Company's partnering approach with the industry will please the Studio, allowing the Studio to shape how the service is developed and used, and reap what revenue streams will result. By launching the venture, the Studio will obtain a substantial share of the Company, contractually receiving warrants from the Company to partially protect its position through subsequent financing rounds. Such an alliance will appeal to the Studio.

However, if the product becomes hugely successful, the types of legal issues that the Studio encounters down the road can negatively affect the Studio's decision to move forward with the deal. For instance, will problems with guild residuals arise? In other words, will such time-shifted viewing require the Studio to calculate participation owed to talent? While the guilds will demand a portion of these Internet revenues, the Studio will probably argue that such programming is similar to pay-TV in 1965, where residuals were not required. Preexisting agreements between producers and the major guilds offer no answer to the residual question. Without any contractual language to the contrary, this revenue issue will be endlessly negotiated, arbitrated and eventually litigated.

Another cautionary step for the Studio revolves around the issue of talent endorsements. First, will guilds consider the actors as inadvertently "endorsing" any products that surround the computer screen while the viewer watches the time-shifted programming on his computer? If the guilds make such an argument, the next question is, does the Studio need approval rights from such actors, or would a disclaimer from the Company to the consumer suffice? Again, these questions have yet to be answered. One argument the Studio can make, however, is that actors on a computer screen are much like professional athletes competing in a stadium filled with product endorsements—such athletes do not endorse every product advertised. Why should actors and the computer screen be treated any differently? Conversely, talent will argue that unlike stadium advertisements that

are often hundreds of feet away from athletes in a stadium, links to a pornographic website, for instance, will be inches away from the actors on a computer screen for extended periods of time. Image-conscious television actors will not tolerate these unwarranted associations, regardless of a Company disclaimer.

Perhaps the most pressing issue for the Studio is music rights because so much television programming today is music-intensive, and because it is unlikely that the Studio anticipated acquiring the Internet music rights to shows already aired. Will the Studio have to backtrack and find out which songs were in which episode and pay accordingly? Moreover, will the Studio have to acquire a synch license to use songs played during a time-shifted show? Before forming a strategic alliance with the Company, the Studio will struggle to answer these questions.

Overall, the Studio will confront more questions than answers. Legal issues will arise regardless of how many measures the Studio takes to prevent litigation. Moreover, the Studio may simply acknowledge that the courts will sort out the winners and losers down the road, and that it should go ahead with the deal regardless of potential legal action. The Studio's lawyer, of course, will need to draft the long-form agreement as carefully as possible.

#### *D. The Studio Lawyer Needs Superior Drafting Skills*

Because new media landscapes are evolving, Studio Lawyers are finding that "there is not an established, or, in most cases, even an existing body of tried-and-tested agreements that apply and which can be used" to help such lawyers document the many deals being made.<sup>24</sup> The Studio Lawyer is required to construct and draft entirely new and effective agreements from scratch. When Studio Lawyers from large entertainment companies draft letters of intent that incorporate many of their subsidiaries and affiliates (the "Divisions"), they need to undertake particular protocols in drafting such agreements.

For example, suppose the Studio Lawyer is assigned to draft a letter of intent to a technology company (the "Tech Company") for the creation and distribution of multimedia content between the Tech Company and the studio. The Studio Lawyer must undertake certain

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<sup>24</sup> *Id.* at S10.

measures to ensure that all participating Divisions are pleased with the letter of intent's content. First, the Studio Lawyer should ask the Divisions for a sample of their typical agreements with clients. Such agreements usually discuss the option to purchase, grant of rights, development, compensation, terms and approval rights. After inserting such terms into a draft of the overall letter of intent, the Studio Lawyer needs to meet with each division's lawyers and business development team to discuss their points of concern. Often, there are many concerns.

For instance, one Division's interest may conflict with another Division's preference. Would television's right to enter into a multimedia development and license agreement with the Tech Company be exclusive? If so, would such an exclusive right exclude the Studio's website from hosting and co-branding an area or a channel showcasing the television's characters? When and how shall net revenues received from the sale of the show's merchandise be distributed among the Divisions? What about net revenues received from the Tech Company's pre-existing website? To whom, how much, and upon what deliverable event will the Tech Company grant to the studio warrants to acquire equity in the Tech Company? Of critical importance, will the Tech Company think the Studio is trying to swallow up its content and company equity?

Furthermore, the creative legal drafting skills required to make such an agreement preferable to all the parties' interests must equal the superb business knowledge needed in drafting the agreements themselves. Business development will not be around at every meeting to assist the Studio Lawyer in explaining to the parties why, for example, a Division's distribution fee may be less than desirable. The Studio Lawyer herself may end up negotiating between the Divisions on behalf of business development. As mentioned, what Studio Lawyers really need are coordinated efforts across Division lines. However, until the Divisions fully understand and embrace the new technology, it is the Studio Lawyer's role to bring such Divisions on-board, creatively and efficiently.

It should be noted that some basic drafting issues are now included in studios' standard new media letters of intent. However, similar to deciding whether to sign confidentiality agreements with a technology

company, Studio Lawyers have learned how to draft some aspects of a new media contract the hard way. For example, the increasing receptivity of entertainment studios in embracing new media technology provides technology companies with a chance to increase their business' respectability in this uncertain market. Moreover, a technology company will gain enormous clout in the business world if they form a strategic alliance with a large studio. Therefore, most deals now stipulate that such companies shall not make any public or soft announcements until both parties mutually agree to issue a joint press release. While a technology company would love to announce to the world that they have just agreed to form a strategic alliance with a major studio, the studio does not want to appear imprudent when the company goes under or fails to receive its next round of financing.

*E. Knowing the Issues*

Amongst some new media players, there is growing fear about how litigious the industry may become.<sup>25</sup> As Ian de Freitas, partner at Paisner & Co., states: "Some clients think the Internet is the Wild Wild West, where they can do anything, but it's the most regulated area of business because it's global and there are different regulations all over the world."<sup>26</sup> Knowing such regulations is yet another key to creating successful alliances.

For instance, licensing Internet rights for film distribution brings all sorts of problematic issues to a studio's table. Currently, different distributors on a territory-by-territory basis ultimately handle most distribution rights. Each distributor then distributes the film within its own country. There are complex restrictions on inadvertent distribution outside the limited territory. As entertainment lawyer Schuyler Moore foresees: "All of this suffers the fate of the stone ax under Internet distribution, because consumers in any part of the world can hook up to a server located anywhere else. Unless caution is used, a licensee of Zimbabwe rights could set up a server permitting worldwide access to the film."<sup>27</sup> Under this plausible scenario, who will be

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<sup>25</sup> See, e.g. Yinka Adegoke, *Lawyers Sole Winners in Dot Com Litigation*, NEW MEDIA AGE., Apr. 6, 2000, at 23.

<sup>26</sup> *Id.*

<sup>27</sup> Schuyler M. Moore, *Release of Films on the Internet Gives Rise to Novel Le-*

left with the Internet rights? If it is the studio, acting as licensor, will the studio then be required to pay the licensee for revenues attributable to Internet access within the licensed territory? How will such revenues be sourced—within the territory, based on phone number prefixes? Or some specified percentage of worldwide revenues?<sup>28</sup> Moore offers a drafting solution, similar to how studios currently render satellite-broadcasting arrangements. He says that studios can license the Internet rights, but require that the licensee's Internet version be dubbed into the home language—an efficient block on consumers who speak or understand English.<sup>29</sup>

In trying to make filmed entertainment profitable in the new economy, there are several other issues within the Internet distribution pattern that Studio Lawyers will need to sort out. For example, what is the appropriate holdback for Internet rights of films? Should the Internet release window fall before or after video and pay-TV, or replace such windows entirely? How are participations owed to talent and overages owed to licensors to be calculated? In order to calculate such contingent payments, what revenues will constitute the film's "gross receipts"? With regard to gross receipts, what distribution fee, if any, applies to Internet gross receipts? And perhaps most interesting: how will Studio Lawyers restructure existing contracts that have not considered Internet distribution?<sup>30</sup>

The Studio Lawyer will surely be involved in many issues that are as complex and unpredictable as the Internet distribution pattern. "It will take years to sort out the business and legal implications . . . and lawyers will have their hands full negotiating and drafting contracts that properly deal with the issues—or litigating those that don't."<sup>31</sup>

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*gal Issues*, ENT. LAW & FIN., Dec. 1999, at 3.

<sup>28</sup> *Id.*

<sup>29</sup> *Id.*

<sup>30</sup> See Moore, *supra* note 27, for more information and explanation. Given the uncertainty of the trade, Moore's article offers the best guidance possible under the existing, limited Internet distribution rights literature.

<sup>31</sup> *Id.*

## V. CONCLUSION

As Matt Reilo of the *Entertainment Law Reporter* explains: "Apart from the technology industry itself, no industry has been more significantly impacted by the Internet than the entertainment industry. Among other things, the Internet has provided artists and entertainment companies with a slew of new opportunities for promotion and distribution."<sup>32</sup> For Studio Lawyers, the tremendous opportunities also bring a host of attendant puzzles and problems.

As studios seek to send traditional content into new media channels, the Studio Lawyer wears many hats during the transition: business consultant, cross-disciplinary corporate guru and clairvoyant drafter, to name a few. The slow wheels of justice have not quite adapted to our new economy. Consumers are expecting more variety in more ways, shattering formerly concentrated viewing models. Advertising migration to new channels suggests revenue challenges to traditional businesses. It is up to the Studio Lawyers to craft their studios' documents in ways that position studios for success in this potentially lucrative space. The legal terrain is nothing short of formidable.

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<sup>32</sup> Matt Reilo, *Entertaining New Options in the Fight Against Cybersquatters: Choosing Between Internet Administrative Proceedings and Federal Court Lawsuits*, ENT. L. REP., June 2000, at 4.



