

Lessons Learned: Legislative Right of Publicity Efforts Throughout U.S. Could Be Instructive for North Carolina's Legislature

By Jonathan Faber

In 2009, North Carolina's General Assembly considered enacting right of publicity legislation, just as numerous other states have done in recent years. North Carolina's House Bill 327 did not pass. With the benefit of hindsight, it is a good thing it did not. Had it passed, North Carolina would have been stuck with a severely compromised version of right of publicity recognition that would have undermined the doctrine's *raison d'être*.

North Carolina claims many notable native sons and daughters, and is home to significant sporting and entertainment businesses with an interest in North Carolina's position on the right of publicity. Those affected by its laws deserve a meaningful right of publicity statute beyond the common law privacy right and what would have been provided by the 2009 bill. The draft statute started out in good shape but successive drafts became increasingly convoluted, culminating in the July 10, 2009 version—the last version I am aware of—which would have done more harm than good.

Those familiar with my background in representing the owners and families of personalities ranging from Babe Ruth and Vince Lombardi to Princess Diana and Kurt Cobain might be surprised to hear me say that it is a good thing North Carolina's 2009 right of publicity bill did not become law. I appreciate the effort that undoubtedly went into the bill, and the need for statutory right of publicity recognition remains and likely will arise again in North Carolina. When it does, perhaps the following considerations can help ensure a positive outcome.

Introductions Are In Order | The right of publicity concerns the right to control the commercial use of one's identity. It is a state-based right, just as trademark and copyright once were. To date, nineteen states have enacted specific right of publicity statutes, while many other states recognize a limited common law right. Much of the wrangling over statutory drafting relates to what activities are exempted for First Amendment purposes and how the right of publicity is handled after the individual dies.

In addition to North Carolina, states that have enacted or attempted passage of right of publicity legislation in the last few years include Michigan, Mississippi, New Hampshire, Washington, Pennsylvania, Connecticut, Arizona and Illinois. Additionally, in 2012, I drafted and testified in support of an important bill concerning Indiana's right of publicity which was signed into law later in 2012. A bill also was introduced in New York on May 14, 2013 to bring New York's right of publicity recognition up to national standards. Clearly, the right of publicity has been a priority for a considerable number of states.

The original draft of the North Carolina bill appears to have been based on Indiana's and California's statutes, both of which have served as a model for numerous other legislative initiatives. The protected elements included "name, voice, signature, image, likeness and distinctive appearance," under the guiding provision that "any attribute of an individual that serves to identify that individual to an ordinary, reasonable viewer or listener" was entitled to protection. As opposed to California's simple "name, image and likeness" triumvirate, North Carolina's more complete articulation of protected elements mirrors Indiana's almost exactly. Also reflecting a defining characteristic of Indiana's statute, the bill had a provision that applied to "an act or event that occurs in North Carolina, regardless of the domicile, residence, or citizenship of the individual to show personality the right applies." (Such handling of domicile is consistent with its application in similar trademark and copyright scenarios.) The term of post-mortem protection was to last 70 years after death, same as the California statute's term of post-mortem recognition.

Another aspect of North Carolina's bill that drew from California's statute was the creation of a registry system to be maintained by the North Carolina Secretary of State's office, whereby anyone claiming ownership of a right of publicity would have been required to register as the owner in order to qualify for protection. California offers an optional registry, and in theory, the idea is not bad as a convenience for those diligent enough to search for registered claimants. In my experience, however, even those who work in the industry of representing or licensing deceased personalities rarely know about (let alone use) California's Successor-In-Interest database. In addition, California's registry provides no review or analysis of an applicant's claims, potentially doing as much harm as good. I have worked to clean up false or misleading registrations in California's registry concerning some of the clients I have represented. For the burden and expense required of the Secretary of State's office relative to its nominal benefits and almost unavoidable drawbacks, I question whether a registry is worth the bother at all.

The bill's registry provisions went well beyond those in the California law, incorporating a diabolical trapdoor through which countless right of publicity owners would fall and be left with nothing. The fee for registering was five thousand percent more than California's \$10 fee. At a staggering \$500, North Carolina's fee seemed intended to discourage registration altogether. Reinforcing this apparent deterrent, there was additional language which dictated that "Consent for use of another individual's right of publicity shall not be required for any use of the right of publicity of a deceased individual where

the licensee or successor in interest has failed to register a claim of right...until such time as a claim of right has been registered” (emphasis added).

It seems unduly harsh that a person should be so easily divested of an important right based on an unprecedented (and expensive) technicality. In *The Rights of Privacy and Publicity*, Second Edition, Section 2.5 (2007), renowned scholar J. Thomas McCarthy speaks of the policy rationale for the right of publicity: “Perceptive legal commentators do not shy away from defending the right to control commercial use of identity as a self-evident natural right of every person.” McCarthy continues: “There is probably nothing so strongly intuited as the notion that my identity is mine. If I cannot control my own identity and prevent commercial use by others, then the ‘law is a ass.’” *Id.*, quoting a line from Charles Dickens’ *Oliver Twist*.

Shapes of Things To Come | There were many redeeming qualities in the earlier versions of the North Carolina bill. As the effort progressed, unfortunately, the well-funded industries seeking to curtail right of publicity recognition—primarily the video game industries and the Motion Picture Association of America (MPAA)—were gaining traction and influencing its language.

Right of publicity legislation increasingly has been defined by lobbying efforts that are stymying these various legislative processes. Recent efforts in Michigan, Connecticut and New Hampshire ended as North Carolina’s did—without a statute being passed. Based on my firsthand observation of lobbying over the 2012 Indiana bill, it certainly appeared as though there was a dual agenda either to distort the language to unprecedented degree or cause it to be tabled. Either scenario would be a success for opponents of right of publicity legislation.

Movie studios have enjoyed exempted status for many of their endeavors in the motion picture realm, and their strenuous objection to right of publicity legislation is a bit bewildering considering that movies and films are always granted exempted status. Of course, the studios would profit greatly if they could unilaterally license clips from movies, for example, for consumer products and advertisements without bothering with the right of publicity of those featured in their movies. In the early 1990s, this objective was pursued by Warner Bros. based on an aggressive interpretation of one line in James Dean’s 1950s-era contract with Warner Bros., an interpretation that was denied by **District Judge Byrne in *Dean v. Warner Bros. v. The James Dean Foundation Trust***, No. CV 914016WMB (1993), United States District Court, C.D. California (which can be viewed here: <http://rightofpublicity.com/pdf/cases/warnerbros.pdf>).

The right of publicity ensures that movie clips of Humphrey Bogart, a heavy smoker who died of cancer, cannot be featured in tobacco advertisements without his heirs having a say (and while I worked with Bogart Inc., they held firm on principle of rejecting even lucrative opportunities of this kind). Few people would deny that this situation demonstrates the need for right of publicity recognition. Even when a use would not otherwise be offensive or troubling, the act of co-opting a person’s name, image, accomplishments or reputation for the benefit of advertising or selling product should require the approval of the person or his or her heirs, if deceased.

Technological advances also underscore the need for right of publicity recognition. Deceased rapper Tupac Shakur was resurrected to perform with stunning realism at the 2012 Coachella Festival through so-called hologram technology. I understand this performance was conducted with full licensing and permissions in place, but it could easily lead to all kinds of new, previously unimaginable opportunities and problems. Shortly after I publicly predicted in the May 9, 2012 edition of the *Indiana Lawyer* that such technology will bring both opportunities and litigation, the *Hollywood Reporter* reported that the owners of Marilyn Monroe’s rights were already facing potential litigation against a company claiming to own the “digital Marilyn.” <http://rightofpublicity.com/marilyn-monroe-estate-considering-litigation-against-digicon-media-in-response-to-virtual-marilyn>.

Without the right of publicity, what is to stop a new movie from being created in which Elvis or Steve McQueen is made to perform, or an adult-entertainment producer from creating new “expressive works” of Marilyn Monroe or Princess Diana? In addition to demonstrating the imperative for right of publicity protection, this technology demonstrates the dangers of sweeping statutory exemptions for entire mediums and categories of works.

Video Game Companies Want To

Have Their Cake and Eat It Too | Speaking of “sweeping statutory exemptions for entire mediums and categories of works,” it turns out that is exactly what the video game industry has been seeking. Most of the aforementioned states’ draft legislation, including latter version of North Carolina’s, reflected successful lobbying for inclusion of a video game exemption. Such an exemption would equate to a massive, inequitable, and unprecedented gift to the video game publishers and manufacturers at the expense of individual personalities and whose inclusion in the game programming obviously has value to the video game producers.

Those who would be hurt most by this exemption are likely to be in the sports realm, based on the type of games in the market featuring real athletes and the usual ways that video game manufacturers use personalities in a game environment. This is not just theoretical, as recent litigation demonstrates disturbing efforts to circumvent the right of publicity while still incorporating the valuable identifiable features of notable personalities.

In 2008, litigation by a class action of over 2,000 retired NFL players led by Herb Adderley, revealed through discovery that the NFL Players Association had instructed Electronic Arts (“EA”) to “scramble” the identities of the retired players just enough to avoid the legal obligation to pay for inclusion of the retired players in *Madden NFL*. Active players were compensated for the video game, which is estimated to have yielded as much as \$35 million for the Players Association in 2008. In right of publicity analysis, context counts and I submit that a running back from the 1985 Chicago Bears wearing number 34 is Walter Payton, whether scrambled or not.

The jury found that the Players Association had breached its fiduciary duty by failing to market the licensing rights of the retired players. The retired players were identifiable, even if scrambled, from

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the context of the use. The players won a verdict of \$28 Million. See <http://rightofpublicity.com/analysis-of-the-29-million-jury-award-to-retired-nfl-layers>. Rather than continue with an appeal, and perhaps in an effort to make amends under the direction of new Executive Director DeMaurice Smith, the NFL Players Association reached a settlement to pay the plaintiffs \$26.25 million. See <http://sports.espn.go.com/nfl/news/story?id=4231382>.

In May 2013, litigation in the Third Circuit brought by former Rutgers quarterback Ryan Hart against EA produced a ruling addressing similar concerns in **Hart v. Electronic Arts, D.C. Civil Action Number 3-09-cv-05990** (United States Court of Appeals for the Third Circuit), No. 11-3750. My company, Luminary Group, joined with the Screen Actors Guild (SAG) in filing an amicus brief on Hart's behalf. In EA's NCAA football game, an avatar matching Hart's team, position, physical appearance, performances in games, and personal information—everything but his name—was programmed as the Rutgers quarterback when Hart was on the team.

The May 22, 2013 Hart ruling stated that the First Amendment does not trump the right of publicity even in creations that can be considered “expressive works.” The analysis in that case turned on application of the transformative use test, which examines whether a new work is transformative of an underlying right of publicity or just incorporates it faithfully to capitalize on the recognizability and value of that person. Despite the creativity manifest in creating almost any video game, the NCAA football game was correctly deemed not transformative. This only makes sense: the goal is to reproduce the individual as accurately as technology allows. Transformation would be the very last thing desired.

Until Next Time... | To those concerned about the First Amendment, I am happy to report that the First Amendment is alive in well in every state with a right of publicity statute. There has not been “a wave of litigation” or “a suppression of First Amendment liberties” to the extent so often predicted by right of publicity opponents. Those

loaded phrases sure are scary, though, and therefore provide effective lobbying sound bites.

Virtually every area of the law is subject to potential abuse, but the law and those who work in the profession navigate these perils and serve to keep things on track. Let us not forget, the judiciary is very good about safeguarding the First Amendment and in making case-specific determinations when First Amendment concerns might legitimately trump the right of publicity. Similarly, if a bad lawsuit is filed, there are procedural and substantive protections in place for dealing with it.

Ultimately, only undiluted recognition of the right of publicity should receive the support of the families, heirs, and businesses affected in North Carolina. With all the historical and cultural figures, pioneers, leaders, artists, athletes, musicians and entertainers past and present who call North Carolina home, it is only fitting for North Carolina to have a right of publicity statute that is competitive with other states, rather than allow its law to be shaped by those who seek to commercialize rights of publicity interests without encumbrance or respect for the rights of the person from whom they seek to profit.

When the topic arises again in North Carolina's legislature, it is imperative that the bill provide meaningful right of publicity recognition consistent with that provided in an increasing number of states, without being strip-mined of the essence of the right. •

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