

# **The Role of the Studio Lawyer in the New Media Age**

**by Zane B. Melmed**

## **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, more than 75 percent of whom will be living outside of North America.<sup>2</sup> English is already a 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; studios form partnerships with technology companies every day, creating New Media growth opportunities for media such as digital music, interactive television and broadband network applications, which includes distributing films on the Internet.

In-house entertainment studio lawyers dealing with New Media issues (“Studio Lawyers”) are not in-house entertainment lawyers in the traditional sense. The vocation entails more than the simple drafting of contracts, letters of intent and long-form agreements for the studio. Such responsibilities still exist, but qualified Studio Lawyers in this rapidly expanding age of New Media should expect and prepare to participate in the entire corporate strategic planning process.

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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.*

As the Internet brings together the media industry's entertainment, technology and finance sectors, Studio Lawyers might be found reading *Daily Variety*, *Red Herring*, and *The Wall Street Journal* as often as they are found drafting agreements. According to Robert J. Dowling, editor-in-chief and publisher of *The Hollywood Reporter*, "Radical changes will eventually morph the media industry, and that shift is starting to show."<sup>4</sup> Studio Lawyers, whose role is central to this major metamorphosis, will help pave the revolutionary road studios are now taking.

### **What is a New Media Department?**

Over the past six or seven years, most television, music and movie studios have created New Media departments. New Media departments are tasked with forming strategic alliances with technology companies. These alliances provide the studio a means by which it can distribute its copyrighted information and entertainment through new channels, over the Internet or via wireless or broadband network applications, for example. New Media technology generally provides studios 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 to view Time Warner, Inc.'s ("Time Warner") promotional materials for films, television shows, music, magazines and other media; the \$106 billion merger between the two companies closed January 11, 2001.<sup>5</sup>

Currently, entertainment studios' New Media departments are relatively small, typically consisting of an assigned Studio Lawyer, a technology expert, a Business

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

Development team, two or three managers and several staff assistants. However, in sync with the evolution and growth of new media, these departments are expanding rapidly. Before Time Warner's merger with AOL, its business interests were a reflection of traditional media markets. Time Warner classified its business interests into the following five areas: (1) cable networks, consisting principally of interests in cable television programming; (2) publishing, focusing mostly on magazine publishing, book publishing and direct marketing; (3) music, with interests primarily in recorded music and music publishing; (4) filmed entertainment, including theatrical films, television production and television broadcasting; and (5) cable, which consists principally of interests in cable television systems.<sup>6</sup> In the first quarter of 2000, Time Warner broke with standard media marketing strategy and added digital media to these business interests when it created a division to deal in Internet-related and digital media.

Most entertainment companies are quickly moving to capitalize on the New Media space. With this expansion comes the convergence of major companies like AOL and Time Warner. According to AOL Time Warner chairman Stephen Case, "[i]f 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

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<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)>.

<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/qtarningsreleases/2Q00.pdf>>.

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

will soon follow the lead of AOL Time Warner, expanding their existing New Media departments and merging with directory and e-commerce leaders like Yahoo!<sup>8</sup>

### **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 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> Thus, for companies such as AOL Time Warner, Disney/ABC, and Vivendi Universal, New Media is a bonanza which will allow better marketing of existing products. This bonanza will see legal issues arising from almost every aspect of many deals. This is why the Studio Lawyer needs to be present and participating at every level of a studio's alliance with technology companies, and why we see a growth in the Studio Lawyer's importance.

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 combining interests; the studio may not catch them all either. While the studio wants to create new revenue streams on a global level through the wireless, broadband and Internet markets, its Studio Lawyer must keep the studio's feet on the ground. The Studio Lawyer must explore judicial roadblocks (both present and future) and often yet-to-be-written laws, all the while contemplating unforeseeable lawsuits that lie ahead. When every major record label in the United States banded together to sue the once underground, now-turned-mainstream song-swapping service Napster, Studio

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<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)>.

Lawyers became well aware of the unanticipated legal implications inherent in every New Media deal. Such is the problem: when venturing into the realm of the unknown, no one is fully prepared to anticipate all the possible legal implications.

Michael Robertson, founder of MP3.com, spoke before the United States Senate Judiciary Committee on the future of digital music on July 11, 2000. 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 a copyright battle with the Recording Industry Artists of America (RIAA). “I do not have the answers, but I do know the questions,” Robertson continued:

“[c]an 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 face many obstacles on New Media’s shaky ground. Guild residuals, investment strategies, copyright issues and appropriate drafting are just some of the many obstacles with which the Studio Lawyer must parry.

### **The Role of the Studio Lawyer**

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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)>.

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

## 1. 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 now filling their shoes are primarily executives coming from business backgrounds.<sup>13</sup> Why such a shift? One reason is that studios’ New Media departments deal with new-sprung technology companies which 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 the studio’s proper employment of its technology company, the Studio Lawyer must have “a level of enthusiasm for the whole process and a fascination with the new technology equal to or greater than that 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 ready to make a soft launch next quarter with the newest multimillion dollar technology are usually either in way over their heads legally, or underestimating entertainment studios’ expectations.

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<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.*

For example, the technology company's plans may be something simple like turning their Internet-based animation shorts into a television deal with a studio. But the studio's New Media department is thinking globally, seeking to establish an alliance 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, almost no business model is conventional; the Studio Lawyer must uncover legal avenues that will help combine new technology with the studio's global visions.

It is the Studio Lawyer's job to sit attentively and ask pressing legal questions to technology company representatives and lawyers 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 extraneous factors of which Studio Lawyers need be wary. For instance, New Media departments are often reminded by superiors within the studio to close deals: technology companies do not stop at just one studio to pitch their product; if a studio fails to seize upon a quality client, another studio may do so first. Too many negative issues will lead to the Studio Lawyer's recommendation that Business Development can the deal, despite quality venture capitalists having already invested, or a product's probability of success (lawsuits notwithstanding).

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

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

Lawyer wrestles with other studio department lawyers about inter-studio legal complexities and future legal issues.<sup>17</sup>

## **2. 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 lawyer must work together with the Business Development team to position their respective studio and 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 in dealing with these new technologies. Like New Media counsel generally, Studio Lawyers must possess a “strong cross-disciplinary orientation within the law,” coupled with particular strengths in the areas of corporate finance, securities,

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<sup>17</sup> See Part 4. The Studio Lawyer Needs Superior Drafting Skills, *infra*, 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.

and copyright.<sup>20</sup> If 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, its 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 departments and their lawyers that a collaborative, proactive approach is necessary to maintain the studio's dominant position. The Studio Lawyer's role here is to design proposed global term sheets which benefit every division of 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 date of first airing 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>

New Media's landscape is so new that some transactional knowledge is attainable only through related business experiences. For example, Clarissa Weirick, corporate counsel for Warner Bros. New Media, a subsidiary of AOL Time Warner ("WB New Media"), has warned studios to never to sign a confidentiality agreement with a new

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

<sup>21</sup> See Part 4. The Studio Lawyer Needs Superior Drafting Skills, *infra*, for more information on the inter-studio legal complexities.

technology company unless it is necessitated by the studio's limited bargaining power.

Weirick explains her reasoning:

“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 Company A's expression as its own.”<sup>22</sup>

Such insight having been gained the hard way - through experience, WB New Media now uses it to avoid frivolous lawsuits in the future.

### **3. 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 history from which to draw conclusions. The Studio Lawyers responsible for drafting agreements which will become applicable years from now and have potentially significant financial consequences 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 a part of the Studio Lawyer's responsibility. In drafting unprecedented deals, Studio Lawyers also create new legal standards. The Studio Lawyer is not alone in this daunting task; high-level corporate lawyers assist the Studio Lawyer when deals approach fruition.

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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.

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 content to consumers. A number of challenging and unprecedented legal questions are raised by this alliance, including who controls the copies created, how to prevent piracy, fulfill obligations to guilds, and avoid conflicts with other license holders. Answering these pressing legal issues is fundamental to the Studio’s decision regarding its participation and potential investment in the Company.

Suppose the Company develops proprietary software enabling Internet viewing in a controlled and protected fashion (e.g., password protected single viewing within five days of airing), the intent being to capture shows and play them back within each local market while keeping advertising intact. Without any industry standard to follow, the Studio will insist that the Company address rights issues head-on, airing only shows for which the Company has received clearances from the studio, network and local affiliate. The Studio will also insist the Company employ security standards designed to ensure protection of the Studio’s intellectual property (e.g., 4C watermarking, 5C encryption).

By agreeing to a license relationship, the Company stands to avoid legal issues such as those that shut down iCrave TV, and those 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 the resulting revenue streams. 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, legal issues the Studio encounters down the road can negatively affect its decision to move forward with the deal. One issue is whether problems with guild residuals will arise; will 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. With no contractual language to the contrary, this revenue issue promises endless negotiation, arbitration, and eventually, litigation.

Another cautionary step for the Studio revolves around the issue of talent endorsements. Will guilds consider the actors as inadvertently “endorsing” any product surrounding the computer screen while the viewer watches the time-shifted programming on his computer? If the guilds make such an argument, its next question is likely whether the Studio needs approval rights from the actors, or whether a disclaimer to the consumer by the Company would suffice. Again, these questions have yet to be answered. The Studio might equate actors on a computer screen with professional athletes competing in a stadium which is filled with product endorsements, arguing that such athletes obviously do not endorse every product advertised. Why should actors and the computer screen be treated any differently? Talent will distinguish between stadium advertisements which are often hundreds of feet from the athletes in a stadium and links to a pornographic website, *e.g.*, which will be only inches from the actors on a computer screen over 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 are taken in attempting 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.

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

Because New Media landscapes are still 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 them 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 agreements and letters of intent that incorporate many of their subsidiaries and affiliates (the “Divisions”), they need to undertake certain protocols.

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

For example, suppose the Studio Lawyer is assigned to draft a letter of intent to a technology company (the “Tech Company”) for the creation of multimedia content and its distribution between the Tech Company and the studio. The Studio Lawyer must undertake certain measures to ensure that all participating Divisions are pleased with the content of the letter of intent. 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 letter of intent, the Studio Lawyer needs to meet with each division’s lawyers and Business Development team to discuss any concerns. 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 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?

The creative legal drafting skills required to make such an agreement preferable to all the parties’ interests must equal the superb business knowledge needed to draft the agreements themselves. Business Development will not be present at each and every

meeting to assist the Studio Lawyer in explaining to the parties why, for example, a Division's distribution fee are 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 creatively and efficiently bring such Divisions on-board.

It should be noted that some basic drafting issues are now included in studios' standard New Media letters of intent. Similar to their experience in deciding whether to sign confidentiality agreements with technology companies, Studio Lawyers have learned the hard way how to draft some aspects of a New Media contract. For example, the increasing receptivity of entertainment studios to New Media technology provides technology companies a chance to increase their businesses' respectability in this uncertain market. Moreover, a technology company gains enormous clout in the business world when it forms a strategic alliance with a large studio. As a result, 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 their recent agreement forming a strategic alliance with a major studio, the studio risks appearing imprudent if the company goes under or fails to receive its next round of financing.

## **5. 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 these regulations is yet another key to creating successful alliances.

Licensing Internet rights for film distribution, for instance, brings all sorts of problematic issues to a studio’s table. Currently, different distributors ultimately handle most distribution rights on a territory-by-territory basis. Each distributor 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 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

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

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 only English.<sup>29</sup>

In trying to make filmed entertainment profitable in the new economy, there are several other issues in 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 release for video and pay-TV, or replace such events 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 which failed to consider 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>

## Conclusion

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<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.*

As Matt Reilo of the *Entertainment Law Reporter* explains, “[a]part 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 come with 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 wheels of justice turn more slowly than those of 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 Railo, *Entertaining New Options in the Fight Against Cybersquatters: Choosing Between Internet Administrative Proceedings and Federal Court Lawsuits*, ENT. L. REP., June 2000, at 4.