2002

Mortal Kombat: The Impact of Digital Technology on the Rights of Studios and Actors to Images and Derivative Works

Gerald O. Sweeney Jr.

John T. Williams

Follow this and additional works at: https://scholarship.law.umn.edu/mjlst

Recommended Citation
Available at: https://scholarship.law.umn.edu/mjlst/vol3/iss1/3
Mortal Kombat: The Impact of Digital Technology on the Rights of Studios and Actors to Images and Derivative Works

Gerald O. Sweeney, Jr. & John T. Williams*

The current revolution in computer technology has created a legal battlefield for superhuman warriors combating brief-wielding attorneys over profits from digital interactive video games. A recent court opinion holds that the copyright holder of a digitally created derivative work, based on a digitized version of a recorded performance in which the actor consented to appear, has rights superior to those of the actor in the original work.¹ This opinion potentially affects the rights of performers, or their estates, to protect and profit from the performers likenesses and celebrity status, as well as on the rights of copyright holders who use digital technology to create new products from existing works. The motion picture industry should not overlook the significance of this holding, as these video game works use the same medium as that used to produce motion pictures.

I. DIGITAL: THE NEW BATTLEFIELD

Digital technology has greatly simplified the process of creating derivative products from existing film and digitally recorded performances.² Video game developers can scan existing films and convert them to a digital format, thereby permitting significant, yet imperceptible, alteration.³

The traditional method of capturing images on motion

* Gerald O. Sweeney, J r. & J ohn T. Williams are partners in the Chicago office of the law firm of Lord, Bissell & Brook. They specialize in copyright, trademark, and commercial litigation and represented Midway in the Mortal Kombat cases. Mr. Williams received his J.D. from the University of Minnesota Law School in 1988.

2. See id.
3. See id. at 1136.
picture film does not allow discrete alteration of individual frames with the surgical precision of digital technology. Digital video is based on the assignment of a sequence of numerical codes to the smallest component of an image, known as a pixel. To a computer, an image is an array of numbers, and the software programmer has complete freedom to change the appearance and location of any pixel within the image. The alteration of digital images through manipulation of pixels results in a seamless new image indistinguishable from a digital original. The result is far superior to that derived from alteration of the wave-like data of analog signals.

Although it is typical for a programmer to manipulate the shape, color and brightness of an image to give it a completely different look, programmers also utilize applications that are far more exotic. These applications involve motion capture and key frame animation techniques currently used to create

---

4. Before the advent of digital technology, audiovisual works captured on magnetic recording media traditionally were recorded in analog form, which is comprised of different voltage levels often referred to as waves. Interview with Andr Bustan by, Performance Capture Supervisor, Digital Domain, in Venice, Cal. (Jan. 8, 1999). Bustan by supervised the motion capture work done by Digital Domain for the movie Titanic.

5. See Interview with Andr Bustan by, supra note 4.

6. See id.

7. According to Bustan by,

   Each pixel is made up of a collection of zeros and ones. The computer sees this array of numbers as streams of bits that can be independently manipulated. Although it's incredibly tedious and can be extremely difficult to do right, we have complete freedom to change any pixel and where it appears to be, and that is essentially how we help create the digital effects you see today in movie theaters and on TV.

   Interview with Andr Bustan by, supra note 4.

8. Carl Rosendahl, President of Pacific Data Images in Palo Alto, Cal., and Executive Producer of Antz, described these processes,

   With key frame animation, you create the artwork of the image and set the poses of the character, and the computer is then interplaying between the poses. With motion capture, you're using a real performer equipped with sensors moving usually in real time, and the computer collects data from that. The net result of either method is a stream of data for every point moving through space and time, and then you have a correlation for how each point moves and how you want the actual character to move through space and time.

   Interview with Carl Rosendahl, President, Pacific Data Images and Executive Producer of Antz, in Palo Alto, Cal. (Nov. 10, 1998). While working on the movie Titanic, Digital Domain, led by Bustan by, developed a state-of-the-art motion capture process called rotocapture. Bustan by describes this process
life-like performances by synthespans\textsuperscript{9} including limited post-mortem performances by departed celebrities. The ultimate special effects goal is to realistically reanimate famous actors whose likenesses and personas continue to excite the public.\textsuperscript{10}

The advent of digital technology also provides the opportunity for unfettered misappropriation of performers images taken from any source, whenever the copyright holder has no economic incentive to litigate. This is especially true with respect to the Internet. The widespread misappropriation of copyrighted material by use of a personal computer is of particular concern to actors.\textsuperscript{11} As Richard Masur, former President of the Screen Actors Guild (SAG), succinctly states:

```
Quite frankly, at this point it's pretty much anybody with a computer and a smattering of knowledge about manipulating digital images. 12
```

The issue of whether the copyright holder's fanciful reconfiguration of a performance using digital technology creates a protected derivative work and associated rights superior to those of the performer was recently decided by the District Court for the Northern District of Illinois, Eastern Division, in the Mortal Kombat cases Ahn v. Midway Manufacturing. Co.\textsuperscript{13} and Pesina v. Midway Manufacturing.

\textsuperscript{9} The term synthespian is now commonly used in the special effects community to refer to a synthetic character created with digital technology.

\textsuperscript{10} While many in the special effects community believe that the creation of a photorealistic human being is scant years away, the credible reanimation of a celebrity icon is farther out on the horizon. See Anne Thompson, The Territory Ahead, PREMIERE, Feb. 1999, at 76, 80 (topical interview with James Cameron). The recreation of human emotion and the myriad of distinctive qualities of a celebrity that make his or her performance unique remain the Holy Grail. The creators remain guardedly optimistic. Carl Rosendahl states, I mean you can't do that today, but I have enough faith in technology. Whatever you think you want to do, someone will eventually figure out a way to do it. Interview with Carl Rosendahl, supra note 8. We're getting faster and better. In the future, it might be done, but it would then take an extremely gifted ensemble of artists and technicians from different disciplines. Interview with Andr Bustan by, supra note 4.

\textsuperscript{11} See Telephone interview with Richard Masur, former President, Screen Actors Guild (Nov. 20, 1998).

\textsuperscript{12} Id.

\textsuperscript{13} 965 F. Supp. 1134 (N.D. Ill. 1997).
While the disposition of the cases was identical—decapitation of the plaintiffs’ cases in the form of summary judgment for the defendant copyright holders—the two federal courts reached their conclusions by applying two different legal theories. The Ahn court held that digital manipulation of copyrighted material originally made with the performer’s consent creates a derivative work and that the copyright holder’s exercise of that right preempts a performer’s “right of publicity” claim. In Pesina, the court found that digital alteration of the plaintiff’s likeness and persona made them unrecognizable, thus defeating his claim.
II. THE MORTAL KOMBAT CASES

Defendant Midway is an industry leader in the design, manufacture, and sale of video games in coin-operated arcade and home video formats. The plaintiffs were martial artists or dancers who agreed to pose and perform scripted movements, which would be used to develop the phenomenally successful video games known worldwide as Mortal Kombat and Mortal Kombat II. Initially, Midway used videotaping techniques to capture the plaintiffs' movements. Later, as the production process became more sophisticated, they used direct computer image capture.

The plaintiffs' videotaped performances were converted from analog to digital form through a process called digitization. From the digitized version, a software programmer carefully selected images and bits of movement and incorporated them into computer source code. This code eventually used in the coin-operated arcade and home video versions of Mortal Kombat. In Mortal Kombat II, Midway recorded the plaintiffs' performances in digital format, and the selection of images and bits of movement followed. The process permitted the programmers to add special effects, change facial features, and cobble non-sequential movements to create linear performances. Midway owns the registered copyrights to the computer source codes for the games.

The plaintiffs attacked Midway in two separate federal court suits. Plaintiffs admitted to authorizing the capture of their performances and the use of their names, images, and personas in the form of signature movements for the coin-

---

17. See Ahn, 965 F. Supp. at 1136.
18. See id.
19. Estimated gross sales of the Mortal Kombat and Mortal Kombat II home video games exceeded $400 million, and the plaintiffs asserted claims individually for between five and ten percent of the profits.
20. The Mortal Kombat characters for which the plaintiffs modeled were Johnny Cage, Shang Tsung, Sonja Blade, Kitana, Mileena, and Jade. See Ahn, 965 F. Supp. at 1136; Pesina, 948 F. Supp. at 42.
22. See Ahn, 965 F. Supp. at 1136; Pesina, 948 F. Supp. at 42.
23. See Ahn, 965 F. Supp. at 1136; Pesina, 948 F. Supp. at 42.
25. See Ahn, 965 F. Supp. at 1136. Midway Games, Inc. holds all registered copyrights and trademarks related to the Mortal Kombat games and characters. See id.
operated arcade formats, but they alleged that they did not consent to such use in the home video versions later released. Plaintiffs alleged that Midway’s use of the plaintiffs’ names, likenesses, and personas in the Mortal Kombat and Mortal Kombat II home video games was a violation of the plaintiffs’ common-law right of publicity.

In Ahn, Midway punched back, arguing that the source codes were new works derived, in part, from performances recorded with the plaintiffs’ consent. Therefore, in Ahn, the court held that the plaintiffs’ right of publicity claims concerning the derivative works were preempted by the Copyright Act. Moreover, in Pesina, Midway insisted that the plaintiffs’ images and martial arts performances as originally recorded were so altered as to render them unrecognizable.

A. THE AHN V. MIDWAY DECISION

The Ahn decision mortally wounded the plaintiffs’ case by holding that the Copyright Act preempted their common-law right of publicity claims. The court’s finding that Midway’s digital alteration of plaintiffs’ images and movements created a derivative work that preempted the plaintiffs’ right of publicity claims, was crucial to the decision.

Digital technology will have a great impact on the rights of those in the motion picture industry. The law does not require a significant degree of originality to create a copyrightable derivative work. Therefore, it is likely that courts will find

26. See id. at 1136-37; Pesina, 948 F. Supp. at 42. The plaintiffs further alleged that the defendants improperly used their names, images, and personas in the home computer and hand-held versions of the games and in Mortal Kombat licensed merchandise. See Ahn, 965 F. Supp. at 1136-37; Pesina, 948 F. Supp. at 42.
27. See Ahn, 965 F. Supp. at 1137; Pesina, 948 F. Supp. at 42. The plaintiffs also made claims under the Lanham Act, the Illinois Consumer Fraud and Deceptive Practices Act, the Illinois Uniform Deceptive Trade Practices Act, and the Copyright Act of 1976, as well as claims for equitable relief. See Ahn, 965 F. Supp. at 1137; Pesina, 948 F. Supp. at 42.
28. See id. at 1139-40.
29. See id. at 1138; 17 U.S.C.S. 301(a) (1994).
30. See Pesina, 948 F. Supp. at 42.
31. See Ahn, 965 F. Supp. at 1138.
32. See id.
33. The derivative work is defined as: a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction,
that digitization, manipulation, and alteration like that done by Midway of a copyrighted film, results in a derivative work. In its analysis, the court reiterated that a two-part test must be satisfied for the Copyright Act to preempt a state law cause of action. First, the work in which the right is asserted must be fixed in a tangible form and fall within the subject matter of copyright under section 102 of the Act. Second, the right asserted must be equivalent to any of the rights specified in section 106 of the Act.

The Ahn court found that the plaintiffs images were videotaped by and under the authority of the author and with the plaintiffs consent and, as a result, became fixed in a tangible form. The court described the plaintiffs movements as choreographic. Hence, the court considered those movements original works of authorship that fell within the subject matter of copyright, satisfying the first condition for preemption. Relying on Baltimore Orioles, Inc. v. Major League Baseball Players Ass'n, the Ahn court then explained that a state claim, such as right of publicity, is equivalent to one of the rights asserted under the Copyright Act if it is violated by the exercise of any of the rights set forth in section 106.

Abridgment, 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 that, as a whole, represent an original work of authorship, is a derivative work. 17 U.S.C. 101 (2001).

34. See, e.g., Maljack Productions, Inc. v. UAV Corp., 964 F. Supp. 1416, 1427 (C.D. Cal. 1997) (pan and scan version of motion picture was sufficiently original to be considered a copyrightable derivative work because the process incorporated virtually an infinite number of possible displays); Lamb v. Starks, 949 F. Supp. 753 (N.D. Cal. 1996) (movie trailer which displays individual images of the copyrighted full-length movie is a derivative work of that motion picture).


36. See id.

37. See id.

38. See id.

39. Id.

40. See id. at 1138.

41. See id. at 1137-38 (citing Baltimore Orioles, Inc. v. Major League Baseball Players Ass'n, 805 F.2d 663, 676 (7th Cir. 1986)).
performing derivative works infringe it.\textsuperscript{42} Here, Midway's right under the Copyright Act to prepare and distribute the source code for the games and, therefore, the games themselves, clashed squarely with the plaintiffs' claimed right of publicity.\textsuperscript{43}

The Ahn court also pummeled the plaintiffs' claim of joint authorship in the copyrighted computer source code for the games.\textsuperscript{44} In the final deathblow, the Ahn court stated:

Indeed, Midway alone decided which portions of plaintiffs performances to digitalize and alone transformed the video images into the cartoon-like images in the game. It is apparent to the court, in viewing videotapes of the actual games, that the superhuman gyrations and leaps high into the air of the characters, including plaintiffs' characters, are fanciful products of the imaginations of the creators of the source codes...To be sure, according to their testimony, plaintiffs contributed their images and movements to the creation of the games,

\textsuperscript{42} See id. at 1138. This copyright preemption analysis of state right of publicity claims espoused in Baltimore Orioles continues to be cited with approval in the Seventh Circuit and elsewhere. See Glovaroma, Inc. v. Maljack Prods., Inc., 1998 WL 102742, at *3 (N.D. Ill. Feb. 26, 1998) (Frank Zappa's estate's right of publicity claim against the distributor of Zappa videotapes containing his name, voice, photograph, and likeness was preempted because the plaintiff's right of publicity claim was equivalent to section 106 of the Copyright Act, as it infringed the defendant's authority to distribute or prepare derivative works.); Brode v. Tax Mgmt. Inc., 14 U.S.P.Q.2d 1195, 1201-03 (N.D. Ill. 1990) (A tax portfolio author's claim that the unauthorized use of his name in connection with the display of his portfolio on the LEXIS database violated his right of publicity was preempted by the Copyright Act because the defendants' distribution of the work implicated the right of distribution under section 106.); Motown Record Corp. v. George A. Hormel & Co., 657 F. Supp. 1236, 1240 (C.D. Cal. 1987) (The plaintiff, who owned both the copyright in the song Baby Love as well as the rights to the performing group the Supremes, was preempted from relying upon the California right of publicity statute section 3344 in a suit alleging the unauthorized use of a lookalike and soundalike in a television advertisement.); Fleet v. CBS, Inc., 58 Cal. Rptr. 2d 645, 647, 650-53 (Cal. Ct. App. 1996) (The plaintiffs, who were consensual performers in a copyrighted motion picture, brought claims under the California right of publicity statute section 3344 that were preempted because they infringed on the defendant's right to distribute the film.). Indeed, as Professor Nimmer has stated, Ownership of a film copyright includes the right to authorize derivative works thereof. But if a derivative work can be halted under color of an actor's right of publicity claim, then state law can set at naught the benefits that Congress has conferred. 1 M. NIMMER & D. NIMMER, NIMMER ON COPYRIGHT \textsuperscript{1.01[B][3][b]}, at 1-66 (footnotes omitted).

\textsuperscript{43} See Ahn, 965 F. Supp. at 1137-38.

\textsuperscript{44} See id. at 1138-40.
but...that contribution was transitory.  

B. THE PESINA V. MIDWAY DECISION

The Pesina ruling did not consider preemption under the Copyright Act, opting instead to pulverize the basis for plaintiff's right of publicity claim. The court reaffirmed that a plaintiff alleging [the] unauthorized use of his likeness must show that the likeness was recognizable. Plaintiff, the erstwhile game character Johnny Cage, could not save the day. Midway presented affidavits from the game designers explaining the extensive alteration, retouching, and degradation of the plaintiff's original images and movements. Additionally, Midway's nationwide consumer survey was offered to demonstrate that the plaintiff was chosen last among five models as the one who most resembled the Johnny Cage character.

Moreover, the court held that a plaintiff claiming an infringement to his right of publicity, must show that, prior to the defendant's use, the plaintiff's name, likeness, or persona had commercial value. In applying the fatal blow to the plaintiff's case, the court found that the plaintiff's name, likeness, and persona had no commercial value prior to his association with Mortal Kombat and Mortal Kombat II, a fact that was conceded by the plaintiff's own expert witness. Accordingly, the plaintiff's false endorsement claim under the Lanham Act which the court found required the unauthorized use of a celebrity's identity perished.

Given the economic resources and access to innovative technical wizardry available to motion picture studios like Midway's ability to produce the highly sophisticated Mortal Kombat interactive video games a compelling argument can

45. Id. at 1139-40.
47. Id. at 42 (citing Leval v. Prudential Health Care Plan, Inc., 610 F. Supp. 297, 281 (N.D. Ill. 1985)).
48. See id.
49. See id.
50. See id.
52. See id. at 43.
53. See id.
be made that actors and other performers' rights are inadequate in the digital age.

III. PERFORMERS' RIGHTS IN THE DIGITAL AGE

Performers wield several traditional weapons to protect their likenesses and performances from misappropriation, but it is open to question whether these weapons will be effective in the era of digital technology.

A. CONTRACT

An effective way to protect performers' rights is to set them out clearly through collective bargaining or through an explicit contract or release. For motion picture actors and performers, the Screen Actors Guild Codified Basic Agreement (SAG Agreement) provides this shield. In particular, performers will rely on section 22 of the SAG Agreement, Reuse of Photography or Sound Track, to argue that digital manipulations of their images and performances cannot be used without either separate bargaining or damages equivalent to three times the amount originally paid the performer for the number of days of work covered by the material used. The Guild's Masur asserts that the Reuse Provision would apply to digital manipulation or alteration of performances and that while studios have consistently maintained the opposite, they have never actually tested it and have always sought permission and negotiated for use of existing film footage.54

Whether the SAG Agreement shield really can be used as a sword to protect performers has not yet been tested. If such a test does occur, the outcome will be significant because the SAG Agreement may be the performers' most effective weapon. Barbara Ringer, the former head of the Copyright Office and principal drafter of the 1976 Copyright Act, recently noted that performers' principal protection from exploitation of their images and performances by digital technology is through collective bargaining agreements, but it may not be enough.55

54. Interview with Richard Masur, supra note 12.
B. **RIGHT OF PUBLICITY**

Performers, celebrities or unknowns, alive or deceased, increasingly have sought to limit the use of their images and performances by branding the right of publicity. Although the right varies in form from state to state, it is generally characterized as the right to prevent others from using one's name, image, or persona for commercial purposes without consent.\(^{56}\) If and when studios or other copyright holders gain the unlimited ability to reanimate performers, celebrities or their estates will fight the unauthorized use of their images by asserting the publicity right.\(^{57}\) Nineteen states have enacted statutes\(^{58}\) that, to varying degrees, protect a performer's right of publicity.\(^{59}\) Notably, many state statutes, including

---


57. CMG Worldwide, based in Indianapolis, Indiana, specializes in licensing and protecting the images of living and deceased celebrities and representing their estates. CMG Worldwide Vice President Scott Whiteleather agrees that studios own the images of performers in copyrighted motion pictures but asserts that we control the right of publicity, the right of association, if you will, to Marilyn Monroe or James Dean or Humphrey Bogart to endorse a product... and the underlying basis for that right is both statutory and common law. Telephone interview with Scott Whiteleather, Vice President, CMG Worldwide (Nov. 25, 1998). Companies such as CMG Worldwide will fight the digital manipulation of these copyrighted images and performances without their consent. CMG Worldwide president, Mark Roesler, states,

> With megastars like James Dean, Marilyn Monroe and Humphrey Bogart, we, as their business agent, are satisfied with the legacies that they have, and we are not interested in altering their careers. We are going to be very protective about allowing them to star in a movie. The decision to do so will not result merely from the fact that the technology is available.

Telephone interview with Mark Roesler, President, CMG Worldwide (Nov. 30, 1998).


59. State statutes differ widely. See id. at 420; Mark G. Tratos, Rights of Publicity: Laws Vary From State to State, MULTIMEDIA L. REP. (June 1996). While some states acknowledge only rights in a performer's name and likeness, others, including California, have acknowledged rights in the voice, signature, and distinctive appearance, mannerisms, and gestures that make up a performer's persona. See Keller, supra note 58, at 421-28. The term of
California’s, exclude protection of the use of one’s image or performance in film, an exception Masur terms grotesque.

Understandably, the crazy-quilt application of various state statutes has led to a call by performers and copyright holders alike for a national right of publicity statute. Its proponents argue that it would harmonize conflicting state statutes and common law, provide more predictable protection, and discourage forum shopping. However, while both sides agree that a national statute would provide clarity, there is a wide gulf between the different visions of what should be the content of such a statute. Representatives of the Screen Actors Guild and the Motion Picture Association of America agree that the gulf will not be traversed any time soon. For now, performers may have to be content with the hoped-for enactment of a moral rights provision as part of the proposed World Intellectual Property Organization (WIPO) treaty.

Postmortem rights varies from 10 years to 100 years. California’s postmortem right is 50 years with at least one state, Tennessee, having created a statutory scheme that potentially could make rights of publicity perpetual. See id. at 431 n.54. Some states, including California, have created registration schemes that allow states to register the estates claim of rights. See id. at 435 n.67.

60. See Astaire v. Best Film & Video Corp. 116 F.3d 1297, 1304 (9th Cir. 1997) (applying California law) (holding that the California right of publicity statute section 990(n), exempting the use of a deceased performer’s image in a film, foreclosed the statutory claim by Fred Astaire’s estate concerning the use of film clips of a dancing Fred Astaire in a series of instructional videotapes), amended and superseded on reh’g by 136 F.3d 1208 (9th Cir. 1998).

61. Interview with Richard Masur, supra note 12.

62. Fritz Attaway, Vice President of Government Relations and General Counsel for the Motion Picture Association of America, confirms that the proposed World Intellectual Property Organization (WIPO) treaty would be limited to unauthorized appropriation by third parties and would not place restraints on copyright holders of audiovisual works.

[In terms of our policy positions we have acknowledged that there are uses of an actor’s performance, particularly by third parties, that should be prohibited. And the classic case is where a nude body is attached to a performer’s face. There are any number of web sites where this is done. We readily agree that that is intolerable and should be prohibited, and there should be effective remedies against those who do it. I think that the Guild has agreed with us that any use of a performance that is done by the producer of an audiovisual work or its licensee in the normal course of the exploitation of the film should be permitted or, to say it the other way, should not be prohibited.

Telephone interview with Fritz Attaway (Nov. 16, 1998).
concerning performers’ rights in audio-visual works.\textsuperscript{63} However, while such moral rights protection would give performers ammunition against third-party misappropriation, it would do nothing to strengthen performers’ rights against copyright holders. Most experts agree that no federal right of publicity statute will be forthcoming until after resolution of the proposed WIPO treaty.\textsuperscript{64}

C. TRADEMARK/LANHAM ACT

A performer may assert a claim, based on trademark infringement, that the use of his image or performance characterized as his mark will confuse or mislead the public as to the performer’s sponsorship of the use.\textsuperscript{65} Owners of non-registered marks can assert a claim under section 43(a) of the Lanham Act,\textsuperscript{66} which proscribes actions that are likely to cause confusion as to source or origin, and similar misrepresentations regarding the nature or quality of goods or services.\textsuperscript{67} The hallmark of any false endorsement trademark infringement claim is likelihood of confusion.\textsuperscript{68} Lanham Act claims, as well as similar state consumer fraud and deceptive trade practice statutes, are attractive weapons for performers because in some instances they provide for the recovery of treble damages and attorneys’ fees.\textsuperscript{69}

D. UNFAIR COMPETITION

Performers can also bring causes of action based on state statutes that restrict unfair and deceptive acts and practices and on the common law of unfair competition, claiming

\begin{footnotesize}
\begin{enumerate}
\item[63.] See id.
\item[64.] Barbara Ringer, who has been involved in the WIPO treaty discussions, recently explained, “I really don’t think there would be much point in going forward with federal right of publicity legislation either tied in to copyright law or trademark law without having the WIPO treaty first. As long as the treaty is under active consideration, I just don’t see that Congress would agree to go forward.” Interview with Barbara Ringer, supra note 55.
\item[66.] See id.
\item[67.] See id.
\item[68.] Id.
\end{enumerate}
\end{footnotesize}
unauthorized use of image or performance. These claims are premised on the notion that the user palmed off its goods, representing that they were produced by another person, to the business detriment of the other person. Performers and their estates will argue that the manipulation or alteration of their images or performances for the purpose of creating a derivative work forecloses them from the opportunity to participate in and profit from that endeavor.

III. IMPENDING CONFLICT OF RIGHTS TO DERIVATIVE DIGITAL WORKS

The ultimate battle looms in the future. Experts believe that current digital technology will eventually lead to the realistic reanimation of performers from a database of preexisting images. Studios and other copyright holders have their own arsenal of legal arguments to protect their rights to derivative digital works. At least one major studio believes that it can create new digital entertainment products from its existing copyrighted film library without violating the Reuse Provision of the SAG Agreement. The rationale is that the technique does not reuse photography of an actor’s performance, but merely the performer’s physical characteristics as a basis for the creation of the new work. An executive with a major studio noted that the digital appropriation of a performer’s image does not constitute reuse of photography or a performance and that it is distinguishable from taking a clip from a movie that has identifiable talent and using it in another film.

Taking a cue from the court in the Mortal Kombat cases, studios may argue further that performers right-of-publicity claims are preempted and that, in any event, many right of publicity statutes like California’s exempt use in film and, hence, do not apply to motion pictures. Should courts continue to agree with either proposition, performers will be denied the use of one of their principal legal weapons. Furthermore, the studios ability to digitally alter actors images so as to render

70. Depending upon the nature of the derivative digital work, studios and copyright holders may have several weapons available that the authors do not discuss in this article, including the First Amendment, de minimus use, fair use, and public domain.

71. The studio executive agreed to an interview with the authors on the condition of anonymity.
them unrecognizable may preclude a right of publicity claim, and permit, consistent with section 22 of the SAG Agreement, the alteration of stunts and costly special effects for use in subsequent projects.

However, the same studio executive would not so quickly dismiss the prospect of an unfair competition claim arising out of digitally created performances by living celebrities. For example, the incorporation of the images of Leonardo DeCaprio or Elizabeth Taylor as they currently appear in a contemporaneous work could result in a colorable claim of unfair competition that the studio had deprived the actor of the opportunity to work. President Clinton’s digitally altered appearance in Contact left many with the misimpression that he did a cameo. By contrast, no one seeing an 18-year-old Elizabeth Taylor in a current film would think she actually acted in that project, and the strength of an unfair competition claim in that circumstance is considerably less certain. The studio executive noted: Hopefully, no one is going to believe that in a movie that comes out today with a 16-year-old Elizabeth Taylor is really Elizabeth.

Although studios may privately take an aggressive view of their rights to future digital products, practical considerations currently keep the balance of interests in check. Box office powerhouses protect themselves through contracts that anticipate presently unknown future uses of their performances, and studios do not want to alienate talent or fuel a grassroots movement for a national right of publicity that would eliminate the exception for film that currently is embodied in several state statutes. One studio executive said: I would worry if we did anything so provocative that it would give SAG really good ammunition. Their view of the right of publicity statute is there should be no exemptions for motion picture and television productions.

Major film studios are not the only ones who stand to reap economic benefits from the wealth of potential new digital products. The frontal assault may come from third parties who obtain the right to alter film through public domain or licensing and need not consider the implications of the SAG Reuse Provision. This faction is less encumbered by the concern of alienating talent to which, under normal circumstances, they

72. See id.
73. Id.
would not have access. To the contrary, an independent third party has significant economic incentive to be the first to produce a derivative work featuring a deceased celebrity. The celebrity’s very death, arguably, precludes confusion as to the source of the new performance, or a claim that the actor has been denied the opportunity to work. As long as various right-of-publicity statutes exclude use in film, at least limited distribution would appear to be possible.

IV. CONCLUSION

The potential wealth of new products resulting from the advent of digital technology raises the incentive for copyright holders and actors to secure methods to protect their respective interests. In the not too distant future, absent uniform statutory protection or a contractually negotiated agreement, recent case law may provide the temptation for the copyright holder of an existing film to produce a digitally created derivative work featuring an unauthorized computer-generated performance by a performer in the original work. Should that occur, it will touch off a new round of mortal combat.