

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION**

S. VICTOR WHITMILL,)	
)	
Plaintiff,)	Civil Action No. 4:11-cv-752
)	
v.)	Judge Catherine D. Perry
)	
WARNER BROS. ENTERTAINMENT INC.)	
)	
Defendant.)	

**WARNER BROS.' MEMORANDUM IN OPPOSITION
TO PLAINTIFF'S PROPOSED SCHEDULING PLAN**

Defendant Warner Bros. Entertainment Inc., by its attorneys, submits this memorandum in opposition to Plaintiff S. Victor Whitmill's proposed scheduling plan calling for a trial on Plaintiff's request for a permanent injunction barely two months from now. (*See* Doc. 47, Ex. 1). As set forth below, the extremely aggressive schedule that Plaintiff seeks to impose is not warranted by the circumstances of this case. If the parties are unable to resolve their dispute, Warner Bros. does not intend to make *any* use of the allegedly infringing tattoo after the film ends its run in the theaters because Warner Bros. will digitally alter the film to substitute a different tattoo on Ed Helms's face. As a result, there is no reason for the highly accelerated trial Plaintiff has asked this Court to hold on Plaintiff's request for a permanent injunction.

Moreover, the schedule Plaintiff proposes is unreasonable and would unfairly and unnecessarily deprive Warner Bros. of its ability to properly develop and present its defenses to Plaintiff's claim of infringement. Warner Bros. is willing to proceed with this case on an expedited basis in accordance with the rules of this Court, and has submitted its own proposed scheduling plan that would accomplish that goal while ensuring that the case will proceed in an orderly fashion so that neither party is deprived of its rights. Warner Bros.' proposed scheduling

plan, a copy of which is attached hereto as Exhibit 1, would have this case ready for trial by February 2012 – two months earlier than the time period provided for in the Local Rules Expedited Case Management Track. While far from ideal for Warner Bros., Warner Bros. proposed this schedule as a compromise that would protect the rights of all the parties. Warner Bros. respectfully requests that this Court decline to enter the unfair, unreasonable and unnecessarily expedited schedule that Plaintiff seeks to impose and instead enter the proposed scheduling order attached as Exhibit 1.

Argument

I. THE HIGHLY ACCELERATED SCHEDULE PROPOSED BY PLAINTIFF IS UNNECESSARY.

On the day the Court issued its ruling on Plaintiff's motion for a preliminary injunction, Warner Bros.' counsel, on their own initiative, met with Plaintiff's counsel to address how the parties might attempt to resolve this dispute. During that meeting, counsel agreed upon a framework for attempting to resolve the dispute and also discussed the possibility of mediation if those efforts are not successful (which Warner Bros. supports).¹

Warner Bros.' counsel informed Plaintiff's counsel during their May 24 meeting that if the parties are not able to resolve their dispute, Warner Bros. will digitally change the tattoo on the face of actor Ed Helms for the home video release of "The Hangover Part II" ("Hangover II").² During a telephone conversation with Plaintiff's counsel the next day, Warner Bros.'

¹ If this dispute is not resolved within the next two to three weeks, Warner Bros. will have to spend the funds that would otherwise be available for settlement to digitally alter the film to substitute a different tattoo on Ed Helms's face. Accordingly, Warner Bros. requests that the Court enter an order pursuant to Local Rule 16-16.02 referring this case to mediation, with the mediation to take place no later than June 17, 2011 if the parties are unable to resolve this dispute on their own.

² Digitally changing the tattoo was not a viable option for the theatrical release of the film due to both the amount of time the process will take and the fact that thousands of new prints

counsel reiterated that if the parties are not able to resolve their dispute then Warner Bros. will digitally change the tattoo for the home video release of “Hangover II” (including the DVD and video-on-demand releases), thereby eliminating any need for an expedited trial on Plaintiff’s request for a permanent injunction. After Plaintiff’s counsel nevertheless sent Warner Bros.’ counsel a proposed schedule for an expedited trial on Plaintiff’s request for a permanent injunction, Warner Bros.’ counsel again advised Plaintiff’s counsel in writing that Warner Bros. will change the tattoo for the home video release if the parties do not resolve their dispute.

Plaintiff’s scheduling plan proposes an extremely abbreviated period of limited discovery leading to a two-day jury trial on liability and Plaintiff’s request for a permanent injunction that would begin on August 8, 2011. (Doc. 47, Ex. 1.) There is no need for the parties and the Court to rush to a trial under the circumstances of this case. By August 8 the film will already have been showing in theaters for more than ten weeks. Thus, the alleged harm to Plaintiff caused by theatrical exhibition of the film will already have occurred and an injunction would do nothing to remedy it. *See, e.g. Berlent v. Focus Features, LLC*, No. 06 Civ. 2834(SCR), 2006 WL 1594478, at *2-*3 (S.D.N.Y. June 8, 2006) (finding that plaintiff failed to demonstrate that he would suffer any irreparable harm if continued sale and exhibition of motion picture “Brokeback Mountain” were not enjoined because any irreparable harm plaintiff would suffer had already occurred); *Scott-Blanton v. Universal City Studios Prods. LLLP*, 495 F. Supp. 2d 74, 79-80 (D.D.C. 2007) (similar).³ Moreover, because if this case goes forward Warner Bros. will change

would have had to be created and shipped to theaters. The home video release is currently scheduled for early December 2011, which would allow Warner Bros. sufficient time to make the change if it becomes necessary.

³ Although these cases involved preliminary injunctions, *eBay* makes clear that irreparable harm is a prerequisite to a permanent injunction as well. *See eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 391 (2006).

the tattoo for the home video release, there is no need (indeed, there would be no basis) for a permanent injunction directed to that or subsequent releases of the film.⁴

Plaintiff is wrong when he argues that the harm the Court found that an injunction would impose on the innocent theater owners “has been eliminated.” (Doc. 47 ¶ 8.a.) If the theaters are still showing the film, an injunction will cause them even greater harm because in many instances the theaters’ share of the box office receipts increases over the course of the film’s run.

Plaintiff is also wrong when he argues that the harm to Warner Bros. has been eliminated. (*Id.* ¶ 8.b.) If the exhibition of the film were enjoined, Warner Bros. stands to lose substantial box office receipts, which will negatively impact Warner Bros.’ ability to recover the costs of developing, promoting and distributing the film.⁵ Furthermore, because it would not be

⁴ Because the Copyright Act has no extraterritorial effect, exhibition of the film outside the United States does not violate the Copyright Act and consequently cannot be enjoined. See *Palmer v. Braun*, 376 F.3d 1254, 1258 (11th Cir. 2004) (stating that “federal copyright law has no extraterritorial effect, and cannot be invoked to secure relief for acts of infringement occurring outside the United States”); *Vergara Hermosilla v. The Coca-Cola Co.*, 717 F. Supp. 2d 1297, 1306 n.7 (S.D. Fla. 2010) (stating that “[t]his Court could not issue an injunction for infringement occurring outside the United States”); *Danjaq LLC v. Sony Corp.*, 49 U.S.P.Q.2d (BNA) 1341, 1998 WL 957053 (C.D. Cal. 1998) (stating that “district courts may not enjoin a defendant’s foreign activities under the U.S. Copyright Act”); *CyberMedia, Inc. v. Symantec Corp.*, 19 F. Supp. 2d 1070, 1079 (N.D. Cal. 1998) (stating that “[t]here appear to be no reported cases . . . in which the extraterritorial manufacture and distribution of infringing products was enjoined on the basis of copyright infringement occurring within the United States” and declining to enter such an injunction in the case before it) (emphasis omitted).

⁵ Plaintiff notes in his motion that, according to press reports, “Hangover II” grossed \$134 million in its first five days in theaters. (Doc. 47, ¶ 8.b.) As this Court knows from the declarations previously submitted by Warner Bros. and the testimony at the preliminary injunction hearing, that amount is still substantially less than the amount that was spent to produce, promote and distribute the film. In addition, Warner Bros. disputes Plaintiff’s assumption that the success of the film to date is attributable to the use of the tattoo in advertising for the film. (*Id.* n.1.) Warner Bros. fully expects to show at trial that the sales of tickets to “Hangover II” – as with any sequel – were driven by the popularity of the first movie and the public’s interest in the three main characters from the first movie, who appear again in “Hangover II,” not by Helms’s tattoo.

commercially feasible for Warner Bros. to re-launch the film at a later date if the injunction were subsequently reversed, Warner Bros. would never be able to recover those lost revenues.

Plaintiff's counsel have taken the position in communications with Warner Bros.' counsel that, even if Warner Bros. changes the tattoo for the home video release of the film, Plaintiff would still be entitled to a permanent injunction requiring Warner Bros. to recall and destroy all existing prints, advertising and promotional materials. Even if Plaintiff would be entitled to such an injunction if he prevailed on his claims (which Warner Bros. disputes), there is no need for an expedited schedule and trial with respect to such relief. The theaters are contractually required to return the prints of "Hangover II" to Warner Bros. following the film's theatrical run. Warner Bros. as a matter of standard practice will keep a few prints and destroy the rest, but Warner Bros. will not exhibit or otherwise exploit the current version of the film absent an agreement with Plaintiff authorizing it to do so. The theaters remove the posters and banners used to advertise the film in the theaters as soon as the theatrical run has ended and replace them with advertising for upcoming films. Warner Bros. paid for outdoor advertising space (billboards, bus shelters and the like) only through May 30, 2011, and other media advertising (radio, television and print ads) is scheduled to end at the latest by June 17, 2011.⁶ The 7-Eleven Hangover II promotion ended on May 31, at which time 7-Eleven started removing "Hangover II" materials from its stores.

In sum, Warner Bros. does not intend to make any use of the allegedly infringing tattoo after the end of the film's theatrical run (which this Court already has declined to enjoin) if the

⁶ Because Warner Bros. does not own or control the outdoor advertising space, it is possible that some of the outdoor advertising will remain up after May 30, 2011 if the owner of the space does not have other advertising with which to replace it.

parties are unable to resolve their dispute. Accordingly, there is no reason for an accelerated trial on Plaintiff's request for a permanent injunction.

II. PLAINTIFF'S PROPOSED SCHEDULING PLAN IS UNREASONABLE.

In addition to being unnecessary, Plaintiff's proposed scheduling plan is unreasonable, unrealistic and will impose undue burdens on the Court, the parties and their counsel.

As noted, Plaintiff proposes a discovery schedule that is extremely limited in both scope and time, despite that fact that Plaintiff is proposing a trial on the merits of Plaintiff's claim at the end of that truncated discovery period. For example, Plaintiff asserts that there is no need for expert witnesses with respect to Plaintiff's infringement claim. (Doc. 47, Ex. 1.) Warner Bros., however, expects to present expert witnesses. (One of the issues on which Warner Bros. expects to conduct discovery and present expert testimony is whether Tyson's tattoo is derivative of pre-existing Maori designs.) Plaintiff's proposed schedule allows no time for expert discovery. Warner Bros. also expects to conduct third-party fact discovery, but only three depositions for each side would be allowed under Plaintiff's proposed schedule.

In addition, Plaintiff's proposed schedule would require Warner Bros. to respond within two days of the Court's hearing on Plaintiff's Emergency Motion to Plaintiff's expedited discovery requests, which are in any event improper because there has been no 26(f) conference and the Court previously denied Plaintiff's motion for expedited discovery (Doc. 23).⁷

⁷ At 5:30 p.m. on Friday, June 3, Plaintiff filed an Emergency Renewed Motion for Expedited Discovery (Doc. 50). That Motion seeks to require Warner Bros. to respond to comprehensive discovery concerning Plaintiff's copyright claim and Warner Bros.' defenses, including the production of voluminous documents, *two days from now*. For example, Plaintiff's Interrogatory No. 1 asks Warner Bros. to identify every basis on which it claims the use of the tattoo was legal (i.e., all of its defenses), identify all documents that relate to those defenses and identify all people with knowledge of those defenses. The document requests ask Warner Bros. to produce all documents related to its defenses and "all documents, communications and things evidencing or relating to your advertising, promotion and marketing of the Movie, without limitation, posters, print advertising, trailers, radio and television advertisements, Internet

Plaintiff's proposed schedule would also require the parties to exchange 26(a)(1) disclosures within two days of this Court's hearing on Plaintiff's Emergency Motion, would force Warner Bros. to serve all of its written discovery two days after that and would give Warner Bros. only fourteen days to respond to any additional discovery that Plaintiff decides to serve. Plaintiff's proposed schedule would limit Warner Bros. to ten interrogatories (even though Plaintiff's expedited discovery requests include approximately thirty interrogatories counting the sub-parts), would give the parties only four weeks from the receipt of written discovery responses to conduct all depositions and would allow Warner Bros. only two days to respond to witness lists, exhibits, deposition designations and motions in limine. In short, Plaintiff's proposed schedule imposes unreasonably short deadlines that will deprive Warner Bros. of a fair opportunity to develop evidence and present its defenses, all in order to accommodate a highly accelerated trial that is not justified by the circumstances of this case.

Warner Bros. also disputes Plaintiff's contention that a jury trial on the merits of his claim could be conducted in only two days. Warner Bros. believes that it would take a least three days, not including the jury's deliberations. Moreover, Plaintiff's proposed schedule would result in *two* jury trials being held months apart – one trial to decide liability, and a second trial months later, after the parties have conducted the relevant discovery, to decide damages. Such an approach plainly does not promote judicial economy, as Plaintiff argues, and it is not justified by the facts of this case.⁸ As one court observed in denying bifurcation:

marketing, and examples of promotional merchandise.” (*Id.*, Ex. 1.) Warner Bros. estimates that it will take several weeks to collect and review these documents. It would be impossible for Warner Bros. to respond to these requests in only two days.

⁸ Plaintiff claims that bifurcation is commonly granted in copyright cases, but cites only two cases to support that contention. One of those cases, *Ryan v. Carl Corp.*, No. C97-3873 FMS, 1999 WL 16320 (N.D. Cal. Jan. 13, 1999), was a purported class action in which the plaintiffs sought certification of both liability and damages classes. The court concluded that it

[D]ividing the ultimate resolution of a dispute into separate trials could inevitably lead to additional discovery, more pre-trial disputes, empaneling a second jury, deposing or recalling the same witnesses and the potential for multiple, additional post-trial motions and appeals. Those probable consequences must be weighed and therefore, “bifurcation should be particularly compelling and prevail only in exceptional cases.”

Crown Packaging Tech., Inc. v. Rexam Beverage Can Co., 498 F. Supp. 2d 734, 736 (D. Del. 2007) (citation omitted); *see also Data Gen. Corp. v. Grumman Sys. Support Corp.*, 795 F. Supp. 501, 503 (D. Mass 1992) (refusing to bifurcate liability and damages in copyright infringement case); Fed. R. Civ. P. 42(b), Advisory Committee Note to 1966 amendment (stating that bifurcation “is not to be routinely ordered”). To the extent there is concern about jury confusion, it can and should be addressed by having a single jury and a single trial in which the jury first hears and decides liability, and then hears and decides damages if liability is found.

Furthermore, the schedule that Plaintiff has proposed would impose enormous and unfair burdens on Warner Bros.’ trial counsel, Fred Sperling and Sondra Hemeryck, as Plaintiff’s counsel knew before they filed Plaintiff’s Emergency Motion. Mr. Sperling and Ms. Hemeryck have an arbitration hearing scheduled for the last week of July with additional days during the first two weeks of August. Indeed, as Mr. Sperling informed Plaintiff’s counsel, Mr. Sperling and Ms. Hemeryck will actually be in trial on August 8, the day that Plaintiff proposes to begin the liability trial in this case. (Plaintiff’s proposed schedule would also require Warner Bros. to file its pretrial stipulation of facts, witness list, exhibit list, deposition designations and pretrial memoranda during the last week of July when Plaintiff knows Mr. Sperling and Ms. Hemeryck

would be premature to address the issue of damages classes until liability had been determined, and accordingly bifurcated the case. *Id.* at *4-*5. In the other case, *Apple Computer, Inc. v. Microsoft Corp.*, 821 F. Supp. 616, 630 (N.D. Cal. 1993), the court held, without any real analysis, that it would bifurcate liability and damages rather than address defendants’ motions relating to damages, profits and prejudgment interest before trial. Neither of those cases supports bifurcation under the circumstances of this case, much less the highly accelerated trial on liability that Plaintiff seeks.

will be in trial.) Even apart from the time that Ms. Sperling and Ms. Hemeryck will spend actually trying that case, they will need to spend substantial time preparing for the hearing before it begins.

In addition, Ms. Hemeryck has an arbitration hearing in a different matter that is scheduled for the last week of August. Discovery for that matter is scheduled to be completed by July 29, and Ms. Hemeryck will need to spend time during the month of August preparing for that hearing. Both Mr. Sperling and Ms. Hemeryck also have multiple depositions and summary judgment papers that must be completed in other pending cases, cases that they have not been able to work on due to the demands of preparing for the preliminary injunction hearing that was held last week.⁹ Again, given the absence of any emergency in this case, there is no reason to impose the enormous burden of Plaintiff's proposed accelerated schedule on Warner Bros. and its counsel.

Conclusion

For the foregoing reasons, Warner Bros. respectfully requests that this Court decline to adopt Plaintiff's proposed scheduling plan and instead enter the proposed scheduling plan attached hereto as Exhibit 1. Given Warner Bros.' representation that it will change the tattoo for any post-theatrical release of the film if the parties are unable to resolve their dispute, Plaintiff's proposed schedule will serve no other purpose than to prejudice Warner Bros. This case can be litigated efficiently without depriving Warner Bros. of its opportunity to properly prepare its defense.

⁹ Warner Bros.' counsel actively cooperated in the scheduling of a prompt hearing on Plaintiff's motion for a preliminary injunction immediately after Warner Bros.' answer and response were due, and they and Warner Bros. voluntarily provided documents that went beyond what Plaintiff's counsel told the Court they would need for the hearing.

Dated: June 6, 2011

Respectfully submitted,

/s/ Sondra A. Hemeryck
Frederick J. Sperling
Sondra A. Hemeryck
SCHIFF HARDIN LLP
233 S. Wacker Dr., Suite 6600
Chicago, Illinois 60606
fsperling@schiffhardin.com
shemeryck@schiffhardin.com

Mark Sableman
36276MO
THOMPSON COBURN LLP
One US Bank Plaza
St. Louis, Missouri 63101
msableman@thompsoncoburn.com

Attorneys for Defendant Warner Bros.
Entertainment Inc.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on June 6, 2011, a true copy of the foregoing Warner Bros. Entertainment Inc.'s Memorandum in Opposition to Plaintiff's Proposed Scheduling Plan was filed electronically with the Clerk of the Court to be served via operation of the Court's electronic filing system upon all counsel of record.

/s/ Sondra A. Hemeryck