Expert Q&A on Recent Attempts to Expand the Right of Publicity

Right of Publicity

Celebrity endorsements and affiliations can add significant value to advertising campaigns. New marketing and media platforms, including social media, are presenting increased opportunities for these individuals to exploit the value of their identities. To maximize this value, celebrities are seeking expanded control over the unauthorized commercial exploitation of their personas (identities) under state right of publicity laws. Recent lawsuits have highlighted the need for advertisers, agencies and their counsel to better understand and track developments in this evolving area of law. Practical Law Company asked Neal Klausner of Davis & Gilbert LLP to weigh in on the current legal landscape and how best to manage the risks and potential liability arising from right of publicity claims.

Neal H. Klausner
PARTNER
DAVIS & GILBERT LLP
Neal is a Partner in the firm's Intellectual Property and Litigation Practice Groups. He has extensive experience litigating intellectual property disputes, including trademark and copyright infringement, right of publicity and false advertising matters, and consumer class actions.

What is the legal framework for the right of publicity?

The right of publicity is an intellectual property right recognized under state laws in at least thirty states. It gives a person the right to control the commercial use of his persona and recover damages in court for violations of that right. Some states recognize the right of publicity as an aspect of the misappropriation of privacy tort.

The legal framework for protection varies by state. States may provide protection solely under common law (for example, New Jersey) or statute (for example, New York), or both (for example, California). The elements of a claim and the scope of protection also vary significantly by state. For example, in some states the right is descendible and postmortem rights are recognized (for example, California), while in other states it is not (for example, New York).

>> For more information on state right of publicity laws, see *Right of Publicity: A State-by-State Guide* on page 30 of this issue or search Right of Publicity Laws: State Q&A Tool on our website.

Generally, the elements of a right of publicity claim are that the plaintiff owns a commercial interest in a person's persona, and the defendant engaged in an unauthorized commercial use of a protected aspect of that persona. The person must be identifiable, and the use must be likely to cause damage to the persona's commercial value.

A person's persona usually refers to an individual's name, likeness or voice, but some courts have also protected catch phrases, nicknames, first names, former names, roles or characterizations performed by celebrities and distinctive objects closely associated with celebrities.

What are the principal remedies for a right of publicity violation?

The remedies for a violation include injunctive relief and damages. An injunction prevents the defendant from continuing to violate the right of publicity. Depending on the state, monetary damages can include the defendant's profits from the use of the plaintiff's persona and can be sought to compensate the plaintiff for the loss of a licensing opportunity, injury to the persona's reputation caused by the association with an inferior or controversial product, and mental or emotional distress. Punitive or exemplary damages may be available for willful violations or to deter defendants from committing future violations. In some states, a plaintiff may also recover statutory damages and attorneys' fees.

How have celebrities and public figures sought to expand their rights of publicity and how have courts responded to these efforts?

Although the right of publicity typically protects all persons regardless of celebrity, the interest of celebrities and other public figures in cultivating and protecting their fame has led them to pursue creative right of publicity claims seeking to expand the protected aspects of their personas.

For example, Lindsay Lohan brought a right of publicity claim against E*Trade alleging that her persona was used without consent in an E*Trade Baby commercial in which a baby was referred to as "Lindsay." While certain celebrities are known for unique first and single name monikers, such as Oprah, Madonna and Beyoncé, Lohan is not known solely by her first name. Also, unlike these other celebrities, Lohan had not registered her first name as a trademark for goods or services at the time of the suit. The case settled before the court decided E*Trade's motion to dismiss.

In another recent case, NBA basketball player Gilbert Arenas sued the producers of the reality television show "Basketball Wives: Los Angeles" (BWLA) to enjoin the casting of his ex-girlfriend, Laura Govan. Arenas claimed that because he did not authorize Govan to use his persona, she should be prevented from appearing on the show in a manner that would imply his involvement and take commercial advantage of his persona. In a decision upheld by the Court of Appeals for the Ninth Circuit, the US District Court for the Central District of California agreed with Arenas' argument that Govan's inclusion as a cast member would likely violate his right of publicity. However, the court held that his rights were trumped by the public interest under the First Amendment, which gave BWLA the right to show stories about Arenas to the public, including his relationship with Govan (*Arenas v. Shed Media US Inc., No. CV 11-5279-DMG (C.D. Cal. 2011)*).

Given the lucrative amounts celebrities can earn endorsing products and services, we can expect to continue seeing similarly expansive right of publicity claims.

What is the relationship between the right of publicity and the First Amendment?

The unauthorized use of a celebrity's persona may be protected under the First Amendment. In such cases, free speech values are balanced against the right of publicity claims. When a protected aspect of persona is used without permission for purely commercial purposes, free speech rights almost never prevail over a right of publicity claim. However, when right of publicity claims challenge non-commercial, expressive works, courts have applied the "relatedness" test set forth in *Rogers v. Grimaldi, 875 F.2d 994 (1989),* or the "transformative use" test.

In *Rogers*, the Court of Appeals for the Second Circuit held that the use of a celebrity's name was protected against claims brought under Oregon's common law right of publicity unless the use was either wholly unrelated to the content of the work or simply a disguised advertisement for the sale of goods or services. The defendant in *Rogers* produced a movie titled "Ginger and Fred," portraying two Italian cabaret dancers who earned their living imitating Ginger Rogers and Fred Astaire. The court determined that the title "Ginger and Fred" was clearly related to the content of the movie and was not a disguised advertisement. Therefore, the defendant satisfied the relatedness test.

Under the transformative use test, right of publicity claims challenging an expressive work are barred when the work contains significant transformative elements or the value of the work does not derive primarily from the celebrity's fame. The test has its origins in copyright's fair use defense. A work is transformative if it adds new expression. This can be determined on a case-by-case basis by asking whether the expressive work is more literal and imitative or whether the creative elements dominate the work.

The transformative use test was applied by the Supreme Court of California to determine whether t-shirts and other merchandise depicting a charcoal rendering of the Three Stooges were entitled to First Amendment protection (*Comedy III Productions, Inc. v. Gary Saderup, Inc., 106 Cal.Rptr.2d 126 (Cal. 2001)*). In ruling that the First Amendment did not protect the defendant's use, the court found that the depictions of the Three Stooges were literal and conventional, lacking sufficient creative input.

Conversely, the Court of Appeals for the Sixth Circuit applied the transformative use test to find that a painting celebrating Tiger Woods' victory at the 1997 Masters was sufficiently transformative because the artist added significant creative components of his own to Woods' persona (*ETW Corp. v. Jireh Pub., Inc., 332 F. 3d 915 (6th Cir. 2003)*).

How have recent court decisions addressing the appearance of athletes in video games balanced First Amendment considerations?

Courts have generally found that video games are expressive works entitled to greater First Amendment protection than commercial speech. However, they have recently split on whether the First Amendment protects the unauthorized use in a video game of virtual players patterned on the personas of former college athletes.

In 2010, the US District Court for the Northern District of California found that EA Sports (EA) violated a former Arizona State University quarterback's right of publicity by using his persona in its NCAA Football video game (*Keller v. Electronic Arts, Inc., 2010 WL 530108 (N.D. Cal. Feb. 6, 2010)*). EA argued that the challenged use was transformative because gamers had the ability to alter the virtual player's height, weight,

hairstyle and complexion. In denying EA's motion to dismiss, the court found that there were not sufficient transformative elements when comparing the default attributes for the virtual quarterback with the plaintiff. Both shared the same jersey number, height and weight and hailed from the same state. At the time of going to press, this decision and a similar case involving a professional football player who brought a false endorsement claim under the Lanham Act (*James "Jim" Brown v. Electronic Arts, Inc., No. 09-1598 (C.D. Cal. 2009)*) are pending on appeal before the Ninth Circuit. The US District Court for the Northern District of California also recently relied on the *Keller* decision to deny a motion to dismiss a right of publicity class action against EA by former NFL players for the use of their likenesses in EA's Madden NFL game (*Davis v. Electronic Arts, Inc., 3:10-cv-03328-125 (N.D. Cal. Mar. 29, 2012)*).

In a case involving identical issues, a district court in New Jersey granted the defendant's summary judgment on First Amendment grounds after applying both the transformative use and *Rogers* relatedness tests (*Hart v. Electronic Arts, Inc., No. 09-cv-5990 (D.N.J. 2011)*). A former Rutgers University quarterback asserted right of publicity claims under New Jersey's common law. The court found the gamer's ability to modify the virtual player's attributes to be sufficiently transformative. In applying the *Rogers* test, the court found that the plaintiff's image was not wholly unrelated to the game and his image was not a disguised advertisement. At the time of going to press, this case is under appeal to the Court of Appeals for the Third Circuit.

How can advertisers and their agencies minimize the risk of receiving right of publicity and related claims?

To minimize the risk of claims, counsel for advertisers and their agencies should obtain written license agreements or other written consent from the rights owner before using any aspect of a persona for commercial purposes, including express or implied endorsements of a product or service. Written consent provides a strong defense to a right of publicity claim. Counsel should also consider the existence of postmortem right of publicity in certain states.

License agreements should be drafted broadly as to the scope of the identity (such as name, image, voice and persona) and the contexts in which the advertisement can be used (for example, print, television and internet), as well as the license's duration and geographic scope.

Agreements should make clear that the license covers all advertisements in the currently contemplated ad campaign and any future related advertisements created by the licensee, and include a waiver of all right of publicity and related claims in favor of the licensee. Finally, when agencies use stock photos or items containing a person's persona, they should not assume that the photographer or purported rights holder obtained a release from the celebrity or model. Rather, agencies should request a copy of the release and obtain indemnity agreements from the photographer or purported rights holder to protect against potential claims in the event a proper release was not obtained.

In the event of a right of publicity claim, what are the key defense and settlement strategies for advertisers?

As explained above, a right of publicity claim can be defeated by showing consent to the use (which in some states must be in writing) or asserting a First Amendment defense. Additional defenses include asserting statutory and judicially-created exemptions, many of which are based on First Amendment considerations. These include California's statutory exemption for use of celebrity images in news, sports broadcasts, public affairs and politics or the judicially-created exemption for the right of the media to advertise its work. Other defenses may be based on the applicable statute of limitations, which can range from one to six years, and equitable defenses (such as laches, waiver and acquiescence).

If the plaintiff asserts that the advertiser's use exceeded the scope of a license agreement, the advertiser may be unable to contest liability and should instead focus on assessing the plaintiff's damages. Factors that may determine whether the parties are able to reach a settlement, and the settlement amount, include how much the plaintiff was paid under the license agreement with the defendant or prior license agreements with other parties, the reasonableness of the plaintiff's demand, the parties' assessment of the commercial value of plaintiff's fame, the advertiser's aversion to negative publicity in connection with the right of publicity violation, the availability of punitive or exemplary damages and the jurisdiction where the claim was filed.

In some situations, a plaintiff may assert that his persona was used in the advertisement without consent, but it is disputable whether the plaintiff's persona was in fact used. In this case, advertiser's counsel may want to interview those responsible for the advertisement to evaluate the validity and strength of the claim. If counsel determines that the claim is invalid or weak, the costs for the advertiser to litigate the case may still provide an impetus for settlement. Depending on the advertiser's objectives, the settlement could involve the right to continue to use the advertisement for a negotiated payment, an agreement to stop running the advertisement or an agreement to remove the challenged elements. Depending on the costs and effectiveness of the advertisement, the strength of the defenses and the advertiser's risk tolerance, the advertiser may instead decide to litigate the plaintiff's claim to try and benefit from the "free press" the advertisement may receive in connection with the lawsuit.