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Owners of Competing Hollywood Publications Settle Copyright Lawsuit

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In the fiercely competitive world of Hollywood trade publications, nobody likes to say they're sorry.

But the parent company of the Hollywood Reporter has agreed to do so in order to settle a lawsuit filed against it by the owner of two of its competitors: Variety and Deadline.com.

Penske Media Corp., the Santa Monica, Calif., company run by budding media mogul Jay Penske, sued the Hollywood Reporter's parent, Prometheus Global Media, in September of 2011, alleging copyright infringement.

The complaint alleged that the Hollywood Reporter's website stole code from TVline.com, a television-news website owned by Penske Media. The suit, filed in U.S. District Court in Los Angeles, asked for more than \$5 million in damages.

According to recently filed court documents, Prometheus agreed to pay Penske \$162,500 in order to settle the case. In addition, the two sides agreed on a statement reading in part: "Prometheus admits that the Hollywood Reporter copied source code from Penske Media Corporation's website www.tvline.com; Prometheus and the Hollywood Reporter have apologized to Penske Media."

"We're pleased with the outcome," Mr. Penske said in an interview.

Prometheus is owned by financial services firm Guggenheim Partners, which recently hired former [Yahoo Inc.](#) YHOO -0.25% senior executive Ross Levinsohn to oversee its media brands and acquire new ones. A spokeswoman for Guggenheim didn't respond to requests for comment.

The lawsuit, which was filed before Penske acquired Variety in 2012, was widely viewed in Hollywood as a proxy for the bitter war for readers and advertising dollars going on between the Hollywood Reporter and another Penske property, Deadline.com. The complaint included allegations that the Reporter had copied stories from Deadline and attempted to poach employees.

It asserted that the Hollywood Reporter had become "a second-rate industry news source unable to attract insiders' attention anymore" and alleged that the publication "engage[d] in an unprecedented campaign of theft and misappropriation of PMC's intellectual property."

Prometheus, in the answer it filed to the complaint, shot back that Penske was "unable to compete on the quality of its editorial content or by any objective measure." It didn't deny that code was stolen from TVLine.com, but said it was a "good-faith error" by a "third-party contractor."

The settlement didn't address any allegations beyond the stolen computer code, and released each side from all other claims.

Variety earlier this month ended its 80 year-old Monday-through-Friday daily paper and this week launched a redesigned version of its 108-year-old weekly edition in order to more directly challenge the weekly Hollywood Reporter magazine. Both publications also compete for news scoops online, along with Deadline.