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[What Are Legal Fundamentals of Motion Picture Making?](#)

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From legal perspective, making a motion picture is esoteric, convoluted and fraught with peril. The process of movie making encompasses numerous deals and consequent contracts. To properly and prudently effectuate such contracts parties involved have to contend with plethora of issues ranging from acquisition of rights, preproduction, financing and production to distribution. Let us in some depth delve into movie making process from legal perspective.

SOME LEGAL BASICS OF THE MOVIE MAKING PROCESS

First, the rights to the underlying story to be portrayed in the movie should be acquired. Then, the employment agreements for hiring of writers, directors, actors, performers and producers to create the script and parlay such creation into a finished product. Afterward, the production agreements associated with financing and producing the picture are drawn up. Fourth, the distribution agreements are crafted to distribute the picture in various media.

The following breaks down each part briefly discussed here and seeks to shed further light on process of movie making from legal perspective:

1. ACQUISITION OF RIGHTS

The first step in movie-making process involves acquiring rights to an original screenplay or underlying property such as a book, life story, treatment, or an idea. To this end, usually, the Production Company and the author or owner of the underlying property enter into an Option Agreement. Then, a rights clearance analysis and due diligence of the literary property to be acquired must be conducted. In fact, many motion pictures are not solely based on an original screenplay or literary properties. Motion pictures often start by pitching i.e. a verbal synopsis of the subject by the author to a studio or production company. This literary search and due diligence often involves a



copyright search especially if the underlying property was not specifically crafted for the motion picture.

To properly effectuate the Acquisition of Rights, numerous agreements need to be drawn up ranging from Option/Purchase Agreement for the original screenplay or preexisting literary property to Writing Services Agreements for adaptations or revisions and the license and music of the motion picture. In addition, a title clearance may need to be acquired which may require a title search and a subsequent registration of the title.

In addition, even if the script has already been written for the particular motion picture, it has to be reviewed and cleared from both legal and factual perspectives. For clearance, there might be a need to obtain various releases for products, names or locations used in the script. The worst case scenario would be to alter the script if certain releases are impossible or very hard to obtain.

2. PREPRODUCTION

After Acquisition of Rights is completed, there are certain steps before production. Such Preproduction steps in making a motion picture aside from procuring some main cast members encompass:

- **Crafting a Production Schedule:** Production schedule spans the periods from Pre-Pre production to preproduction to post-production. The Pre-Pre Production is a period, as the name denotes, referring to the period even before preproduction. The latter period is salient as it might avoid triggering contractual obligations accompanying preproduction period.
- **Crafting and Diligently Analyzing a Production Budget**
- **Procuring a Completion Bond:** Completion Bond could be integral to the success or failure of a motion picture given the plethora of risks a picture is fraught with. A Completion Bond fundamentally mitigates investors and banks concerns over fears of budget overruns and abandonment, among others. A Bond Completion, generally, guarantees investors and banks that: (1) Producers' will deliver the picture in compliance with budget, script time and financial guidelines approved by investors and banks. (2) Producers will complete the picture despite the overruns and the guarantors will advance the needed sums. (3) Producers' abandonment of the picture won't culminate in financial loss for investors and banks.
- **Procuring General Insurance:** Insurance for the picture not only covers general liability and property damage BUT ALSO errors and omissions insurance insuring any liabilities deriving from the literary material on which the motion picture is predicated upon.
- **Procuring Clearance of Names, Locations from Property Owners:** If the motion picture is using ACTUAL names of locations, properties, etc. then producers need to procure appropriate clearances, if possible, or change the names.
- **Procuring Necessary Contracts for Production Facility**
- **Procuring Necessary Contracts for Physical Components Used in the Production**
- **Procuring Copyrights of the Picture and Its Components Such As Music**



3. FINANCING

Financing is the life blood of motion picture. In fact, unsurprisingly, projects bereft of financing or sufficient financing is doomed to failure. Financing could be procured through various channels depending upon the stature and caliber of participants most specifically producers, director and actor, possibly writers. If a large studio does not bankroll the picture, other funding sources must be sought and procures including but not limited to: Production-Financing-Distribution Agreements whereby the investor not only invests in the motion picture but also becomes involved in technical and production aspects of the project and wields relatively substantial approval controls over the budget. It is possible to secure investments from limited partners after the productions company complies with applicable securities regulations.

SALIENT CAVEAT

This article NEITHER supplants NOR supplements the esoteric breadth of the subject matter delineated here. In fact, this article, ONLY, provides a rudimentary restricted analysis of such salient rarefied legal topic.

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