

Management and Professional Liability Claim Scenarios

Media Liability

Advertising Agency

- **The Facts:** An advertiser was retained to run an ad campaign for a chain restaurant. The campaign included print and TV ads which highlighted the restaurant's southwestern specialties and atmosphere. Another restaurant chain, however, was running a similar campaign. Litigation was commenced against the advertiser and its client. The plaintiff alleged copyright infringement, plagiarism and misappropriation of business titles and slogans. Damages sought by the plaintiff included its alleged lost business. The client cross-claimed against the advertiser on the ground that it was responsible for the campaign.
- **The Bottom Line:** The case went to trial and the jury returned a verdict in favor of the plaintiff for \$675,000 representing the amount of its lost business. Defense costs through trial were \$100,000.

Broadcasters

- **The Facts:** Radio station WXYZ aired a daily program which was hosted by a controversial broadcaster. He was known for his strong opinions and abrasive manner. During a program dealing with local politics, the broadcaster stated that the mayor frequently associated with members of organized crime. He also stated that the mayor was involved in an extra-marital affair. The mayor thereafter commenced an action against the radio station and broadcaster, alleging that he was slandered during the program. He also asserted allegations based on casting him in a "false light," outrageous conduct and infliction of emotional distress. The broadcaster and radio station asserted that the content of the program fell squarely within their First Amendment rights. Discovery revealed that the mayor had casual acquaintances who were accused of being involved with organized crime and he had also experienced problems with his marriage. The court granted the defendants summary judgment dismissing the slander count on constitutional grounds and a trial was held on the remaining counts.

- **The Bottom Line:** The jury found that the defendants had cast the plaintiff in a false light and negligently inflicted emotional distress as a result and awarded a verdict in the amount of \$1,000,000. It was reduced as a result of appeal to \$500,000. Defense costs totaled \$100,000.

Publishers

- **The Facts:** The publisher of a local newspaper wanted to have the first story on a celebrity who had just arrived in town. The celebrity had been accused of indulging in a hedonistic lifestyle despite his professed family values. The publishers sent a team of reporters and photographers to the celebrity's town house. The team waited outside and confronted the celebrity each time he went through the door. One photographer disguised as a repair person entered the house and took pictures. The team thereafter shadowed the celebrity's movements. He was photographed at several functions with the use of telescopic lenses. The newspaper printed a lengthy story about the celebrity's private life. The story was heralded by radio and television advertisements which stated that the paper would publish a stunning expose about the celebrity. He thereafter commenced litigation against the publisher alleging invasion of privacy, trespass and the unauthorized use of his name and likeness for commercial purposes. The litigation proceeded for a year and a half. The conduct of the reporting team, particularly the photographer's entry into the plaintiff's house on a false pretext, hampered the defense and the plaintiff refused to negotiate a settlement.
- **The Bottom Line:** A trial was held and the jury returned a verdict against the publishers for \$375,000. Defense costs totaled \$95,000.

