

MediaTainment FINANCE

Issue No. 5

For Decision-Makers and Strategists
Who Value Creativity and Appreciate the Value
Creativity Brings to Business

www.mediatainmentfinance.com

In this abridged edition: News on Endemol, Elizabeth Taylor, Zynga, Madonna, Amazon.com, Third Reich photography, Anheuser-Busch, Whitney Biennial, Justin Bieber, Google Books, Tottenham Hotspur and more...pages 3-13

A CREATIVE 2012 BECKONS; BRING IT ON!

There is no such thing as a free lunch; a cliché maybe, but true all the same.

From the Cordon Bleu meal beneath Christmas lights to a cheap hamburger in a lonely urban apartment, someone somewhere paid for the cook, the kitchen, the utensils, the ingredients and the delivery.

So at what point did anyone anywhere assume that creative works, the best of which has been known to nourish people's soul from generation to generation, can be taken without permission – on and off the Internet?

In 2012, in London alone, some of the world's most talented people and their skills will be on show at the Fashion Week, the London Marathon, Queen Elizabeth II's Diamond Jubilee celebrations, and the Summer Olympic and Paralympic Games.

Movie and fantasy-novel fans will be anticipating Peter Jackson's interpretation of *The Hobbit: An Unexpected Journey*. Comic-book aficionados will be ready to judge Batman's latest exploits in *The Dark Knight Rises*, and Andrew Garfield's portrayal of *The Amazing Spider-Man*.

Music fanatics will be forgetting everyday troubles at the Wireless and Meltdown festivals.

And those who get a kick out of risqué jokes can catch the vitriolic comedy of Frankie Boyle: *The Last Days of Sodom* at one of London's leading theatres.

Blood, sweat and tears, frequently literally, and cash were needed to make any of the above possible. And no one, apart from a criminal, would consider attending without paying a fair ticket price. So where did the content-is-free thinking in the digital world come from, when someone somewhere also had to pay for anything downloadable or streamed.

Take a bow, you pirates. Or call them "parasites". They steal income from the original creators and their investors. As crime should not pay, expect more anti-piracy battles in 2012.

Rights owners and their representatives, however, should do more than resort to lawsuits, lawmakers and technology creators for solutions. Get as creatively canny as the copyright thieves, who hate being outsmarted legally.

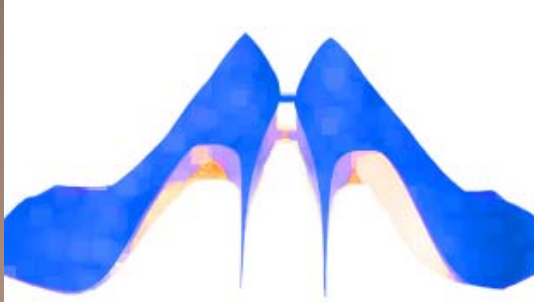
Then we shall see creators get bolder, investors become more interested and more consumers constantly fed with original, and even audacious new entertainment and media.

On that note, MediaTainment Finance wishes every one of its readers of this abridged edition a Very Happy New Year.

And remember, it is amazing how good food tastes when the eaters know it has been paid for and the cooks know they will be rewarded.

So, in the name of the global anti-piracy fight, we say, bring it on!!

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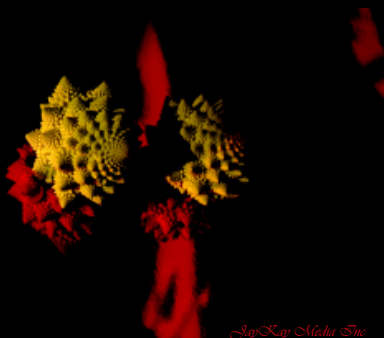


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FILM

US' SFX giant DDMG gallops into China

Digital Domain Media Group (DDMG), the US-based special-effects and animation production house funded by the state of Florida, is expanding into China via a joint venture with Beijing Galloping Horse Film Company. Called Digital Domain – Galloping Horse Studio, the joint venture aims to bring Hollywood-standard visual effects to China's growing movie sector, especially in animation films, TV and digital media. DDMG's work can be seen in Hollywood features such as Titanic and the Transformers trilogy. Yet, despite its US success, DDMG has admitted that it needs to reach emerging markets like China and India (MTF Issue No. 2) to maintain its competitive edge.

It recently raised US\$115m on the New York Stock Exchange and has opened an Australian office to produce original movies. The first of these feature films is expected to be Ender's Game, an adaptation of the sci-fi novel by Orson Scott Card. In addition to supplying the real estate and premises for the joint venture, Galloping Horse will lead the campaigns to raise more funds in mainland China.

Star Keanu Reeves gains funds for directorial debut

Australia's Village Roadshow Pictures Asia, Wanda Media, the state-owned China Film Group Corporation (CFG) and Hollywood's Universal Pictures are co-funding Man of Tai Chi, the directorial debut of Hollywood star Keanu Reeves. The martial-arts film, in Mandarin and English, will feature Reeves but will star martial-arts expert Tiger Chen.

In terms of distribution, Village Roadshow has regional rights to Australia, New Zealand and Singapore; CFGC and Wanda Media will handle China and Universal has the rest of the world.

Theory of Relativity Media equals output deal in Germany

Relativity Media, a US movie-production company and investor, has sealed a distribution deal with Germany-based distributor Senator Entertainment. The agreement fills a gap in the distribution strategy for Relativity, which did not have a major deal for its releases in Germany. Its 2012 releases include the Snow White-themed Mirror, Mirror starring Julia Roberts. Past hits involving Relativity include The Social Network. Relativity will also be investing in Senator, which includes Amsterdam-based Sapinda Holding among its shareholders.

Huayi Brothers and Bona Film invest in North America

Chinese movie production giant Huayi Brothers Media and distribution group Bona Film Group have each snapped up a 20% stake in Los Angeles-based China Lion Film Distribution, which focuses in theatrical releases of Chinese-made films internationally.

The transaction will help Huayi Brothers and Bona Film enhance their reach in the North American market. China Lion is a joint venture of its China-based president/majority shareholder Jiang Yanming and New Zealand-based CEO Milt Barlow.

Teen vampire's blood is most bankable in Hollywood

Kristen Stewart, star of Twilight, the teen-vampire movie franchise, is Hollywood's most bankable actor of 2011, according to Forbes magazine rankings. For every US\$1 spent on her, the film's producers can expect to earn, on average, US\$55.83. This compares with US\$45.67 for Anne Hathaway; US\$39.43 for Robert Pattinson, Stewart's Twilight co-star; US\$34.24 for Harry Potter star Daniel Radcliffe; with US\$29.40 for Transformer lead actor Shia LaBeouf.

TELEVISION

Endemol fights to retain independence

The growing value of content in the digital age was confirmed recently when Endemol, the debt-burdened global reality-TV group famous for the Big Brother franchise, declined a potential US\$1bn takeover by US media giant Time Warner. Endemol has publicly said that, despite being burdened with €2.8bn in debts, the Netherlands-based entity generates enough income to survive as an independent operation. Endemol is solely focused on completing a capital restructuring, which is entering its final stages and should provide Endemol with a strong financial platform, the company says.

Yet, Endemol, whose owners include investment bank Goldman Sachs, founder John de Mol's Cyrte investment firm and Italian media company Mediaset, has already extended the waiver for the terms of its loan on several occasions. Its creditors include banks such as Barclays and Goldman Sachs, hedge funds Providence Equity Partners and Apollo Management. A majority of its lenders have reportedly agreed to swap the debts for equity shares. This will be finalised during a Dutch court procedure in 2012. Pre-tax earnings in 2011 are expected to be more than €140m.

Sony Pictures takes evil legal eagles in *The Firm* movie to TV

Sony Pictures Television (SPT), US/Canada's Entertainment One Television and Paramount Pictures are co-producing a multi-platform 22-episode TV version of *The Firm*, the John Grisham novel that became a 1993 hit movie starring Tom Cruise and earning US\$269m in box-office receipts. SPT commissioned the production to premiere exclusively on its AXN pay-TV networks worldwide in February. The series will air on other SPT channels in countries where AXN does not exist. Interactive content about the production will be on various digital platforms.

J-Lo's Nuyorican producing English-language telenovela

Nuyorican Productions, the TV, film and digital production company founded by US singing star Jennifer Lopez, is reported to be co-producing what will be the first US telenovela series made in the English language.

Telenovelas are, by definition, Latin America-originated soap operas produced in Spanish and sub-titled in English for non-Spanish speakers. Details remain vague, but media reports indicate the half-hour series will be for one of the MTV Networks channel. There will also be a Spanish version

Edge Performance spends a cool £5m on UK TV properties

Edge Performance VCT, the UK media-and-entertainment fund, has raised its game and interests in the UK family TV-and-entertainment industries with investments in Coolabi, which specialises in developing kids-entertainment franchises. A management buy-out at Coolabi was funded by £4.95m supplied through North Promotions, a company financed by Edge. The move means Coolabi will delist from the UK's AIM stock exchange. Meanwhile, Edge has invested £520,000 in Chapman Entertainment, creator of the hugely popular Bob the Builder kids' franchise.

More investments in TV-related media

US-based Discovery Communications, the global media group famous for its documentary channels, has bought Betty, the UK-based independent lifestyle-TV production company, for an undisclosed sum.

*Miso, the San Francisco-based Social TV startup, has raised US\$4m from investors led by California-based Khosla Ventures, which specialises in early-round financing, plus Hearst Interactive Media and Google Ventures. Miso enables viewers to interact with TV programmes via mobile devices

OUT-OF-HOME

Merlin snaps up Australian attractions

Merlin Entertainments Group, the amusement-entertainment and theme-park group, has made an A\$140m takeover bid for Living and Leisure Australia Group (ALL) in cash. The move values ALL, which owns, operates and manages several attractions in the Asia-Pacific region, at A\$244m. ALL's subsidiaries comprise Oceanis Group (with aquariums in Australia, South Korea, Shanghai, Bangkok, plus a facility managed in Dubai); Australian Treetop Adventures, which offers treetop walks in Victoria and New South Wales and Australian Alpine Enterprises, which owns and operates a ski resort in Victoria. Merlin's ambitions for the region kicked off with its acquisition of the Sydney Attractions Group earlier this year (see MTF Issue No. 3). The expansion plans come just as Merlin appoints its first group creative director, Paul Moreton, who comes from the UK TV industry. Merlin is also collaborating with Canada-based SimEx-lwerks to launch Ice Age Dawn of the Dinosaurs – a 4D Experience at Merlin's UK theme park Alton Towers and Italian park Gardaland next year. It coincides with next summer's release of Twentieth Century Fox' 3D movie Ice Age 4: Continental Drift.

London Design Museum in £22m expansion on new site

A bigger version of London's iconic Design Museum is to open in 2014 at a cost of £22m. The original museum, launched in 1989 by British design guru Sir Terence Conran, is currently located in East London near the iconic Tower Bridge. It will be transferred to much larger West London premises, where the Commonwealth Institute used to reside.

Architect John Pawson has been appointed to design the new building, which is expected to be three times the size of the original.

London Olympics invites sport organisations to rent stadium

Invitations have been sent to the potential tenants who will occupy London's Olympic Stadium after next year's Summer Games. The Olympic Park Legacy Company will select the 60,000-seat multi-purpose venue's new occupiers next May. The repurposed stadium, offering a 99-year lease, will reopen in 2014.

The move comes after plans for London soccer club West Ham to move in collapsed (MTF Issue No. 4). The stadium will be operated by the Legacy Company and the London Borough of Newham, which is contributing £40m towards the refurbishment.

Australian animatronics group and DreamWorks fly dragons

Australian live-entertainment company Global Creatures and Hollywood's DreamWorks Animations have joined forces to produce How To Train Your Dragon: the Arena Spectacular. It is set to open in Australian city Melbourne next March before rolling out worldwide. Based on DreamWorks' 2010 similarly named 3D kids-animation film, which earned about US\$500m in box-office receipts worldwide, the show will feature 24 animatronic dragons built by Global Creatures.

Dance-music duo appointed London Olympics music czars

The music for the opening ceremony at next year's Summer Olympic Games will officially be supplied by Underworld, the UK electronic-music duo. The band, whose hit albums include Second Toughest in the Infants (1996) and Beaucoup Fish (1999), are famous for their edgy soundtracks for such movies as Trainspotting and Sunshine.

Both films are directed by Danny Boyle, who is the opening ceremony's artistic director. Boyle and Underworld collaborated again this year on Frankenstein, a theatrical play on London's West End.

MUSIC

Record labels still matter to Madonna

Madonna, one of the world's biggest recording artists with more than 300 million albums sold, has signed a three-album deal with Interscope Records. Media reports say the deal is worth US\$40m. The first album, already completed but still without a title, will be released next March. This will be her first in more than four years. The deal is ground-breaking as it demonstrates that traditional recording contracts still make big news despite the slump in recorded music's business. International trade organisation IFPI says global sales slumped 8.4% to US\$15.9bn from 2009 to 2010.

A decade ago, global sales reached US\$26.5bn. Madonna's Interscope deal is part of a bigger 10-year multi-rights agreement with Live Nation, the US-based international concert-promotion giant, reportedly worth US\$100m. Signed in 2007, that deal gives Live Nation a share of revenues generated from Madonna's recorded music, live tours, merchandise sales, online content, video sales and music-related TV and movie projects. Live Nation and Madonna's management have brought in Interscope to handle the recorded-music element.

Microsoft hooks up with talent house to finance rap album

Microsoft search engine Bing is to fund a remix album that US rapper Theophilus London is bringing out next April. Industry observers believe this is the first time a major-label recording is being supported by a brand owner. The association includes a competition inviting fans to remix a London track, featuring the winner on the album and with Bing having a say in the album's title. US digital-marketing agency Talenhouse sealed the deal. Bing's involvement confirms Microsoft's determination to be associated with entertainment.

Creators to earn more from deal with German rights body

German web portals will now be paying copyright owners represented by GEMA, the country's royalties-collecting society, between 6 and 9 euro cents per recorded song sold within the portal, media reports say. The new royalty-rate was recently unveiled when negotiations between GEMA and BITKOM, the association of consumer-electronic and information-technology companies, was concluded after 10 years. Subscription-based streamed-music services will pay GEMA between 75 euro cents and €1.25 per listener per month.

Apple's iTunes sings in the cloud to pay PRS royalties

Apple's iTunes in the Cloud, the service that allows all iTunes music purchased to appear on all the buyer's Internet-enabled devices, has signed a deal with UK collecting society PRS for Music that guarantees royalties will be paid to PRS' publisher and songwriter members. Robert Ashcroft, PRS for Music's CEO, says the deal is the first between a collecting society and Apple's new cloud-based music services. These include iTunes Match, which provides a similar service for non-iTunes purchases.

Pixies' Frank Black launches a label for self and other acts

Frank Black, also known as Black Francis, the lead singer of US alternative-rock act Pixies, has launched his own label. Called The Bureau, the label will be home to Black's original solo recordings, bootlegs and recordings by other acts. The catalogue will not include his commitments as a solo artist to other labels, such as Cooking Vinyl, according to UK news service The Guardian.

*Meanwhile, Warner Music is re-launching its East West imprint in France, which begins operating in February.

BOOKS/PRINT

Google Books goes legitimate in France

The controversial Google Books has hooked up with a French literary website in a groundbreaking move to offer books that are in public domain for free downloads. In the non-exclusive deal, the Paris-based ActuaLitte website is hosting Google's digital library of books, which are available in unencrypted file formats. The exact number of books accessible via ActuaLitte remains unclear but Google's literary catalogue contains 15 million-plus digitised books purchased from more than 40 publishers. The ActuaLitte deal is bold as Google is still embroiled in a various legal disputes that question whether all the titles in its catalogue are truly out of copyright in all territories worldwide.

This is despite a settlement agreement reached in 2008 with the US' Authors Guild and the Association of American Publishers, for which Google paid US\$125m. Fears that the original settlement might have breached US anti-trust laws led to an amended settlement in 2009. But a US judge ruled earlier this year that publishers and rights owners should be able to opt into, rather than opt out of, the settlement. The case is scheduled to go to trial in July 2012.

Headline makes news with three-book fantasy deals

Busy UK-based Headline Publishing Group has acquired the international rights for Steelhaven, the working title for a three-book epic fantasy, and for Shadow Ops, a three-book military fantasy series. Headline commissioning editor John Wordsworth, who specialises in sci-fi titles, snapped up the global rights to Steelhaven by British writer Richard Ford for a "strong five-figure sum in pound sterling", and the UK/Commonwealth rights to the Shadow Ops titles by US novelist Myke Cole.

Amazon lights up Kindle Fire with Marshall Cavendish pact

Amazon.com, the pioneering e-commerce giant, has extended its footprint in book publishing by buying 450 kids titles from Marshall Cavendish to turn into e-books. Amazon, which already operates publishing subsidiaries that cover the genres of short stories, fiction, thrillers, sci-fi, romance, and new authors/ foreign translations, wants to use the colourful children's books to highlight the benefits of its Kindle Fire e-book device with its colour screen (as opposed to the standard black-and-white original Kindle tablet).

Pearson is teaching English to the Chinese with acquisition

Pearson, the UK-based global publishing group owner of the Financial Times newspaper and book publisher Penguin, has bought Beijing-based Global Education and Technology Group (GETG), for US\$294m.

GETG specialises in preparing Chinese students for taking English-language tests. It operates 450 test centres in 60 Chinese cities. Following news of the acquisition, GETG has announced plans to delist from the US' NASDAQ stock exchange.

E-books business growing in the UK and China

December 2011 has seen the continuing rise of e-book sales as Pan Macmillan, the fiction/non-fiction arm of Macmillan Publishers, issues its first e-book bundles of two to three titles in the UK. Macmillan also used the occasion to introduce its second round of e-book Short Reads, a collection of short stories.

*Meanwhile, in China, online seller of printed books Dangdang has launched its e-book platform with about 50,000 titles for reading on computer tablets and smartphones.

Dangdang, listed on the New York Stock Exchange, is China's answer to Amazon.com.

ADS & MARKETING

Brewery's show snares prime TV spot

Branded entertainment comes to a major US network as brewery giant Anheuser-Busch InBev, one of the world's biggest alcohol advertisers, finances a 'social reality' TV show. Called Bud United presents: The Big Time, this talent show linked to the brewer's Budweiser brand kicks off on the ABC network on 21 January. It then goes on air globally. ABC, the Walt Disney-owned TV channel in more than 97% of US TV households, is already home to award-winning dramas such as Desperate Housewives, Grey's Anatomy and LOST.

So, this could be the latest coup for branded entertainment, TV entertainment openly financed by what would normally have been a 30-second commercial-TV advertiser. Anheuser-Busch hopes to see Budweiser sales soar thanks to the brand awareness that could be raised by this talent contest. Budweiser, ABC, @radical.media (the international entertainment group and branded-content specialist and co-producer of Bud United presents: The Big Time) are working with international TV distributor FremantleMedia Enterprises (part of the group that produces American Idol).

Belgian cinema group Kinopolis buys ad agency

The Belgian arm of Kinopolis Group, the European theatrical-cinema operator, has agreed to acquire the whole of Brightfish, the cinema-advertising agency which used to be called Screenvision Belgium. Although details are unavailable, Kinopolis is said to be paying "a symbolic sum" in return for recapitalising Brightfish, which has been burdened with debts. The acquisition will give Kinopolis a foothold in the Belgian cinema-advertising sector. Brightfish serves ads to 436 cinema screens (representing 97%) in Belgium.

US digital agency VML grabs stake in Singapore's Qais

US-based VML, the digital-marketing agency owned by advertising-agency giant WPP, has snapped up a majority stake in Qais Consulting, the Singapore-based digital agency. Controlling the newly named VML Qais will enable VML, which works closely with WPP agency Y&R Advertising and has offices in North America, Latin America, Europe, Australia and New Zealand, to expand into south-east Asia and India. Qais' clients include Sony Pictures, Hilton Hotels and Mumbai-based Mahindra & Mahindra.

Social media advertising group wins first outside funds

Jun Group Productions, the US social-media video advertising service provider, has announced its first outside funding of US\$2.5m from US-based Western Technology Investment. Jun Group, whose existing clients include major brands like Coca-Cola, Nike and Disney, specialises in producing opt-in transparent video advertising (as opposed to intrusive pop-ups) on social-media platforms. It will use the cash to develop the business and enhance its distribution and analytics technology.

Games giant poaches soccer star Lionel Messi from rival

Lionel Messi, the Argentine soccer star who plays for Spain's FC Barcelona, has signed a multi-year brand endorsement deal with EA Sports, a subsidiary of US games-development giant Electronic Arts (EA). As the new face of EA's FIFA titles, Messi's first appearance under the EA banner will be in March, when the new FIFA Street game is released. In the competitive soccer video-games sector, EA poached Messi from the Pro Evolution Soccer game published by Japan's Konami Entertainment Computer.

SPORT

Canadian telecoms hunger for content

Digital media operators' burning hunger for content rages on following the recent agreement by Canadian telecommunications giants Rogers Communications and BCE (see MTF Issue No. 4) to pay C\$1bn-plus in cash for 75% of the Maple Leaf Sports & Entertainment (MLSE) group. The seller is the Ontario Teachers' Pension Plan, the pension fund. Pending approval of Canada's Competition Bureau, the sale will be completed mid-2012. Rogers will pay C\$533m for a 37.5% share of MLSE, while BCE (including its Bell network and pension fund) will pay the same amount for another 37.5%. Larry Tanenbaum, currently MLSE's chairman, will increase his stake to 25% from 20%.

Media reports indicate the move is part of Rogers and BCE's ambitions to reach more mobile-device carrying consumers with popular Canadian sports content. MLSE owns Maple Leafs, the highly successful National Hockey League team; National Basketball Association team Toronto Raptors; and the Major League Soccer's Toronto FC. The deal also gives Rogers and BCE the Air Canada Centre, a sports-and-entertainment venue with a 19,800-seating capacity.

London star soccer club Spurs seeks stock exchange delisting

High-flying London soccer club Tottenham Hotspurs (Spurs) has announced plans to delist from the UK's Alternative Investment Market (AIM) stock exchange and go private.

Spurs, riding high in the English Premier League this season, believes the move will save cash for its plans to build a new 60,000-seat capacity stadium near its current home at White Hart Lane, London.

Spurs' original bid to be tenants of the Olympics stadium after next year's Summer Olympic Games fell through earlier this year, leading to a possible legal dispute.

Soccer's Scottish Premier League holds on tight to value

The UK's Scottish Premier League (SPL) continues to retain its strong broadcast-rights value. British TV networks Sky Sports, part of the Rupert Murdoch-controlled News Corp, and ESPN UK, have together agreed to pay a reported £80m for the 12-club SPL's matches for five seasons starting in 2012-13. They will transmit 30 live matches a season on TV and other digital platforms. The value per season might have slumped to £16m, compared with £21.7m when Sky Sports and ESPN agreed to pay £65m for three seasons starting 2009-10 but that was for 60 live games per season.

Formula 1 Grand Prix makes historical return to US

Formula 1 Grand Prix returns to the US in 2012 despite previous uncertainty about its organisation. The race, which required the approval of the World Motor Sports Council, will take place in Austin, Texas on 18 November on a new US\$300m circuit.

It will be the first F1 event in the US since 2007. The Circuit of the Americas has stepped in as the promoter of the 10-season contract for a reported US\$35m a year. F1 is scheduled to take place in New Jersey in 2013.

More investments in sport broadcast rights

Broadcast rights for Australia's National Rugby League games in the 2013-2017 seasons could fetch A\$1bn-plus after bids from the Ten Network, Seven and incumbent rights holder Nine, sportsbusiness.com says. ***UK public broadcaster BBC** extends its exclusive TV, radio and online rights for the Rugby Unions' 6 Nations tournament for a reported £40m a year for four years to 2017. ***Sports media** group MP & Silva retains multi-platform rights to Italy's Serie A league soccer games for three seasons at €115m-plus a year.

GAMES

Zynga floats on NASDAQ – at last

Finally! After much speculation, social-games giant Zynga floated on the US' NASDAQ stock exchange, where it raised US\$1bn on 15 December. The games developer famous for its FarmVille and CityVille social games on Facebook's massive platform ended up with a valuation of US\$7bn. That value, however, is reportedly disappointing compared with the US\$14bn-US\$20bn once predicted by industry observers. And the share's price dropped immediately after the listing.

However, analysts insist that raising US\$1bn during the current global economic slump should be considered an achievement. They predict four-year-old Zynga's valuation can only rise. As part of the 'new economy', a Forbes.com columnist noted, social-media games like Zynga's are part of the US\$200bn entertainment sector, part of the US\$1,000bn communications sector, and part of the US\$500bn computer industry – in the US alone. ***Meanwhile, Tokyo-based Nexon Company**, Zynga's rival, made history on 14 December as Japan's biggest stock-exchange flotation in 2011 in terms of value. Nexon, which originated in South Korea 17 years ago, raised US\$1.2bn.

EA clicks with Klicknation for its Bioware division

Electronic Arts (EA) has acquired social-media role-playing games developer KlickNation for an undisclosed sum. KlickNation is famous for creating social games with in-depth narratives and high-quality graphics for social media. It will be incorporated into Bioware Social, EA's new role-playing social-games unit.

***Meanwhile**, French media giant Vivendi has sold part of its stake in subsidiary Activision Blizzard, EA's rival, for US\$427m. The move, which slashes Vivendi's share in Activision to 60% from 63%, allegedly gives Vivendi funds towards its purchase of EMI Music.

Beyonce might pay high price for dispute over dance game

Singing superstar Beyoncé's decision to pull out of an agreement to make a dance video game (called Starpower: Beyoncé) is going to cost her a potential US\$100m. That is the amount that Gate Five is demanding in a lawsuit originally filed in April. A judge at the Supreme Court of the State of New York has upheld the lawsuit after the singer unsuccessfully filed a motion to have it dismissed.

Court papers state that Gate Five LLC is accusing the singer and Beyoncé Inc of alleged "bad faith breach of contract" that "destroyed Gate Five's business".

The Bieber invests in social games that do good

Justin Bieber, the Canadian-born global teenage heartthrob with 36 million Facebook fans and 13 million Twitter followers, has linked up with New York-based Facebook social-games developer Sojo Studios, which creates games designed to do social good.

The first of these free philanthropic games (where the virtual currency used to purchase virtual goods is applied to real-life good causes) is called WeTopia. WeTopia aims to help impoverished kids worldwide. Bieber's own initiative Believe Charity Drive raises funds for various charitable causes.

Hit kids animation Code Lyoko unlocks social games world

Moonscoop, the Paris-based international entertainment company, has joined forces with French games developer 3DDUO to produce a new online game linked to Code Lyoko, the hit kids' animation TV series. The game, which will launch on Facebook in spring 2012 before rolling out on other online platforms, is the first Code Lyoko social games. Console-games versions of Code Lyoko are already available on Nintendo DS, Nintendo's Wii and Sony's PSP and PS2.

FASHION/LUXURY

Hollywood icon's jewels break records

The power of Hollywood glamour was undisputed earlier this month when the jewellery belonging to the late Oscar-winning Dame Elizabeth Taylor became the "most valuable sale of jewellery in auction history" at Christie's, New York. The two-day auction fetched more than US\$137m, about five times the originally estimated amount. Dame Elizabeth, the British-American idol who died in March at the age of 79, personified Hollywood at its most glamorous.

The gems given to her by Richard Burton, whom she married twice, kept breaking auction records. They included the necklace with a 16th-century pearl called La Peregrina, a 33.19-carat diamond ring and their wedding bands. Other items snapped up by buyers worldwide included a diamond-and-sapphire ring from the late singing superstar Michael Jackson. A successful 1940s child star, who became an adolescent beauty and successfully made the transition into a two-time adult Oscar winner, Taylor was one of the undisputable queens of Hollywood during the heyday of the studio system. Media coverage of her private life, including eight marriages, was always high-profile.

Designer king Michael Kors dazzles in market flotation

Michael Kors Holdings, the Hong Kong-based company overseeing the business of US luxury-fashion clothing and accessories designer Michael Kors, has raised US\$944m at the New York Stock Exchange, valuing the enterprise at more than US\$4bn.

The flotation was underwritten by investment banks JP Morgan, Morgan Stanley and Goldman Sachs. Kors retains an 8.6% stake in the company. His clients include several Hollywood stars and US First Lady Michelle Obama.

Star US designer label Proenza Schouler enters retail business

Proenza Schouler, the US womenswear fashion designer label sold in luxury retail outlets worldwide, is to open its first own store in 2012. Currently, its creations are sold in department stores like Barneys New York and Harvey Nichols. The move to open its own store was unveiled shortly after Andrew Rosen, who co-founded Japan-based fashion-investment company LTJ, and business partner John Howard bought shares in Proenza Schouler. They bought the shares from UK-based Primera, the international private-equity firm that owns the Valentino Fashion Group.

Jordan firm's funding signals e-commerce growth in the Gulf

Luxury e-commerce in the Middle East looks set to be stepping up following the US\$5m in Series A funding raised by MarkaVIP, the rapidly growing online private-sales club that originated in Jordan.

The funding was led by Lumia, the Silicon Valley venture-capital investor. Another investor is New York-based Invus Financial Advisors. With offices in Amman, Beirut, Dubai, Istanbul, Amsterdam and San Francisco, MarkaVIP hopes to use the new cash to expand its business among the affluent in the Gulf region.

Investment in quality menswear picks up in 2011

PPR, the France-based owner of Yves Saint Laurent, Gucci and a 50% shareholder in Stella McCartney, has purchased Brioni, the Italian tailored-suits specialist with a long list of celebrity clients. *Luxury-goods giant LVMH has announced ambitions to expand Berluti, its luxury men's footwear subsidiary.

***UK recording star Tinie Tempah**, the BRIT Awards-winning style icon, and his management company Disturbing London have joined forces with London-based urban-street fashion house MHI to launch the artist's first clothing range.

PHOTOGRAPHY/ART

Whitney Biennial and filmmakers click

Filmmaking looks set to dominate the theme of next year's Whitney Biennial, the respected exhibition of American contemporary art that launched almost 90 years ago. Next year's, which takes place at New York's Whitney Museum of American Art from 1 March to 22 May, will feature renowned film directors like Germany's Werner Herzog, American documentary maker Frederick Wiseman, acclaimed US independent screenwriter/director Kelly Reichardt, Vincent Gallo, George Kuchar and Charles Atlas, according to online arts magazine Art Info.

Although films are not usually the core artworks highlighted during the two-yearly event, this selection of filmmakers is renowned for their maverick and nonconformist productions. In addition to the eccentric fictional Fitzcarraldo and Bad Lieutenant: Port of Call New Orleans, Herzog's documentaries like Grizzly Man and the 3D Cave of Forgotten Dreams are considered ground-breaking works of art, not entertainment. Gallo, a former graffiti artist who is now a musician, screenwriter and director, has gained a reputation for his risqué films.

Controversial Third Reich photos go online in Germany

More than 100,000 works of photographic art featured in a Nazi-supported exhibition called Grosse Deutsche Kunstausstellung (GDK) can now be seen for the first time on the Internet. The annual GDK exhibitions took place from 1937 to 1944. Since then, they have gained a divisive reputation for exhibiting only works promoting Third Reich propaganda. With German museums Haus der Kunst and Deutsches Historisches, Munich's Zentralinstitut für Kunstgeschichte (Central Institute for Art History) has controversially digitised the works for further re-assessment.

Trendy UK Frieze Art Fair crosses Atlantic to New York

London's highly popular Frieze Art Fair now has a New York edition, which takes place 4-7 May. The first Frieze New York, in Manhattan, will feature works supplied by 170 galleries worldwide.

The original Frieze Art Fair, which began in London in 2003 to promote the sale of contemporary art, has since become an entertainment hub in its own right.

In 2011, the London edition hosted nearly 70,000 visitors who came to see works by more than 1,000 artists from 33 countries.

Activists attack oil-troubled BP's arts sponsorship

Environmentalists have attacked a group of UK art institutions for accepting a £10m five-year sponsorship deal from oil giant BP.

The activist organisations Art Not Oil, Liberate Tate and Platform have criticised The British Museum, Royal Opera House, the National Portrait Gallery and Tate Britain for taking funds from BP, which became an environment pariah following the devastating oil spill in the Gulf of Mexico last year.

Among projects benefitting from the sponsorship will be the highly acclaimed annual BP Portrait Award.

Initiatives bolstering the arts launch in Europe and Sweden

The visual arts will be among the key beneficiaries of the €1.8bn cultural-funding programme being proposed by the European Commission. Should the scheme, called Creative Europe, get the go-ahead, about 300,000 artists could expect to benefit from 2014 and 2020. The initiative is expected to help boost Europe's currently economy.

***Meanwhile, Sweden's** museums, galleries and arts organisations plan to create the country's first ever arts network to help operate the sectors more efficiently during the next five years.

COPYRIGHT

UK publishes stronger IP law proposals

The government juggernaut set up to reform the UK copyright law accelerated in December when the proposed changes were published for industry consultation. The proposals are based on the Independent Hargreaves report commissioned by the government in 2010. If adopted, the government says the revised copyright law would simplify the licensing of rights and potentially boost the country's gross domestic product by up to 0.6%, adding nearly £8 billion to the economy's value.

Affected creative industries, including the music, film, games and book-publishing sectors, have until 21 March 2012 to submit their opinions. The proposals include the radical Digital Copyright Exchange, a digital platform designed to help content users find rights owners and enable the latter to license their works more easily than at present. Other provisions in the proposals include clauses that make it legal for UK consumers to copy their CD collection to digital devices, such as an MP3 player. Much to people's astonishment this is still illegal in Britain.

US lawmakers analyse new bill that hikes artists' royalties

The US' House of Representatives and its Senate are examining the provisions of a new legislative bill that would give US and foreign artists, living and deceased, royalties of 7% when their artworks are resold at major US auction houses for more than US\$10,000.

The bill, called the 2011 Equity for Visual Artists Act, is said to be the first for nationwide royalty on artwork sales in the US. Limited signed copies of an original artwork would also qualify. Sales via online auctions do not apply.

European organisations launch music licensing portal

IMPALA, the European trade body for independent record labels and Buma/Stemra, the Dutch royalties-collection society, have joined forces to create what they say is the first pan-European portal for licensing mechanical rights. Mechanical rights are mandatory for producers who use music in physical audio or DVD recordings. Currently, producers must laboriously license the rights on a country-by-country basis. The Buma/Stemra-created new portal enables them to acquire a Europe-wide licence via a one-stop shop.

Benetton 'ad' with Pope causes offence and questions rights

A debate questioning whether images of public figures can be used without permission for commercial purposes has been triggered by the 'Unhate' advertising campaign for Benetton, the Italian retailer. Benetton denies the campaign is commercial because it promotes tolerance among different cultures. It features world leaders like Pope Benedict XVI and Ahmed Mohamed el-Tayeb, the Imam of Egypt's al-Azhar Mosque, kissing each other on the lips. The Vatican has demanded the removal of the Pope's image; the Imam's office has expressed its disapproval.

US independent film group supports difficult SOPA bill

The US' Independent Film and Television Alliance (IFTA) has declared its support for the controversial Stop Online Piracy Act (SOPA). The bill is designed to enable US law-enforcement authorities to shut down illegal foreign websites infringing the copyright of US-made content. The IFTA says that independent producers represent 70% of all US-made films. However, search-engine companies and social-media networks, like Google and Facebook, have criticised the bill for featuring powers to shut down or curtail websites.

MTF Diary

Groningen: Eurosonic Noorderslag

11-14 January 2012

@: Groningen, The Netherlands

Organised by: Eurosonic Noorderslag; Buma Cultuur

About: European music conference/festival

Details: www.eurosonic-noorderslag.nl

Utah (US): Sundance Film Festival

19-29 January 2012

@: Park City, Utah State

Organised by: Sundance Institute

About: Indie filmmakers' premier gathering

Details: www.sundance.org

London: London Fashion Week

9-16 February 2012

@: Somerset House, Strand

Organised by: British Fashion Council

About: Autumn/Winter collection

Details: www.londonfashionweek.co.uk

New York: Mercedes-Benz Fashion Week

17-22 February 2012

@: Lincoln Center

Organised by: Council of Fashion Designers of America

About: Fall/Winter collection

Details: www.cfda.com

Guangzhou (China): CBA All-Star Game

18-19 February 2012

@: International Sports Arena, Guangzhou

Organised by: Infront Sports & Media; Chinese Basketball Association

About: Exhibition featuring the best in Chinese basketball

Details: www.cba.gov.org

New York: Whitney Biennial

1 March-22 May 2012

@: Whitney Museum of American Art

Organised by: Whitney Museum

About: the 76th in the series of annuals and biennials to gauge state of US contemporary art

Details: www.whitney.org

London: ILMC

9-11 March 2012

@: Royal Garden Hotel, Kensington

Organised by: International Live Music Conference

About: Seminal international live-music conference and networking event

Details: www.ilmc.com

Austin, Texas: South By South-West

9-18 March 2012

@: Various venues

Organised by: SXSW Conference; Festivals
About: International networking for music, film and interactive media

Details: www.sxsw.com

Cannes (France): MIPTV

1-4 April 2012

@: Palais des Festivals, Cannes

Organised by: Reed MIDEM

About: The freshest international showcase of TV in all its forms and formats

Details: www.mipworld.com/en/miptv/

London: Sundance London

26-29 April 2012

@: The O2, London

Organised by: The Sundance Institute;

About: Iconic Sundance Film Festival launches UK edition

Details: www.sundance.org

New York: Frieze Art Fair

4-7 May 2012

@: Randall's Island, Manhattan

Organised by: UK-based Frieze Events

About: First New York edition of popular London-based art fair launches

Details: www.friezenewyork.com

London: Clerkenwell Design Week

22-24 May 2012

@: The Farmiloe Building, Clerkenwell

Organised by: Clerkenwell Design Week Ltd

About: Showcase of some of the world's cutting-edge designs at the industry's hub

Details: www.clerkenwelldesignweek.co.uk

Paris: UbiQ

18-19 June 2012

@: Palais Brongniart

Organised by: UbiQ Events

About: Digital entertainment conference, exhibition on TV, games, music, branded entertainment

Details: <http://www.ubiq-europe.com>

London: 2012 Summer Olympic Games

27 July-12 August 2012

@: Olympic Park and various venues

Organised by: LOCOG

About: The world's greatest sporting event

Details: www.london2012.com

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