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The Price of Celebrity: Valuing the Right of Publicity in Calculating Compensatory Damages

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I. INTRODUCTION

That our culture is fascinated with celebrities is axiomatic. Equally evident is that our society is a culture of commerce; we are obsessed with material possessions. Research also indicates that individuals re-

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tain more information contained in a commercial advertisement when a readily identifiable person conveys the message.¹ Given these three facts, it seems perfectly rational from a business perspective for advertisers to pay celebrities millions of dollars to help sell their clients' products and services.

In this era of celebrity endorsements and merchandising, the most lucrative asset a star owns is oftentimes not his skill or talent, but his professional image or identity. Celebrities, particularly famous athletes, earn substantial sums of money selling their name, image, voice, or likeness.² For athletes such as Michael Jordan, Tiger Woods, Andre Agassi, and LeBron James, the money they receive from their endorsement contracts approaches or even surpasses their earnings from their sport.³

Because fame, particularly when it is well managed, has an inherent economic value, celebrities and their representatives seek ways to enhance, maximize, and protect this value.⁴ One of the primary ways that celebrities seek to protect the value of their persona is through the relatively recent development of the right of publicity. Broadly defined, the right of publicity is the "inherent right of every human being to control the commercial use of his or her identity."⁵

¹ See Michael E. Jones, *Celebrity Endorsements: A Case for Alarm and Concern for the Future*, 15 NEW ENG. L. REV. 521, 525 (1980).

² See Laura Lee Stapleton & Matt McMurphy, *The Professional Athlete's Right of Publicity*, 10 MARQ. SPORTS L. J. 23, 23 (1999).

³ *Id.* at 23. For example, as of 2001, Tiger Woods earned more than 150 million dollars in off-course endorsement deals. James Raia, *Show Him the Money*, in *TIGER WOODS: THE GRANDEST SLAM 84* (Triumph Books, 2001). Even more striking, eighteen year-old basketball sensation, LeBron James, has already secured over 100 million dollars in endorsement deals, including a 90 million dollar contract with Nike, despite not yet playing in a single professional game. Tracie Rozhon, *Coke Signs Deal with N.B.A. Rookie*, N.Y. TIMES, Aug. 22, 2003, at C3. The value of these endorsement deals contrasts sharply with his three-year playing contract, which is worth 13 million dollars. *Id.*

⁴ See IRVING J. REIN ET AL., *HIGH VISIBILITY* 30 (1997) ("[T]he celebrity industry consists of specialists who take unknown and well-known people, design and manufacture their images, supervise their distribution, and manage their rise to high visibility."). Moreover, as Michael Madow explains:

Especially in the entertainment world, the production of fame and image has become more organized, centralized, methodical, even "scientific." The work of "fashioning the star out of the raw material of the person" is done not only by the star herself, but by an army of specialists—consultants, mentors, coaches, advisors, agents, photographers, and publicists. Much time and effort may be devoted to establishing and maintaining a distinct public image that the celebrity, or her handlers in the "celebrity industry," has chosen for its market appeal.

Michael Madow, *Private Ownership of Public Image: Popular Culture and Publicity Rights*, 81 CAL. L. REV. 127, 191 (1993) (footnotes omitted).

⁵ J. THOMAS MCCARTHY, *THE RIGHT OF PUBLICITY AND PRIVACY* § 1:3, at 1-2.1 (2d ed. 2002). The apparent simplicity of this definition belies the reality that this area of the law is

Generally, a person's right of publicity is violated when an individual or entity "appropriates the commercial value of . . . [the] person's identity by using without consent the person's name, likeness, or other indicia of identity for purposes of trade" ⁶ Countless celebrities have brought right of publicity suits with varying degrees of success, including such stars as: Michael Jordan,⁷ Johnny Carson,⁸ Bette Midler,⁹ John Lennon,¹⁰ Muhammad Ali,¹¹ Tiger Woods,¹² Jesse Ventura,¹³ and Vanna White.¹⁴

Although the most effective remedy for a breach of a person's right of publicity is frequently injunctive relief, damages are sometimes also appropriate.¹⁵ The ways in which courts and juries have calculated such damages, however, do not accurately reflect how celebrities generate and manage their right of publicity. This Comment will demonstrate that courts and juries have not employed rigorous, comprehensive analyses when calculating compensatory damages in cases involving a misappropriation of a celebrity's right of publicity. Toward this end, this Comment investigates the many factors that courts and juries should consider when calculating compensatory damages and offers a conceptual framework by which to help value celebrity publicity rights. The proposed model is designed to bring consistency to the calculation of compensatory damages in right of publicity cases, which is sorely needed in this area of the law.

Part II of this Comment outlines the development and evolution of the right of publicity, because an understanding of its emergence from

terribly convoluted. Much of the confusion over the right of publicity stems from its origins in the right of privacy and from the disparate treatment it is accorded in different jurisdictions. See *infra* Part II for a full discussion of the current state of the right of publicity.

⁶ RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 46 (1995). The majority view is that noncelebrities also have a right of publicity. *McCARTHY*, *supra* note 5, § 4:16, at 4-19. The formula offered in Part IV to calculate compensatory damages can be applied to celebrity and noncelebrity plaintiffs. Since most right of publicity actions involve celebrity plaintiffs, however, the focus of this Comment is primarily upon celebrities.

⁷ *MJ Partners Rest. Ltd. P'ship v. Zadikoff*, 10 F. Supp. 2d 922 (N.D. Ill. 1998).

⁸ *Carson v. Here's Johnny Portable Toilets, Inc.*, 698 F.2d 831 (6th Cir. 1983), *aff'd*, 810 F.2d 104 (6th Cir. 1987).

⁹ *Midler v. Young & Rubicam, Inc.*, Nos. 90-55027, 90-55028, 1991 U.S. App. LEXIS 22641 (9th Cir. Sept. 20, 1991) (mem.), *cert. denied*, 503 U.S. 951 (1992).

¹⁰ *Big Seven Music Corp. v. Lennon*, 554 F.2d 504 (2d Cir. 1977).

¹¹ *Ali v. Playgirl, Inc.*, 447 F. Supp. 723 (S.D.N.Y. 1978).

¹² *ETW Corp. v. Jireh Publ'g*, 99 F. Supp. 2d 829 (N.D. Ohio 2000), *aff'd*, 332 F.3d 915 (6th Cir. 2003).

¹³ *Ventura v. Titan Sports, Inc.*, 65 F.3d 725 (8th Cir. 1995).

¹⁴ *White v. Samsung Elecs. of Am., Inc.*, 971 F.2d 1395 (9th Cir. 1992).

¹⁵ See, e.g., *Carson v. Here's Johnny Portable Toilets, Inc.*, 810 F.2d 104 (6th Cir. 1987) (affirming the Sixth Circuit's 1983 injunction against portable toilet manufacturer from using the phrase "Here's Johnny" and award of \$31,661.96 in damages).

privacy law is necessary to appreciate the nuances of this distinct legal right and to avoid conflating it with the right of privacy. Part III describes the current status of the right of publicity, devoting attention to the varied treatments it is given by the states that recognize it and the justifications espoused for such recognition. Part IV enumerates the traditional methods by which courts and state legislatures value the right of publicity, and delineates the challenges of accurate valuations and the deficiencies of the current models. Part V offers a proposed valuation model that incorporates not only the rights of the celebrity seeking to protect his publicity, but also the First Amendment freedoms of the defendant who seeks to use lawfully the plaintiff's persona. Part VI also presents some practical applications for the proposed model, including language for pattern jury instructions. Part VII concludes that, although the proposed model appears complex, it comprehensively addresses not only the broad range of actual damages from which a celebrity might suffer, but also the relatively minimal First Amendment protections to which commercial speakers are constitutionally entitled.

II. FROM PRIVACY TO PUBLICITY: AN HISTORICAL PERSPECTIVE OF THE EVOLUTION OF THE RIGHT OF PUBLICITY

In one of the most influential law review articles ever written, Louis Brandeis and Samuel Warren synthesized and expanded upon the diverse legal, social, and political scholarship relating to privacy and developed the first cogent argument for a distinct legal right to privacy.¹⁶ Averring that individuals are entitled to what Judge Thomas Cooley referred to as "the right . . . to be let alone,"¹⁷ Warren and Brandeis grounded their theory in principles of human dignity.¹⁸ The authors voiced their observation and concern that "[i]nstantaneous photographs and newspaper enterprise have invaded the sacred precincts of private and domestic life; and numerous mechanical devices threaten to make good the prediction that 'what is whispered in the closet shall be proclaimed from the house-tops.'"¹⁹ Accordingly, they

¹⁶ Samuel D. Warren and Louis D. Brandeis, *The Right to Privacy*, 4 HARV. L. REV. 193 (1890).

¹⁷ THOMAS M. COOLEY, *THE LAW OF TORTS* 29 (2d ed. 1888).

¹⁸ Warren & Brandeis, *supra* note 16, at 205.

¹⁹ *Id.* at 195. Warren and Brandeis were particularly appalled with the practices of Boston newspapers and the attendant negative effects on society:

The press is overstepping in every direction the obvious bounds of propriety and of decency. Gossip is no longer the resource of the idle and of the vicious, but has become a trade, which is pursued with industry as well as effrontery. To satisfy a prurient taste the details of sexual relations are spread broadcast in the columns of the daily papers. To

believed that a legal right of privacy was not only desirable, but also absolutely necessary to protect individuals from the “blighting influence” of gossip and the dangers of media publication.²⁰

In *Roberson v. Rochester Folding Box Co.*,²¹ the first court to consider the right of privacy summarily rejected Warren and Brandeis’ propositions. In *Roberson*, the defendant box and flour companies reproduced a lithographic print and photograph of a pretty young girl and circulated approximately 25,000 advertising posters with her image throughout the town.²² The plaintiff, who had not consented to the use of her likeness on these advertisements, claimed that she suffered humiliation and great distress.²³ In her complaint, the plaintiff requested an injunction to stop immediately the printing and circulation of the posters and sought \$15,000 in damages.²⁴ The court rejected her common law privacy action, claiming recognition of such a right would result in “not only . . . a vast amount of litigation, but in litigation bordering upon the absurd”²⁵ The court did discuss the “clever”²⁶ Brandeis and Warren article at length, but dismissed the complaint nevertheless because the precedents relied upon were too remote.²⁷

occupy the indolent, column upon column is filled with idle gossip, which can only be procured by intrusion upon the domestic circle. The intensity and complexity of life, attendant upon advancing civilization, have rendered necessary some retreat from the world, and man, under the refining influence of culture, has become more sensitive to publicity, so that solitude and privacy have become more essential to the individual; but modern enterprise and invention have, through invasions upon his privacy, subjected him to mental pain and distress, far greater than could be inflicted by mere bodily injury When personal gossip attains the dignity of print, and crowds the space available for matters of real interest to the community, what wonder that the ignorant and thoughtless mistake its relative importance. Easy of comprehension, appealing to that weak side of human nature which is never wholly cast down by the misfortunes and frailties of our neighbors, no one can be surprised that it usurps the place of interest in brains capable of other things. Triviality destroys at once robustness of thought and delicacy of feeling. No enthusiasm can flourish, no generous impulse can survive under its blighting influence.

Id. at 196.

²⁰ *Id.*

²¹ 64 N.E. 442 (N.Y. 1902).

²² *Id.* at 442.

²³ *Id.*

²⁴ *Id.*

²⁵ *Id.* at 443.

²⁶ *Id.* at 444.

²⁷ *Id.* at 447.

An examination of the authorities leads us to the conclusion that the so-called “right of privacy” has not as yet found an abiding place in our jurisprudence, and, as we view it, the doctrine cannot now be incorporated without doing violence to settled principles of law by which the profession and the public have long been guided.

Id.

Reaction to the controversial *Roberson* decision was swift and decisive. At its next session in 1903, the New York legislature created a statutory right of privacy that established both criminal and civil liability for violations.²⁸ The applicable provision mandated that

a person, firm or corporation that uses for advertising purposes, or the purposes of trade, the name, portrait or picture of any living person without having first obtained the written consent of such person, or if a minor of his or her parent or guardian, is guilty of a misdemeanor.²⁹

In addition to this criminal penalty, the statute also provided for an injunction and compensatory and punitive damages.³⁰

Two years later, in *Pavesich v. New England Life Ins. Co.*,³¹ the Georgia Supreme Court unanimously held that the unauthorized use of an artist's photograph in an advertisement for life insurance violated a new common law right to privacy.³² The court maintained that although there was no precedent justifying such a right, the common law should look to the laws of nature and the public good.³³ Declaring that a "right of privacy in matters purely private is therefore derived from natural law," the court adopted the reasoning advanced by Warren and Brandeis and held that such an appropriation is a tort, a violation of the personal right not to have one's feelings wounded.³⁴

During the opening decades of the Twentieth Century, a confluence of new technologies such as radio and motion pictures converged with popular magazines and newspapers to establish a link between celebrity and consumption.³⁵ Hollywood and Madison Avenue united to exploit the immense marketing power of movies and movie stars, inspiring ordinary Americans to emulate their screen idols while cultivating consumer demand.³⁶ Two advertising strategies were particularly

²⁸ 1903 N.Y. Laws 308 ch. 132, §§ 1-2 (codified as amended at N.Y. CIV. RIGHTS LAW §§ 50, 51 (McKinney 1990)).

²⁹ *Id.* §1.

³⁰ *Id.* §2.

³¹ 50 S.E. 68 (Ga. 1905).

³² *Id.* at 81.

³³ *Id.* at 69.

³⁴ *Id.* at 70. The court believed its decision to be self-evident:

So thoroughly satisfied are we that the law recognizes within proper limits, as a legal right, the right of privacy, and that the publication of one's picture without his consent by another as an advertisement, for the mere purpose of increasing the profits and gains of the advertiser, is an invasion of this right, that we venture to predict that the day will come when the American bar will marvel that a contrary view was ever entertained by judges of eminence and ability

Id. at 80-81.

³⁵ See Madow, *supra* note 4, at 160-63.

³⁶ *Id.* at 164.

noteworthy during this era: the “product placement” and the celebrity “tie-in.”³⁷ Advertising agencies were soon utilizing the names and faces of professional athletes and movie stars to sell all sorts of consumer goods, ranging from soap to cigarettes.³⁸ As Michael Madow writes:

By the 1930s, then, new “joint consumption” communications technologies (motion pictures, radio) had transformed not only the mechanisms by which fame was generated, but its commercial significance as well. The most obvious change was that celebrity itself had become a source of immense economic value. The “publicity values” of movie and sports stars could now be exploited profitably in a wide range of collateral endeavors.³⁹

Not unexpectedly, various entities began to “commodify” celebrities.⁴⁰ For example, movie studios regularly licensed images of actors and actresses to advertisers and merchandisers,⁴¹ while a host of licensing companies were formed for the sole purpose of marketing famous talent.⁴²

The law was not in step with these commercial practices, however, and the right of privacy was an ill-suited framework within which celebrities could protect and manage their image.⁴³ As noted, a plaintiff would file a privacy claim to compensate for the personal injuries to his dignity and the mental distress from which he suffered when another used his identity without permission to sell a product or service.⁴⁴ Unlike the relatively unknown plaintiffs in *Roberson* and *Pavesich*, who simply wanted to be left alone, celebrities consciously put themselves in the public’s eye and had already achieved a certain degree of recogni-

³⁷ *Id.* Product placement involves manufacturers and merchandisers providing money, props, or free advertising to the film studio in exchange for the studio placing the manufacturers’ consumer goods in the movie. *Id.* Madow uses the term celebrity “tie-in” synonymously with “product testimonial” to refer to advertisers’ employing celebrity names and faces in commercials and product testimonials. *Id.*

³⁸ *Id.* at 165.

³⁹ *Id.* at 166.

⁴⁰ *Id.* Madow avers that “certain key economic actors had already begun to behave *as if* celebrity images were garden variety ‘commodities.’” *Id.*

⁴¹ *Id.* For example, in 1931, actress Dorothy Mackail appeared in a Lucky Strike cigarette commercial. *Id.* at 166 n.194. While the ad stated that Mackail was not paid for the endorsement, it urged people to see her next film. *Id.* Madow asserts that the studio, in exchange for free publicity for its next film, had traded Mackail’s “associative value” to Lucky Strike. *Id.*

⁴² *Id.* at 166.

⁴³ See MCCARTHY, *supra* note 5, § 1:7, at 1-7 (“Locked into the rubric of a ‘right to be left alone and private,’ the law seemed unable to accommodate the claims of those whose identity was already public.”); Madow, *supra* note 4, at 167 (“The right of publicity was created not so much from the right of privacy as from frustration with it.”).

⁴⁴ See MCCARTHY, *supra* note 5, § 1:25, at 1-36.

tion. Courts interpreted the right of privacy narrowly and rejected any contention that a celebrity suffered from indignity or mental distress as a result of an unauthorized use of his identity.⁴⁵ Thus, courts effectively precluded celebrities from claiming that a misappropriation of their identity invaded their "right to be left alone."⁴⁶

*O'Brien v. Pabst Sales Co.*⁴⁷ demonstrates exactly how narrowly the courts construed the right of privacy for celebrities. David O'Brien, a professional football player, alleged that Pabst violated his right of privacy when it used his photograph without his permission in its calendar advertising Pabst beer.⁴⁸ Pabst had obtained the photographs from the director of publicity at Texas Christian University, where O'Brien had played college football and gained national notoriety as an All-American.⁴⁹ O'Brien was incensed that Pabst was associating him with endorsing its beer because he was very active in an organization devoted to reducing alcohol consumption among young people.⁵⁰ Furthermore, he had already turned down other lucrative opportunities to endorse alcoholic beverages.⁵¹ O'Brien testified that the endorsement greatly embarrassed and humiliated him, as the public would now associate his name and face with Pabst beer.⁵²

Despite O'Brien's contentions, the Fifth Circuit affirmed the directed verdict for Pabst.⁵³ The court reasoned that because there was no express endorsement by O'Brien and that the making and selling of beer is a respectable endeavor, "any association of O'Brien's picture with a glass of beer could not possibly disgrace or reflect upon or cause him damage."⁵⁴ More importantly, in rationalizing its decision, the court explained that because O'Brien was not a "private person," the increased exposure could not harm him since "the publicity he got was only that which he had been constantly seeking and receiving."⁵⁵ The court seemed to state implicitly that because he was already in the public spotlight, O'Brien, like all celebrities, had effectively waived his right of privacy.

⁴⁵ *Id.*

⁴⁶ *Id.*

⁴⁷ *O'Brien v. Pabst Sales Co.*, 124 F.2d 167 (5th Cir. 1941).

⁴⁸ *Id.* at 168.

⁴⁹ *Id.* at 168-69.

⁵⁰ *Id.*

⁵¹ *Id.* at 169.

⁵² *Id.*

⁵³ *Id.* at 169-170.

⁵⁴ *Id.*

⁵⁵ *Id.* at 170.

In a prelude to the property-based right of publicity, the dissent in *O'Brien* distinguished the right of privacy from the right all individuals have to exploit their identities:

The right of privacy is distinct from the right to use one's name or picture for purposes of commercial advertisement. The latter is a property right that belongs to every one; it may have much or little, or only a nominal, value; but it is a personal right, which may not be violated with impunity.⁵⁶

The dissent averred that although there was no statute or decision that enabled *O'Brien* to win on the merits, Texas common law should entitle him to recover the "reasonable value of the use in trade and commerce of his picture for advertisement purposes, to the extent that such use was appropriated by appellee."⁵⁷

While the dissent in *O'Brien* suggested that individuals have a "property right" in their name and picture in addition to the "personal right" of privacy, it was not until *Haelan Labs., Inc. v. Topps Chewing Gum, Inc.*,⁵⁸ decided twelve years later, that a court expressly recognized a separate, cognizable right in the value of one's publicity.⁵⁹ In *Haelan*, the parties were rival chewing gum manufacturers.⁶⁰ The plaintiff, Haelan Laboratories, had a contract with a baseball player for a license to use exclusively the player's photograph in connection with the sale of its gum.⁶¹ The defendant, allegedly with knowledge of this contract, induced the player to allow the defendant to use his photo-

⁵⁶ *Id.* at 170 (Holmes J., dissenting).

⁵⁷ *Id.* Unlike the majority, which devoted its analysis to *O'Brien's* dignitary rights, the dissent broke new ground and examined how such a misappropriation would affect *O'Brien* commercially:

The decision of the majority leaves . . . [*O'Brien*] without remedy for any non-libellous use made of his picture by advertisers of beer, wine, whiskey, patent medicines, or other non-contraband goods, wares, and merchandise. It also places every other famous stage, screen, and athletic star in the same situation. If one is popular and permits publicity to be given to one's talent and accomplishment in any art or sport, commercial advertisers may seize upon such popularity to increase their sales of any lawful article without compensation of any kind for such commercial use of one's name and fame. This is contrary to usage and custom among advertisers in the marts of trade. They are undoubtedly in the habit of buying the right to use one's name or picture to create demand and good will for their merchandise. It is the peculiar excellence of the common law that, by general usage, it is shaped and moulded into new and useful forms.

Id. at 171.

The dissent's focus on the value of *O'Brien's* identity and the recognition of Pabst's unjust enrichment are two themes reflected in the majority's opinion in *Haelan Laboratories, Inc. v. Topps Chewing Gum, Inc.* See *infra* notes 58-72 and accompanying text.

⁵⁸ 202 F.2d 866 (2d Cir. 1953), *cert. denied*, 346 U.S. 816 (1953).

⁵⁹ *Id.*

⁶⁰ *Id.* at 867.

⁶¹ *Id.*

graph as well.⁶² On this claim, the court had no problem finding that, if Topps knew of the contract, then it had tortiously interfered with the contract.⁶³

A complicating factor arose, however, as Topps had procured some of the contracts through Russell Publishing Co., an independent third party, which had obtained the grants from the player and then assigned them to Topps.⁶⁴ Because Russell was an independent party and not an agent of Topps, Topps could not be held liable for inducing a breach.⁶⁵ In addition, there were cases where Topps had used the player's pictures without any permission from the player.⁶⁶ Therefore, the only way that Haelan could state a claim was to assert that it owned some type of exclusive property right in the identity of the player.⁶⁷ Topps contended that Haelan's contracts constituted nothing more than a release of liability, as the player had no legal interest in the publication of his picture other than his right to privacy.⁶⁸ The defendant argued that because the right to privacy was a personal right of the player not to have his feelings hurt, he could not assign the right to any other party.⁶⁹ Judge Frank rejected Topps' claim and issued his groundbreaking holding that

[w]e think that, in addition to and independent of that right of privacy . . . a man has a right in the publicity value of his photograph, i.e., the right to grant the exclusive privilege of publishing his picture, and that such a grant may validly be made "in gross," i.e., without an accompanying transfer of a business or of anything else This right might be called a "right of publicity." For it is common knowledge that many prominent persons (especially actors and ball-players), far from having their feelings bruised through public exposure of their likenesses, would feel sorely deprived if they no longer received money for authorizing advertisements, popularizing their countenances, displayed in newspapers, magazines, busses, trains and subways. This right of publicity would usually yield them no money unless it could be made the subject of an exclusive grant which barred any other advertiser from using their pictures.⁷⁰

Although Judge Frank asserted that it was "immaterial" whether this right of publicity were labeled a "property right,"⁷¹ it was clear that

⁶² *Id.*

⁶³ *Id.* at 867-68.

⁶⁴ *Id.* at 868.

⁶⁵ *Id.*

⁶⁶ *Id.*

⁶⁷ McCARTHY, *supra* note 5, § 1:26, at 1-43.

⁶⁸ *Haelan Labs.*, 202 F.2d at 868.

⁶⁹ *Id.*

⁷⁰ *Id.*

⁷¹ *Id.*

he considered such a right to be its own legally distinct category, different from the rules of trademark law and unfair competition.⁷²

Although the import of this holding for the creation and development of the right of publicity can not be overstated, an article by Professor Melville Nimmer developed the intellectual foundation upon which future case law and academic scholarship have been based.⁷³ Arguing that the laws of privacy, unfair competition, or contract did not adequately protect the commercial interests celebrities possess in their identities,⁷⁴ Nimmer urged for the widespread adoption of the property-based right of publicity enumerated in *Haelan*.⁷⁵ Although his article was derisively dubbed a “high-class form of special interest pleading for the star image industry,”⁷⁶ Nimmer did attempt to ground his argument in the moral principle that, absent public policy considerations to the contrary, individuals should enjoy the fruits of their labors.⁷⁷

Despite receiving some favorable commentary in law reviews,⁷⁸ the holding in *Haelan* and the article by Nimmer did not initially sway

⁷² See MCCARTHY, *supra* note 5, § 1:26, at 1-44.

⁷³ See Melville Nimmer, *The Right of Publicity*, 19 LAW & CONTEMP. PROBS. 203 (1954). It is interesting and important to note that Professor Nimmer was not only an influential professor and scholar in the fields of copyright, free speech, and privacy, but he was also attorney for Paramount Pictures Corp. at the time he wrote this influential article.

⁷⁴ *Id.* at 203. Nimmer asserted that “although the concept of privacy which Brandeis and Warren evolved fulfilled the demands of Beacon Street in 1890, it may be seriously doubted that the application of this concept satisfactorily meets the needs of Broadway and Hollywood in 1954.” *Id.*

⁷⁵ It is again both interesting and instructive to note that although Judge Frank never expressly labeled the right of publicity a property right in *Haelan*, Nimmer avers that the “highly respected” court “clearly held that the right of publicity, unlike the right of privacy, is a property right” *Id.* at 222.

⁷⁶ Madow, *supra* note 4, at 174.

⁷⁷ Nimmer, *supra* note 73, at 216. Nimmer proclaimed:

It is an unquestioned fact that the use of a prominent person's name, photograph or likeness (i.e., his publicity values) in advertising a product or in attracting an audience is of great pecuniary value It is also unquestionably true that in most instances a person achieves publicity values of substantial pecuniary worth only after he has expended considerable time, effort, skill, and even money. It would seem to be a first principle of Anglo-American jurisprudence, an axiom of the most fundamental nature, that every person is entitled to the fruit of his labors unless there are important countervailing public policy considerations. Yet, because of the inadequacy of traditional legal theories . . . persons who have long and laboriously nurtured the fruit of publicity values may be deprived of them, unless judicial recognition is given to what is here referred to as the right of publicity—that is, the right of each person to control and profit from the publicity values which he has created or purchased.

Id. at 215-16.

⁷⁸ See, e.g., Harold R. Gordon, *Right of Property in Name, Likeness, Personality and History*, 55 Nw. U. L. REV. 553 (1960) (approving of increased judicial recognition of property interest in personality); Joseph R. Grodin, Note, *The Right of Publicity: A Doctrinal Innova-*

the courts, as judges were both reluctant to embrace a new common law right⁷⁹ and oftentimes unsure of the prevailing legal landscape.⁸⁰ Contributing to the general confusion as to whether courts should consider the right of publicity its own cognizable right was William Prosser's fragmenting of the invasion of privacy into four distinct torts: unreasonable intrusion into private affairs, public disclosure of embarrassing facts, presentation of people in a false light, and appropriation of name or likeness for commercial benefit.⁸¹ Prosser eviscerated the distinction between the right of privacy and the right of publicity by incorporating the latter into the penumbra of the former.

In response to Prosser's article, Edward Bloustein argued that privacy should not be divided into four separate torts, but unified into a single concept that protects human dignity.⁸² Bloustein also rejected the idea that individuals should recover for their emotional distress or economic harm when their identities were misappropriated:

Every man has a right to prevent the commercial exploitation of his personality, not because of its commercial worth, but because it would be demeaning to human dignity to fail to enforce such a right [U]sing a person's name or likeness for a commercial purpose without consent is a wrongful exercise of dominion over another [T]he wrong involved is the objective diminution of personal freedom rather than the infliction of personal suffering or the misappropriation of property.⁸³

Despite the early problems associated with the right of publicity (i.e., its confusion with the right of privacy, courts' initial reluctance to adopt it as a distinct right, and academics' seeking to keep it within the

tion, 62 YALE L.J. 1123, 1130 (1953) (averring that if "courts wish to protect both [commercial and privacy] interests to at least some extent, they should do so under separate doctrines The *Haelan* case takes a long step in this direction.").

⁷⁹ See, e.g., *Strickler v. NBC*, 167 F. Supp. 68, 70 (S.D. Cal 1958) (dismissing the right of publicity claims of the plaintiff—who was represented by Melville Nimmer—maintaining that "[t]his court does not feel it wishes to blaze the trail to establish in California a cause of action based upon the right of publicity").

⁸⁰ See, e.g., *Ettore v. Philco Television Broad. Corp.*, 229 F.2d 481 (3d Cir. 1956). The plaintiff, a former boxer, contended that he had not sold his right and had not consented to a 1950 television broadcast of a film of his 1936 loss to Joe Louis. *Id.* In analyzing the plaintiff's complaint, which ostensibly did not contain a specific claim of right of publicity, the court noted that

[t]he state of the law is still that of a haystack in a hurricane but certain words and phrases stick out. We read of the right of privacy, of invasion of property rights, of breach of contract, of equitable servitude, of unfair competition; and there are even suggestions of unjust enrichment.

Id. at 485.

⁸¹ William L. Prosser, *Privacy*, 48 CAL. L. REV. 383, 389 (1960).

⁸² Edward J. Bloustein, *Privacy as an Aspect of Human Dignity: An Answer to Dean Prosser*, 39 N.Y.U. L. REV. 962, 973 (1964).

⁸³ *Id.* at 989-90.

confines of privacy law), the doctrine gradually began to win widespread judicial, legislative, and scholarly acceptance.⁸⁴ A significant turning point in this evolution emerged from the U.S. Supreme Court's only decision regarding the right of publicity, *Zacchini v. Scripps-Howard Broadcasting Co.*⁸⁵

Widely-known for its unique set of facts, *Zacchini* involved a performer's right of publicity claim against a television broadcaster that had aired his entire 15-second human cannonball act on the nightly news despite his protests.⁸⁶ In finding for the defendant, the Ohio Supreme Court held that the television station had a privilege to broadcast newsworthy material irrespective of Zacchini's right of publicity.⁸⁷ The Supreme Court reversed, holding that the broadcast of the entire act posed such a substantial threat to the economic value of Zacchini's stunt that his right of publicity must trump the broadcaster's First Amendment rights.⁸⁸ In explicating this holding, the Court clarified and legitimized the right of publicity in a profound way. Unlike some lower courts that had conflated, confused, and neglected the right of publicity, the Court acknowledged its distinction as a separate right and praised Ohio for recognizing it.⁸⁹

The Court offered two justifications for the right of publicity. First, recognizing that the right prevents unjust enrichment, the Court stated:

The rationale for (protecting the right of publicity) is the straightforward one of preventing unjust enrichment by the theft of good will. No social purpose is served by having the defendant get free some aspect of the plaintiff that would have market value and for which he would normally pay.⁹⁰

Second, enforcing the right creates economic incentives for performers to create entertaining work:

Ohio's decision to protect petitioner's right of publicity here rests on more than a desire to compensate the performer for the time and effort invested in his act; the protection provides an economic incentive for him to make the investment required to produce a performance of interest to the public. This same consideration underlies the patent and copyright laws long enforced by this Court.⁹¹

⁸⁴ See *infra* Part II for a full discussion of the current state of the right of publicity.

⁸⁵ 433 U.S. 562 (1977).

⁸⁶ *Id.* at 563-64.

⁸⁷ *Id.* at 565 (citing 351 N.E.2d 454, 455 (Ohio 1976)).

⁸⁸ *Id.* at 575-76.

⁸⁹ *Id.* at 576.

⁹⁰ *Id.* (quoting Kalven, *Privacy in Tort Law: Were Warren and Brandeis Wrong?*, 31 *LAW & CONTEMP. PROBS.* 326, 331 (1966)).

⁹¹ *Zacchini*, 433 U.S. at 576.

In addition, the Court carefully distinguished the right of publicity as an “entirely different tort” from Prosser’s “false light” and from defamation.⁹² The very fact that the Supreme Court adjudicated a right of publicity claim focused attention on the right, and the Court’s favorable treatment had a decided impact on its widespread adoption.⁹³

III. A HAYSTACK ON A WINDY DAY: THE CURRENT STATE OF THE RIGHT OF PUBLICITY

While there is no federal statute governing the right of publicity, twenty-eight states currently recognize the right: eighteen by statute,⁹⁴ eighteen by common law,⁹⁵ and eight by a combination of the two.⁹⁶ Additionally, the Restatement of Unfair Competition recently has endorsed the doctrine.⁹⁷ Aside from the twenty-two states that do not acknowledge the right at all, there are wide variations between state laws that can lead to disparate and uncertain results for both plaintiffs and defendants.⁹⁸ As one commentator noted: “For an individual to

⁹² *Id.* at 571-73. The Court maintained that the interests protected in a “false light” or defamation claim are that of reputation and emotional distress, while the interests secured by the right of publicity are “proprietary.” *Id.*

⁹³ MCCARTHY, *supra* note 5, § 1:33, at 1-58.1:

The right of publicity had its day in the glare of public attention on the stage of the highest court in the land and had defeated the weighty First Amendment of the Constitution. After the *Zacchini* case, everyone took the right of publicity more seriously. Twenty-four years after the *Haelan* decision, the right of publicity had at last achieved prominence and respectability.

Id.

⁹⁴ The states with statutory sources of publicity rights are: California (CAL. CIV. CODE § 3344-3344.1 (West 2002)); Florida (FLA. STAT. ANN. § 540.08 (West 2002)); Illinois (765 ILL. COMP. STAT. 1075/1 (West 2002)); Indiana (IND. CODE ANN. § 32-36-1-1 (Michie 2002)); Kentucky (KY. REV. STAT. ANN. § 391.170 (Michie 2001)); Massachusetts (MASS. GEN. LAWS. ANN. ch. 214, § 3A (West 2002)); Nebraska (NEB. REV. STAT. § 20-201 (Michie 2002)); Nevada (NEV. REV. STAT. ANN. § 597.7700 (Michie 2002)); New York (N.Y. CIV. RIGHTS LAW §§ 50, 51 (McKinney 2002)); Ohio (OHIO REV. CODE ANN. § 2741.01 (Anderson 2000)); Oklahoma (OKLA. STAT. ANN. tit. 21, § 839.1 (West 2001)); Rhode Island (R.I. GEN. LAWS § 9-1-281 (Michie 2001)); Tennessee (TENN. CODE ANN. § 47-25-1101-1108 (2001)); Texas (TEX. PROP. CODE ANN. § 26.001-15 (Vernon 2000)); Utah (UTAH CODE ANN. § 45-3-1 (West 2002)); Virginia (VA. CODE ANN. § 8.01-40 (Michie 2002)); Washington (WASH. REV. CODE ANN. § 63.60.010 (West 2002)); and Wisconsin (WIS. STAT. ANN. § 895.50 (West 2001)).

⁹⁵ The states that recognize a common law right of publicity are: Arizona, Alabama, California, Connecticut, Florida, Georgia, Hawaii, Illinois, Kentucky, Michigan, Minnesota, Missouri, New Jersey, Ohio, Pennsylvania, Texas, Utah, and Wisconsin. See MCCARTHY, *supra* note 5, § 6:3, at 6-9 to 6-11.

⁹⁶ The states that recognize both a statutory and common law right of publicity are: California, Florida, Illinois, Kentucky, Ohio, Texas, Utah, and Wisconsin.

⁹⁷ RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 46 (1995).

⁹⁸ Melinda R. Eades, *Choice Of Law And The Right Of Publicity: Domicile As An Essential First Step*, 66 BROOK. L. REV. 1301, 1301 (2001).

control the use of his or her likeness in a commercial setting, they must work through a patchwork of state laws designed to protect them.”⁹⁹ This unpredictability can have serious repercussions for litigants:

Plaintiffs run the risk of later learning that they have set up their licensing schemes in the wrong state upon the untimely death of their cash-cow licensor. Defendants run the risk of printing a poster or advertisement that must be kept out of states with extremely broad protective statutes, or of being forced to comply with a state’s most restrictive guidelines.¹⁰⁰

Many commentators,¹⁰¹ averring that “the state laws are a mess,”¹⁰² have recommended the adoption of a unifying federal statute to end the “considerable disarray” of “confused and conflicting” laws that are “inherently arbitrary.”¹⁰³

A sampling of some of the more significant conflicts between state laws illustrates the logic of those calling for a federal right of publicity statute.¹⁰⁴ First, as noted, twenty-two states still do not recognize a right of publicity. Second, the states recognizing the right “do so to varying extents.”¹⁰⁵ For example, while several states limit the right to unauthorized appropriations of “name and likeness,”¹⁰⁶ New York protects against the unauthorized use of “name, portrait, picture, or voice,”¹⁰⁷ while California defends “name, voice, signature, photograph, or likeness.”¹⁰⁸ Indiana affords the broadest protection, as its statute encompasses a “personality’s property interest” in his “name, voice, signature, photograph, image, likeness, distinctive appearance, gestures, and mannerisms.”¹⁰⁹ Third, although many states have ex-

⁹⁹ Eric J. Goodman, *A National Identity Crisis: The Need For A Federal Right Of Publicity Statute*, 9 DEPAUL-LCA J. ART & ENT. L. & POL’Y 227, 245 (1999) (construing Sally M. Abel & Marilyn Tiki Dare, *Trademark Issues in Cyberspace: The Brave New Frontier*, 486 PLI/PAT 381, 413-414 (1997)).

¹⁰⁰ Eades, *supra* note 98, at 1302.

¹⁰¹ See, e.g., Goodman, *supra* note 99; Symposium, *Rights of Publicity: An In-Depth Analysis of the New Legislative Proposals to Congress*, 16 CARDOZO ARTS & ENT. L.J. 209 (1998); Richard S. Robinson, *Preemption, The Right of Publicity, and a New Federal Statute*, 16 CARDOZO ARTS & ENT. L.J. 183, 183 (1998); J. Eugene Salomon, Jr., *The Right of Publicity Run Riot: The Case for a Federal Statute*, 60 S. CAL. L. REV. 1179, 1179 (1987).

¹⁰² Goodman, *supra* note 99, at 243.

¹⁰³ Eades, *supra* note 98, at 1302-03 (footnotes omitted).

¹⁰⁴ For a comprehensive comparative study of the different state statutes, see MCCARTHY, *supra* note 5, §§ 6:10-6:127.

¹⁰⁵ Paul Cirino, *Advertisers, Celebrities, and Publicity Rights in New York and California*, 39 N.Y.L. SCH. L. REV. 763, 764 (1994).

¹⁰⁶ Kentucky is one such state that protects only an individual’s name and likeness. KY. REV. STAT. ANN. § 391.170 (Michie 2001).

¹⁰⁷ N.Y. CIV. RIGHTS LAW § 51 (McKinney 2002).

¹⁰⁸ CAL. CIV. CODE § 3344 (West 2002).

¹⁰⁹ IND. CODE ANN. § 32-36-1-7 (Michie 2002). In addition to the many aspects of a person’s identity that are protected, Indiana’s statute also expressly applies to “an act or event

pressly recognized the descendibility of the right of publicity in their respective statutes,¹¹⁰ a host of other states have rejected such *post mortem* rights.¹¹¹ Fourth, the states that do confer the right to an individual's descendants or assignees sharply differ in the duration of time that the right survives death.¹¹² Fifth, although conferring protection through their statutes, some states do not expressly recognize the right

that occurs within Indiana, regardless of a personality's domicile, residence, or citizenship." *Id.* at § 32-36-1-1. This provision makes it "the most aggressive state statute to date on right of publicity." Goodman, *supra* note 99, at 239. "With the pervasiveness of interstate commerce making so many activities fall within Indiana's jurisdiction, this statute reaches infringers for activities that questionably take place outside of Indiana." *Id.* The breadth of Indiana's statute can be explained, in part, by the lobbying efforts of CMG Worldwide, a celebrity agency located in Indiana, seeking to maximize the protection afforded to their celebrity clients. *Id.* CMG is a prominent entity in the licensing field, boasting many celebrities and the estates of innumerable celebrity icons as clients, including those of Humphrey Bogart, Babe Ruth, Marilyn Monroe, James Dean, and countless others. See <http://www.cmgww.com> (last visited Nov. 27, 2003). It is not uncommon for a statute's adoption and scope to be driven by interest groups:

Other states have enacted similar specially tailored laws to help protect their local celebrities. For example, the Tennessee statute is affectionately referred to as "Elvis law" which is very favorable to a plaintiff like Graceland. Likewise, Georgia's law is known as "King law," since it helps protect the publicity rights for the estate of Martin Luther King, Jr. States without such special interests are less likely to have strong right of publicity laws.

¹¹⁰ Goodman, *supra* note 99, at 239 (footnotes omitted).

Two important states include CAL. CIV. CODE § 3344.1 (West 2002) and TENN. CODE ANN. § 47-25-1104 (2001).

¹¹¹ New York is the most significant state that limits the right of publicity to living persons. N.Y. CIV. RIGHTS LAW § 51 (McKinney 2002). New York neither recognizes a common law right of publicity nor has a specific right of publicity statute. Goodman, *supra* note 99, at 238-39. Rather, New York relies on its right of privacy statute, which extends the right of publicity to living persons. *Id.*

¹¹² For example, in Tennessee "executors, heirs, assigns, or devisees" maintain the exclusive right for a period of ten years after the individual's death. TENN. CODE ANN. § 47-25-1104 (2001). After this ten-year period, the right extends indefinitely provided the use continues. *Id.* In Oklahoma, the right extends for one hundred years after the individual's death. OKLA. STAT. ANN. tit. 12, § 1448 (West 2001).

as a right of publicity, but rather as a right to privacy.¹¹³ Finally, the statutory remedies vary among the different states.¹¹⁴

Not surprisingly, the variations among state laws and judicial interpretations and the codification of arguably overreaching long-arm statutes¹¹⁵ have led to several problems, such as forum shopping¹¹⁶ and choice of law uncertainties.¹¹⁷ Given the nature of our modern econ-

¹¹³ See *supra* note 111. For some time, federal courts that decided cases based upon New York law assumed that the right of publicity existed under the common law as a separate right from New York's privacy statute; see, e.g., *Lerman v. Flynt Dist. Co., Inc.*, 745 F.2d 123, 133-34 (2d Cir. 1984); *Ali v. Playgirl*, 447 F. Supp. 723, 728 (S.D.N.Y. 1978). New York's highest court, however, has held that the right of publicity was "merely a misnomer for the privacy interest protected by the Civil Rights Law, as applied to public figures," and that "no separate common law cause of action to vindicate the right of publicity exists in New York." *Allen v. Nat'l Video, Inc.*, 610 F. Supp. 612, 621 (S.D.N.Y. 1985) (citing *Stephano v. News Group Publ'ns, Inc.*, 64 N.Y.2d 174, 183 (1984)). This has led to some confusing and dubious jurisprudence: "[W]hen federal courts must expound state law without the benefit of definitive state court interpretation of legislative action, cases such as the one in New York cast doubt on the validity of federal opinions." Salomon, *supra* note 101, at 1184.

¹¹⁴ See *infra* Part III for a brief discussion of the various remedies offered in different states.

¹¹⁵ See *supra* note 109.

¹¹⁶ Goodman, *supra* note 99, at 243. Forum shopping has made it increasingly difficult for lawyers to counsel their clients properly:

Lawyers may tell their clients how a particular matter might be ruled under Georgia law, for example, but there is no guarantee that they will be sued in Georgia. They may be sued in California or New York instead. There is also a question of whether an injunction issued under one state's law will have any effect on activities in another state. An injunction may easily be obtained in Tennessee, but it is not clear how far that injunction will reach. In New York, for example, courts have held that the state's publicity law does not extend to violations involving out-of-state sales. Lawyers cannot give their clients anything even resembling an unqualified opinion under the current scheme of various state laws.

Id. at 244 (footnote omitted).

¹¹⁷ Salomon, *supra* note 101, at 1180-82 (citing *Southeast Bank, N.A. v. Lawrence*, 66 N.Y.2d 910 (1985)). In *Southeast Bank*, the representative of the estate of the late playwright Tennessee Williams sued to enjoin the owners of a Manhattan theatre from renaming their theatre the "Tennessee Williams." *Southeast Bank*, 66 N.Y.2d at 911. Although both parties and the lower courts assumed New York's substantive law to be dispositive, New York's highest court held that the choice of law rule required Florida's law to be controlling because Florida was Williams' domicile when he died. *Id.* at 912. This choice of law decision had huge ramifications for the case because Florida's rule concerning descendibility was substantively different from New York's. *Id.* Unlike New York's law, Florida law mandated that the only persons who have a descendible right of publicity are the decedent's surviving spouse and children and those "to whom a license has been issued during decedent's lifetime." *Id.* Because Williams had neither a surviving spouse nor child and did not grant a license during his lifetime, the court ruled that the representative of the estate possessed no enforceable property right. *Id.* Accordingly, the court reversed the judgment of the lower court, vacated the preliminary injunction, and dismissed the complaint. *Id.* at 911. Salomon notes that this outcome was particularly disconcerting because, "[a]lthough both parties assumed New York law was controlling, neither party could reasonably nor adequately plan its activities because of these substantive differences. Salomon, *supra* note 101, at 1182. These

omy, the commentators calling for a federal statute governing the right of publicity cite the existence of these uncertainties as a primary justification for their position:

Given the national scope of modern-day advertising campaigns, a federal scheme would better address the problem of commercial appropriation of celebrities' identities than would individual state legislation." A basic maxim of American jurisprudence is that "legal certainty promotes commercial efficiency." Negotiating licenses and pursuing infringers would be less costly and more predictable if the right of publicity was a single, national law rather than the present patchwork. Eliminating the "inconsistent standards and decisions by state legislatures and courts, as well as forum shopping" will act to further stabilize the marketplace thereby encouraging transactions. "Further, a federal statute would promote the establishment of a single body of federal case law governing the subject of commercial exploitation of an individual's persona; an area which is clearly deficient at present." Unfortunately, the present sources of publicity law fail to provide adequate protection and predictability, either independently or in conjunction with one another.¹¹⁸

Because the current state of the law regarding the right of publicity is so convoluted, some argue that "the only lesson these statutes and decisions may teach is that all potential defendants should examine every state's laws before engaging in any acts that may infringe on publicity rights."¹¹⁹

Despite these shortcomings and sharp criticism from a variety of perspectives,¹²⁰ the right of publicity has "demonstrated a startling tenacity."¹²¹ One commentator has asserted that the development and growth of the right of publicity may be justified not only by our cultural conceptions of fame, but also by our historical treatment and legal conceptions of property.¹²² Generally, there are three primary policy rationales for the right of publicity: a labor or moral theory, an economic incentives argument, and the prevention of unjust enrichment.¹²³ Mel-

defendants were particularly burdened because, as New York residents operating solely in New York, they had no way of knowing which standard would apply." *Id.*

¹¹⁸ Goodman, *supra* note 99, at 242-43 (footnotes omitted).

¹¹⁹ Salomon, *supra* note 101, at 1181.

¹²⁰ The right of publicity has been attacked on a variety of grounds—including First Amendment, federal preemption, and overprotection concerns—by a number of scholars and judges. See Eades, *supra* note 98, at 1305. For two of the more influential criticisms, see Madow, *supra* note 4, and *White v. Samsung Elecs. Am., Inc.*, 989 F.2d 1512 (9th Cir. 1993) (Kozinski, J., dissenting).

¹²¹ Eades, *supra* note 98, at 1305.

¹²² See Roberta Rosenthal Kwall, *Fame*, 73 IND. L.J. 1, 3 (1997).

¹²³ Mark F. Grady, *A Positive Economic Theory of the Right of Publicity*, 1 UCLA ENT. L. REV. 97, 107-08 (1994). Some commentators also emphasize that the right of publicity protects a celebrity's autonomy, reputation, and dignity. See, e.g., Alice Haemmerli, *Whose*

ville Nimmer espoused the moral justification most prominently when he argued that, because celebrities have a natural right to enjoy the fruits of their labor, they are also entitled to protect the value of their publicity.¹²⁴

Despite being the most widely accepted justification for the right of publicity,¹²⁵ the moral or labor theory has received ample criticism.¹²⁶ For example, Madow rejects the intuitive appeal of the moral theory, stating that there are many complex variables that contribute to the creation of a celebrity.¹²⁷ He avers:

A celebrity, in short, does not make her public image . . . in anything like the way a carpenter makes a chair from a block of wood . . . [A] celebrity's public image is always the product of a complex social, if not fully democratic, process in which the "labor" (time, money, effort) of the celebrity herself (and of the celebrity industry, too) is but one ingredient, and not always the main one. The meanings a star image comes to have, and hence the "publicity values" that attach to it, are determined by what different groups and individuals, with different needs and interests, make of it and from it, as they use it to make sense of and construct themselves and the world. Contrary to the assertion of Professor McCarthy [who espouses the notion that celebrities should be entitled to the fruit of their labors] . . . a celebrity like Madonna cannot say of her public image what the carpenter can say of his chair: "I made it." And because she cannot say this of her public image, she cannot lay a convincing moral claim to the exclusive ownership or control of the economic values that attach to it.¹²⁸

Who? The Case For A Kantian Right Of Publicity, 49 DUKE L.J. 383 (1999) (arguing that the right of publicity has its root in individual autonomy); Kwall, *supra* note 122, at 36-45.

¹²⁴ See Nimmer, *supra* note 73. Nimmer's moral or labor theory should not be confused with any other type of moral argument that can be employed to justify a person's right to control his own personality. For example, Bloustein also believes that a person has the right to prevent the commercial exploitation of his personality. Bloustein, *supra* note 82, at 989-90. He grounds this contention, however, not on a person's natural right to enjoy the fruits of his labor, but on his dignitary right to protect his identity:

No man wants to be "used" by another against his will, and it is for this reason that commercial use of a personal photograph is obnoxious. Use of a photograph for trade purposes turns a man into a commodity and makes him serve the economic needs and interest of others. In a community at all sensitive to the commercialization of human values, it is degrading to thus make a man part of commerce against his will.

Id. at 988.

¹²⁵ See Jessica A. Villardi, *ETW Corp. v. Jireh Publishing, Inc.: Why the First Amendment Should Trump the Right of Publicity When Art Imitates Life*, 34 CONN. L. REV. 293, 298 (2001).

¹²⁶ See, e.g., Madow, *supra* note 4, at 179-96.

¹²⁷ *Id.* at 195.

¹²⁸ *Id.* at 195-96 (footnotes omitted). Madow is also careful to differentiate between the labor expended by the celebrity to achieve greatness in his field and the work done to create, maintain, and shape his image:

The Supreme Court endorsed the economic incentives argument in *Zacchini* when it found “the State’s interest in permitting a ‘right of publicity’ is in protecting the proprietary interest of the individual in his act in part to encourage such entertainment.”¹²⁹ An even clearer articulation of the incentives argument came from the California Supreme Court Chief Justice, Rose Bird, when she argued in her dissent in *Lugosi v. Universal Pictures Co.*:¹³⁰

[P]roviding legal protection for the economic value in one’s identity against unauthorized commercial exploitation creates a powerful incentive for expending time and resources to develop the skills or achievements prerequisite to public recognition While the immediate beneficiaries are those who establish professions or identities which are commercially valuable, the products of their enterprise are often beneficial to society generally. Their performances, inventions and endeavors enrich our society¹³¹

Again, despite broad approval, the economic incentives argument has also received its share of penetrating analyses, most prominently from Madow.¹³² Madow rejects the analogy that the right of publicity protects celebrities as copyrights protect authors.¹³³ He states that while copyrights protect an author’s primary, and quite possibly, only source of income, the “right of publicity protects only a collateral source of income for athletes, actors, and entertainers. Abolition of the right of publicity would leave entirely unimpaired a celebrity’s ability to earn a living from the activities that have generated his commercially marketable fame.”¹³⁴ Madow also argues that the abolition of the right of publicity would not noticeably diminish achievement in the entertainment sphere, as the incentive effect is very slight, and the rate of

For clarity’s sake, it is useful to draw a distinction, which courts and commentators are not careful to make, between two kinds of “labor” upon which a celebrity might attempt to base a moral claim to a property right in her identity. The first is the work that a celebrity does within her chosen field of endeavor—acting, entertainment, athletics, etc.—to achieve excellence and renown. The second is the “work” that a celebrity does directly on her “image”—the time, money, and effort she expends in selecting, establishing, and maintaining a specific public image, based either on aesthetic vision or market calculation. It is fairly obvious that many, perhaps most, of the people who attain commercially marketable fame in our society have performed labor of both these varieties. Whether the latter form of “labor” is one that the law ought to reward at all is an interesting-and seldom asked-question

Id. at n.325.

¹²⁹ *Zacchini*, 433 U.S. at 573.

¹³⁰ 603 P.2d 425 (Cal. 1979) (Bird, J., dissenting).

¹³¹ *Id.* at 441 (Bird, C.J., dissenting).

¹³² See Madow, *supra* note 4, at 206-16.

¹³³ *Id.* at 209.

¹³⁴ *Id.*

return in the industry is high enough to attract an ample supply of creative talent.¹³⁵

The final primary justification for a right of publicity is the prevention of unjust enrichment, which the Supreme Court expressly endorsed in *Zacchini*.¹³⁶ Dubbed as “average thieves”¹³⁷ and “free riders,”¹³⁸ defendants are often derided for “‘reaping’ where others have ‘sown’” and for “misappropriating” the value that others have toiled to create.¹³⁹ Critics claim, however, that the prevention of unjust enrichment fails as a viable justification for a right of publicity because celebrity plaintiffs “borrow” as well, and misappropriation claims are not as morally unambiguous as we would like them to be.¹⁴⁰ As Madow contends:

When a quintessentially “postmodern” (that is, openly and unabashedly derivative) performer like Madonna complains of unauthorized appropriation of her image, she is seeking to have it both ways. Having drawn freely and shamelessly on our culture’s image bank, she is trying to halt the free circulation of signs and meanings at just the point that suits her. She is seeking to enforce against others a moral norm that her own self-consciously appropriationist practice openly repudiates. The law need not be party to such contradiction.¹⁴¹

¹³⁵ *Id.* at 209-10. Although it has received considerably less attention than the economic incentives argument, some courts have stressed what Mark Grady terms a “rent dissipation theory” and what Madow refers to as the “allocative-efficiency argument.” Grady, *supra* note 123, at 111-12; Madow, *supra* note 4, at 220-25. The essence of this argument is that private property is superior vis-à-vis common property in terms of allocating scarce resources. Madow, *supra* note 4, at 220. Thus, establishing a private property right in one’s persona will allow the celebrity to prevent others from overexploiting his identity. *Id.* at 220-21. Madow does not view this justification for a right of publicity as compelling either:

Why not, then, let any advertiser who wants to use A’s photograph do so? [Judge] Posner’s answer is that this will “reduce its advertising value, perhaps to zero.” Advertisers will use A’s photograph until it has been squeezed dry of advertising value. But so what if they do? We are not dealing here with a nonrenewable natural resource like land. Because celebrity is a social creation, “there will always be a certain supply of existing and newly-created personalities to exploit.” Well before the advertising value of A’s photograph is driven down to zero, advertisers will replace him with a “fresh” face.

Id. at 224 (footnotes omitted).

¹³⁶ *Zacchini*, 433 U.S. at 576.

¹³⁷ *Midler v. Ford Motor Co.*, 849 F.2d 460, 462 (9th Cir. 1988) (The district court described the defendants’ use of a sound-alike to simulate Bette Midler’s voice as conduct “of the average thief.”).

¹³⁸ *Onassis v. Christian Dior-N.Y., Inc.*, 472 N.Y.S.2d 254, 261 (Sup. Ct. 1984), *aff’d without opinion*, 110 A.D.2d 1095 (N.Y. App. Div. 1985) (“Let the word go forth—there is no free ride. The commercial hitchhiker seeking to travel on the fame of another will have to learn to pay the fare or stand on his own two feet.”).

¹³⁹ Madow, *supra* note 4, at 196.

¹⁴⁰ *Id.*

¹⁴¹ *Id.* at 198-99.

IV. CALCULATORS, COURTROOMS, AND SHADOWS: THE CHALLENGES IN VALUING THE RIGHT OF PUBLICITY

Given the various and arguably fragile theoretical underpinnings justifying a right of publicity, the myriad factors affecting valuations, and the complexities in and differences among the state statutes and interpretations of the common law, fashioning a judicial remedy is extremely fact-sensitive and complex. This section will describe the remedies afforded to plaintiffs in several jurisdictions and some of the traditional methods by which courts and state legislatures value the right of publicity. It also explores some of the challenges inherent in accurately valuing the right of publicity and how courts and legislatures have fared in their attempts to do so.

Since the right of publicity concerns injuries to the plaintiff's pocketbook, the appropriate measure of damages focuses upon the commercial loss to the plaintiff.¹⁴² Predictably, the various state statutes afford plaintiffs varying degrees of remedies.¹⁴³ For example, New York's statute provides for injunctions, compensatory damages, and discretionary punitive damages.¹⁴⁴ Ohio's statute, which permits the most remedies of any state statute, sanctions injunctions; a choice of either actual damages, "including any profits derived from and attributable to the unauthorized use of an individual's persona for a commercial purpose"¹⁴⁵ or statutory damages between \$2,500 and \$10,000; punitive damages; treble damages if the defendant has "knowledge of the unauthorized use of the persona"¹⁴⁶ and attorney's fees.¹⁴⁷ California's statute authorizes damages in an amount equal to the greater of \$750 or the plaintiff's actual damages, any profits attributable to the unauthorized use that are not considered when computing the actual damages, punitive damages, and attorney's fees.¹⁴⁸ The Restatement of Unfair Competition allows for injunctions¹⁴⁹ and mandates that a defendant who unlawfully appropriates another's identity is liable for "the pecuniary loss to the other caused by the appropriation or for the actor's own

¹⁴² MCCARTHY, *supra* note 5, § 11:30, at 11-68.

¹⁴³ For an exhaustive discussion of the various remedies provided under the different state statutes, see MCCARTHY, *supra* note 5, §§ 6:10, 6:20-6:127, at 6-242. For the purposes of this Comment, however, it is important to highlight only the major differences.

¹⁴⁴ N.Y. CIV. RIGHTS LAW § 51 (McKinney 2002). New York's statute allows for discretionary punitive damages "if the defendant shall have knowingly used such person's name, portrait, picture or voice in such manner as is forbidden or declared to be unlawful by section fifty of this article." *Id.*

¹⁴⁵ OHIO REV. CODE ANN. § 2741.07 (Anderson 2000).

¹⁴⁶ *Id.*

¹⁴⁷ *Id.*

¹⁴⁸ CAL. CIV. CODE § 3344 (West 2002).

¹⁴⁹ RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 48 (1995).

pecuniary gain resulting from the appropriation, whichever is greater”¹⁵⁰

Aside from the inherent difficulties in reconciling these different approaches, there are several other challenges in valuing the right of publicity. First, although sixteen of the eighteen states with a statutory right of publicity expressly provide for “damages” in their statutes,¹⁵¹ the legislatures have neither defined the term “damages” nor provided guidance in ascertaining what damages are recoverable in right of publicity cases.¹⁵² Second, even though courts occasionally enumerate the internal mechanisms used to value damages or justify a jury award, such descriptions are general in detail and not very useful in helping to understand the judges’ or juries’ calculations.¹⁵³ Third, because many cases are settled for “undisclosed amounts” in the “shadow of the governing law,”¹⁵⁴ it is usually difficult to discern the ways in which the parties valued the damages. Finally, since “[t]here is no well-established method for valuing a right of publicity,”¹⁵⁵ it is impossible to predict with any reasonable degree of certainty how a court will calculate damages.

Notwithstanding this lack of a clear valuation standard, decisions from various jurisdictions indicate that courts have used primarily three methodologies or some combination thereof to value damages.¹⁵⁶ First, the most obvious measure of damages is the fair market value of the appropriated identity.¹⁵⁷ Second, plaintiffs may also be entitled to re-

¹⁵⁰ *Id.* § 49.

¹⁵¹ MCCARTHY, *supra* note 5, § 6:8, at 6-18. Kentucky and Nebraska are the two exceptions to this rule. *Id.*

¹⁵² Commentators speculate that the legislatures expected the common law’s treatment of damages to provide meaning to the statutes. See Michael J. Polelle, *What Is the Worth of Your Commercially Stolen Identity?*, DCBA Brief, at <http://www.dcba.org/brief/marissue/1999/art20399.htm> (last visited Sept. 4, 2003). This becomes problematic, however, in jurisdictions that never recognized a common law right of publicity. *Id.*

¹⁵³ See, e.g., *Waits v. Frito-Lay, Inc.*, 978 F.2d 1093, 1104 (9th Cir. 1992). Although the court did list the various components of the jury’s award, the opinion was written in general language, diminishing its explanatory power. For example, in justifying the jury’s calculation of the damages to Waits’ future publicity value, the nexus of the court’s reasoning was this conclusory statement: “[F]rom the testimony of Waits’ expert witness, the jury could have inferred that if Waits ever wanted to do a commercial in the future, the fee he would command would be lowered by \$50,000 to \$150,000 because of the Doritos commercial.” *Id.* The court did not provide any more reasoning than this assertion and never attempted to explain how the expert arrived at this \$50,000 value or if there were expert calculations provided by the defendants.

¹⁵⁴ PAUL C. WEILER, *ENTERTAINMENT, MEDIA, AND THE LAW* 255 (2d ed. 2002).

¹⁵⁵ Note, *Federal Estate Tax and the Right of Publicity: Taxing Estates for Celebrity Value*, 108 HARV. L. REV. 683, 688 (1995).

¹⁵⁶ MCCARTHY, *supra* note 5, §§ 11:30-11:34, at 11-68 to 11-83.

¹⁵⁷ *Id.* at 11-69; see, e.g., *Hogan v. A. S. Barnes & Co., Inc.*, 114 USPQ 314 (Pa. C.P. 1957).

cover damages to their future earning potential or future publicity value.¹⁵⁸ Finally, courts may also award some or all of the profits the defendant made in using the “stolen” identity in order to prevent unjust enrichment.¹⁵⁹ Because courts’ and juries’ valuation decisions are predicated on not only individual statutes, but also the factual circumstances of each case, it is useful to review some specific cases to develop a general sense of how courts and juries have calculated damages.

Many courts have valued damages by utilizing the fair market value of the plaintiff’s property right that the defendant unlawfully used.¹⁶⁰ If the plaintiff is able to establish a “going rate” for the appropriated services, a court can imply a contract in law under which the defendant must compensate the plaintiff.¹⁶¹ According to Thomas McCarthy, the author of the most prominent treatise on the right of publicity, determining such a market value for a celebrity is not a complicated matter.¹⁶² If the plaintiff has licensed his personality for advertising uses in the past, courts may use previous endorsement fees from similar projects as a proxy for the plaintiff’s current going rate.¹⁶³ For example, in *Hogan v. A.S. Barnes & Co., Inc.*,¹⁶⁴ the defendant appropriated the name and image of golf legend Ben Hogan and used both as part of his book on golf.¹⁶⁵ In awarding Hogan \$5,000 in damages, the court considered not only his stature and earnings in the golf world, but also the money he received from endorsements, licenses, and his own books and magazines.¹⁶⁶ If the plaintiff has never consented to the use of his identity for endorsement purposes, the court may establish the going rate by looking to what celebrities of his stature make on similar transactions.¹⁶⁷

¹⁵⁸ MCCARTHY, *supra* note 5, §§ 11:30-11:34, at 11-79; *see, e.g.,* *Waits*, 978 F.2d 1093; *Big Screen Music Corp.*, 554 F.2d 504.

¹⁵⁹ MCCARTHY, *supra* note 5, §§ 11:30-11:34, at 11-80 to 11-82; *see, e.g.,* *Ventura*, 65 F.3d 725.

¹⁶⁰ For an extensive listing of cases using the fair market value approach, *see* MCCARTHY, *supra* note 5, § 11:32, at 11-73 to 11-76.

¹⁶¹ James M. Treece, *Commercial Exploitation of Names, Likenesses, and Personal Histories*, 51 TEX. L. REV. 637, 651 (1973).

¹⁶² MCCARTHY, *supra* note 5, § 11:32, at 11-69 to 11-70. There are, however, some lawyers who disagree with the notion that calculating a fair market value is a simple task. According to entertainment attorney Lloyd Jassin, determining the fair market value of a celebrity’s personality is “anything but readily ascertainable.” E-mail from Lloyd Jassin, Esquire (Feb. 14, 2003) (on file with author).

¹⁶³ Treece, *supra* note 161, at 651; *see also* Vince O’Brien & Lynne Klein, *Economic Analysis of Remedies in Right of Publicity Cases* 8, in INTELLECTUAL PROPERTY IN STATE COURT CONFERENCE (Feb. 15-17, 1991) (presentation).

¹⁶⁴ 114 USPQ 314 (Pa. C.P. 1957).

¹⁶⁵ *Id.*

¹⁶⁶ *Id.*

¹⁶⁷ Treece, *supra* note 161, at 651; *see also* O’Brien & Klein, *supra* note 163, at 8.

In determining the fair market value of the appropriated publicity, courts sometimes award enhanced “first time” value if the plaintiff had not licensed his identity prior to the defendant’s misappropriation.¹⁶⁸ For instance, in *Grant v. Esquire, Inc.*,¹⁶⁹ screen icon Cary Grant sued the magazine for cropping an image of his face it had published in a 1946 article and pasting it on the body of a model clothed in a sweater-coat and running the picture in a 1971 *Esquire*.¹⁷⁰ The court found that Grant’s “renunciation of any desire to exploit the commercial value of his own name and fame” did not preclude him from instituting a right of publicity claim.¹⁷¹ In fact, in dismissing *Esquire*’s motion for summary judgment with respect to Grant’s right of publicity claim, the court stated that the jury may choose to increase the market value of the appropriation for this very reason: “One element of damage will probably be the fact . . . that Mr. Grant has never sanctioned his commercial use as a photographic model. There may well be a recognized first-time value (which diminishes with use) which the jury might find defendants to have appropriated.”¹⁷²

Similarly, in *Hoffman v. Capital Cities/ABC, Inc.*,¹⁷³ actor Dustin Hoffman sued *Los Angeles Magazine* when it digitally altered a famous picture of Hoffman from his movie *Tootsie* to make it appear he was wearing Spring 1997 fashions and ran the picture in an article entitled “Grand Illusions.”¹⁷⁴ The court held that Hoffman was entitled to the fair market value of his appropriated publicity, which it defined as the “value that a celebrity of Mr. Hoffman’s reputation, appeal, talent and fame would bring in the open market for this type of one-time use in a publication in a regional magazine, in the Los Angeles market area.”¹⁷⁵ Noting that “Mr. Hoffman has scrupulously guided and guarded the manner in which he has been shown to the public,” the court also emphasized that he “maintains a strict policy of not endorsing commercial products for fear that he will be perceived in a negative light”¹⁷⁶ The court considered five factors, including the first-time use of Hoff-

¹⁶⁸ MCCARTHY, *supra* note 5, § 11:32, at 11-76.

¹⁶⁹ 367 F. Supp. 876 (S.D.N.Y. 1973).

¹⁷⁰ *Id.* at 877-78.

¹⁷¹ *Id.* at 880. “If the owner of Blackacre decides for reasons of his own not to use his land but to keep it in reserve he is not precluded from prosecuting trespassers.” *Id.*

¹⁷² *Id.* at 881.

¹⁷³ 33 F. Supp. 2d 867 (C.D. Cal. 1999), *rev’d on other grounds*, 255 F.3d 1180 (9th Cir. 2001) (reversed on First Amendment grounds).

¹⁷⁴ *Id.* at 870.

¹⁷⁵ *Id.* at 872. This precise definition of fair market value illustrates the fact-sensitive nature of such valuations.

¹⁷⁶ *Id.* at 870.

man's name and likeness in a non-movie advertising context, in calculating the fair market value to be \$1,500,000.¹⁷⁷

Although the fair market value of publicity is the most obvious measure of damages, limiting the plaintiff's recovery in this manner "may be inherently unfair" to a plaintiff whose future publicity value suffers diminution from the appropriation.¹⁷⁸ Restricting recovery to market value also neglects how publicity rights are actually managed and the concomitant disruptions to such management that result with an unauthorized appropriation:

The loss may well exceed the mere denial of compensation for the use of the individual's identity. The unauthorized use disrupts the individual's effort to control his public image, and may substantially alter that image. The individual may be precluded from future promotions in that as well as other fields. Further, while a judicious involvement in commercial promotions may have been perceived as an important ingredient in one's career, uncontrolled exposure may be dysfunctional. As a result, the development of his initial vocation—his profession—may be arrested.¹⁷⁹

¹⁷⁷ *Id.* at 872-73.

The Court considered the following five (5) factors in making its award:

- 1 Stature of Plaintiff in the motion picture industry for the past thirty (30) years;
- 2 The first-time use of Mr. Hoffman's name and likeness in a non-movie promotional context;
- 3 Self-perception by Plaintiff of what impact the commercial use of Plaintiff's name and likeness would have on executives in the motion picture industry as being less of a box office draw;
- 4 Uniqueness of opportunity in the role and character Plaintiff had created in the motion picture *Tootsie*; and,
- 5 The fact that the periodical involved was a regional periodical in the home town of the motion picture industry.

Id. at 872.

¹⁷⁸ MCCARTHY, *supra* note 5, § 11:32, at 11-76.1; *see also* O'Brien & Klein, *supra* note 163, at 9:

If the plaintiff was approached and refused to endorse a particular product, one might conclude that the price offered the plaintiff was too low. If use of the plaintiff's identity also affects the future earning ability of the plaintiff, then it may not be appropriate to claim the amount that the plaintiff would have been paid as an accurate estimate of damages.

¹⁷⁹ *Lugosi v. Universal Pictures*, 603 P.2d 425, 438 (Cal. 1979) (Bird, J., dissenting); *see also* *Lombardo v. Doyle, Dane & Bernbach, Inc.*, 396 N.Y.S.2d 661, 664 (N.Y. App. Div. 1977) ("Guy Lombardo had invested 40 years in developing his public personality as Mr. New Year's Eve, an identity that has some marketable status. The combination of New Year's Eve, balloons, party hats, and 'Auld Lang Syne' in this context might amount to an exploitation of that carefully and painstakingly built public personality."); *Hirsch v. S.C. Johnson & Son, Inc.*, 280 N.W.2d 129, 134-35 (Wis. 1979) ("[T]he record attempts to demonstrate that Hirsch over a period of years assiduously cultivated a reputation not only for skill as an athlete, but as an exemplary person whose identity was associated with sportsmanship and high qualities of character, and where the record demonstrates that much time and effort was devoted to that purpose . . ."). For an argument that counters this cultivation of publicity theory, *see supra* notes 125-128 and accompanying text.

Some courts have awarded or allowed the jury to award the fair market value of the appropriated publicity and damages for the projected loss of income arising from injuries to the plaintiff's "good will, professional standing and future publicity value."¹⁸⁰ In *Waits v. Frito-Lay, Inc.*,¹⁸¹ Tom Waits, a professional singer and outspoken critic of musicians who perform commercial endorsements,¹⁸² sued Frito-Lay and its advertising agency for producing a commercial that used a voice closely resembling his unique singing voice.¹⁸³ Noting that Waits had never endorsed a product and had turned down many lucrative advertising contracts, the court affirmed the jury's award of \$75,000 for damages caused to his professional and artistic reputation and future publicity value.¹⁸⁴ In addition to stressing that the commercial made Waits appear hypocritical, the court also cited expert testimony that stated if Waits ever did choose to endorse a product, his publicity value had decreased due to the Frito-Lay commercial.¹⁸⁵

There are other cases in which courts have permitted recovery for damage done to a plaintiff's publicity value. In *Big Seven Music Corp. v. Lennon*,¹⁸⁶ the Second Circuit affirmed the trial court's award of \$35,000 in additional damages to John Lennon for injuries to his reputation resulting from the "cheap-looking, if not ugly" album cover and the "shoddy" quality of the music released by Big Seven and Adam VIII.¹⁸⁷ Similarly, in *Clark v. Celeb Publ'g, Inc.*,¹⁸⁸ a district court awarded the plaintiff \$7,000 as projected economic loss from modeling because of the defendant's unauthorized use of her photographs in advertisements in a low-quality, highly-explicit pornographic magazine.¹⁸⁹ The court noted the plaintiff's testimony that her appearance in the

¹⁸⁰ *Waits*, 978 F.2d at 1102-03.

¹⁸¹ *Id.* at 1093.

¹⁸² *Id.* at 1097.

¹⁸³ *Id.* at 1097-98.

¹⁸⁴ *Id.* at 1103. The court also affirmed the jury's award of \$100,000 for the fair market value of Waits' voice and \$200,000 for injury to his "peace, happiness and feelings." *Id.*

¹⁸⁵ *Id.* at 1104.

¹⁸⁶ 554 F.2d 504 (2d Cir. 1977).

¹⁸⁷ *Id.* at 512. The court held that the New York statute was broad enough to permit such damages:

Awarding damages under New York Civil Rights Law § 51 and similar statutes is a difficult question at best. Objective standards for measuring injury resulting from an invasion of privacy or an appropriation of one's name, likeness, or reputation are unlikely to be available, so that a considerable degree of discretion must rest with the finder of fact . . . We will not interfere with the trial court's award of \$35,000 for injury to Lennon's reputation.

Id. (citations omitted).

¹⁸⁸ 530 F. Supp. 979 (S.D.N.Y. 1981).

¹⁸⁹ *Id.* at 984.

magazine damaged her “ability to receive work and appear in more ‘serious’ films, advertisements and theatrical works” because Penthouse and other publications “want nothing more to do with her.”¹⁹⁰

As noted, some state statutes expressly permit the plaintiff to recover the infringer’s profits.¹⁹¹ Champions for this type of recovery offer two theoretical justifications.¹⁹² First, proponents assume that by appropriating the plaintiff’s identity, the defendant gained something that the plaintiff would have earned had it not been for the defendant’s infringement.¹⁹³ More simply, the “defendant’s gain is the plaintiff’s loss.”¹⁹⁴ Second, supporters argue that the defendant has increased his sales or profits by making an unauthorized use of the plaintiff’s property; i.e., he has been unjustly enriched.¹⁹⁵

In some states and under the Restatement of Unfair Competition,¹⁹⁶ the plaintiff is allowed to supplement recovery of his own damages and losses with the infringer’s profits, provided there is no double recovery.¹⁹⁷ California’s statute, for instance, permits recovery of

an amount equal to the greater of seven hundred fifty dollars (\$750) or the actual damages suffered by . . . [the injured party] as a result of the unauthorized use, and any profits from the unauthorized use that are attributable to the use *and are not taken into account in computing the actual damages*.¹⁹⁸

Some states, such as Illinois, provide for the infringer’s profits both in conjunction with or in addition to the plaintiff’s actual damages.¹⁹⁹ Illinois’ statute holds that an infringer may be liable for the greater of \$1,000 or the “actual damages, profits derived from the unauthorized use, or both”²⁰⁰ A scholar commenting on Illinois’ statute ap-

¹⁹⁰ *Id.* at 982.

¹⁹¹ *See, e.g.*, CAL. CIV. CODE § 3344 (West 2002); TENN. CODE ANN. § 47-25-1106 (2001); 765 ILL. COMP. STAT. 1075/40 (2002).

¹⁹² MCCARTHY, *supra* note 5, § 11:34, at 11-81.

¹⁹³ *Id.*

¹⁹⁴ *Id.*

¹⁹⁵ *Id.*

¹⁹⁶ RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 49 (1995) (providing that the infringer is liable for the “pecuniary loss to the other caused by the appropriation *or* for the actor’s own pecuniary gain resulting from the appropriation, *whichever is greater . . .*” (emphasis added)).

¹⁹⁷ MCCARTHY, *supra* note 5, § 11:34, at 11-82.

¹⁹⁸ CAL. CIV. CODE § 3344 (West 2002) (emphasis added); *see also* TENN. CODE ANN. § 47-25-1106 (2001) (“An individual is entitled to recover the actual damages suffered as a result of the knowing use or infringement of such individual’s rights and any profits that are attributable to such use or infringement *which are not taken into account in computing the actual damages.*”) (emphasis added)).

¹⁹⁹ 765 ILL. COMP. STAT. 1075/40 (2002).

²⁰⁰ *Id.*

proves of this provision as an effective method to deter potential infringements:

This [provision] seems correct since otherwise a defendant by taking plaintiff's identity without permission, in effect, could foist a compulsory license on the plaintiff and would only be obligated to pay the plaintiff's harm, even though the defendant made a profit of the deal. By taking away profits made by the defendant the statute removes the incentive to steal the plaintiff's identity by only paying market value.²⁰¹

The recovery of an infringer's profits produced by a misappropriation is a standard form of monetary relief in the analogous realms of copyright and trademark infringement.²⁰² Both copyright and trademark law adopt two principles for the recovery of profits: the "apportionment rule" and the "deduction of costs rule."²⁰³ The "apportionment rule" holds that it is the infringer's burden to prove what amount, if any, of his gross revenues were not due to the misappropriation of the plaintiff's work or mark.²⁰⁴ The "deduction of costs rule" mandates that the plaintiff is required to prove his damages or the defendant's gross revenue, while the defendant has the burden of proving the existence of allowable, deductible expenses to calculate a profit figure.²⁰⁵ Some states incorporate both principles into their right of publicity statutes.²⁰⁶

Although there is extensive case law concerning the recovery of an infringer's profits in cases of copyright and trademark infringement, there is scant precedent to predict if a court would award such profits absent statutory authorization.²⁰⁷ In *Ventura v. Titan Sports*,²⁰⁸ one of the few reported cases concerning unjust enrichment in a jurisdiction that does not authorize such recovery by statute, the Eighth Circuit affirmed a damages award for Jesse Ventura on the theories of unjust

²⁰¹ Polelle, *supra* note 152. Although this rationalization has merit, it fails to consider that the Illinois statute also provides for punitive damages for willful violations of a person's right of publicity. See 765 ILL. COMP. STAT. 1075/40 (2002). While willful violations are obviously more difficult to prove than ordinary infringements, it is inaccurate to imply that a person can "procure" a license by paying only the plaintiff's actual damages. With the threat and distinct possibility of being assessed punitive damages, the statute already has a built-in disincentive to misappropriate another person's identity. The provision permitting the recovery of the infringer's profits seems to enhance this disincentive. See *id.* (punitive damages available for willful infringement).

²⁰² MCCARTHY, *supra* note 5, § 11:34, at 11-80.

²⁰³ *Id.*

²⁰⁴ *Id.*

²⁰⁵ *Id.*

²⁰⁶ See, e.g., CAL. CIV. CODE § 3344 (West 2002); 765 ILL. COMP. STAT. 1075/45 (2002).

²⁰⁷ MCCARTHY, *supra* note 5, § 11:34, at 11-80, 11-83.

²⁰⁸ 65 F.3d 725 (8th Cir. 1995).

enrichment and *quantum meruit*.²⁰⁹ Ventura filed suit against his employer, Titan Sports, when the company signed a licensing agreement, without his consent, for the production of approximately ninety videotapes of World Wrestling Federation matches involving his performances.²¹⁰ At trial, Ventura sued to recover royalties for the exploitation of his likeness and won approximately \$810,000 of the defendant's profits as compensation for his right of publicity.²¹¹ The Eighth Circuit later affirmed this amount as reasonable.²¹²

This section has demonstrated that valuing the right of publicity is not an easy task. There are many different state statutes enumerating various remedies for aggrieved plaintiffs.²¹³ None of these statutes, however, defines "damages" or explicates what factors courts and juries should consider when valuing damages.²¹⁴ Furthermore, although courts have used primarily three valuation "methodologies" (i.e., fair market value of the appropriation, fair market value plus damages to the plaintiff's future publicity value, and unjust enrichment), no single model has emerged dominant.²¹⁵ And, since courts provide little if any explanation of their valuations,²¹⁶ and many cases settle out of court,²¹⁷ one is left to divine his own calculations. With the growing importance in the right of publicity,²¹⁸ the dearth of information concerning valua-

²⁰⁹ *Id.* at 733.

²¹⁰ *Id.* at 727-28.

²¹¹ *Id.* at 728.

²¹² *Id.* at 736. In upholding the jury's verdict, the Eighth Circuit found that the trial court did not abuse its discretion by allowing Ventura's expert to testify as to the going rate for royalties for performers in similar circumstances. *Id.* at 733. The court reached this conclusion because the expert's testimony

(1) provided direct evidence of the market value of Ventura's license, which is measure of Ventura's recovery if Titan's conduct was consciously tortious; and (2) assisted the jury in determining the reasonable amount that Ventura's license is worth to Titan by providing the competitive background against which Titan is operating.

Id. at 734.

²¹³ See *supra* notes 94-98, 143-150 and accompanying text.

²¹⁴ See *supra* notes 151-152 and accompanying text.

²¹⁵ See *supra* notes 155-212 and accompanying text.

²¹⁶ See *supra* note 153 and accompanying text.

²¹⁷ See *supra* note 154 and accompanying text.

²¹⁸ In addition to the aforementioned increase in the number of states that now recognize a right of publicity, there are at least two more recent developments that warrant mention. First, in May 1994, a district court held that a right of publicity in a deceased author's name could be valued and taxed for federal estate tax purposes. See *Estate of Andrews v. United States*, 850 F. Supp. 1279 (E.D. Va. 1994). While the repercussions of a decision such as this have the potential to be enormous, such a discussion is beyond the scope of this Comment. For an interesting and insightful article considering this topic, see *Federal Estate Tax and the Right of Publicity: Taxing Estates for Celebrity Value*, *supra* note 155. Second, the right of publicity has received increased attention in cases involving the distribution of marital assets in divorce proceedings. See, e.g., *Golub v. Golub*, 527 N.Y.S.2d 946 (N.Y. Sup. Ct. 1988);

tions is truly surprising. The focus of the next section is to provide an initial, conceptual framework of a valuation model upon which others can build in order to facilitate and enhance the proper valuation of the right of publicity. Although this model is not exhaustive and may not be appropriate for every factual scenario, it does offer many factors that the courts should consider in adjudicating claims concerning the misappropriation of the right of publicity.

V. A PROPOSED MODEL TO CALCULATE COMPENSATORY DAMAGES IN RIGHT OF PUBLICITY ACTIONS

As noted, courts have used three methods to value compensatory damages arising from a misappropriation of an individual's right of publicity.²¹⁹ Although each method has a certain degree of utility, each is also flawed due to its inability to make the plaintiff whole. First, although the fair market value approach is a convenient proxy for a more rigorous and accurate damages calculation, in most cases it fails to compensate the plaintiff adequately.²²⁰ An award based solely on the market value of the plaintiff's services would not only disregard the possible diminution to the plaintiff's right of publicity value, but also seemingly would impose a compulsory license on the plaintiff, thereby allowing the defendant to exploit the plaintiff's personality.²²¹ For example, suppose a company had previously requested a celebrity to endorse its product, and the celebrity refused. Assume further that the company ignored this rejection and somehow conveyed the impression that the celebrity endorsed the product,²²² either through using the ce-

Piscopo v. Piscopo, 557 A.2d 1040 (N.J. Super. Ct. App. Div. 1989). Again, while this issue is significant, it is beyond the scope of this Comment. For a thorough discussion of celebrity goodwill and publicity values in divorce proceedings, see Allen M. Parkman, *Human Capital as Property in Celebrity Divorces*, 29 FAM. L.Q. 141 (1995).

²¹⁹ See *supra* notes 156-159 and accompanying text.

²²⁰ See *supra* notes 178-179 and accompanying text.

²²¹ See *supra* note 201 and accompanying text. While the Illinois statute referenced in note 201 provides for punitive damages, many state statutes do not allow for such damages, which results in a damages award limited to the fair market value of the appropriated publicity right amounting to a compulsory license. *Id.*

²²² In addition to a right of publicity claim, celebrities may also receive protection of their identity under the Lanham Act. The Lanham Act establishes a cause of action when an individual or entity

uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact . . . that is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person

Lanham Act, 15 U.S.C. § 1125 (a)(1)(A).

lebrity's name, photograph, or image. If the celebrity were to win a right of publicity misappropriation claim at trial, but then be limited in his recovery to the fair market value of the misappropriation, the court, in effect, would be granting the defendant a license against the celebrity's explicit decision not to endorse the product.

Granting this type of compulsory license would preclude the celebrity from managing and cultivating his publicity value in a concerted, organized, and systematic way.²²³ In many cases where the defendant's product or service is shoddy, controversial, unpopular, or does not conform to the image the celebrity wishes to convey, this lack of control will devalue the celebrity's right of publicity.²²⁴ According to entertainment attorney Scott Shagin, such a compulsory license "may also limit the ability of celebrities to command significant fees for licensing their right of publicity to a competitor."²²⁵ Thus, limiting the plaintiff's recovery to the fair market value of his services seems untenable.

Second, for many of the same reasons, the unjust enrichment method, which limits the plaintiff's recovery to the value of the infringer's profits, may not make the plaintiff whole. Like the market value approach, the unjust enrichment model does not account for the possible diminution to the plaintiff's future publicity value, nor does it consider how celebrities actually manage their personalities. Furthermore, it may grossly undervalue or overvalue the appropriate measure of damages. For instance, if the defendant misappropriates the plaintiff's identity in a manner that tarnishes its value, but ultimately loses money, breaks even, or generates modest profits, the plaintiff is without recourse. Similarly, it seems inequitable for the defendant to disgorge all his profits if the preponderance of the earnings were attributable not to the plaintiff's personality, but to the defendant's efficiency, ingenuity, or superior product.²²⁶ Accordingly, the unjust enrichment of the

Celebrity plaintiffs often join a Lanham Act claim with a right of publicity claim, alleging the infringer has used their identity to advertise falsely a product or to imply falsely an association between the product and the celebrity. *See, e.g., Hoffman v. Capital Cities/ABC, Inc.*, 33 F. Supp. 2d 867 (C.D. Cal. 1999), *rev'd on other grounds*, 255 F.3d 1180 (9th Cir. 2001) (reversed on First Amendment grounds); *ETW Corp. v. Jireh Publ'g, Inc.*, 99 F. Supp. 2d 829 (N.D. Ohio 2000); *White v. Samsung Elecs. Am., Inc.*, 971 F.2d 1395, 1399 (9th Cir. 1991); *Compl., Hailwood v. Ducati Motor Holding, Civ. No. 01-CV-3403 (JAG)*, at ¶ 52-59 (Dist. Ct. N.J. filed July 17, 2001).

²²³ Interview with Scott Shagin, Esquire, in Newark, N.J. (Feb. 11, 2003).

²²⁴ *Id.*

²²⁵ *Id.*

²²⁶ Although we can estimate what portion of the profits is attributable to the plaintiff's identity versus the defendant's product or service, the resulting calculation would still not incorporate the potential diminution to the plaintiff's future publicity value. As such, the disgorgement of profits, even when apportioned, is not an appropriate measure of compensatory damages.

defendant, while readily available or easily calculable, is also an unsound methodology.

Finally, although the fair market value of the misappropriation plus future damages to the plaintiff's publicity value works more effectively than the other two approaches, its current application by the courts has major shortcomings. First, the judicial opinions granting such relief do not seem thoroughly analyzed, nor do the opinions explain the ways in which the courts (or the experts) calculate such future damages.²²⁷ The optimist may claim such analyses to be rigorous, comprehensive, and fairly accurate, with only the opinions lacking specificity.²²⁸ The pessimist, or perhaps the realist, recognizes the calculations to be either sparse, overly simplistic, or a pseudo-science of damages assessment.²²⁹ Second, this approach does not address the mounting concern that the right of publicity seemingly narrows individuals' First Amendment rights, particularly as the lines of demarcation between commercial and noncommercial speech are blurred.²³⁰

An effective model must not only protect the plaintiff's right of publicity by accurately valuing any misappropriations, but also respect and account for the defendant's right of free speech. Furthermore, the model must be broad enough to account for the myriad scenarios that can occur in this arena, but be specific enough to have predictive value for various individuals and entities. The proposed model for valuing compensatory damages addresses both of these concerns and could apply in any jurisdiction that recognizes a right of publicity, whether by common law or by statute.²³¹ The model appears below with explanatory notes to follow:

²²⁷ See, e.g., *Waits*, 978 F.2d 1093.

²²⁸ E-mail from Scott Shagin, Esquire (Jan. 9, 2003) (on file with author).

²²⁹ *Id.*

²³⁰ See *infra* Part IV.C for a full discussion of this complex issue.

²³¹ The purpose of the model is to calculate compensatory damages to make the plaintiff whole. Consequently, it does not address injunctive relief or punitive damages. As noted, injunctive relief is often the most appropriate remedy in right of publicity actions. See *supra* note 15 and accompanying text. Application of the proposed model in no way limits a plaintiff's right to equitable relief. Similarly, the model does not preclude an award of punitive damages, for which many state statutes expressly provide. See *infra* note 293 and accompanying text.

The model also does not provide for the award of attorney's fees. Although such an exclusion arguably fails to make the plaintiff whole, its omission is in recognition of the "American view" that the prevailing party generally is not entitled to attorney's fees. See McCARTHY, *supra* note 5, § 11:37, at 11-95. Because this is a normative model, however, attorney fees and litigation costs should be included if the plaintiff is to be made whole. Several state statutes expressly permit the recovery of attorney's fees in statutory actions. *Id.* For example, California's right of publicity statute provides that "[t]he prevailing party under this section shall also be entitled to attorney's fees and costs." CAL. CIV. CODE

Compensatory damages = (fair market value of misappropriation + the net present value of the diminution to the plaintiff's right of publicity value) x (a discount factor for First Amendment considerations)

A. Fair Market Value

The fair market value of a plaintiff's misappropriated personality has been defined as "the marketplace value of the property right which defendant has 'stolen.'"²³² According to many legal scholars, determining this value, while fact sensitive, is ordinarily ascertainable.²³³ Although the purported ease of calculation renders the fair market value a logical foundation upon which to compute compensatory damages, it is generally insufficient, by itself, to compensate a plaintiff completely.

First, the definition of fair market value, as applied by legal scholars and the courts, generally does not incorporate any future diminution to the plaintiff's publicity value.²³⁴ For example, in *Waits*, the jury distinguished between the fair market value of the plaintiff's services and the injury to Wait's goodwill and future publicity value.²³⁵ Second,

§ 3344(a) (West 2002). Thus, if the relevant state law permits, attorney's fees and costs should be added to the compensatory damages calculation.

The relief provisions contained in the state statutes and the Restatement (Third) of Unfair Competition indicate that one of the legislatures' primary goals is to make a plaintiff whole. For example, sixteen of the eighteen state statutes governing the right of publicity expressly provide for victorious plaintiffs to recover some type of compensatory damages, e.g., actual damages or loss suffered. MCCARTHY, *supra* note 5, § 6:8, at 6-18. Furthermore, the Restatement comment entitled "Measure of Monetary Relief" states:

[M]onetary relief may be awarded for the pecuniary loss to the plaintiff or the pecuniary gain to the defendant resulting from the unauthorized use of the plaintiff's identity. As in other areas of unfair competition, the plaintiff is permitted to establish either or both measures of relief, but may recover only the greater of the two amounts. *This limitation satisfies both compensatory and restitutionary objectives* without permitting double recovery for the same loss.

RESTATEMENT (THIRD) OF UNFAIR COMPETITION, § 49 cmt. d (emphasis added). As such, the model is fully compatible with the intent and the laws of every jurisdiction that recognizes the right of publicity.

²³² MCCARTHY, *supra* note 5, § 11:32, at 11-69.

²³³ See *supra* notes 162-167 and accompanying text. *But see* Jassin, *supra* note 162.

²³⁴ In *Hoffman*, however, the court did consider one element of Hoffman's future publicity value when calculating the fair market value of the misappropriation. *Hoffman v. Capital Cities/ABC, Inc.*, 33 F. Supp. 2d 867, 872 (C.D. Cal. 1999), *rev'd on other grounds*, 255 F.3d 1180 (9th Cir. 2001). The court examined the "[s]elf-perception by Plaintiff of what impact the commercial use of Plaintiff's name and likeness would have on executives in the motion picture industry as being less of a box office draw." *Id.*

Although the court's fair market value analysis benefited from this consideration, it is still incomplete because there is no indication that the court investigated the possible diminution to any other element of Hoffman's right of publicity. In addition, the court's brief treatment of future publicity value is an exception to the way in which judges and juries typically calculate compensatory damages.

²³⁵ *Waits v. Frito-Lay, Inc.*, 978 F.2d 1093, 1103 (9th Cir. 1992).

as applied, the measure of the fair market value is not the dollar amount for which the parties would have ultimately negotiated,²³⁶ but rather a “comparable” amount.²³⁷ Expert witnesses base these “comparables” on what the plaintiff has been paid in the past for similar endorsements or, if the plaintiff has never endorsed a product, what celebrities of his stature have been paid for similar endorsements.²³⁸ Although these “comparables” are useful in serving as a rough estimation of damages, they neither capture the specific nuances of the instant misappropriation nor account for any potential future diminution:

[P]rices paid comparables may be less than, equal to or greater than what the celebrity would have been paid if he or she had authorized the use of his or her identity. If the plaintiff was approached and refused to endorse a particular product, one might conclude that the price offered the plaintiff was too low. If use of the plaintiff’s identity also affects the future earning ability of the plaintiff, then it may not be appropriate to claim the amount that the plaintiff would have been paid as an accurate estimate of damages.²³⁹

As such, our conceptual framework must incorporate a methodology by which to analyze the specific circumstances of the misappropriation and a means by which to calculate any future diminution to the plaintiff’s publicity value. Despite these limitations, however, the fair market value is a useful starting point to calculate compensatory damages.

B. *Net Present Value of the Diminution to the Plaintiff’s Right of Publicity Value*

This variable is the most complex element of the proposed model. Accurately calculating its value without being speculative is a crucial component to making the plaintiff whole. Broadly defined, this element equals the decline in the value of the plaintiff’s overall bundle of

²³⁶ If the fair market value were an accurate estimation of what the parties would have freely negotiated, we could assume that the plaintiff would incorporate diminution considerations into his asking price. In such a scenario, the fair market value would be a proper measure of damages because it would consider not only the actual exigencies of the (failed or nonexistent) transaction, but also diminution concerns. Fair market value calculations have not been so comprehensive, however, so we must expand our analysis.

²³⁷ See McCARTHY, *supra* note 5, § 11:32, at 11-69 to 11-70; O’Brien & Klein, *supra* note 163, at 8; Treece, *supra* note 161, at 651. “Comparables” are defined as “amounts received by comparable persons for comparable uses.” McCARTHY, *supra* note 5, § 11:32, at 11-70.

²³⁸ See McCARTHY, *supra* note 5, § 11:32, at 11-69 to 11-70; O’Brien & Klein, *supra* note 163, at 8; Treece, *supra* note 161, at 651; *see also Hoffman*, 33 F. Supp. 2d at 872 (defining fair market value as the “value that a celebrity of Mr. Hoffman’s reputation, appeal, talent and fame would bring in the open market for this type of one-time use in a publication in a regional magazine, in the Los Angeles market area”).

²³⁹ O’Brien & Klein, *supra* note 163, at 8.

assets that he can exploit, extrapolated for however long the misappropriation will negatively impact the value of these assets, less the costs associated with achieving these revenues (such as commissions), all discounted to its present value. To simplify this definition, we must examine each part of the definition separately.

Our first question must be, “what is the plaintiff’s ‘bundle of assets that he can exploit?’” Simply, this “bundle” acknowledges that individuals, celebrities in particular, have a variety of sources through which they can capitalize on their right of publicity.²⁴⁰ Mark Roesler²⁴¹ articulated the most comprehensive list of such assets during his expert testimony in the Nicole Brown Simpson and Ronald Goldman wrongful death trial.²⁴² In an attempt to establish the true net worth of O.J. Simpson, Roesler listed seven components that constituted Simpson’s right of publicity,²⁴³ all of which, Roesler argued, must be analyzed when calculating Simpson’s publicity value.²⁴⁴ These elements include autographs, product or merchandise memorabilia, endorsements or advertising, media-type events (e.g., interviews, public appearances, and the like), books and audiotapes, movies, and actual items owned by Simpson that tend to appreciate in value because he was the item’s owner.²⁴⁵

Roesler’s list demonstrates that there are many avenues through which a celebrity can generate revenue by exploiting his name and likeness. It should also illustrate something more: courts have acknowledged explicitly that a misappropriation of identity can result in a decrease to the plaintiff’s future publicity value.²⁴⁶ For reasons not explained in their opinions, however, courts have employed a narrow scope to assess these future damages. For example, in *Waits v. Frito-Lay, Inc.*,²⁴⁷ the court affirmed a portion of a jury verdict awarding Tom Waits \$75,000 for injury to his future publicity value.²⁴⁸ In affirming this award, the court stated:

²⁴⁰ Test. of Neill Freeman and Mark Roesler in the O.J. Simpson Civil Trial, R. at 124, ¶ 1-15, available at <http://legal.cmgww.com/pdfs/mr/simpson.pdf> (last visited Jan. 16, 2004).

²⁴¹ Mark Roesler is the Chairman and CEO of CMG Worldwide, a management company specializing in the marketing and protecting of celebrities’ publicity rights. CMG Worldwide Homepage, at <http://legal.cmgww.com/bio/roesler.html> (last visited Jan. 16, 2004).

²⁴² Test. of Neill Freeman and Mark Roesler, *supra* note 240, at 124, ¶ 1-15.

²⁴³ *Id.*

²⁴⁴ *Id.*

²⁴⁵ *Id.* The enumeration of Roesler’s seven categories does not imply that these are the only possible components of the right of publicity. See *infra* note 255.

²⁴⁶ See *supra* notes 180-190 and accompanying text.

²⁴⁷ 978 F.2d 1093 (9th Cir. 1992).

²⁴⁸ *Id.* at 1104; see also *supra* notes 180-185 and accompanying text.

[F]rom the testimony of Waits' expert witness, the jury could have inferred that if Waits ever wanted to do a commercial in the future, the fee would be lowered by \$50,000 to \$150,000 because of the Doritos commercial. This evidence was sufficient to support the jury's award of \$75,000 for injury to Waits' goodwill and future publicity value.²⁴⁹

It is unclear why the exclusive measure of damages is the decrease in Waits' potential asking-price to do commercials. Although not certain, it is conceivable that the misappropriation caused other components of Waits' publicity value to decrease in value as well, such as the value of his signature. It is possible that such decreases were speculative or were not affected by the misappropriation. There are, however, at least three other plausible scenarios that demonstrate a possible failure to compensate Waits' fully. First, the plaintiff's attorney may have failed to consider the full panoply of Waits' right of publicity, in which case the blame lies solely on the plaintiff's counsel. Second, the judge and/or the jury may have failed to analyze Waits' full "bundle of assets" despite plaintiff's request. Finally, the judge and/or the jury may have evaluated these issues, but for some reason, such analysis did not appear in the court's published opinion. Assuming there were decreases in Waits' publicity value aside from his value to appear in commercials, the verdict, as stated in the published opinion, does not adequately compensate him or make him whole.

Similarly, in *Clark v. Celeb Publ'g, Inc.*,²⁵⁰ the court awarded Lynda Clark \$7,000 as compensation for the projected loss of modeling fees resulting from the defendant's unauthorized use of her photographs in advertisements appearing in a highly-explicit pornographic magazine.²⁵¹ Although the plaintiff averred that the advertisements damaged her "ability to receive work and appear in more 'serious' films, advertisements and theatrical works,"²⁵² the court, again without explanation, only included one element of her right of publicity.²⁵³

Again, it is possible that the misappropriations in *Waits* and *Clark* only damaged their potential value to appear in commercials and modeling fees, respectively. However, it is more likely that each violation affected at least another one of the seven categories enumerated by Roesler as comprising a celebrity's right of publicity. If the goal of assessing compensatory damages in a right of publicity suit is to make the

²⁴⁹ *Id.*

²⁵⁰ 530 F. Supp. 979 (S.D.N.Y.1981).

²⁵¹ *Id.* at 984.

²⁵² *Id.* at 982.

²⁵³ *Id.* at 984.

plaintiff whole,²⁵⁴ courts and juries should consider the diminution in value of each of Roesler's seven categories.²⁵⁵ Clearly, the results will vary from case to case, but the rigor or breadth of the analysis should not. The circumstances of one case may demonstrate that the plaintiff has suffered a decrease in four of the seven categories, while another scenario will result in a diminution in only one. The key to a proper damages assessment is that the experts, courts, and juries consider each category and exclude damages that are speculative. Thus, the plaintiff should have the burden to prove the projected diminution in each category.

Our second question must be what variables affect the degree to which a celebrity's future publicity value is diminished. Although the following list is not exhaustive, it does provide a wide-range of factors that experts, juries, and courts should consider when calculating the declination in each category. First, the degree and nature of a person's celebrity will likely influence how susceptible his publicity value is to devaluation. Intuitively, it seems that the more established the celebrity, the less sensitive his publicity value will be to diminution.²⁵⁶ Established stars with broad appeal have the ability to endorse more products than a marginal celebrity.²⁵⁷ The inherent "pent-up" demand for a super-celebrity will allow him to offset a misappropriation more

²⁵⁴ See *supra* note 231.

²⁵⁵ The proposed model's employment of Roesler's seven categories to calculate the diminution of a celebrity's future right of publicity should not indicate that these are the only possible elements that constitute this asset. While Roesler's categories are not necessarily exhaustive, they are fairly comprehensive and seem to be broad enough to account for the various ways in which a celebrity can currently exploit his identity. It is conceivable, however, that advertisers, merchandisers, producers, and other individuals and entities will discover additional ways to exploit a celebrity's identity. In the event such an expansion occurs, the proposed model is flexible enough to accommodate such a change. Instead of analyzing the right of publicity based on Roesler's seven elements, experts, judges, and juries can analyze the diminution based on however many categories are required to ensure that the analysis is complete, whether the number be seven or seventy. Thus, the usage of Roesler's seven categories is simply an analytical starting point upon which others can begin to base their calculations and expand in scope if necessary.

²⁵⁶ This may not be true in all circumstances, however. One such circumstance concerns misappropriations involving news anchors, some of whom are contractually prohibited from endorsing products. Matthew Bender & Co., Entertainment Industry Contracts Form 78-2: Station/Newsreader Employment Agreement with Commentary, ¶1 (2002). In the case of a news anchor, a misappropriation may harm the value of their professional persona to a greater extent than other celebrities. Interview with Scott Shagin, *supra* note 223. For example, while Dan Rather is an extremely recognizable and established celebrity, if a company were to "use Dan Rather to hawk a product," the misappropriation "could destroy his multimillion dollar value as a newscaster." *Id.*

²⁵⁷ Telephone interview with Eugene R. Quinn, Jr., Visiting Professor of Law, Temple University School of Law (Mar. 10, 2003). Quinn acknowledges that there are diminishing marginal returns for additional endorsements. *Id.* He does contend, however, that the

effectively than his lesser-known peers.²⁵⁸ Similarly, in the event that the unauthorized use concerns a controversial product or service, a recognized celebrity will have greater access to the media and, thus, a better ability to correct any misperceptions.²⁵⁹ So, although the actual decline in publicity value may be larger for an established star—simply because his value is greater—the volatility may be larger for a newer or marginal celebrity.²⁶⁰

Second, the popularity of the celebrity outside his primary area will likely affect the degree to which his publicity value will decrease. If the star has broad appeal in a variety of markets and throughout various locations, it is probable that a misappropriation will have less of an effect on his publicity value compared to a celebrity with a more limited appeal. For example, if Michael Jordan's image were used in an unauthorized advertising campaign for televisions, effectively precluding him from endorsing any other television manufacturer, the resulting decline in his publicity value will be modest because his tremendous commercial appeal will allow him to endorse a product in another industry. Mike Hailwood, on the other hand, is a more limited celebrity. Alleged as "an icon of racing, just as James Dean and Marilyn Monroe are icons of pop culture,"²⁶¹ Hailwood is a relative unknown outside his primary arena of popularity. Thus, when Ducati Motor Holding purportedly used Hailwood's initials, name, likeness, and reputation to advertise and market its motorcycle without first obtaining his consent, Hailwood's estate alleged that the racer's publicity rights were "distorted and trivialized, thus diminishing their value for future licensing."²⁶² Because Jordan's broad popularity will enable him to endorse

greater the celebrity, the greater the likelihood he will be able to mitigate the diminution to his right of publicity. *Id.*

²⁵⁸ *Id.*

²⁵⁹ *Id.* This "access to the media" argument has its roots in the law of defamation. While private individuals only need to establish the elements of defamation to recover damages, public figures also need to demonstrate that the defendant acted with actual malice. *Curtis Publ'g Co. v. Butts*, 388 U.S. 130 (1967). This disparity is justified on several grounds, one of which concerns the unequal access to the media: "Private individuals are entitled to a greater degree of protection from defamation than public figures . . . because they usually have less access to the channels of effective communication to counteract false statements . . ." *Dresbach v. Doubleday & Co.*, 518 F. Supp. 1285, 1294 (D.D.C. 1981).

²⁶⁰ Telephone interview with Eugene R. Quinn, Jr., *supra* note 257. Quinn acknowledges that a misappropriation may greatly affect a superstar's right of publicity. *Id.* However, he avers that a superstar's access to the media will allow the celebrity to minimize such volatility in his right of publicity value and restore the value to its equilibrium position much sooner than a marginal celebrity. *Id.*

²⁶¹ *Compl.*, *Hailwood v. Ducati Motor Holding*, Civ. No. 01-CV-3403 (JAG), at ¶ 10 (Dist. Ct. N.J. filed July 17, 2001).

²⁶² *Id.* ¶ 75.

another product in a different industry, Hailwood may suffer a greater proportional diminution to his publicity value.

Third, the degree to which the celebrity has exploited his fame should factor into the damages calculations. As previously noted, several courts have imposed enhanced damages on defendants who, without authorization, have used the personality of a celebrity who had previously not exploited his star status.²⁶³ In certain circumstances, this premium on damages awards is appropriate because it recognizes a “first-time value”²⁶⁴ for celebrities who have made a conscious decision not to exploit their image for commercial purposes (e.g., Dustin Hoffman,²⁶⁵ Tom Waits,²⁶⁶ and Cary Grant²⁶⁷). It seems equitable for courts to promote this inverse relationship for stars, such as Waits, who have been outspoken against endorsements and for celebrities, such as Hoffman, whose future value may be diminished because an advertisement has trivialized his image: *ceteris paribus*, the less a star has profited from his personality, the greater the potential diminution to his future publicity value.²⁶⁸

²⁶³ See *supra* notes 168-177 and accompanying text.

²⁶⁴ *Grant v. Esquire, Inc.*, 367 F. Supp. 876, 881 (S.D.N.Y. 1973).

²⁶⁵ See *supra* notes 173-177 and accompanying text.

²⁶⁶ See *supra* notes 180-185 and accompanying text.

²⁶⁷ See *supra* notes 169-172 and accompanying text.

²⁶⁸ This enhanced “first-time value” should not be confused with damages to a celebrity’s dignitary interests, which do not involve economic or financial considerations. In one of the few right of publicity cases that considers such interests, the remedy sought was injunctive relief, rather than monetary damages. See *Martin Luther King, Jr., Ctr. for Soc. Change, Inc. v. Am. Heritage Prods., Inc.*, 296 S.E.2d 697 (Ga. 1982). In *King*, the plaintiffs sought to control and preserve the image of Dr. King by preventing the defendants from selling plastic busts of the civil rights leader. *Id.* at 698-99.

Incorporating damages to a celebrity’s dignitary interests into the proposed formula presents several problems. First, although the unlicensed sale of Martin Luther King, Jr. busts “could tarnish the value of King’s dignitary interest such that the value of his message for political and social change is undermined . . . [h]ow does one value that aspect of the injury?” E-mail from Scott Shagin, *Esquire* (Aug. 28, 2003) (on file with author). Second, it is not entirely clear that a right of publicity cause of action is the appropriate vehicle by which to collect damages inflicted upon a person’s dignitary interests. The right of publicity concerns the “commercial value” of a person’s identity. See *supra* note 5 and accompanying text. By definition, dignitary interests do not implicate financial considerations, and even if such interests did concern money, the formula would already account for any damages under the future diminution component. Additionally, plaintiffs could allege damages to their dignitary interests through a host of other causes of action, such as privacy, defamation, or negligent or intentional infliction of emotional distress. See *Newcombe v. Adolf Coors Co.*, 157 F.3d 686 (9th Cir. 1998). Finally, in lieu of compensatory damages, the remedy could be to “put the persona *status quo ante*; injunction, costs and attorneys fees and perhaps a well-timed and published retraction as well as destruction of the infringing goods.” E-mail from Scott Shagin, *supra* note 28 (Aug. 28, 2003) (on file with author). Such remedies could also include punitive damages if the infringer knowingly or recklessly misappropriated the person’s identity.

Fourth, the degree to which the celebrity has managed and cultivated his image should affect the damages calculus. Although this may seem contradictory to the previous point, it is not. While the previous issue concerned a celebrity who rarely if ever licensed his personality and a celebrity who frequently licensed his image, this discussion involves two celebrities who both exploit their star status, but manage their publicity rights with varying degrees of business acumen. If the plaintiff can demonstrate that he or his management team has painstakingly weighed every opportunity to determine the optimal mix of creative and commercial projects and has taken great pains to control his image, he should be entitled to a larger award than a celebrity who has done a slipshod job. The reason for this assertion is that often there is overlooked value in the proper management of a celebrity's right of publicity.²⁶⁹ If a misappropriation disturbs the trajectory of a well-conceived publicity plan, the plaintiff is prejudiced and suffers a tangible loss.²⁷⁰

Fifth, the nature and breadth of the misappropriation are significant variables.²⁷¹ Using a celebrity's name to endorse aspirin without authorization is very different from appropriating a star's name to endorse the Ku Klux Klan. Aside from having a potential defamation suit, the celebrity in the latter case would probably suffer larger damages than the celebrity in the former scenario. Although this hypothetical is rather extreme, it serves to illustrate the point that associations with controversial, unpopular, or illegal products, services, or organiza-

For these reasons, including a component in the formula for damages done to a celebrity's dignitary interests seems neither warranted nor desirable. This is not to imply that dignitary interests are not important or that courts should not protect a person's ability to control his identity. Rather, it is a recognition that the existing case law and doctrinal interpretation probably do not support such compensatory damages under a right of publicity cause of action.

²⁶⁹ Interview with Scott Shagin, *supra* note 223.

²⁷⁰ *Id.*; see also O'Brien & Klein, *supra* note 163, at 10. In their economic analysis of the right of publicity, O'Brien and Klein draw upon trademarks and advertisements. *Id.* They aver: "Economic and advertising literature as well as common sense indicate that the value of trademarks and the effectiveness of advertisements decay over time *unless heavily supported and/or redesigned.*" *Id.* (emphasis added). They argue that the right of publicity suffers from a similar natural decline in value. *Id.* It stands to reason that a celebrity can avoid or at least mitigate this natural decay if his right of publicity were similarly "heavily supported and/or redesigned." Many believe that the proper management of a celebrity will not only avoid this decay, but also create significant present and future value for his right of publicity. Interview with Scott Shagin, *supra* note 223.

²⁷¹ The Restatement (Third) of Unfair Competition states, "Such a reduction in [the celebrity's publicity] value may result . . . from . . . the quality or nature of the good or services with which the plaintiff's identity is used . . ." RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 49 cmt. d (1995).

tions can devastate a celebrity's publicity value.²⁷² Courts should consider the identity of the defendant and the product or service for which he misappropriated the celebrity's identity. Similarly, the court should consider how broadly the misappropriation is dispersed to the viewing public.²⁷³ An unauthorized use of a celebrity's picture in a small-town newspaper advertisement should command a lower damages award, *ceteris paribus*, than the use of a star's image in a commercial during the Super Bowl.²⁷⁴

Sixth, courts should examine whether the misappropriation will preclude the celebrity from endorsing other competing products within that industry. Steven Schechter, the attorney representing Mike Hailwood's estate, believes that the *Hailwood* case illustrates that misappropriations occurring in a small market, in this case motorcycles, cause greater damages than infractions transpiring in large, competitive markets.²⁷⁵ Schechter avers that because the motorcycle community now associates Hailwood with Ducati and there are relatively few motorcycle manufacturers, Hailwood's estate is now virtually precluded from endorsing any other company in that entire industry.²⁷⁶ Other entertainment attorneys extend this reasoning and believe that such misappropriations may prevent celebrities from endorsing competing products irrespective of the size of the industry.²⁷⁷ For example, if Lexus were to misappropriate Michael Jordan's image, it is unlikely that Cadillac, Ford, or any of the other automobile manufacturers would pay Jordan to endorse their cars.²⁷⁸ Thus, if a plaintiff is able to prove that no other company in an entire industry will license his per-

²⁷² Interview with Scott Shagin, *supra* note 223.

²⁷³ See *supra* note 271.

²⁷⁴ In a right of publicity action filed in 2002, Arnold Schwarzenegger demanded over \$20 million from an Ohio car dealer and its advertising agency when they allegedly used his image without permission. Matea Gold, *Schwarzenegger Isn't Buying It: Actor Goes After an Ohio Car Dealer for Using His Likeness Without Permission*, L.A. TIMES, Jan. 22, 2003, at A1. The complaint alleged that the defendants used a one square inch picture of Schwarzenegger with his Terminator sunglasses with a voice balloon that read, "Arnold Says: Terminate Early at Fred Martin." *Id.* The photograph was part of a full-page, color advertisement that ran in the Akron Beacon Journal for five days in April 2002. *Id.* A veteran entertainment lawyer, noting the nature and breadth of the misappropriation and the fact that it was not widely circulated, expressed some skepticism over the large demand for damages: "But I think that if, at trial, they ask for \$20 million, the jury would be offended, given the *inconsequential nature of the use*. The jury will likely think he's a billionaire, and why are they going to want to give a billionaire millions of dollars for a *small ad that ran in the Akron Beacon Journal?*" *Id.* (emphasis added) (quoting Robert Dudnik).

²⁷⁵ Telephone interview with Steven Schechter, Esquire, Partner, Mondello & Schechter (Sept. 30, 2002).

²⁷⁶ *Id.*

²⁷⁷ Interview with Scott Shagin, Esquire, *supra* note 223.

²⁷⁸ *Id.*

sonality due to the misappropriation, it is justifiable for the celebrity to ask for enhanced damages due to this narrowing of his potential markets.

Finally, experts and courts must determine to the best of their abilities if the misappropriation diminishes the celebrity's reputation or actually increases certain aspects of his publicity value. Law professor and right of publicity scholar Eugene Quinn, Jr. acknowledges that, in certain circumstances, it is conceivable for a misappropriation to increase an element of a celebrity's right of publicity.²⁷⁹ For example, assuming the misappropriation were used in a creative and popular advertisement, it may actually increase the celebrity's market power for future endorsements.²⁸⁰ A more likely scenario, Quinn argues, involves the misappropriation of a deceased celebrity's persona.²⁸¹ In such a hypothetical, an advertiser, believing the celebrity's right of publicity protection to have expired,²⁸² uses the star's persona without obtaining authorization from the managing estate.²⁸³ As a result of the unauthorized appropriation, the deceased celebrity becomes popular among people who may have never been exposed to the celebrity aside from the commercial.²⁸⁴ Thus, the advertisement creates a new audience for the celebrity, which may increase his value with respect to his creative works, such as his movies, records, or novels.²⁸⁵

Even though there does not seem to be any research or case law that demonstrates a misappropriation increasing a celebrity's future right of publicity, there have been instances where an unauthorized use

²⁷⁹ Telephone interview with Eugene R. Quinn, Jr., *supra* note 257; *see also* O'Brien & Klein, *supra* note 163, at 10 ("Future earnings of a celebrity may increase as a result of the misappropriation of his or her identity. For example, certain types of publicity may be career-enhancing").

²⁸⁰ O'Brien & Klein, *supra* note 163, at 10.

²⁸¹ *Id.* For an examination of the technological and legal issues associated with using images of deceased celebrities, see Joseph J. Beard, *Casting Call at Forest Lawn: The Digital Resurrection of Deceased Entertainers, a 21st Century Challenge to Intellectual Property Law*, 8 HIGH TECH. L.J. 101 (1993).

²⁸² Given the wide variations in the duration of *post mortem* protection afforded by different state statutes, this type of error by an advertiser seems possible. *See supra* notes 110-112 and accompanying text.

²⁸³ Telephone interview with Eugene R. Quinn, Jr., *supra* note 257.

²⁸⁴ *Id.*

²⁸⁵ *Id.* Quinn offers as an example the overwhelmingly successful Coca-Cola advertising campaign that featured many deceased celebrities, including Humphrey Bogart. *Id.* According to Quinn, these commercials introduced Bogart to many young individuals who had never seen his movies. *Id.* By portraying the actor as "cool and hip," the advertisers essentially created a new market for the star. *Id.* While these commercials lawfully used the celebrities' personas, the issue of damages would arise if an endorsement were made without the estate's consent.

has enhanced the victim's economic value.²⁸⁶ Although occurring in the realm of copyright infringement, music sampling cases illustrate this point. For example, Vanilla Ice's sampling of Queen's "Under Pressure" for his hit song, "Ice, Ice Baby," increased sales of the former record, as a new generation of fans were exposed to the song.²⁸⁷ Thus, although it has not been documented, it is possible that an unauthorized use of a celebrity's persona can increase his future publicity value.²⁸⁸

The proposed model can account for such increases in a celebrity's value resulting from an unauthorized use of his identity. The court or the jury, based on the opinions of both sides' experts, will simply net the increases and decreases in publicity values for all seven of Roesler's proposed categories.²⁸⁹ If damages exceed benefits, i.e., if this value is positive, we insert this value into the formula and continue with our calculations. If, however, after applying the effects of the misappropriation to each of Roesler's seven elements and any other elements the plaintiff introduces, there is a net increase in the star's publicity value, i.e., a negative value, the fair market value of the misappropriation should act as a floor for the damages calculation.

There are several reasons for this apparent asymmetry in the formula, i.e., the inclusion of net damages and the exclusion of net increases in value. First, awarding damages less than the fair market value in cases of a net increase in future value would be inequitable in that the defendant, had he freely negotiated with another comparable celebrity, would have paid this fair market value. Thus, even if the misappropriation increases the celebrity's future publicity value, damages less than the fair market value would unjustly enrich the defendant. Second, the possibility of damages less than the fair market value would create an incentive for misappropriation. From a public policy perspective, this would be unacceptable. Finally, it would be unfair and would unjustly enrich the plaintiff if the courts assessed compensatory damages greater than the fair market value if the misappropriation caused a net increase in the celebrity's right of publicity. This is not to

²⁸⁶ *Id.*

²⁸⁷ WEILER, *supra* note 154, at 453.

²⁸⁸ Telephone interview with Eugene R. Quinn, Jr., *supra* note 257.

²⁸⁹ Roesler's seven categories are autographs, product or merchandise memorabilia, endorsements or advertising, media-type events (e.g., interviews, public appearances, and the like), books and audiotapes, movies, and actual items owned by the celebrity that tend to appreciate in value because he was the item's owner. See *supra* notes 243-245 and accompanying text. Since the formula is structured to calculate damages, enhancements to the celebrity's publicity value are considered negative values and damages are considered positive values.

imply that plaintiffs may not be entitled to enhanced damages for first-time value,²⁹⁰ punitive damages, or additional compensatory damages under a different cause of action.²⁹¹

Some scholars have expressed reservations regarding the concept that certain misappropriations may actually increase a celebrity's right of publicity value:

This [concept] creates a compulsory license in certain situations. It rewards defendants for taking a calculated risk that they won't be sued by the celebrity, and if they are, if they were successful marketers, they need only pay a retroactive license fee. It seems to reward commercial immorality; there's no penalty for bad intent, or for a successful marketing campaign that brings so-called value to the celebrity. Absent prospects for either punitive damages . . . or . . . a retroactive license plus compensation for devaluation of the prospective value of the celebrity's image rights, what's the incentive for a licensee with a deep pocket to negotiate a license?²⁹²

While the commentator's concerns are understandable, the proposed model does not grant compulsory licenses, even if the misappropriation were to increase a celebrity's right of publicity. First, as the commentator suggests, the prospects for punitive damages reduces the possibility that a bad-faith infringer would only have to pay damages equaling the fair market value of the misappropriation. The purpose of the proposed model is to calculate the actual damages to which a celebrity is entitled under many state statutes or common law. The award of such compensatory damages does not preclude an award for punitive damages.²⁹³

Second, the model proposes that expert testimony must examine how the misappropriation will affect the future value of a celebrity's right of publicity. While an unauthorized advertisement may increase a celebrity's instant right of publicity, it may preclude him from performing more lucrative endorsements for other companies.²⁹⁴ By including the value of any diminution in their initial damages calculations, courts will send a powerful warning to would-be infringers not to use an individual's identity without permission, unless they are prepared to as-

²⁹⁰ See *supra* notes 263-268 and accompanying text.

²⁹¹ See *supra* note 268.

²⁹² E-mail from Lloyd Jassin, *supra* note 162.

²⁹³ Most of the state statutes provide for punitive damages and/or treble damages in addition to compensatory damages. McCARTHY, *supra* note 5, § 6:8, at 6-18. As McCarthy notes, "Punitive damages are sometimes awarded to prevent the infringer from walking out of court after merely paying plaintiff the market value of the intellectual property which was stolen . . ." *Id.* § 11:36, at 11-87. Punitive damages are appropriate when the defendant's conduct has been "egregious" or when there is evidence of "oppression, fraud, or malice." *Id.*

²⁹⁴ See *supra* notes 275-278 and accompanying text.

sume the risk that the misappropriation will enhance the individual's value.²⁹⁵ From a public policy perspective, the incorporation of diminution to a celebrity's future publicity value serves as a market deterrent. Limiting recovery exclusively to the fair market value from the outset, on the other hand, would amount to a compulsory license, absent prospects for punitive damages. Admittedly, the plaintiff may actually be better off in this scenario, as he receives not only the fair market value of the misappropriation, but also the increase in his future publicity value. Although this may seem like a windfall to the plaintiff, the alternative of assessing less damages to the defendant may increase the incentives of others to misappropriate, assuming they are willing to assume the aforementioned risks, and unjustly enrich the defendant with respect to the instant action.

Finally, if the judge or the jury properly calculates the misappropriation's net effect on each of Roesler's seven categories and the celebrity's future right of publicity value actually increases, it would be inequitable to assess compensatory damages in excess of the fair market value. Compensatory or actual damages must be "sufficient in amount to indemnify the injured person for the loss suffered."²⁹⁶ To award celebrities compensatory damages above a misappropriation's fair market value when the unauthorized use caused a net increase in their publicity value would punish the infringer and provide a windfall to the celebrity.

Our third question in calculating the diminution's net present value is the length of time for which we should extrapolate. This question contains many ancillary inquiries that experts, juries, and courts must consider when projecting damages into the future. First, for how long and at what level can the celebrity reasonably expect to exploit his identity?²⁹⁷ The answer to this question is dependant on many factors, such as the nature and popularity of the celebrity²⁹⁸ and whether the

²⁹⁵ Potential infringers would also need to factor into their damages calculations the likelihood of being assessed punitive damages and of the plaintiff's recovering compensatory damages under additional causes of action. See *supra* notes 290-91 and accompanying text.

²⁹⁶ BLACK'S LAW DICTIONARY 170 (2d pocket ed. 2001).

²⁹⁷ Commentators, relying on similar valuations of trademarks and advertisements, predict that the right of publicity suffers a natural declination over time. O'Brien & Klein, *supra* note 163, at 10. This natural decline is measurable, however, as experts can "develop an earnings profile to see the effect of the passage of time" on a celebrity's earnings. *Id.* Thus, by creating such an earnings profile, experts should be able to quantify the duration and extent to which a celebrity can reasonably expect to exploit his identity.

²⁹⁸ Absent future, popular projects, a contestant on the television show *Survivor* probably can not reasonably argue that he can exploit his celebrity status 30 years into the future at the same rate and for the same returns. A celebrity of a stature like O.J. Simpson, however, can arguably capitalize on his celebrity for much longer. In calculating Simpson's publicity

applicable substantive law upon which the plaintiff is basing his case recognizes a *post mortem* right of publicity and for how long.²⁹⁹ Second, given this celebrity's right of publicity life expectancy, how long will the misappropriation continue to affect negatively this value?³⁰⁰ Although the fickle, unpredictable nature of public opinion renders this question difficult to answer, judges and juries should consider it nonetheless. Third, will the diminution in publicity value be constant over this amount of time, will it fluctuate, or will the celebrity be able to rebuild the value of his celebrity portfolio?³⁰¹ Clearly, the specific facts of the case will affect the answers to all these questions. Further, although such an evaluation will require a substantial amount of expert testimony and analysis and, admittedly, may not always result in a precise answer, courts must consider these elements if they wish to calculate accurately the actual damages a celebrity suffers.

Finally, our fourth question is by how much should we discount the future damages to account for the managerial, legal, and overhead costs the celebrity will not have to incur to generate revenue equivalent to such a damages award. Celebrities retain various individuals and entities to manage their affairs.³⁰² Costs associated with personal and business managers, agents, advisors, attorneys, and publicists are often substantial.³⁰³ Therefore, it seems not only equitable, but also economically accurate to subtract such costs from any future value calculation. In the O.J. Simpson civil litigation, the plaintiff's expert witness, a certified public accountant, subtracted two percent annually from Simpson's

value for the civil trial, plaintiff's expert witnesses, Roesler and Neill Freeman, a certified public accountant, used life expectancy tables to extrapolate that Simpson could exploit his personality for 24 years, or the rest of his life. Test. of Neill Freeman and Mark Roesler, *supra* note 240, at 37, ¶3-12.

²⁹⁹ See *supra* notes 110-112 and accompanying text. Although California's right of publicity statute, CAL. CIV. CODE § 3344.1 (West 2002), includes a *post mortem* right of publicity, Roesler and Freeman only extrapolated their calculations to the end of Simpson's expected life. Test. of Neill Freeman and Mark Roesler, *supra* note 240, at 37, ¶3-12, at 42, ¶26-28, at 43, ¶1-10. Although the record does not indicate why they did not include this *post mortem* value, one can speculate that they were attempting to appear conservative and reasonable to the jury in intentionally undervaluing Simpson's asset. See *id.* at 43, ¶2-10.

³⁰⁰ Experts, by developing the celebrity's earnings profile proposed by O'Brien and Klein, should be able to discern trends in the celebrity's publicity value, which will be helpful in determining how long the misappropriation will negatively affect the right of publicity.

³⁰¹ Again, an earnings profile that accounts for a celebrity's right of publicity both before and after the misappropriation will demonstrate trends and will assist the trier of fact in extrapolating damages into the future.

³⁰² Interview with Scott Shagin, Esquire (Nov. 19, 2002).

³⁰³ *Id.*

publicity value to account for commissions Simpson did not have to pay.³⁰⁴

Once we have calculated the diminution to the celebrity's future publicity value we must discount this component to its present value.³⁰⁵ After discounting this amount to its present value, we add this number to the fair market value of the misappropriation. Finally, we proceed to our final step in the analysis, discounting our total damages calculation to accommodate First Amendment considerations.

C. *Discount Factor for First Amendment Considerations*

Neither the academic nor the judicial communities have universally accepted the right of publicity.³⁰⁶ Many commentators have expressed trepidation and discontent that the right of publicity impinges on First Amendment rights by narrowing the amount of information available in the public domain.³⁰⁷ In one of the most celebrated opinions regarding the conflict between the right of publicity and the First Amendment,³⁰⁸ Judge Kozinski, in dissent, lamented:

³⁰⁴ Test. of Neill Freeman and Mark Roesler, *supra* note 240, at 42, ¶2-15. Although Roesler averred such commissions could range from five to twenty percent, Freeman, for reasons not stated in the record, used only a two percent factor. *Id.*

³⁰⁵ The parties will likely present competing evidence concerning the appropriate discount rate to be applied. MARC A. FRANKLIN & ROBERT L. RABIN, *TORT LAW AND ALTERNATIVES* 689 (7th ed. 2001). Despite this dissension, discounting the future damages to present value is both equitable and economically accurate from a valuation standpoint. If the court did not discount this amount, the plaintiff would be overcompensated at the expense of the defendant, as he could invest this money and possibly earn substantially more than that to which he is entitled.

³⁰⁶ See *supra* note 120.

³⁰⁷ See Joshua Waller, *The Right Of Publicity: Preventing the Exploitation of a Celebrity's Identity Or Promoting The Exploitation Of The First Amendment?*, 9 UCLA ENT. L. REV. 59 (2001); Diane Leenheer Zimmerman, *Who Put the Right in the Right of Publicity?*, 9 DEPAUL-LCA J. ART & ENT. L. & POL'Y 35, 52 (1998) (stating that "the expanding right of publicity is a piece of a larger trend that has elicited negative comment from a wide range of scholars alarmed at seeing intellectual property rights gradually colonizing more and more of the informational commons"); Mark A. Lemley & Eugene Volokh, *Freedom of Speech and Injunctions in Intellectual Property Cases*, 48 DUKE L.J. 147, 227 (1998) ("The speech-restrictive potential of the right of publicity goes much further than that of trademark law, or even libel law, and it may mean that the doctrine as a whole is substantively unconstitutional . . .").

³⁰⁸ *White v. Samsung Elecs. Am., Inc.*, 989 F.2d 1512 (9th Cir. 1993) (Kozinski, J., dissenting). The case involved a Samsung advertisement for its consumer electronics equipment, which depicted various Samsung products with various, humorous predictions. *Id.* at 1514. For example, one prediction showed Morton Downey, Jr. before an American flag with the caption "Presidential candidate. 2008 A.D." *Id.* The commercial was to illustrate that Samsung's products would still be used twenty years in the future. *Id.* The image in question in this case involved a robot, dressed to look like Vanna White, beside a game board reminiscent of the Wheel-of-Fortune, with the caption "Longest-running game show. 2012 A.D." *Id.* The United States Court of Appeals for the Ninth Circuit reversed the District Court's

I can't see how giving White the power to keep others from evoking her image in the public's mind can be squared with the First Amendment. Where does White get this right to control our thoughts? The majority's creation goes way beyond the protection given a trademark or a copyrighted work, or a person's name or likeness. All those things control one particular way of expressing an idea, one way of referring to an object or a person. But not allowing any means of reminding people of someone? That's a speech restriction unparalleled in First Amendment law.³⁰⁹

Those who support the expansive recognition of the right of publicity stress that the doctrine applies to a very narrow type of speech, namely unauthorized, commercial speech.³¹⁰ Although it is true that the doctrine applies to commercial speech,³¹¹ this argument overlooks four important considerations. First, the only Supreme Court case concerning the right of publicity, *Zacchini*, demonstrates that the doctrine is not confined to commercial speech.³¹² In *Zacchini*, the Supreme Court concluded that a television station had to compensate a performer when it aired his entire act without his consent during its eleven

rejection of White's summary judgment motion for a common law right of publicity claim, stating that it "decline[s] Samsung and Deutch's invitation to permit the evisceration of the common law right of publicity through means as facile as those in this case." *White v. Samsung Elecs. Am., Inc.*, 971 F.2d 1395, 1399 (9th Cir. 1992).

³⁰⁹ *White*, 989 F.2d at 1519. Judge Kozinski continues his assault on the majority's opinion by proclaiming:

What's more, I doubt even a name-and-likeness-only right of publicity can stand without a parody exception. The First Amendment isn't just about religion or politics—it's also about protecting the free development of our national culture. Parody, humor, irreverence are all vital components of the marketplace of ideas. The last thing we need, the last thing the First Amendment will tolerate, is a law that lets public figures keep people from mocking them, or from "evoking" their images in the mind of the public.

Id. (citation omitted).

³¹⁰ According to Jonathan Faber, Esq., the Vice President, Business & Legal Affairs at CMG Worldwide, Inc., the right of publicity

absolutely does not impede or diminish [the] 1st Amendment and I am adamant about this point. Those who argue otherwise do not understand the doctrine. Most RoP [right of publicity] statutes have 1st Am[endment] provisions written in. RoP addresses unauthorized commercial uses. Commercial speech is afforded the lowest level of judicial scrutiny, and rightfully so. The message in most commercial uses is "buy this" and the use of a celebrity in that context provides great advantage to that particular entity using the personality. The personality should and must be assured the right to prevent the use from occurring at all, and if approved, should be compensated for the value added to the campaign or product.

E-mail from Jonathan Faber, Vice President, Business & Legal Affairs at CMG Worldwide, Inc., (Dec. 23, 2002) (on file with author).

³¹¹ See *supra* notes 5-6 and accompanying text. Furthermore, although state statutes and the Restatement differ considerably in their language and protection, they all provide relief for the unauthorized *commercial* use of an individual's identity. MCCARTHY, *supra* note 5, § 6:5, at 6-14.1; RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 46.

³¹² See *supra* notes 85-89 and accompanying text.

o'clock news program.³¹³ Thus, although the unauthorized use concerned a seemingly newsworthy event, the First Amendment did not immunize the station. Although commentators have construed the decision narrowly to apply only to misappropriations of a plaintiff's "entire act,"³¹⁴ its holding illustrates that even newsworthy speech is not beyond the doctrine's reach.

Second, although courts have afforded commercial speech less protection than entertainment or newsworthy speech,³¹⁵ it is entitled to some degree of First Amendment protection nonetheless, as mandated by the Supreme Court in *Central Hudson Gas & Electric Corp. v. Public Service Commission*.³¹⁶ Judge Kozinski's dissent in *White* stressed this point and described the importance of recognizing some degree of protection for commercial speech:

The majority dismisses the First Amendment issue out of hand because Samsung's ad was commercial speech. So what? Commercial speech may be less protected by the First Amendment than noncom-

³¹³ *Zacchini v. Scripps Howard Broad. Co.*, 433 U.S. 562, 564, 574-75 (1977).

³¹⁴ See, e.g., *McCarthy*, *supra* note 5, § 1:33, at 1-57; Zimmerman, *supra* note 307, at 49-50. To support this narrow construction, McCarthy cites the following language from the *Zacchini* opinion: "Wherever the line in particular situations is to be drawn between media reports that are protected and those that are not, we are quite sure that the First and Fourteenth Amendments do not immunize the media *when they broadcast a performer's entire act without his consent.*" *McCarthy*, *supra* note 5, § 1:33, at 1-57 (quoting *Zacchini*, 433 U.S. at 574-75) (emphasis added).

³¹⁵ Notwithstanding the narrow holding in *Zacchini*, the unauthorized use of an individual's right of publicity generally is permissible for news and fiction, but not for commercial speech. *McCarthy*, *supra* note 5, §§ 8:12-8:16, 8:89-8:90; see, e.g., *Cardtoons, L.C. v. Major League Baseball Players Ass'n*, 95 F.3d 959, 976 (10th Cir. 1996) (rejecting plaintiff's right of publicity claims because parodic baseball trading cards are not commercial speech, but "an important form of *entertainment* and social commentary that deserve First Amendment protection") (emphasis added); see also Roberta Rosenthal Kwall, *The Right Of Publicity vs. The First Amendment: A Property And Liability Rule Analysis*, 70 *IND. L.J.* 47, 67 (1994) ("Most courts have attempted to resolve the inherent conflict between the right of publicity and the First Amendment simply by categorizing the defendant's use, with entertainment and informational uses receiving greater protection than commercial uses.").

³¹⁶ 447 U.S. 557 (1980). In *Central Hudson*, the Supreme Court developed a four-part test that must be satisfied in order to restrict commercial speech:

At the outset, we must determine whether the expression is protected by the First Amendment. For commercial speech to come within that provision, it at least must concern lawful activity and not be misleading. Next, we ask whether the asserted governmental interest is substantial. If both inquiries yield positive answers, we must determine whether the regulation directly advances the governmental interest asserted, and whether it is not more extensive than is necessary to serve that interest.

Id. at 566. Thus, commercial speech "may be freely regulated, or even banned, if it is 'false, deceptive, or misleading'; but commercial speech otherwise can be restricted only if 'the State shows that the restriction directly and materially advances a substantial state interest in a manner no more extensive than necessary to serve that interest.'" Stephen R. Barnett, *The Right of Publicity Versus Free Speech in Advertising: Some Counter-Points To Professor McCarthy*, 18 *HASTINGS COMM. & ENT. L.J.* 593, 600 (1996) (footnotes omitted).

mercial speech, but less protected means protected nonetheless. And there are very good reasons for this. Commercial speech has a profound effect on our culture and our attitudes.³¹⁷

Third, scholars have criticized the classification of speech into the discrete categories of “newsworthy,” “entertainment,” or “commercial” as being impractical and overly simplistic.³¹⁸ For example, again in his *White* dissent, Judge Kozinski states:

In our pop culture, where salesmanship must be entertaining and entertainment must sell, the line between the commercial and noncommercial has not merely blurred; it has disappeared. Is the Samsung parody any different from a parody on Saturday Night Live or in Spy Magazine? Both are equally profit-motivated. Both use a celebrity’s identity to sell things—one to sell VCRs, the other to sell advertising. Both mock their subjects. Both try to make people laugh. Both add something, perhaps something worthwhile and memorable, perhaps not, to our culture. Both are things that the people being portrayed might dearly want to suppress.³¹⁹

Finally, the orderly and systematic classification of speech overlooks the trend towards increased hybrid speech. While some cases involve only clear and obvious commercial speech, other litigation concerns speech that mixes both editorial and advertising elements into a so-called “advertorial.”³²⁰ An even greater increase in mixed-message speech seems likely. Advertising executives, in a concerted effort to improve their business, are attempting to reinvent the marriage between the advertising and entertainment industries.³²¹ The advertisers’

³¹⁷ 989 F.2d at 1519-20 (citations omitted). Judge Kozinski continued:

Commercial speech is a significant, valuable part of our national discourse. The Supreme Court has recognized as much [in its *Central Hudson* decision], and has insisted that lower courts carefully scrutinize commercial speech restrictions, but the panel totally fails to do this. The panel majority doesn’t even purport to apply the *Central Hudson* test, which the Supreme Court devised specifically for determining whether a commercial speech restriction is valid. The majority doesn’t ask, as *Central Hudson* requires, whether the speech restriction is justified by a substantial state interest. It doesn’t ask whether the restriction directly advances the interest. It doesn’t ask whether the restriction is narrowly tailored to the interest. These are all things the Supreme Court told us—in no uncertain terms—we must consider; the majority opinion doesn’t even mention them.

Id. at 1520 (footnotes omitted); see also Barnett, *supra* note 316, at 613-14 (“Speech in advertising may be less protected than other speech, but it is not beyond the First Amendment pale. Proponents of the right of publicity should recognize that this tort requires a First Amendment defense—even for advertising—and focus on the difficult task of developing one.”).

³¹⁸ See, e.g., Villardi, *supra* note 125, at 308 (noting that “what can be labeled as ‘commercial’ in character can also be ‘newsworthy.’”); David J. Michnal, Note, *Tiger’s Paper Tiger: The Endangered Right of Publicity*, 58 WASH. & LEE L. REV. 1155, 1176-77 (2001).

³¹⁹ 989 F.2d at 1520.

³²⁰ Scott Shagin, *The Right of Publicity in New Jersey: Emerging Trends* 9 (2002) (unpublished article) (on file with author).

³²¹ Meredith Amdur, *Can Blurb Biz Go Showbiz?*, VARIETY, Mar. 3-9, 2003, at 1.

strategies include: expanding product placements in films and television shows, creating shows around products, becoming sole sponsors of shows, and using celebrities “to help create more aspirational brands.”³²² As one creative executive opined, “Advertising can become part of the content.”³²³

This mixed message speech was precisely the type at issue in *Hoffman v. Capital Cities/ABC, Inc.*³²⁴ In *Hoffman*, the Ninth Circuit concluded that the magazine article was constitutionally protected speech because it was not “pure commercial speech.”³²⁵ Commentators predict, however, that “as the motivation and financial incentives to sell products merge with an editorial interest in informing about those products, courts may be faced with the need to look at discrete aspects of the challenged speech and to analyze anew the distinctions between commercial speech and non-commercial speech.”³²⁶ Thus, cases involving hybrid speech, such as *Hoffman*, may require courts to employ a more nuanced approach to their First Amendment analyses.

In addition to their categorization of different types of speech, scholars have proposed other ways to reconcile the right of publicity with the First Amendment. Some commentators have advanced that courts adopt a derivation of copyright’s fair use³²⁷ for the right of pub-

³²² *Id.* at 83.

³²³ *Id.*

³²⁴ 33 F. Supp. 2d 867 (C.D. Cal. 1999), *rev’d on other grounds*, 255 F.3d 1180 (9th Cir. 2001) (reversed on First Amendment grounds); *see supra* notes 173-174 and accompanying text.

³²⁵ 255 F.3d at 1185. The court justified this conclusion by reasoning that, “[v]iewed in context, the article as a whole is a combination of fashion photography, humor, and visual and verbal editorial comment on classic films and famous actors. Any commercial aspects are ‘inextricably entwined’ with expressive elements, and so they cannot be separated out ‘from the fully protected whole.’” *Id.* (citations omitted).

³²⁶ Shagin, *supra* note 320, at 9. Shagin offers the following hypothetical to demonstrate the complexity of right of publicity cases involving hybrid speech:

What if an online motorcycle magazine ran a biographical article about the life of Michael Hailwood with a photograph of him on his motorcycle and, without authorization from Hailwood’s estate, allowed readers to move their cursor over the photograph, learn about the motorcycle he is on and link to a website where the motorcycle can be purchased? This scenario, involving a much closer relationship between editorial and commercial speech, will require courts to delve deeper into the business of sorting out mixed use speech rules and the First Amendment defense to the right of publicity. It may also offer marketers a compelling and constitutionally favored way to mix editorial content and commercial speech into an “advertorial.”

Id.

³²⁷ The Copyright Act, which is the statute that grants a property right to the original author of a work, also confers a general privilege of “fair use” of the work for “purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research” Copyright Act, 17 U.S.C. § 107 (1976).

licity.³²⁸ Influenced by the work of Judge Pierre Leval,³²⁹ the California Supreme Court created its own solution for resolving such tensions in *Comedy III Productions, Inc. v. Saderup, Inc.*³³⁰

The plaintiff in *Comedy III*, the registered owner of all the rights to the Three Stooges, sued Gary Saderup when he sold lithographs and T-shirts bearing the trio's likeness.³³¹ The artist reproduced the Three Stooges' image from an original charcoal drawing he had created.³³² At trial, the court found for Comedy III, awarding the entity the \$75,000 in profits Saderup had made from the sale of the unlicensed merchandise and \$150,000 in attorney's fees plus costs.³³³ The trial court also issued a permanent injunction preventing Saderup from exploiting the Three Stooges' image any further.³³⁴ On appeal, the Court of Appeal affirmed the award of damages, attorney's fees, and costs, but dismissed the injunction for being overly broad.³³⁵

The California Supreme Court granted review to address the applicability of California's right of publicity statute and Saderup's claim that the judgment against him violated his right of free speech and expression guaranteed by the First Amendment.³³⁶ In analyzing the latter issue, the California Supreme Court developed a balancing test by which the court would gauge whether the infringing work adds an amount of creative input, or "transformative" value, sufficient to convert the work into something more than a mere likeness or imitation of

³²⁸ See, e.g., Barnett, *supra* note 316; Randall T.E. Coyne, *Toward a Modified Fair Use Defense in Right of Publicity Cases*, 29 WM. & MARY L. REV. 781 (1988); Brief of Amicus Curiae American Intellectual Property Law Association at 18-27, *Comedy III Productions, Inc. v. Saderup, Inc.*, 25 Cal. 4th 387 (2001) (No. B120382) (arguing for the application of the fair use test to balance publicity rights and First Amendment issues and citing numerous cases, including *Zacchini*, to demonstrate that courts have already heavily relied upon the fair use factors in right of publicity jurisprudence).

³²⁹ See Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105 (1990). Leval believed:

In analyzing a fair use defense, it is not sufficient simply to conclude whether or not justification [to use the underlying work] exists. The question remains how powerful, or persuasive, is the justification, because the court must weigh the strength of the secondary user's justification against factors favoring the copyright owner. I believe the answer to the question of justification turns primarily on whether, and to what extent, the challenged use is *transformative*.

Id. at 1111 (emphasis added).

³³⁰ 25 Cal. 4th 387 (2001) (citing Leval, *supra* note 329).

³³¹ *Id.* at 393.

³³² *Id.*

³³³ *Id.*

³³⁴ *Id.* at 394.

³³⁵ *Id.*

³³⁶ *Id.* at 396.

the individual's identity.³³⁷ If, in the court's estimation, the work contains significant transformative elements or does not derive its value mainly from the celebrity's fame, it shall be accorded First Amendment protection.³³⁸

The court held that, unlike the works of Andy Warhol, which transcended the mere commercial exploitation of a celebrity's image, Saderup's art contained "no significant transformative or creative contribution. His undeniable skill is manifestly subordinated to the overall goal of creating literal, conventional depictions of the Three Stooges so as to exploit their fame."³³⁹ Emphasizing that the marketability and economic value of Saderup's work derived principally from the fame of the Three Stooges, the court affirmed the appellate court's judgment against Saderup.³⁴⁰

The speech classification model, the fair use approach, and the transformative test offer some value in evaluating if an infringer should be liable for damages. All the models seem to be inadequate, however, because they all impose an "all or nothing" liability approach for misappropriations that contain some degree of protectable speech.³⁴¹ A more balanced approach to determining liability and assessing damages, rooted in both the comparative negligence doctrine³⁴² and copy-

³³⁷ *Id.* at 391.

³³⁸ *Id.* at 407. The court summarized its test as follows:

[W]hen an artist is faced with a right of publicity challenge to his or her work, he or she may raise as an affirmative defense that the work is protected by the First Amendment inasmuch as it contains significant transformative elements or that the value of the work does not derive primarily from the celebrity's fame.

Id. The essential question then is "whether a product containing a celebrity's likeness is so transformed that it has become primarily the defendant's own expression rather than the celebrity's likeness. And when we use the word 'expression,' we mean expression of something other than the likeness of the celebrity." *Id.* at 406. Some scholars have been quick to point out that this "transformative" test is too vague a standard to be relied upon, as it neither adequately defines "expression," nor enumerates how much transformation is necessary to receive constitutional protection. *See, e.g., Gil Peles, Comedy III Productions v. Saderup*, 17 BERKELEY TECH. L.J. 549, 562-64 (2002).

³³⁹ *Comedy III*, 25 Cal. 4th at 409.

³⁴⁰ *Id.* at 409-10.

³⁴¹ Michnal, *supra* note 318, at 1178.

³⁴² *Id.* at 1178-79. Michnal avers, "The comparative negligence analogy can be applied to the publicity rights/First Amendment conflict to produce a more satisfactory result. In a comparative system, a user would be liable for the appropriation of the celebrity's identity but not for the expressive element of the use." *Id.* at 1180. Michnal offers a four-step analysis to determine the appropriate measure of damages for a right of publicity claim. *Id.* First, is the appropriation primarily newsworthy, in which case it would be completely protected, or is it merely commercial in nature, in which case the plaintiff would be entitled to relief? *Id.* at 1184. Second, does the use diminish the commercial value of the individual? *Id.* Third, is there a valid First Amendment issue? *Id.* Finally, to what extent are the defendant's profits derived from the individual's identity? *Id.*

right infringement actions,³⁴³ is to discount the damages award to account for these First Amendment considerations.

While it is admitted that this is an imprecise science, at least one court has noted that “want of precision is not a ground for denying apportionment altogether.”³⁴⁴ Furthermore, such apportionments have been judicially sanctioned in copyright infringement cases. For example, in *Gaste v. Kaiserman*,³⁴⁵ the court upheld a jury’s apportionment regarding the percentage of a song’s profits that were derived from its original lyrics and the percentage arising from the misappropriated music.³⁴⁶ Similarly, in right of publicity cases involving purely commercial or mixed-message speech,³⁴⁷ the fact finder can conduct a similar analysis to protect not only the celebrity’s right of publicity, but also the defendant’s freedom of speech.

In cases where the plaintiff’s right of publicity has been at odds with the defendant’s purported First Amendment rights, courts have employed either the transformative test³⁴⁸ or the commercial/noncom-

Although Michnal’s proposal is a step in the right direction, it is deficient in two respects. First, by averring that speech that “merely advertise[s] a product” is not entitled to any protection, he ignores the *Central Hudson* test, *supra* note 316 and accompanying text, which provides a certain degree of protection for purely commercial speech, contradicts his own criticism of the “all or nothing” approach to liability, and disregards the fact that little if any speech can be dubbed purely commercial. Michnal, *supra* note 318, at 1178, 1184. The line between the commercial and the noncommercial has been blurred to the point of evisceration, and speech that is intended to sell a product almost certainly has an expressive component. See *supra* note 319 and accompanying text. Second, by limiting his damages calculation to a portion of the defendant’s profits, he potentially undervalues an appropriate award, ignores the potential diminution to the plaintiff’s right of publicity, and fails to make the plaintiff whole. *Id.*

³⁴³ See 17 U.S.C. § 504(b) (1983) (“The copyright owner is entitled to recover the actual damages suffered by him or her as a result of the infringement, and *any profits of the infringer that are attributable to the infringement* and are not taken into account in computing the actual damages.” (emphasis added)). Thus, when the evidence permits such a valuation, an infringing defendant is entitled to a reduction in the damages award to account for the value of his independent contribution. *Gaste v. Kaiserman*, 863 F.2d 1061, 1069 (2d Cir. 1988).

³⁴⁴ *Gaste*, 863 F.2d at 1070.

³⁴⁵ *Id.*

³⁴⁶ *Id.*

³⁴⁷ In order to comport with *Zacchini*, this analysis should also be applied to entertainment or newsworthy speech that misappropriates a performer’s entire act. Unauthorized uses that are clearly for news or fiction generally are protected fully under the First Amendment and afford plaintiffs no damages. See *supra* note 315. As such, the proposed discount factor would be applicable to purely newsworthy or entertainment speech in very limited circumstances.

³⁴⁸ See, e.g., *Comedy III*, 25 Cal. 4th at 405 (“This inquiry into whether a work is ‘transformative’ appears to us to be necessarily at the heart of any judicial attempt to square the right of publicity with the First Amendment.”).

mercial distinction³⁴⁹ to adjudicate the dispute. As noted, such analyses are problematic because they impose an “all-or-nothing” approach to liability, which does not account for any elements of protectable speech. Furthermore, analyses based exclusively on one of the tests, i.e., the transformative test or the commercial/noncommercial distinction, arguably have resulted in poor decisions. For example, in *White v. Samsung Electronics America, Inc.*,³⁵⁰ the Ninth Circuit, applying only the commercial/noncommercial distinction, rejected the defendant’s parody/First Amendment affirmative defense, stating,

This case involves a true advertisement run for the purpose of selling Samsung VCRs. The ad’s spoof of Vanna White and the Wheel of Fortune is subservient and only tangentially related to the ad’s primary message: “buy Samsung VCRs.” Defendant’s parody arguments are better addressed to non-commercial parodies. The difference between a “parody” and a “knock-off” is the difference between fun and profit.”³⁵¹

In failing to consider the degree to which Samsung’s use of Vanna White’s persona was original, creative, and transformative, the court virtually eviscerates creators’ ability to parody, distort, or transform any celebrity’s identity in a commercial context.

There is a more equitable and balanced approach to the assessments of liability and damages, which builds upon the work of David Michnal.³⁵² The proposed methodology involves three steps. First, the finder of fact must determine the context of the alleged misappropriation. If the unauthorized use occurs in either a purely commercial or mixed-message context, the finder of fact will proceed to step two. If, however, the unauthorized use is in a purely newsworthy or entertainment context,³⁵³ such as a celebrity’s picture in a news article or a celebrity’s name in a television show, and does not misappropriate a performer’s entire act,³⁵⁴ the defendant will continue to enjoy broad

³⁴⁹ See, e.g., *ETW Corp. v. Jireh Publ’g*, 99 F. Supp. 2d 829 (N.D. Ohio 2000). In *ETW*, the court considered, *inter alia*, whether the First Amendment shielded the defendant from a right of publicity claim arising from the defendant’s art print featuring Tiger Woods. *Id.* at 830-31. Concerning the plaintiff’s right of publicity claim, the court held for the defendant because the plaintiff did not “convince the Court that the prints are commercial speech” *Id.* at 835. Thus, the court held the prints were fully protected by the First Amendment. *Id.*

³⁵⁰ 971 F.2d 1395 (9th Cir. 1992). For a description of the facts, see *supra* note 308.

³⁵¹ *Id.* at 1401.

³⁵² Michnal, *supra* note 318, at 1178-1194. For a brief description of Michnal’s proposed approach, see *supra* note 342.

³⁵³ See *supra* note 315.

³⁵⁴ The misappropriation of a performer’s entire act, even in a news or entertainment context, would probably violate the holding in *Zacchini* and entitle the plaintiff to damages. See *supra* notes 312-314 and accompanying text.

First Amendment protection, which generally affords the plaintiff no damages.

Second, the finder of fact will determine both the percentage of the disputed speech (i.e., the alleged misappropriation of the celebrity's persona) that is not commercial in nature and the percentage of the questionable speech that is transformative. Although both of these determinations are rather subjective and there is no universally accepted definition for "commercial speech,"³⁵⁵ there are numerous factors that the judge or jury could use to calculate such percentages. For example, in calculating the degree to which the speech is noncommercial, the fact finder should consider, among other possible things: the identity of the speaker³⁵⁶ (is it a person or a corporation?); the audience to which the speech is directed;³⁵⁷ the purpose of the speech³⁵⁸ (is it primarily commercially motivated?); and the manifestation of the speech (to what degree is the speech expressive in nature, and does the speech "do no more than propose a commercial transaction"?³⁵⁹). In calculating the degree to which the speech is transformative, the judge or jury should consider, among other possible things: the degree to which the unauthorized use relies on the celebrity's identity to convey its message³⁶⁰ (is the celebrity's actual persona being exploited or is the defendant simply evoking that person's identity through subtle suggestion or parody?); the literalness of the usage³⁶¹ (is the use an exact replica of the celebrity's image or did the defendant alter it in some way, imbuing in it his own interpretation or meaning?); and the extent to which the

³⁵⁵ See, e.g., *Central Hudson*, 447 U.S. at 561 (defining commercial speech as "expression related solely to the economic interests of the speaker and its audience"); *Bolger v. Youngs Drug Prods. Corp.*, 463 U.S. 60, 66 (1983) (quoting *Va. State Bd. of Pharmacy v. Va. Citizens Consumer Council, Inc.*, 425 U.S. 748, 762 (1976)) (defining commercial speech as "speech which does 'no more than propose a commercial transaction'"); *Kasky v. Nike, Inc.*, 27 Cal. 4th 939, 946 (2002) (concluding that certain speech was "commercial" because "the messages in question were directed by a commercial speaker to a commercial audience, and because they made representations of fact about the speaker's own business operations for the purpose of promoting sales of its products . . .").

In *Nike, Inc. v. Kasky*, 123 S.Ct. 2554 (2003), the United States Supreme Court declined the opportunity to clarify the definition of commercial speech when it dismissed the writ of certiorari as improvidently granted.

³⁵⁶ See, e.g., *Valentine v. Chrestensen*, 316 U.S. 52, 55 (1942); see also *Kasky*, 27 Cal. 4th at 946.

³⁵⁷ See, e.g., *Kasky*, 27 Cal. 4th at 946.

³⁵⁸ See, e.g., *Central Hudson*, 447 U.S. at 561.

³⁵⁹ See, e.g., *Va. State Bd. of Pharmacy*, 425 U.S. at 771 n.24 (quoting *Pittsburgh Press Co. v. Human Relations Comm'n*, 413 U.S. 376, 385 (1973)).

³⁶⁰ *Comedy III*, 25 Cal. 4th at 406.

³⁶¹ *Id.* at 405.

speech's "marketability and economic value . . . derive primarily from the fame of the celebrity depicted[.]"³⁶²

In the method's final step, the finder of fact will discount any damages (the fair market value plus the net present value of future diminution to the plaintiff's publicity value) by the greater of these two percentages. By discounting damages by the greater of these two values, the model provides broader speech protections to the defendant.

Applying this proposed methodology to two controversial cases illustrates its utility. Consider, for example, *White v. Samsung Electronics America, Inc.*³⁶³ In *White*, Samsung's advertising agency created a print ad for VCRs that depicted a robot, dressed in a wig, gown, and jewelry.³⁶⁴ The robot, which resembled Vanna White, was posed next to a game board recognizable as the Wheel of Fortune with a caption that read, "Longest-running game show. 2012 A.D."³⁶⁵ The advertisement was intended to illustrate that Samsung products would still be in use in the Twenty-First Century.³⁶⁶ White, who had not consented to the ad, sued under several causes of action, including her right of publicity. The Ninth Circuit found the unauthorized use was commercial in nature, rejected the defendant's parody defense, and reversed the grant of summary to the defendant.³⁶⁷

Had this case progressed to the damages phase, it would have been ideally suited for the application of the proposed discount factor. The first element of the analysis reveals that the context in which the unauthorized use occurred was commercial, arguably purely, in nature, as the speech was embodied in a print advertisement for VCRs. The second component of the analysis would require the fact finder to determine the percentage of the use that was noncommercial in nature *and* the percentage that was transformative. As noted above and as concluded by the court, because the speech was almost exclusively commercial, the former number would probably be very low, perhaps ten percent. However, because Samsung never truly exploited White's image, name, or voice and only evoked her likeness, the latter percentage could be very high, perhaps as high as sixty percent. Thus, if the fact finder ultimately returned a verdict for White, the damages would be reduced by this sixty percent to account for the defendant's creative, transformative speech, even though it was commercial in nature.

³⁶² *Id.* at 407.

³⁶³ 971 F.2d 1395 (9th Cir. 1992).

³⁶⁴ *Id.* at 1396.

³⁶⁵ *Id.*

³⁶⁶ *Id.*

³⁶⁷ *Id.* at 1401.

The *Hoffman* litigation presents a more complicated analysis. Dustin Hoffman's digitally-altered image and name were used in a magazine article that merged famous photographs of actors and actresses with models wearing spring 1997 fashions.³⁶⁸

Many of the clothes displayed in the article were created by designers who were also major advertisers in the magazine at the time of publication.³⁶⁹ In addition, the article referenced a "shopping guide" that provided price and store information for the clothing shown in the magazine article.³⁷⁰ The district court, finding the unauthorized use to be commercial in nature denied the magazine's First Amendment defense and awarded Hoffman compensatory damages of \$1,500,000.³⁷¹ The Ninth Circuit reversed, finding that the altered photograph of Hoffman was not pure commercial speech, entitling the defendant to First Amendment protection.³⁷²

The complexity of this case demanded a more refined analysis than the courts conducted. The unauthorized use of Hoffman's image and name was mixed-message speech, simultaneously containing both commercial *and* noncommercial elements. Furthermore, the digital alterations were transformative in nature, albeit only slightly, as Hoffman's name and actual face were displayed. Thus, to a certain degree, the defendant capitalized on Hoffman's identity for commercial gain, even though it did so in a magazine and in a creative manner. As such, the district court's analysis failed to consider the significant noncommercial elements of the defendant's speech. Similarly, the circuit court's analysis did not provide any protection to Hoffman's right of publicity.

Applying the methodology outlined above, however, accounts for both interests. As noted, the fact finder must analyze the context of the unauthorized use. For our purposes, assume that although the article was not purely commercial in nature, it was not purely news or entertainment speech either. Consequently, the judge or jury then must determine the extent to which the unauthorized use was noncommercial and the degree to which it was transformative. Assume the fact finder determines the use to be ninety percent noncommercial, as the article was not an advertisement and did much more than simply propose a commercial transaction, and that the speech was only slightly (approximately twenty percent) transformative because the magazine

³⁶⁸ *Hoffman v. Capital Cities/ABC, Inc.*, 33 F. Supp. 2d 867, 870 (C.D. Cal. 1999), *rev'd on other grounds*, 255 F.3d 1180 (9th Cir. 2001) (reversed on First Amendment grounds).

³⁶⁹ *Id.*

³⁷⁰ *Id.*

³⁷¹ *Id.* at 874-75.

³⁷² 255 F.3d 1180 (9th Cir. 2000).

displayed Hoffman's actual name and face. The fact finder will then discount the \$1,500,000 damages award by the greater of these values, or ninety percent, to arrive at a \$150,000 award. Unlike the "all-or-nothing approach" currently employed, this award not only protects the defendant to the extent his use was either noncommercial or transformative, thus entitling him to First Amendment protection, but also acknowledges the celebrity's right of publicity.

Although it may not be the perfect solution, such a discount factor has certain merits. First, it would permit judges to avoid the "all or nothing approach" that courts are currently employing and would help obviate arguably poorly decided cases, such as the Vanna White litigation. Second, by including the discount factor to calculate damages, the formula reminds judges, celebrities, and commercial entrepreneurs that commercial speech is entitled to a certain degree of First Amendment protection and that celebrities do not have an absolute monopoly over their personalities for commercial speech. Third, it rewards creators who transform existing images, re-code our understanding, and create new meanings within our culture. Individuals who simply appropriate an identity without adding anything new are subjected to the full amount of damages; thus, the discount factor incentivizes speakers to be creative and innovative.

Although critics may claim the discount factor would create increased uncertainty and thus stifle speech, such concerns would be misplaced. There is already a tremendous amount of uncertainty concerning the inflection point at which the right of publicity collides with the First Amendment. Furthermore, such a unified model incorporating both the First Amendment and the right of publicity would assist speakers in internalizing costs, create incentives for content that is highly transformative, and warn commercial speakers that they must compensate an individual to the extent they exploit that person's identity for commercial gain. This would not stifle speech or increase litigation; it would reduce uncertainty and cultivate speech. Fourth, not permitting a discount factor for free speech risks overcompensating celebrities. Celebrities should not be entitled to damages arising from speech that is constitutionally permissible. Finally, for the same reasons that a celebrity appeals for the protection of his identity, when a creator (even an advertiser) invests substantial work into developing his product, it is only equitable to recognize the value of his independent, innovative creation and reduce any damages award by a concomitant measure.

D. *Practical Applications of the Model*

Although it may appear so, the model is not procedurally complex and can be integrated into pattern jury instructions. First, expert witnesses and careful market research can provide much of the evidence necessary for the model's proper functioning. While the finder of fact will have to reconcile competing expert testimony presented at trial, this should not be a cause for concern, as judges and juries often need to weigh complicated, voluminous expert testimony to decide cases. Second, the court can assign the burdens of production and persuasion in the most equitable manner. The plaintiff should have both burdens with respect to proving the fair market value of the misappropriation and the future diminution to his publicity value. The defendant, on the other hand, should have both burdens with respect to the reduction in damages due to the First Amendment discount and the celebrity not having to pay for the commissions or professional services associated with the damages award. Similarly, if the defendant alleges that the misappropriation increases the celebrity's right of publicity, the defendant should have to raise and prove such a claim. Finally, and most importantly, the court can reduce the model to pattern jury instructions to assist the jury in calculating a damages award.

New York's pattern jury instructions for damages arising under its right of privacy statute³⁷³ state,

If you find that plaintiff is entitled to recover, you will award him such amount as, in the exercise of your good judgment and common sense, you find is fair and just compensation for . . . the appropriation of the publicity value of plaintiff's ((name, picture)), the actual pecuniary harm resulting to plaintiff from defendant's use of plaintiff's ((name, picture)). By actual pecuniary harm is meant the income lost up to the present time as a result of the publication plus the amount by which you find it diminished plaintiff's capacity to earn income in the future from his ((name, picture)).³⁷⁴

Although New York's instructions contain some of the elements of the proposed model (e.g., an award of the fair market value for the "income lost" and an amount to compensate the plaintiff for the diminution of his future publicity value), they are incomplete. With several modifications to the compensatory damages component of New York's instructions,³⁷⁵ courts in every jurisdiction that recognizes the right of

³⁷³ New York does not have a right of publicity statute, but recognizes the right under its right of privacy legislation. *See supra* note 111.

³⁷⁴ N.Y. Pattern Jury Instr. Civil 3:46, Div. 3 (E)(2).

³⁷⁵ With the common law jurisdictions and sixteen of the eighteen state statutes governing the right of publicity expressly providing for some type of compensatory damages, e.g., actual damages or loss suffered, the modifications to the compensatory damages section of the

publicity could utilize the model and develop their own customized jury instructions. First, courts should define “income lost.” This term must expressly include not only the pecuniary, fair market loss resulting from the instant misappropriation, but also any immediate decreases in the celebrity’s seven right of publicity categories enumerated by Roesler.³⁷⁶ Similarly, courts should state that in calculating the diminution in the future value, the jury must consider at least all seven of Roesler’s categories. By listing the seven categories, courts will ensure that the jury is comprehensive in its analysis. Should the plaintiff wish to supplement this list with other categories, he should have the burden of production to propose such an expansion. Second, to avoid granting the plaintiff a windfall, courts must instruct the jury to reduce the future damages component to account for the commissions and professional services the celebrity will not have to incur to generate revenue equivalent to such a damages award.³⁷⁷ Third, although the instructions probably will not ask the jury for such a calculation, courts must ensure they discount the future value to net present value.³⁷⁸ Finally, courts should insert the following statement or a similar remark at the end of the jury instructions:

If you find that the defendant’s speech that makes use of the plaintiff’s ((name, image, likeness, etc.)) is entirely commercial in nature AND contains no transformative value, the aggregate of the amounts you have already calculated will be your verdict, if you find for the plaintiff. However, if you find that the defendant’s speech that makes use of the plaintiff’s ((name, image, likeness, etc.)) is in any way noncommercial in nature OR contains any transformative value, you will discount your verdict by the percentage of the speech that is noncommercial in nature or transformative, whichever percentage is greater, if you find for the plaintiff.

jury instructions would be slight. *See supra* note 231. The most significant modification to the compensatory section of the pattern jury instructions would be what components of the celebrity’s identity are protected (e.g., voice, image, likeness, etc.). *See supra* notes 105-109 and accompanying text.

³⁷⁶ *See supra* note 245 and accompanying text. Again, it is important to emphasize that these seven categories may not be an exhaustive treatment of an individual’s right of publicity.

³⁷⁷ *See supra* notes 302-304 and accompanying text. If the relevant state law does not permit the recovery of attorney’s fees and litigation expenses, the court may choose to not deduct these future commissions and professional costs from the plaintiff’s damages award. Permitting the damages award to stand without accounting for these costs may compensate the plaintiff for the unrecoverable attorney’s fees and litigation expenses, which arguably would make him whole.

³⁷⁸ *See supra* note 305 and accompanying text. To ensure this discount is applied, the jury can determine the damages award and the timeframe of the diminution, and the court can discount this value.

VI. CONCLUSION

The current ways by which courts and juries determine compensatory damages in right of publicity actions are flawed.³⁷⁹ In order to calculate the extent to which a misappropriation has *actually* injured a celebrity, judges and juries should consider not only the instant damages to a celebrity's right of publicity, but also any future diminution in value.³⁸⁰ While some courts have recognized the importance of future damages,³⁸¹ their analyses have been far from exhaustive.³⁸² Furthermore, judges and juries should avoid the "all or nothing" liability approach when considering First Amendment defenses.³⁸³ A more accurate and balanced approach, which also complies with the Supreme Court's holding in *Central Hudson*, would discount damages awards by the percentage of the speech that was noncommercial in nature or transformative in character, whichever amount is greater.³⁸⁴ Such a discount factor would apply only to speech that is presented in a purely or partially commercial context. The courts would still afford entertainment or newsworthy speech the same broad First Amendment protections they currently possess,³⁸⁵ provided the defendant has not misappropriated the plaintiff's entire act.³⁸⁶

With the advent of many new digital technologies that enable artists, advertisers, filmmakers, and other content creators to produce and modify images of living and deceased celebrities with ease,³⁸⁷ it is likely there will be an increase in right of publicity suits in the coming years. Additionally, as modern technologies enable these groups to quickly, easily, and inexpensively alter existing images and likenesses, the transformative nature of such uses will also increase. This will likely cause increased tension between the right of publicity and free speech. Thus, it is important that courts ensure not only the accurate calculation of compensatory damages, but also the proper balance between the right

³⁷⁹ See *supra* notes 219-230 and accompanying text.

³⁸⁰ See *supra* notes 178-179 and accompanying text.

³⁸¹ See *supra* notes 180-190 and accompanying text.

³⁸² See *supra* notes 246-254 and accompanying text.

³⁸³ See *supra* notes 341-344 and accompanying text.

³⁸⁴ See *supra* notes 352-363 and accompanying text.

³⁸⁵ See *supra* note 315.

³⁸⁶ See *supra* note 354.

³⁸⁷ See Pamela L. Kunath, *Lights, Camera, Animate! The Right of Publicity's Effect on Computer-Animated Celebrities*, 29 LOY. L.A. L. REV. 863 (1996) (evaluating the legal ramifications of inserting a living or deceased actor's computer-generated likeness into a movie); Erin Giacoppo, Note, *Avoiding the Tragedy of Frankenstein: The Application of the Right of Publicity to the Use of Digitally Reproduced Actors in Film*, 48 HASTINGS L.J. 601 (1997) (discussing advances in digital technology and future trends that are revolutionizing content creation).

of publicity and the First Amendment. The model proposed here provides a conceptual framework from which we can start working towards achieving both goals.