**IN THE UNITED STATES DISTRICT COURT**
**FOR THE DISTRICT OF COLORADO**

Civil Action No. 02-M-1662 (MJW)

ROBERT HUNTSMAN and CLEAN FLICKS
OF COLORADO, L.L.C.,

Plaintiffs,

v.

STEVEN SODERBERGH, ROBERT ALTMAN, MICHAEL APTED, TAYLOR HACKFORD, CURTIS HANSON, NORMAN JEWISON, JOHN LANDIS, MICHAEL MANN, PHILLIP NOYCE, BRAD SILBERLING, BETTY THOMAS, IRWIN WINKLER, MARTIN SCORSESE, STEVEN SPIELBERG, ROBERT REDFORD and SYDNEY POLLACK,

Defendants.

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**MOTION FOR LEAVE TO JOIN THIRD PARTIES AS COUNTERDEFENDANTS**

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Pursuant to Rule 20 of the Federal Rules of Civil Procedure, Defendants and Counterclaimants Steven Soderbergh, Robert Altman, Michael Apted, Taylor Hackford, Curtis Hanson, Norman Jewison, John Landis, Michael Mann, Phillip Noyce, Brad Silberling, Betty Thomas, Irwin Winkler, Martin Scorsese, Steven Spielberg, Robert Redford and Sydney Pollack[1], by and through their attorneys Latham & Watkins and Temkin Wielga & Hardt LLP, hereby move to join Video II, Glen Dickman ("Dickman"), J.W.D. Management Corporation

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[1] Counterclaimants Steven Soderbergh, Robert Altman, Michael Apted, Taylor Hackford, Curtis Hanson, Norman Jewison, John Landis, Michael Mann, Phillip Noyce, Brad Silberling, Betty Thomas, Irwin Winkler, Martin Scorsese, Steven Spielberg, Robert Redford and Sidney Pollack are collectively referred to herein as the "Director Counterclaimants." The Directors Guild of America ("DGA") and the Director Counterclaimants are collectively referred to herein as "Counterclaimants."

("J.W.D. Management"), Trilogy Studios Inc. ("Trilogy Studios"), CleanFlicks, MyCleanFlicks, Family Shield Technologies, LLC ("Family Shield"), ClearPlay Inc. ("ClearPlay"), Clean Cut Cinemas ("Clean Cut"), Family Safe Media ("Family Safe"), EditMyMovies, Family Flix, U.S.A. L.L.C. ("Family Flix") and Play It Clean Video ("Play It Clean") (collectively, the "Proposed Counterdefendants") as counterdefendants along with Plaintiffs Robert Huntsman and Clean Flicks of Colorado, L.L.C. ("Plaintiffs"), on the grounds that the counterclaims asserted against the Proposed Counterdefendants, and Counterclaimants' rights to relief, arise out of the same series of transactions or occurrences and implicate common questions of fact and law.

**I.**

**INTRODUCTION AND FACTUAL SUMMARY**

This case centers on the unauthorized alteration of motion pictures directed by the Director Counterclaimants and other DGA members. Each of the Counterdefendants is engaged in the commercial rental, sale or distribution of edited versions of motion pictures, or technology which enables the creation of unauthorized edited versions. Apparently, certain images or dialogue in the motion pictures are not to the Counterdefendants' liking, and they have edited these films to remove such "objectionable" material. In doing so, the Counterdefendants create and commercially distribute unauthorized altered versions of motion pictures, without regard for the Director Counterclaimants' vision, storytelling, and artistry.

The Director Counterclaimants and other DGA members are well-known and inextricably associated by the public with the films they direct. Counterdefendants' unauthorized conduct wrongly associates the Director Counterclaimants and DGA members with altered versions of their films, in violation of the Lanham Act and state law. Counterclaimants

seek to join in a single counterclaim both the Plaintiffs and the Proposed Counterdefendants. Such joinder is appropriate because Counterclaimants' claims against the Plaintiffs and the Proposed Counterdefendants:

- All arise out of the same series of occurrences and transactions – *i.e.*, the unauthorized association of the Director Counterclaimants and other DGA members with altered versions of their films; and
- Require the adjudication of common questions of fact and law – *i.e.*, whether Plaintiffs' and Proposed Counterdefendants' conduct violates the Lanham Act and state law.

Finally, because joinder of the Proposed Counterdefendants will not destroy the Court's jurisdiction over this matter, joinder is warranted under Rule 20 and in the interests of finality and judicial economy.

## II.

## FACTUAL BACKGROUND

### A. CLAIMS BASED ON THE UNAUTHORIZED RENTAL AND SALE OF EDITED VIDEOS.

Like Plaintiff Clean Flicks of Colorado, a number of the Proposed Counterdefendants are engaged in the rental, sale or distribution of versions of motion pictures that have been edited without the authorization of the director or the copyright holder. Proposed Counterdefendants engaged in this conduct are: Video II, Dickman, J.W.D. Management, CleanFlicks, MyCleanFlicks, Clean Cut, Family Safe, EditMyMovies, Family Flix and Play It Clean. For example, Video II offers the unauthorized altered films for retail rental and/or sale in retail stores nationwide. Similarly, via the www.cleanflicks.com and www.mycleanflicks.com

websites, CleanFlicks sells and rents unauthorized edited movies. According to press accounts, CleanFlicks also operates a chain of video-rental stores throughout California, Utah, Arizona, Idaho, Michigan, Montana, Ohio and Oregon, and also has awarded independent franchises, including to Plaintiff CleanFlicks of Colorado. CleanFlicks offers unauthorized edited versions of motion pictures in these stores. Upon information and belief, one of CleanFlicks' (or its franchisee, CleanFlicks of Colorado's) practices is to create a "master" edited version of each film, and then to copy its master edited/altered version of each film onto the VHS videocassette (still bearing the original label) which originally contained the authorized, unedited version of the film sold by the Studio Copyright Holders. Like Plaintiff Clean Flicks of Colorado, Proposed Counterdefendants Video II, Dickman, J.W.D. Management, CleanFlicks, MyCleanFlicks, Clean Cut, Family Safe, EditMyMovies, Family Flix and Play It Clean edit motion pictures by creating a master version of the movie with portions removed or changed through cut edits and volume muting, make copies of the edited versions, and then make them available for rental or sale, either by distributing them to retail stores or via the Internet. None of this conduct has ever been authorized by the Director Counterclaimants or by the DGA and any of its members.

**B. CLAIMS BASED ON THE DISTRIBUTION OF SOFTWARE PRODUCTS DESIGNED TO CREATE EDITED VERSIONS OF MOTION PICTURES WITHOUT OBJECTIONABLE CONTENT.**

Trilogy Studios, Family Shield, ClearPlay and Family Safe each distribute software products that appear similar to the "Huntsman methodology" alleged in the Complaint. Trilogy Studios, Family Shield, ClearPlay and Family Safe each use the Internet to sell software specifically customized for each of the films directed by the Director Counterclaimants that

"masks" or filters frames or language of movies during their DVD playback on a PC or laptop. The software products effectively create a new version of a film by removing content that the Counterdefendants deem "objectionable" using a "mask" or "guide" to mute the sound or skip over portions of movies during playback. Trilogy Studios claims its software also will work on many of the "next generation" DVD players that will soon be released. According to Trilogy Studios, future upgrades of the software will have the ability to superimpose new images or material during the DVD playback of a motion picture. Family Safe already provides DVD players with such software.

According to its website www.movieshield.com, Family Shield's devices first determine which scene is being played in the movie. Then, using a database of timing information, Family Shield mutes the sound or blanks the video screen to filter out eight categories of material. ClearPlay's products also function in a like manner. Like Video II and CleanFlicks, Trilogy Studios', Family Shield's and Family Safe's conduct has never been authorized by the Director Counterclaimants or the DGA and any of its members.

**III.**

**PERMISSIVE JOINDER UNDER RULE 20 IS APPROPRIATE IN THIS CASE**

The Federal Rules of Civil Procedure expressly permit the joinder of non-plaintiffs to a counterclaim, where, as here, such joinder is made pursuant to Rule 19 or 20 of the Federal Rules of Civil Procedure. See Fed. R. Civ. P. 13(h) ("[p]ersons other than those made parties to the original action may be made parties to a counterclaim or cross-claim in accordance with the provisions of Rules 19 and 20."); see also NAL II, Ltd. v. Tonkin, 705 F. Supp. 522, 529 (D. Kan. 1989); Bd. of County Comm'rs of the County of Marshall v. Cont'l W. Ins. Co.,

2002 WL 73394, at *3 (D. Kan. Jan. 2, 2002) (unpublished disposition; copy attached hereto per D.C.COLO.LCivR 7.1.D). Rule 20 applies here, because Counterclaimants seek permissive joinder of the Proposed Counterdefendants. See Fed. R. Civ. P. 19 & 20; Youell v. Grimes, 203 F.R.D. 503, 509 (D. Kan. 2001) ("Rule 19 deals with *compulsory* joinder of necessary and indispensable parties, while Rule 20 deals with *permissive* joinder of parties.") (emphasis in original). With respect to Rule 20 joinder, "whether to allow such joinder is left to the discretion of the trial judge[.]" Hefley v. Textron, Inc., 713 F.2d 1487, 1499 (10th Cir. 1983).

Here, Counterclaimants satisfy the standard of Rule 20, which permits joinder of parties: (a) when there is asserted against them any right to relief arising out of the same transaction, occurrence, or series of transactions or occurrences; and (b) if any question of law or fact common to all defendants will arise in the action. Trail Realty, Inc. v. Beckett, 462 F.2d 396, 399-400 (10th Cir. 1972).

### A. THE RIGHTS TO RELIEF ASSERTED AGAINST THE COUNTERDEFENDANTS AND PROPOSED COUNTERDEFENDANTS ARISE OUT OF THE SAME SERIES OF TRANSACTIONS OR OCCURRENCES.

Regarding the first prong of the permissive joinder analysis, there is no bright line definition of the terms "transaction," "occurrence" or "series." See, e.g., Mosley v. Gen. Motors Corp., 497 F.2d 1330, 1333 (8th Cir. 1974) (no hard and fast rules; case-by-case analysis); McLernon v. Source Int'l, Inc., 701 F. Supp. 1422, 1425 (E.D. Wis. 1988) (flexible, case-by-case analysis to determine if fact pattern constitutes transactions or series of related transactions). The facts of this case justify permissive joinder of the Proposed Counterdefendants.

Proposed Counterdefendants currently engage in conduct mirroring that of one of the Plaintiffs. Indeed, Video II, Dickman, J.W.D. Management, CleanFlicks, MyCleanFlicks,

Clean Cut, Family Safe, EditMyMovies, Family Flix and Play it Clean Video all engage in the same conduct as does CleanFlicks of Colorado. Each party creates a new master tape version of the movie, having removed content it deems "objectionable" through cut edits and volume muting, performs these modifications and makes copies of the modified film without authorization, and then makes these edited copies available in commerce. Similarly, Family Shield, Trilogy Studios, ClearPlay and Family Shield all engage in conduct similar to what Plaintiff Robert Huntsman describes in the Complaint as the "Huntsman Methodology." Each distributes software that masks or filters frames of DVD movies during their playback and, as noted above, effectively creates a new version of a film by removing content the Proposed Counterdefendants find "objectionable."

Additionally, there is substantial overlap in the movies that have been altered by the Proposed Counterdefendants. Indeed, the Proposed Counterdefendants have edited many of the *same* feature films of the Director Counterclaimants as other Proposed Counterdefendants. For example:

- *Saving Private Ryan*, directed by Steven Spielberg, has been offered in edited form by CleanFlicks, MovieMask and Family Safe.
- *The Hurricane*, directed by Norman Jewison, has been offered in edited form by CleanFlicks, ClearPlay and Trilogy Studios.
- *Proof of Life*, directed by Taylor Hackford, has been offered in edited form by CleanFlicks, ClearPlay, Family Safe, Family Flix and Trilogy Studios.
- *Ali*, directed by Michael Mann, has been offered in edited form by Video II, CleanFlicks, ClearPlay and Family Flix.

These examples are by no means exhaustive. However, they illustrate precisely why the Proposed Counterdefendants should be joined in this action: Plaintiffs and the Proposed Counterdefendants are engaged in exactly the same conduct, and in fact are editing many of the same films. Indeed, upon information and belief, certain of the Proposed Counterdefendants, such as CleanFlicks and Video II, are the "creators" or suppliers of edited films sold and distributed by Plaintiff and Counterdefendant CleanFlicks of Colorado and other Proposed Counterdefendants. Consequently, the wrongful conduct of all of the Proposed Counterdefendants arises out of the same series of transactions or occurrences.

Because the aforementioned conduct wrongly associates the Director Counterclaimants and other DGA members with altered feature films in violation of the Lanham Act, the Director Counterclaimants seek the same relief with regard to each Plaintiff and Proposed Counterdefendant: (a) A declaratory judgment that Counterdefendants' conduct is unauthorized and violates the Lanham Act and state law; and (b) Injunctive relief restraining Counterdefendants from engaging in such behavior. As a result, the right to relief asserted by the Counterclaimants against Plaintiffs and the Proposed Counterdefendants arises out of the same series of transactions or occurrences, and the first prong of the permissive joinder standard is satisfied.

### B. THE PROPOSED JOINDER WILL PERMIT THE ADJUDICATION OF NUMEROUS COMMON QUESTIONS OF LAW AND FACT.

Virtually all questions of law and fact in this case will be common to counterclaims against the Plaintiffs and the Proposed Counterdefendants. The conduct of each Plaintiff and Proposed Counterdefendant violates the intellectual property and artistic rights of the Counterclaimants. For example, the alteration of the Director Counterclaimants' films

without authorization — conduct in which each of the Plaintiffs and Proposed Counterdefendants engages — violates the Lanham Act (15 U.S.C. §§ 1051, et seq.) by committing false designation of origin and trademark dilution. See, e.g., Gilliam v. American Broad. Co., 538 F.2d 14, 24 (2d Cir. 1976) (Lanham Act "properly vindicate[s] the author's personal right to prevent the presentation of his work to the public in a distorted form.").

Each of the counterclaims and expected defenses will involve the application of the Lanham Act, particularly the Gilliam decision, to the highly similar conduct of the Plaintiffs and Proposed Counterdefendants. For example, it is anticipated that each Plaintiff and Proposed Counterdefendant will assert trademark and copyright defenses of fair use and first sale. The resolution of those defenses will require the Court to engage in common applications of fact and adjudications of law. Accordingly, the second prong of the permissive joinder analysis favors joinder of the Proposed Counterdefendants.

### C. JOINDER OF THE PROPOSED COUNTERDEFENDANTS WILL NOT DESTROY THE COURT'S JURISDICTION OVER THIS FEDERAL QUESTION CASE.

Because subject matter jurisdiction in this case is based on federal question and not diversity (see Amended Complaint, ¶ 1), the proposed joinder will not divest the Court of jurisdiction over this matter. Indeed, if there is at least one federal question claim against any party, supplemental jurisdiction exists over all other properly joined claims and/or parties. See 28 U.S.C. § 1367(a).

## IV.

## CONCLUSION

WHEREFORE, for the reasons stated above, Counterclaimants respectfully request that the Court grant this motion and join Video II, Glen Dickman, J.W.D. Management Corporation, Trilogy Studios Inc., CleanFlicks, MyCleanFlicks, Family Shield Technologies, LLC, ClearPlay Inc., Clean Cut Cinemas, Family Safe Media, EditMyMovies, Family Flix, U.S.A. L.L.C. and Play It Clean Video as counterdefendants, and grant such other and further relief as the Court may find just and proper.

## CERTIFICATE OF COMPLIANCE WITH D.C.COLO.LCivR 7.1.A

Pursuant to District of Colorado Local Rule 7.1.A, Counterclaimants' undersigned counsel hereby certify that they have conferred with Scott J. Mikulecky, Esq. of Sherman & Howard L.L.C., counsel for Plaintiffs, who stated that Plaintiffs have no objection to the relief sought in this Motion.

Dated this ___ day of September, 2002.

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that on this 20th day of September, 2002, I served the foregoing **MOTION FOR LEAVE TO JOIN THIRD PARTIES AS COUNTERDEFENDANTS** to the following addressed as follows:

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