

# Practical Law

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## Expert Q&A on Right of Publicity Claims

Celebrity endorsements and affiliations can add significant value to advertising campaigns, and new marketing and media platforms, including social media, present increased opportunities for these individuals to exploit the value of their personas (identities). To maximize this value, celebrities are seeking expanded control over the unauthorized commercial exploitation of their personas under state right of publicity laws. Practical Law asked *Neal Klausner* and *Sara Edelman* of *Davis & Gilbert LLP* to highlight key cases involving right of publicity claims and explain how best to manage the risks and potential liability arising from these claims.



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### What is the legal framework for the right of publicity?

The right of publicity is an intellectual property right recognized under state law in at least 30 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 under:

- Common law (for example, New Jersey) (see *Edison v. Edison Polyform Mfg. Co.*, 67 A. 392, 394, 395 (N.J. Ch. 1907)).
- Statute (for example, New York) (N.Y. Civ. Rights Law §§ 50, 51).
- Both common law and statute (for example, California) (Cal. Civ. Code §§ 3344(a), 3344.1; see *Montana v. San Jose Mercury News, Inc.*, 40 Cal. Rptr. 2d 639, 640 (Ct. App. 1995)).

Additionally, the elements of a claim and the scope of protection vary significantly by state. For example, some states recognize a postmortem right of publicity that is descendible (for example, California) (Cal. Civ. Code § 3344.1(b)). Other states do not recognize any postmortem rights (for example, New York) (see *James v. Delilah Films, Inc.*, 544 N.Y.S.2d 447, 451 (N.Y. Sup. Ct. N.Y. Cty. 1989)).

Generally, the elements of a right of publicity claim are that:

- **The plaintiff owns a commercial interest in an individual's persona.** A persona usually refers to an individual's name, image, likeness, or voice, but some courts have also protected catchphrases, nicknames, first names, former names, roles or characterizations performed by celebrities, and distinctive objects closely associated with a person.
- **The defendant engaged in an unauthorized commercial use of a protected aspect of an individual's persona.** The individual must be identifiable, and the use must be likely to cause damage to the persona's commercial value.



Search [Right of Publicity: Overview](#) for more on the right of publicity and [Right of Publicity Laws: State Q&A Tool](#) to compare right of publicity laws across multiple jurisdictions.

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

The remedies for a violation include:

- **Injunctive relief.** An injunction prevents the defendant from continuing to violate a person's right of publicity.
- **Damages.** Depending on the state, the plaintiff may be able to recover:
  - monetary damages, which can include the defendant's profits from the use of the persona and can be sought to compensate the plaintiff for the loss of a licensing opportunity, injury to an individual's reputation caused by the association with an inferior or a controversial product, and mental or emotional distress;
  - punitive or exemplary damages for willful violations, which are intended to deter defendants from committing future violations; and
  - statutory damages and attorneys' fees.

### How have celebrities and public figures sought to expand their rights of publicity?

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 in which they seek to expand the protected aspects of their personas.

For example, Lindsay Lohan brought a right of publicity claim under New York law against E\*Trade alleging that E\*Trade used her "name, characterization, and personality" without her consent by airing a commercial during the Super Bowl in which a baby was referred to as Lindsay (Complaint, *Lohan v. E\*Trade Sec. LLC*, No. 10-4579 (N.Y. Sup. Ct. Mar. 8, 2010)). E\*Trade pointed out that many women in the US were named Lindsay, including other celebrities such as Olympic skier Lindsey Vonn and actress Lindsay Wagner. While certain celebrities are known for unique first-name or 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. However, Lohan's counsel argued that the commercial's reference to a "milkaholic Lindsay" implied that the baby was modeled after Lohan. The case settled before the court decided E\*Trade's motion to dismiss. (Jonathan Stempel, *Lohan Settles E\*Trade "Milkaholic" Suit*, Reuters, Sept. 20, 2010; Eriq Gardner, *Lindsay Lohan's E-Trade Lawsuit Enters Odd Phase*, Reuters, Aug. 25, 2010.)

In another case, NBA basketball player Gilbert Arenas sued the producers of the reality television show *Basketball Wives: Los Angeles (BWL)* to enjoin the casting of his ex-girlfriend, Laura Govan. Arenas claimed that Govan should be prevented from appearing on the show in a manner that would imply his involvement and take unauthorized commercial advantage of his persona. In a decision upheld by the Ninth Circuit, the district court agreed with Arenas's argument that Govan's inclusion as a cast member would likely violate his right of publicity under California law because Govan probably would use Arenas's name on the show in the context of his status as a famous basketball player. 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 U.S. Inc.*, 881 F. Supp. 2d 1181, 1189-92 (C.D. Cal. 2011), *aff'd*, 462 F. App'x 709 (9th Cir. 2011).)

Plaintiffs have also brought right of publicity cases in connection with the sale of products. For example, in *Faulkner v. Hasbro, Inc.*, the FOX news anchor Harris Faulkner filed a lawsuit against the toy manufacturer Hasbro asserting a right of publicity claim after Hasbro introduced the Harris Faulkner Hamster Doll as part of its Littlest Pet Shop toy line. Hasbro moved to dismiss the claim on the ground that New Jersey's right of publicity laws were intended to protect a person's identity and nothing about the plastic hamster looked like Faulkner. Absent any appropriation of a person's identity, Hasbro claimed that using the name Harris Faulkner was insufficient to violate her right of publicity. The court disagreed, concluding that "Hasbro's own statements establish that when a character like the hamster doll is used for what it is intended — play — it may take on new dimensions when it is linked up with and 'becomes' a real person." The court held that in "the specialized context of Hasbro's successful toy line 'world,' in which the hamster is admittedly 'a character' designed to be played with, Faulkner's allegation that this doll bears her unusual celebrity name sufficiently pleads a violation of the right of publicity." (2016 WL 3965200, at \*2 (D.N.J. July 21, 2016).) After the court denied Hasbro's motion to dismiss, the parties settled the lawsuit.

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

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

The First Amendment may protect the unauthorized use of a celebrity's persona. In these cases, free speech values are balanced against the plaintiff's right of publicity. When a protected aspect of a persona is used without permission for

purely commercial purposes, a defense based on free speech rights almost never prevails over a right of publicity claim. However, when right of publicity claims challenge non-commercial, expressive works, courts have applied either:

- The relatedness test.
- The transformative use test.

The relatedness test, set out by the Second Circuit in *Rogers v. Grimaldi*, considers whether the use of the celebrity's likeness relates to the work as a whole. In *Rogers*, the actress Ginger Rogers alleged that the producer of a movie entitled *Ginger and Fred* violated her right of publicity under Oregon law. The court held that the use of a person's name in the title of an artistic work would violate the right of publicity only if the use was either "wholly unrelated" to the content of the work or "simply a disguised advertisement for the sale of goods or services." Because the movie at issue concerned two Italian cabaret dancers who earned their living imitating Ginger Rogers and Fred Astaire, the defendant satisfied the relatedness test. (875 F.2d 994, 1004 (2d Cir. 1989).)

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 (see, for example, *Comedy III Prods., Inc. v. Gary Saderup, Inc.*, 21 P.3d 797, 807-11 (Cal. 2001) (ruling that merchandise depicting a charcoal rendering of The Three Stooges was not entitled to First Amendment protection because the depictions were literal and conventional and lacked sufficient creative input); but see *ETW Corp. v. Jireh Publ'g, Inc.*, 332 F.3d 915, 937-38 (6th Cir. 2003) (finding that a painting celebrating Tiger Woods's victory at the 1997 Masters was sufficiently transformative to defeat a right of publicity claim under Ohio law because the artist added his own significant creative components to Woods's persona)).

Recently, the Ninth Circuit affirmed a California district court's dismissal of a right of publicity claim brought by US Army explosive ordinance technician Sgt. Jeffrey Sarver based on the use of certain aspects of his life story in the motion picture *The Hurt*

*Locker*. Although the district court held that the use of Sarver's identity was transformative, the Ninth Circuit did not address the transformative use test. Rather, it held more broadly that the First Amendment fully protects the retelling of real-life stories of both ordinary and extraordinary people in books, movies, and plays. (*Sarver v. Chartier*, 813 F.3d 891, 905-06 (9th Cir. 2016).)

### How have courts addressing the appearance of athletes in video games balanced First Amendment considerations?

Courts have generally found that video games are expressive works entitled to First Amendment protection. However, several courts have rejected the First Amendment defense in right of publicity cases involving the unauthorized use in a video game of virtual players patterned on the personas of former athletes.

In 2013, the Third and Ninth Circuits both rejected First Amendment defenses raised by video game manufacturer Electronic Arts (EA). In *In re NCAA Student-Athlete Name & Likeness Licensing Litigation*, the Ninth Circuit affirmed the district court's holding that the use of a former Arizona State University quarterback's likeness and persona in the video game *NCAA Football* violated his right of publicity. The court reasoned that the use was insufficiently transformative because the game accurately depicted his physical features and characteristics in the very setting where he was known to the public (playing football). (724 F.3d 1268, 1271, 1276 (9th Cir. 2013).)

In *Hart v. Electronic Arts, Inc.*, the Third Circuit reversed the district court's holding that the First Amendment barred a right of publicity claim by a former Rutgers University quarterback based on the use of his likeness in *NCAA Football*. Like the Ninth Circuit, the Third Circuit concluded that the use was insufficiently transformative because the game accurately depicted the quarterback's physical characteristics, his biographical information, and the accessories he wore, all in the context of a college football game. The court rejected EA's argument that the use was transformative because video game players could alter the physical appearance of the avatars. (717 F.3d 141, 166-70 (3d Cir. 2013).)

The Ninth Circuit continued this trend in 2015 in *Davis v. Electronic Arts Inc.* In *Davis*, EA filed a motion under California's anti-SLAPP statute to strike a former football player's right of publicity claim based on the use of his likeness in EA's game

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*Madden NFL*. Citing *Keller*, the district court denied the motion and the Ninth Circuit affirmed based on the finding that the player likenesses in *Madden NFL* were no more transformed than they were in *NCAA Football*. (775 F.3d 1172, 1177-78 (9th Cir. 2015), cert. denied, 136 S. Ct. 1448 (2016).)

## How can advertisers and their agencies minimize the risk of right of publicity claims and related claims involving the unauthorized use of an individual's identity?

To minimize the risk of claims, counsel for advertisers and their agencies should:

- **Obtain written consent from the rights owner before using any aspect of a person's identity for commercial purposes.** This includes express or implied endorsements of a product or service. Counsel should also be mindful of the existence of a postmortem right of publicity in certain states.
- **Draft license agreements broadly and include a waiver of all right of publicity and related claims in favor of the licensee.** Counsel should ensure that the agreement is wide in scope regarding:
  - the individual's persona (such as name, image, or voice);
  - the contexts in which the advertisement can be used (for example, print, television, and internet);
  - the advertisements to which the agreement applies (that is, counsel should make clear that the license covers all advertisements in the currently contemplated campaign and any future related advertisements created by the licensee); and
  - the license's duration and geographic scope.
- **Exercise caution when agencies use stock photos or items containing an individual's persona.** Counsel should not assume that the photographer or purported rights holder obtained a release from the celebrity or model. Rather, counsel should request a copy of any release and, if a proper release was not obtained, secure indemnity agreements from the photographer or purported rights holder to protect against potential claims.

## When faced with a right of publicity claim, what are the key defense and settlement strategies for advertisers?

Advertisers may assert various defenses to defeat a right of publicity claim, such as:

- **The plaintiff's consent to the use.** The consent must be in writing in some states.
- **The First Amendment.** As explained above, a defense based on free speech values might trump a right of publicity claim.
- **Statutory or judicially created exemptions, many of which are based on First Amendment considerations.** For example, California has a statutory exemption for the use of celebrity images in news, sports broadcasts, public affairs, and politics (Cal. Civ. Code §§ 3344(d), 3344.1(j)) and a judicially created exemption for the right of the media to advertise its work (*San Jose Mercury News*, 40 Cal. Rptr. 2d at 642-43).

### STANDARD DOCUMENTS

The following related Standard Documents are available on Practical Law.

>> **Simply search the resource title**

- Appearance Release
- Celebrity Endorsement Agreement
- Interview Release
- Photograph/Image License Agreement (Pro-Licensee)
- Publicity Waiver and Release

- **The statute of limitations.** The limitations period can range from one to six years.
- **Equitable defenses.** Examples include laches, waiver, and acquiescence.

In some situations, such as the *E\*Trade* case discussed above, a plaintiff's claim that an advertiser used his persona in an advertisement without consent raises a question on whether the plaintiff's persona was in fact used. In those cases, the advertiser's counsel should interview the individuals responsible for the advertisement to evaluate the validity and strength of the claim. Even if counsel determines that the claim is invalid or weak, the costs for the advertiser to litigate the case might still provide an incentive to settle. Depending on the advertiser's objectives, the settlement could involve the right to continue to use the advertisement for a negotiated payment, or an agreement to stop running the advertisement or to remove the challenged elements.

By contrast, the advertiser might instead decide to litigate the plaintiff's claim to try to benefit from the free press the advertisement would receive in connection with the lawsuit, if the strength of the defenses, the costs and effectiveness of the advertisement, and the advertiser's risk tolerance weigh in favor of doing so.

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 might determine whether the parties are able to reach a settlement and impact the settlement amount include:

- The amount the plaintiff was paid under the license agreement with the defendant or prior license agreements with other parties.
- The length of the unauthorized use.
- The parties' assessment of the commercial value of the plaintiff's fame.
- The advertiser's aversion to negative publicity in connection with the right of publicity violation.
- The jurisdiction where the claim was filed, and the availability of punitive or exemplary damages.