



1982

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Recommended Citation

Wolf, Cyd B. (1982) "The Right of Publicity Goes on Tour," *University of Baltimore Law Forum*: Vol. 12: No. 3, Article 4.
Available at: <http://scholarworks.law.ubalt.edu/lf/vol12/iss3/4>

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The Right of Publicity Goes on Tour

by Cyd B. Wolf

The 1981 Rolling Stones U.S. tour is reported to have been the most profitable in rock and roll history, producing an estimated \$80 million in gross income — nearly half of that from the sale of souvenir merchandise. To protect that income, the band's attorneys launched a nationwide blitz obtaining ex parte court orders providing for the seizure of unlicensed T-shirts, buttons, pins, bumper stickers and other unauthorized merchandise bearing the Rolling Stone name and the distinctive tongue and lips logo. While the tremendous legal effort on behalf of the Rolling Stones may be unprecedented in rock band history, rock and roll may have earned a distinction in legal history for its role in the development of the emerging common law "right of publicity."

Life, Liberty & the Pursuit of Publicity

The Supreme Court in *Zacchini v. Scripps-Howard Broadcasting Co.*, 433 U.S. 562 (1977), described the right of publicity as the right of the individual to control and profit from the commercial exploitation of his name and likeness. The right has been characterized as a valuable property right, "...representing the fruits of an individual's investment in the commercial development of the use of his personality." *Factors Etc., Inc. v. Pro Arts, Inc.*, 652 F.2d 278, 287 (2nd Cir. 1981) (Mansfield, J., dissenting). As a corollary, it has been held that where the right of publicity has been commercially exploited during the individual's life, resulting in explicit contract rights, it should descend at the death of the entertainer like any other intangible property right. The right is closely analogous to the patent and copyright laws, providing an economic incentive for the performer to make the investment required to produce a performance of interest to the public.

The right of publicity is limited only by the First Amendment which does not extend protection to commercial exploitation. Consequently, any unauthorized appropriation of the publicity value in another's name or likeness is actionable.

The extensive litigation brought on behalf of the estate and various licensees and sub-licensees of the legendary musical great, Elvis Presley, has done much to clarify the law attending unauthorized use of publicity rights. In *Factors Etc., Inc. v. Pro Arts, Inc.*, 579 F.2d 215 (2nd Cir. 1978), cert. denied, 441 U.S. 908 (1979), plaintiffs-licensees obtained a preliminary injunction against the defendant to restrain the sale of a poster entitled, "In Memory," bearing a photograph of Elvis Presley and the dates, "1935-1977." In a companion case raising similar legal issues, *Factors Etc. v. Creative Card Company*, the court concluded that "...a recognized property right, the 'right of publicity,' inhered in and was exercised by Elvis Presley in his lifetime, that it was assignable by him, and was so assigned, that it survived his death and was capable of further assignment." 444 F. Supp. 279, 282 (S.D.N.Y. 1977). Accordingly, the defendants were enjoined from manufacturing, selling or distributing copies of the poster and other souvenir merchandise bearing Presley's name or likeness. The Second Circuit, affirming the injunction, stated:

There can be no doubt that Elvis Presley assigned to Boxcar [the corporation established by Presley to license his publicity rights] a valid property right, the exclusive authority to print, publish and distribute his name and likeness. . . . The identification of this exclusive right belonging to Boxcar as a transferable property right compels the conclusion that the right survives Presley's death. *Factors Etc., Inc. v. Pro Arts, Inc.*, 579 F.2d at 220-221.

Recently, in an action against the producer of *The Big El Show*, a production featuring an Elvis Presley impersonator, the estate of Elvis Presley obtained extensive preliminary relief restraining the defendant from using the name or design of any service marks, or the image, likeness or persona of Elvis Presley in any promotional materials, in advertising or in connection with the offering or rendering of any musical services. The district court sitting in New Jersey found that New Jersey supports a common law right of publicity consistent with the approach of the majority of the courts which have found the right to be a property right. Based on evidence of licensing agreements for the sale of merchandise, the court concluded that Elvis Presley exercised his right of publicity, commercially exploiting his name and likeness during life and, "...thus, having attained a concrete form [explicit contract rights].... [the right of publicity] should descend at the death of the individual 'like any other intangible property right.'" *Estate of Elvis Presley v. Russen*, 513 F.Supp. 1339, 1355 (D.N.J. 1981).

In *Lugosi v. Universal Pictures*, 25 Cal.3d 813, 824, 603 P.2d 425, 431, 160 Cal.Rptr. 322, 329 (1977), the court held that Lugosi's publicity rights, not exploited during his life, did not survive his death. *Lugosi* is factually distinguishable from the *Presley* cases, in which there was proof of prior exploitation by the decedent. In *Lugosi*, suit was brought by the widow and surviving son of Bela Lugosi, who played the title role in the 1930 film *Dracula*, seeking to recover profits made by defendant movie company through its licensing arrangements of the Count Dracula character. At issue was a grant of rights provision in a contract between the actor and the producer of the motion picture *Dracula*, in which defendants were granted the right to use and give publicity to Lugosi's name and likeness in connection with the advertising and exploitation of said photoplay. The heirs claimed rights in the remainder of the commercial licensing not granted to Universal. The appellate court rejected claims by Lugosi's heirs that the un-

realized potential ability of Lugosi to profit from his attributes during his lifetime was a descendible property right: "If rights to the exploitation of artistic or intellectual property never exercised during the lifetime of their creators were to survive their death, neither society's interest in the free dissemination of ideas nor the artist's rights to the fruits of his own labor would be served." *Id.*

The position taken by the California Supreme Court is in complete accord with the majority of courts which require proof of some form of exploitation for survival of the right of publicity. The district court in *Hicks v. Casablanca Records*, holding that Agatha Christie's right of publicity survived her death, outlined the appropriate criteria: "...a party claiming the right must establish that the decedent acted in such a way as to evidence his or her own recognition of the extrinsic commercial value of his or her name or likeness, and manifested that recognition in some overt manner." 464 F.Supp. 426, 429 (S.D.N.Y. 1978). The courts have expansively applied this rationale and, in fact, the *Hicks* and *Lugosi* courts both intimated that an inter vivos transfer of rights in one's name and likeness is exploitation sufficient to support a finding that the right descends at death. As Judge Mosk noted in the *Lugosi* case, an inheritable property right can be either created or eliminated by contract. 25 Cal.3d at 827, 603 P.2d at 430, 160 Cal. Rptr. at 330. In *Lugosi*, the grant of rights provision in an employment contract with Uni-

versal was construed as granting all residuals flowing from the commercial exploitation of the Dracula character to the employer. Had Lugosi desired to withhold any effects of the employment from exploitation, he could have provided in the contract for the payment of royalties, thereby giving his heirs a protectable property right.

The contractual validity of publicity rights is clear in the context of the Presley controversy. As part of the agreement between Elvis Presley and Boxcar, the performer retained for himself a separate property right, the right to a percentage of the royalty income realized by Boxcar from commercial exploitation of the design of any service marks, or the image, likeness or persona of Elvis Presley. There is no legal rationale for terminating Boxcar's exclusive property right upon the death of Presley, who was merely the beneficiary of an income interest in Boxcar's exclusive right. Rather, the income interest continually produced from Boxcar's exclusive rights of commercial exploitation should inure to Presley's estate at death like any other intangible property right. This result, allowing an individual to provide for his heirs, is consonant with the public policy of providing incentives for capital investment and individual enterprise. Recognition of a post-mortem right of publicity protects the interests of all parties who would invest time and money in the commercial development of the publicity right into valuable capital assets.

The Right of Publicity and the Rights of the Public

The primary social policy that determines the legal protection afforded to unauthorized commercial portrayals is based on the First Amendment guarantee of free speech and press. Where the unauthorized portrayal has no appreciable value as either public information or creative expression, but functions primarily as an unauthorized commercial exploitation of another's name and likeness, the particular portrayal is not entitled to First Amendment protection. In *Zacchini*, the Supreme Court refused to extend First Amendment protection to a news report which broadcast plaintiff's 15-second "human cannonball" act in its entirety. The Court characterized the facts in *Zacchini* as presenting, "...what may be the strongest case for a 'right of publicity' — involving not the appropriation of an entertainer's reputation to enhance the attractiveness of a commercial product, but the appropriation of the very activity by which the entertainer acquired his reputation in the first place." *Id.*

In *Factors Etc. v. Creative Card Co.*, the court held that souvenir merchandise is not newsworthy in the First Amendment sense, and accordingly, rejected a claim of First Amendment privilege for commercially sold "memorial posters" of Elvis Presley. Employing the *Zacchini* rationale, the court described Presley's act as, "...including the totality of his persona — performance, image, and name." *Id.* Consequently, the court found a strong case for a violation of Presley's right of publicity, which he had exclusively assigned to the plaintiff. The court concluded that, "...there [was] a rush to capitalize on the Presley image in [the] post-mortem period, and... [the assignee's] exclusive property rights in the manufacturing and marketing of Presley souvenir merchandise... [had to] be protected [during that] time." *Id.*

In yet another suit involving the exploitation of Presley's attributes, *Memphis Development Foundation v. Factors Etc.*, 616 F.2d 956 (6th Cir.) cert. denied,



101 S.Ct. 358 (1980), the court reached a contrary decision. Public contributions were solicited to pay for a bronze statue of Elvis Presley to be erected in downtown Memphis. Donors of \$25 or more received small pewter replicas of the statue. The Sixth Circuit, purportedly construing Tennessee law, refused to enjoin distribution of the statuettes holding that Elvis Presley's exclusive right to publicity did not survive his death and that, after death, the opportunity for gain shifts to the public.

There are two theories under which the result reached in the *Memphis* case can properly be characterized as a First Amendment exception to a right of publicity claim: The monument was a work of art and the pewter replicas were tokens of gratitude to those who made public contributions. Alternatively, the statue was a public monument and the contributions amounted to public financing of the project. Under either theory, the *Memphis* situation is concededly entitled to First Amendment protection and falls outside the scope of the right of publicity claim.

The Sixth Circuit's decision, however, went beyond First Amendment analysis: the court categorically rejected the notion of survivable property rights in a celebrity's name and likeness. The court reasoned that the personal nature of the right rendered it non-devisable and disagreed with other courts which have maintained that recognition of survivable publicity rights significantly inspires creative efforts. According to the court, allowing an individual's name and likeness to enter the public domain at the end of his life, strikes an appropriate balance between the competing and countervailing interests of the individual, who through his effort and talent has created a unique persona, and the public's interest in the free dissemination of ideas: political, literary or artistic, even by commercial sources.

The Sixth Circuit identified the potential difficulties created by recognition of a descendible right of publicity: the personal nature of the right, its possible conflict with the First

Amendment and the problems in limiting its scope and durational viability. However, there is an alarming lack of appreciation in the *Memphis* decision for the legal and economic havoc resulting from non-recognition of this valuable intangible property right. Furthermore, in a recent Tennessee case, the Sixth Circuit's decision in *Memphis* was found to be a misapplication of Tennessee law in which there is ample legal precedent for recognizing a survivable right of publicity.

In response to the Sixth Circuit's concerns regarding the scope of the right and its possible conflict with the First Amendment, it is submitted that a fundamental limitation inheres in the judicially recognized right of publicity. The right exists only by virtue of the individual's commercial development of his persona and is limited to commercial products. Where an unauthorized portrayal is neither creative expression nor public information but functions primarily as an unauthorized commercial exploitation of another's name and likeness, the First Amendment has no application.

Proof of prior exploitation by the individual during his lifetime, expressed in explicit contract rights, enables the court objectively to determine identifiable economic harm. The publicity contract represents a formal realization of an individual's potential ability to capitalize on the publicity value of his name and likeness. Through the medium of contract, an otherwise unexploited opportunity can be transferred into valuable intangible property rights. The identification of this right as a valid transferable property right ensures that the right descends like any other intangible property right.

The court in *Memphis* was most troubled by the possibility of devisable publicity rights existing in perpetuity. It has been suggested that a durational limit should be imposed on the viability of a post-mortem right of publicity — perhaps patterned after the term of copyright protection. Clearly, a right of publicity which terminates with the death of the originator is of an indefinite term and

would unduly burden the saleability of the right. This writer proposes that where the right has been commercially developed and transferred, resulting in explicit contract rights, the right to commercial use of name and likeness should continue for as long as it has value to its owner and is continually exploited. A requirement of continued exploitation would mitigate the concern that availability of a celebrity's persona may be withheld from the public. As a practical matter, publicity rights generally tend to lose their useful commercial value after a reasonable period of time. The copyright laws have already recognized the feasibility of granting individuals the economic advantage of a limited monopoly to encourage free enterprise and creativity by allowing the individual to profit from his own efforts. Intangible property rights in the exclusive use of tradenames and names of establishments have also been held to be survivable. It is submitted that recognition of a survivable right of publicity in certain defined circumstances is consistent with the social policies which encourage free enterprise, honest competitive practices and creativity.

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