

NOTE

PUBLICITY RIGHTS, FALSE ENDORSEMENT, AND THE EFFECTIVE PROTECTION OF PRIVATE PROPERTY

INTRODUCTION

Publicity rights, though lacking a physical manifestation, are of high social benefit. These rights protect the commercial value in an individual's name. As with other forms of property rights, the state should enforce them vigorously and effectively. In theory, these rights are currently protected, an implicit recognition of their value. In practice, however, two concerns are emerging: the devaluation of wealthier individuals' claims for protection and the use of an overly complex test that fails to provide adequate predictability or expedience. Indeed, the intellectual property protected by publicity rights—essentially the right to exploit a well-known reputation commercially—is particularly fragile because its value, though real and substantial, is embedded in public perceptions and can be easily damaged by undesired associations.¹ This Note proposes a revision of the publicity rights test and suggests that courts import the “Endorsement Test” from First Amendment doctrine to remedy these two issues while operating within the familiar framework of its existing jurisprudence. Guided by the rationale for the right, as demonstrated by its theoretical justifications, false endorsement claims should be evaluated under the following standard: In light of the context, would it appear to a reasonable observer that the disputed message constitutes an endorsement?

Dating to Adam Smith's publication of the *Wealth of Nations*, theorists have long recognized that a myriad of societal benefits

1. Recent events have only reinforced the gap that may exist between a public endorsement persona (the intellectual property “Tiger Woods”) and an individual's actual personality (Eldrick “Tiger” Woods). These events have also reinforced the fragility of such personas. See Ken Belson, *AT&T Is the Latest to Drop Woods*, N.Y. TIMES, Jan. 1, 2010, at B11.

flow from the protection of personal property.² As with physical property, courts have acknowledged the right of an individual to the intangible goodwill associated with his name. Today, this recognition is represented by the common-law right of publicity³ and its statutory counterpart, the federal Lanham Act.⁴

There are, however, twin assaults on this element of personal property. First, a recent circuit court decision suggested that the individuals who most often bring suits to protect their publicity rights—wealthy celebrities—are less deserving of such property rights than the often poorer individuals who attempt to trade on their names and images. Even if this position represented a sensible policy, it ignores the reality that many of these individuals likely generated much of that wealth through the savvy development of an endorsement persona, all the while destroying their ability to continue to control or develop such a persona. Second, even where relief is eventually granted, the courts' doctrine creates delays and uncertainty. Indeed, courts often deploy complex balancing tests, evaluating the relevant question as one of fact. This method makes it difficult to offer the protections that the law should afford expeditiously and creates pressures for settlement even where no legal defense should exist.

In light of the importance of these property rights, an effective and expedient means of resolution is needed. The test must be effective at determining whether a false endorsement exists, because overprotection of property rights may be just as socially deleterious as underprotection.⁵ Social science literature

2. See ADAM SMITH, AN INQUIRY INTO THE NATURE AND CAUSES OF THE WEALTH OF NATIONS (R.H. Campbell & A.S. Skinner eds., Liberty Classics 1981) (1776).

3. See, e.g., *Abdul-Jabbar v. Gen. Motors Corp.*, 85 F.3d 407 (9th Cir. 1996) (reversing the lower court's summary judgment dismissal of a right of publicity claim, noting that the use of celebrity athlete Kareem Abdul-Jabbar's former name in a car commercial could constitute a violation); *Midler v. Ford Motor Co.*, 849 F.2d 460 (9th Cir. 1988) (finding that use of a "sound alike" in a commercial could constitute a violation); *Haelan Labs., Inc. v. Topps Chewing Gum, Inc.*, 202 F.2d 866 (2d Cir. 1953) (holding that an athlete could provide an exclusive license to his likeness).

4. 15 U.S.C. § 1125(a)(1)(A) (2006) (creating a cause of action for persons injured by commercial depictions "likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of [the defendant] with another person, or as to the origin, sponsorship, or approval of [the defendant's] goods, services, or commercial activities by another person").

5. See *White v. Samsung Elecs. Am., Inc.*, 989 F.2d 1512, 1513 (9th Cir. 1993) (Kozinski, J., dissenting from order rejecting request for rehearing en banc) ("Overpro-

analyzing how individuals process information offers perspective on how best to protect this intellectual property. Indeed, some existing case law is already consistent with this research.

A review of case law in other realms reveals that there is already a test that can provide the robust protections required. The Endorsement Test from First Amendment case law would ask whether a reasonable person would think that the challenged material suggests that the plaintiff was either endorsing or disapproving the defendant's message.⁶ Moreover, the relevant prong of this test already functions as a question of law,⁷ allowing judges to dispose of the matter without lengthy trials where the issues are clear-cut. It is also consistent with the leading cases and research in the field. In short, this test, guided by the justifications for publicity rights, would allow individuals to capitalize on their own success, regardless of wealth, and avoid the risk of having their successes damaged through undesirable associations.

Part I of this Note traces the theoretical justifications for publicity rights. Part II then introduces the two main threats to their effective enforcement. Finally, Part III proposes a novel formulation that contemplates the reality of human information processing in seeking an effective legal standard.

I. THE ROLE OF PROPERTY RIGHTS IN THE AMERICAN EXPERIENCE

Property rights have long been recognized as a crucial impetus to labor in Western political and social philosophy. This Part traces this recognition among theorists from Adam Smith to the modern academy, and finally to existing jurisprudence. Any proposed test should be guided by these rationales.

A. Intellectual Foundations

It is far from novel to suggest that protection of personal property is necessary to induce individuals to labor. Adam Smith argued that labor, and the fruits thereof, are the essence of property: "The property which every man has in his own

protecting intellectual property is as harmful as underprotecting it. . . . Overprotection stifles the very creative forces it's supposed to nurture.").

6. Cf. *County of Allegheny v. ACLU*, 492 U.S. 573, 597 (1989).

7. See, e.g., *O'Connor v. Washburn Univ.*, 416 F.3d 1216, 1231 n.7 (10th Cir. 2005).

labour, as it is the original foundation of all other property, so it is the most sacred and inviolable.”⁸ Then, through the exchange of one man’s surplus for that of another, “the society itself grows to be what is properly a commercial society.”⁹ Indeed, it is a commercial society that Smith famously suggested could, through market function, provide for the needs of its members.¹⁰ That is, no one could specialize in a single field and develop excellence therein without the knowledge that he could later exchange the fruits of his labor with others. For instance, a sculptor’s art on its own will not provide sustenance. Through exchange with the farmer, however, both can focus upon their chosen field. Modern theorists also have noted the vital role of property rights in an effective market economy. Professor Dani Rodrik, for instance, stated that as “many others have argued, the establishment of secure and stable property rights ha[s] been a key element in the rise of the West and the onset of modern economic growth.”¹¹ A prerequisite, then, for a modern economy, and indeed a society of learning (since academic research and education as currently constituted would be impossible without a division of labor), is strong property rights.

The logic underlying this protection is just as applicable to intellectual property as to physical property. Professor Rodrik correctly argues that property rights are necessary to induce individuals to labor because “an entrepreneur would not have the incentive to accumulate and innovate unless s/he has adequate *control* over the return to the assets that are thereby produced or improved.”¹² Moreover, property rights are necessary to promote the entrepreneurial spirit that some have associated with the global successes of the United States.¹³ Thus, much hinges on the right.

As with physical property, intellectual property can have real value and require assiduous efforts to generate. According

8. SMITH, *supra* note 2, at 138.

9. *Id.* at 37.

10. *Id.* at 27 (“As it is by treaty, by barter, and by purchase, that we obtain from one another the greater part of those mutual good offices which we stand in need of . . .”).

11. Dani Rodrik, *Institutions for High-Quality Growth: What They Are and How to Acquire Them*, 35 *STUD. COMP. INT’L DEV.* 3, 6 (2000).

12. *Id.* (emphasis in original).

13. See, e.g., Mortimer B. Zuckerman, *A Second American Century*, *FOREIGN AFF.*, May–June 1998, at 22 (“The achievements of business in America grew out of a culture that has long valued individualism, entrepreneurialism, pragmatism, and novelty.”).

to the logic of Smith and Professor Rodrik, when someone creates something of value, it should, in the absence of other contractual arrangements, belong to the individual who generated the value. For instance, assume a final element can be added to a product, such as a car, to increase sales. The element positions the car as a “luxury” good and serves as a heuristic for the buyer that the automobile is worth the purchase price. This element adds value to the manufacturer, whether the element is leather seats or an endorsement by a trusted public figure. Because the value of an endorsement is real, it is socially beneficial for individuals to create such public images: The endorsement creates tax revenue both directly from income earned by the endorser and indirectly through economic activity generated by the endorsement.

These valuable public images are just such a commodity. Such images do not occur through happenstance, but rather are often the result of careful planning undertaken by the public figure and a team of skilled advisors. For example, Arnold Palmer, the golfer, is still able to generate revenue from endorsements because of a concerted effort to brand himself not as a “winner,” but rather as a man of integrity who came through in the clutch. Although it would have been easy to present him to the public as a “winner,” his advisors counseled him otherwise. Palmer recalled that one advisor was adamant on this point: “‘Win ads’ were about winning or losing, and his aim was never to position me as a ‘winner’ because there always comes a day when a winner no longer wins.”¹⁴ In fact, perhaps the best indicator of the value of celebrity endorsements is that many of the highest-paid athletes in professional sports nonetheless earn more from their endorsements and similar activities than from actually competing in the sport.¹⁵

B. Legal Foundations

Courts have previously recognized the real value and need for protection for this form of intellectual property. The seminal case, *Haelan Laboratories, Inc. v. Topps Chewing Gum, Inc.*, focused on a dispute between rival companies, one of which had secured an exclusive right to depict athletes’ likenesses on

14. PETER A. CARFAGNA, REPRESENTING THE PROFESSIONAL ATHLETE 107 (2009).

15. *Id.* at 65.

trading cards.¹⁶ The U.S. Court of Appeals for the Second Circuit held that the athlete had a cognizable “right of publicity,”¹⁷ a decision that served as the turning point in judicial treatment of publicity rights.¹⁸ The Second Circuit suggested that what it termed the “right of publicity” includes the right to exclusivity, because this right “would usually yield [celebrities] no money unless it could be made the subject of an exclusive grant which barred any other advertiser from using their pictures.”¹⁹ That is, consistent with Adam Smith, the right of publicity would otherwise have no value and celebrities would lack sufficient incentive to cultivate their public images.

Prior to *Haelan Labs*, recognizable individuals had no such protections. As Professor Melville Nimmer discussed in his contemporaneous article, the predecessor “right of privacy” offered little protection to individuals who were in the public eye.²⁰ For instance, twelve years before *Haelan Labs* extended protection to celebrity publicity rights, the U.S. Court of Appeals for the Fifth Circuit in *O’Brien v. Pabst Sales Co.* rejected a celebrity football player’s right of privacy claim in analogous circumstances.²¹ There, the Pabst Brewery had produced a promotional calendar featuring a photo of famous football player David O’Brien next to a photo of a Pabst beer.²² The Fifth Circuit affirmed the lower court’s dismissal of O’Brien’s claim, explaining that privacy is the right of a private person and the “plaintiff is not such a person and the publicity he got was only that which he had been constantly seeking and receiving.”²³

Other courts would later adopt the Second Circuit’s *Haelan Labs* framework, including the Supreme Court in *Zacchini v.*

16. 202 F.2d 866 (2d Cir. 1953).

17. *Id.* at 868.

18. See Floyd A. Gibson & Rachel M. Healey, *The Right of Publicity Comes of Age*, 23 AIPLA Q.J. 361, 365 (1995).

19. *Haelan Labs.*, 202 F.2d at 868.

20. See Melville B. Nimmer, *The Right of Publicity*, 19 LAW & CONTEMP. PROBS. 203, 205 (1954) (noting that some courts have held that “if a person consents to appear or perform before a limited audience . . . , then such person cannot complain of an invasion of privacy if by means of motion pictures, still pictures or live television persons other than the limited audience also view the performance or appearance”).

21. 124 F.2d 167 (5th Cir. 1941).

22. *Id.* at 168.

23. *Id.* at 170.

*Scripps-Howard Broadcasting Co.*²⁴ Zacchini, an entertainer, sued a news organization that had recorded and replayed his entire “human cannonball” act on local television news without Zacchini’s consent.²⁵ Noting that “this act is the product of petitioner’s own talents and energy, the end result of much time, effort, and expense,” the Court held that the broadcast had violated the performer’s rights because broadcasting the “entire act poses a substantial threat to the economic value of that performance.”²⁶

Upon further examination, *Zacchini* provides a far-reaching mandate for the right of publicity. In fact, the Court found Zacchini’s right sufficiently strong to overcome the First Amendment interests of the press, a potent right itself.²⁷ Moreover, the Court conceptually severed the performer’s publicity interests into distinct spheres, each of which may receive independent protection. The Court termed the broadcast a “substantial threat to the economic value of the performance” that “goes to the heart of petitioner’s ability to earn a living as an entertainer.”²⁸ Consequently, it awarded the petitioner damages.²⁹ Yet this individual broadcast cut to “the heart” of the performer’s ability to earn a living in only that one particular media market. The Court would have been aware of Zacchini’s mobility, as the Scripps-Howard reporter had filmed him performing at a fairground.³⁰ Thus, the Court implicitly recognized a right to publicity in individual media markets; broadcasting the act only in New York, for example, would have no effect on attendance elsewhere and cut to the heart of the entertainer’s earning power only in New York itself. By protecting each limited sphere of publicity rights, the Court provided a more expansive mandate than if it had required Zacchini to show a serious injury to his publicity rights as a whole.³¹

24. 433 U.S. 562 (1977).

25. *Id.* at 563–64.

26. *Id.* at 575.

27. See, e.g., Potter Stewart, “*Or of the Press*”, 26 HASTINGS L.J. 631, 634 (1975) (arguing that the Constitution guarantees a free press to serve as a “check on the three official branches” of the government).

28. *Zacchini*, 433 U.S. at 575–76.

29. *Id.* at 578–79.

30. *Id.* at 563.

31. Indeed, later courts have recognized that *conceptual* spheres of publicity rights also may be violated, further demonstrating the potency of the right. *Wendt v. Host International, Inc.*, for example, involved a dispute between restaurateur Host, using

Moreover, although Zacchini's claim was in some ways stronger than a false endorsement claim at the time—because broadcasting the entire act “goes to the heart of [the] petitioner's ability to earn a living”³²—modern-day celebrities can be seriously harmed by false endorsements. Courts interpreting modern publicity rights have acknowledged the efforts necessary to cultivate public images, observing that celebrities “actively cultivate[] the popularity of their names” for endorsement purposes.³³ As noted above, many entertainers earn more from endorsements than from their underlying forms of employment.³⁴ Thus, today, false endorsements can go to the heart of one's ability to earn a living as an entertainer.

II. THE PROBLEM: JUDICIAL ACTIVISM AND TEST COMPLEXITY THREATEN PUBLICITY RIGHTS

Two recent threats to this right have appeared in the case law. First, at least one court has indicated, counterintuitively, that the publicity rights of wealthier individuals may be less deserving of protection. Second, when evaluating these claims, many courts deploy overly complex tests that lack predictability and expedience. Both of these issues pose serious threats to reliable judicial protection for the right of publicity.

a license to operate theme bars based on the television show *Cheers*, and actors George Wendt and John Ratzenberger, former stars of the show who played the fictional bar's patrons. 125 F.3d 806 (9th Cir. 1997). The actors claimed that they had been depicted without license by Host's animatronics robots. *Id.* at 809. Among the factors noted by the Ninth Circuit in reversing the lower court's dismissal of the actors' action was Ratzenberger's investigation of endorsement opportunities in the “beer” sphere. *See id.* at 814. The court found this factor favored the actors' claim, owing to the likelihood of confusion and diminution in value of a future endorsement by Wendt or Ratzenberger in that sphere. *See id.* Thus, the right was sufficiently potent to merit protection not only for a geographical sphere of endorsement in the present, but also for a future conceptual sphere.

32. *Zacchini*, 433 U.S. at 576.

33. *See Bi-Rite Enters., Inc. v. Button Master*, 555 F. Supp. 1188, 1199 (S.D.N.Y. 1983) (right of publicity could protect celebrities against their depiction on unlicensed novelty items).

34. *See CARFAGNA*, *supra* note 14, at 65.

A. *Denying Individuals Full Protection of the Law
Because of their Economic Status*

Most troublingly, some judges have recently suggested that wealthy individuals may be entitled to less protection from violations of their publicity rights.³⁵ *ETW Corp. v. Jireh Publishing, Inc.* involved celebrity golfer Eldrick “Tiger” Woods’s allegations of false endorsement against Jireh, a company that had published painted depictions of Woods playing at the Masters Tournament.³⁶ Jireh sold prints in white envelopes featuring the title “Masters of Augusta” and, in slightly smaller letters, the words “Tiger Woods.”³⁷ The U.S. Court of Appeals for the Sixth Circuit ultimately upheld the lower court’s grant of summary judgment for Jireh,³⁸ but its discussion additionally included a strand of alarming reasoning. Losing sight of the rationales underpinning publicity rights, the court’s opinion twisted Woods’s professional success against him. In dismissing Woods’s claim, the court “note[d] that Woods, like most sports and entertainment celebrities with commercially valuable identities, engages in an activity, professional golf, that in itself generates a significant amount of income which is unrelated to his right of publicity.”³⁹ Whether Woods possesses other property rights, though, should not impact the unrelated question of whether Jireh infringed Woods’s publicity rights. Indeed, the rationale for the right—encouraging entrepreneurial efforts—provides little support for such a conclusion.

Moreover, there is an unmistakable tension between the Sixth Circuit’s emphasis on Woods’s wealth—which it termed similar to that of “most sports and entertainment celebrities”—and the acknowledgment by other courts that publicity rights generally are relevant only where an individual has achieved celebrity.⁴⁰

35. *See id.* at 90 (observing that owing to the financial disparity between celebrity and infringer, “courts will often feel less sympathy towards a celebrity than to an apparently hard-working entrepreneur”).

36. 332 F.3d 915, 918 (6th Cir. 2003).

37. *Id.* at 918–19.

38. *Id.* at 937–38 (the court stated that it relied on the strength of a First Amendment defense).

39. *Id.*

40. *See Ali v. Playgirl, Inc.*, 447 F. Supp. 723, 729 (S.D.N.Y. 1978) (“[T]his right of publicity is usually asserted only if the plaintiff has ‘achieved in some degree a celebrated status.’” (quoting *Price v. Hal Roach Studios, Inc.*, 400 F. Supp. 836, 847 (S.D.N.Y. 1975))).

Thus, what *Jireh* depicts as a minor exception to a general rule could, pursuant to its own logic, subsume the doctrine of publicity rights in its entirety. Such affluence is common to almost all individuals whose broadly recognizable public images require judicial protection.⁴¹ *Jireh's* reasoning thus threatens nothing less than the total evisceration of the right of publicity.⁴²

The *Jireh* opinion also misread the practical implications of such a decision when it stated, "[e]ven in the absence of his right of publicity, [Woods] would still be able to reap substantial financial rewards from authorized appearances and endorsements."⁴³ There are two problems with this statement. First, the court suggests, without support, that it will only allow certain levels of infringement of Woods's rights. But even low levels of infringement can harm a celebrity's property interests. Moreover, it is unclear why the court's logic could not be applied to every successive iteration of expropriation of Woods's image. Second, as noted above, marketable celebrity images do not occur by happenstance. They are the work of careful cultivation to provide revenue streams, not the vagaries of luck.⁴⁴ If a product appears to a reasonable individual to be associated with Woods, it could do serious damage to the golfer's marketing plan by distorting his public image. Thus, an unauthorized endorsement could have a significant negative impact on Woods's ability to "reap substantial financial rewards" from his image. Ignoring the reasoning of previous decisions,⁴⁵ *Jireh* briskly dismissed such concerns: "It is not at all clear that the appearance of

41. See *Motschenbacher v. R. J. Reynolds Tobacco Co.*, 498 F.2d 821, 824 n.11 (9th Cir. 1974) ("Generally, the greater the fame or notoriety of the identity appropriated, the greater will be the extent of the economic injury suffered.").

42. In reality, recognizable individuals will exist across the wealth spectrum. In a world taking *Jireh* to its logical extreme, conceivably only a handful of bankruptcy-filing celebrities, such as Burt Reynolds and Stanley "MC Hammer" Burrell, would retain their publicity rights, whereas other celebrities would have no such protections. See Eric Tyson, *Sticking with the Basics Still Serves when the Affluent Need to Manage the Big Bucks*, SEATTLE POST-INTELLIGENCER, Mar. 2, 1998, at C3. Putting aside the perverse incentives such a system would propagate (celebrities would do best by spending money as quickly as they earn it, since they could then argue they need the endorsement money), it is wholly inconsistent with the motivating rationales for having such protections in the first place.

43. *Jireh*, 332 F.3d at 938.

44. See CARFAGNA, *supra* note 14, at 107.

45. See *Haelan Labs., Inc. v. Topps Chewing Gum, Inc.*, 202 F.2d 866, 868 (2d Cir. 1953); *Ali*, 447 F. Supp at 729 (upholding the right of publicity to protect the "marketable reputation" of an athlete).

Woods's likeness in artwork prints which display one of his major achievements will reduce the commercial value of his likeness."⁴⁶ At the very least, cognizant of the functioning of publicity rights, a violation of Woods's rights in the "artistic" sphere could well have detrimental ripple effects in other commercial spheres. Moreover, permitting such infringing conduct encourages other individuals to create similar unauthorized Woods products and necessarily weakens the branding that Woods and his advisors have endeavored to create.⁴⁷

B. A Multifactor Test Does Not Provide the Predictability or Expedience Necessary in this Time-Sensitive Sphere

As currently evaluated, the availability of the Lanham Act's⁴⁸ statutory protections often depends upon the application of a multifactor test. For instance, in 2008 the U.S. Court of Appeals for the Third Circuit reaffirmed its reliance on an eight-factor test to determine whether a defendant has infringed upon a trademark, including protected celebrity images.⁴⁹ The Sixth Circuit in *Jireh* conformed its inquiry to a similarly complex eight-factor test.⁵⁰

46. *Jireh*, 332 F.3d at 938.

47. *Cf. supra* text accompanying notes 14–15 (discussing Arnold Palmer's commercial "branding" decisions).

48. 15 U.S.C. § 1125(a) (2006) (creating a cause of action for commercial depictions "likely to cause confusion, or to cause mistake" as to an individual's sponsorship thereof).

49. *Facenda v. N.F.L. Films, Inc.*, 542 F.3d 1007, 1019 (3d Cir. 2008). The eight factors are:

- (1) the level of recognition that the plaintiff has among the segment of the society for whom the defendant's product is intended;
- (2) the relatedness of the fame or success of the plaintiff to the defendant's product;
- (3) the similarity of the likeness used by the defendant to the actual plaintiff;
- (4) evidence of actual confusion and the length of time the defendant employed the allegedly infringing work before any evidence of actual confusion arose;
- (5) marketing channels used;
- (6) likely degree of purchaser care;
- (7) defendant's intent [in] selecting the plaintiff; and
- (8) likelihood of expansion of the product lines.

Id.

50. *Jireh*, 332 F.3d at 940. The eight factors here are:

- (1) strength of plaintiff's mark;

Such complex tests, deployed as questions of fact, will likely engender lengthy and complex trials. Under the existing regimes, parties could conduct extensive discovery merely upon one of the factors, to say nothing of the Herculean task of balancing the factors' relative merits in the aggregate. For example, *Facenda v. N.F.L. Films, Inc.* involved the estate of a legendary sports announcer whose contract stated that recordings of his work could not be used for any endorsement purposes.⁵¹ The estate sued N.F.L. Films when the company used the recordings in a video linked to the release of a video game. N.F.L. Films "executives testified that the program was a documentary and denied that it was a commercial," whereas the estate characterized the use as an endorsement of the game.⁵² The Third Circuit remanded the case to the lower court for a resolution of issues of material fact in the multifactor balancing analysis.⁵³ Though both parties agreed that sufficient evidence had been collected, the court held that "parties may not stipulate to forgoing a trial when genuine issues of material fact remain."⁵⁴ That is, even in a case where both parties seek finality and predictability, the complexity of the test may preclude timely resolution. This concern is compounded in the alternative case, where, contrary to appearances in *Facenda*, a party has intentionally infringed the rights of another and seeks to draw out a trial to induce settlement. Lengthy trials have real economic costs, both for the parties (in the form of lawyers' fees and opportunity costs) and for the judicial system (in docket time).

These multifactor tests are also unpredictable. It is far from a novel insight to express dissatisfaction with such tests. For instance, Chief Judge Posner expressed serious dissatisfaction with such tests in *Exacto Spring Corp. v. Commissioner of Internal*

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- (2) relatedness of the goods;
 - (3) similarity of the marks;
 - (4) evidence of actual confusion;
 - (5) marketing channels used;
 - (6) likely degree of purchaser care;
 - (7) defendant's intent in selecting the mark;
 - (8) likelihood of expansion of the product lines.

Id.

51. *Facenda*, 542 F.3d at 1012.

52. *Id.*

53. *Id.* at 1023.

54. *Id.*

Revenue.⁵⁵ In a tax dispute regarding whether the salary paid to Exacto's CEO was deductible, all seven factors in the relevant test either favored the company or were neutral.⁵⁶ Thus, Chief Judge Posner termed the tax court's finding against the company "stunning," because it appeared that even knowing how the factors would cut provided little insight into the result.⁵⁷ Similarly, the Third Circuit's *Facenda* formulation is silent on how to balance its factors.⁵⁸ There is a great danger lurking in such a test. As Chief Judge Posner observed, "since the test cannot itself determine the outcome of a dispute because of its nondirective character, it invites the making of arbitrary decisions based on uncanalized discretion or unprincipled rules of thumb."⁵⁹ That is, the multiplicity of factors combined with the absence of guidance may allow for disparate outcomes arising from identical fact patterns.

Given the fragility of the assets that publicity rights protect (recall the discussion of the efforts underpinning Arnold Palmer's public image),⁶⁰ allowing an interloper to imply an endorsement could have seriously injurious effects. As noted above, the current structures of judicial inquiries can have the effect of encouraging socially inefficient settlements by parties whose rights have been infringed and who cannot predict with confidence the outcome of the appropriate balancing test. A far more useful approach would focus upon the desired end, whether that end is protecting intellectual property and encouraging its development or reducing compensation to a reasonable level. Indeed, at least one commentator has previously suggested that publicity rights tests should be streamlined towards their core purpose.⁶¹ In light of that recognition, any effective test must be recentered around the right's essence: Has an individual, without his consent, been stripped of ownership rights in his public persona?

55. 196 F.3d 833 (7th Cir. 1999).

56. *Id.* at 837.

57. *Id.*

58. For instance, how does the court resolve the case where the intent of the defendant was to imply an endorsement, yet the price of the good is consistent with a relatively high level of care in purchasing? See *Facenda*, 542 F.3d at 1019 (factors five and three).

59. *Exacto Spring Corp.*, 196 F.3d at 835.

60. See CARFAGNA, *supra* note 14, at 107.

61. See Stacey L. Dogan, *An Exclusive Right to Evoke*, 44 B.C. L. REV. 291, 320 (2003).

III. THE SOLUTION: A SIMPLER TEST THAT IS FAIR TO ALL

Judicial reasoning—in the context of false endorsement claims and First Amendment disputes—may offer useful guideposts for protecting publicity rights. First, however, it is sensible to review the academic literature of social scientists who seek to understand how mental associations are formed. That literature concludes that such associations are contextual. Thus, to craft a test that effectively protects publicity rights, one must recognize not only that the underlying intellectual property is malleable, but also how it can be shifted.

A. *Associations Are Inherently Contextual*

The academic literature indicates that individuals process information contextually. Research conducted by Amos Tversky and Daniel Kahneman indicates that individuals are highly susceptible to suggestion by context when evaluating uncertain information.⁶² Indeed, so strong is this predilection that it is evinced even where individuals should recognize that the contextual information is useless.⁶³

This finding is particularly relevant to evaluating judicial treatment of false endorsement and publicity rights. Short of political advertisements,⁶⁴ questions of endorsements often will fall into the category of uncertain information. Few individuals see an advertisement and ponder the precise nature of the relationship between the product and its apparent endorser. If the context indicates that the apparent endorser is associated with the product, audiences generally will associate him with the depiction. This association, in turn, becomes an element of the context in which the apparent endorser's *actual* endorsements are understood and may thus affect the manner in which he is viewed in the future. After all, most members of the public are not familiar with the actual character of most celebrities. For example, the target audience for product endorsements does not know Palmer or Woods personally. Thus, the apparent endorsement, by insinuating itself into the background assump-

62. Amos Tversky & Daniel Kahneman, *Judgment under Uncertainty: Heuristics and Biases*, 185 *SCIENCE* 1124 (1974)

63. *Id.* at 1125 (noting that survey participants performed worse when given contextual information than when not).

64. For example, the statement "I am Candidate X, and I approved this message."

tions that the public holds regarding the “endorser,” shifts how he is viewed.⁶⁵ This alteration of his persona may cause a diminution in its value by deviating from the apparent endorser’s carefully developed publicity plan.

Thus, to protect publicity rights effectively, the judicial inquiry into alleged false endorsements must holistically and contextually examine the message propagated by the disputed depiction. Because endorsements generate their value only within a web of socially constructed meaning, it would be counterproductive to evaluate false endorsement claims against an abstract standard. Simply banning the use of “magic words” (“Arnold Palmer uses this product”) for example, would fail to account for the myriad of other ways that a defendant can infringe on a celebrity’s publicity rights. Yet even the use of an individual’s name in some contexts,⁶⁶ such as in a news story, might not imply an endorsement. Instead, a balance must be struck. As Chief Judge Kozinski of the U.S. Court of Appeals for the Ninth Circuit has noted when discussing publicity rights, “[o]verprotecting intellectual property is as harmful as underprotecting it.”⁶⁷ In publicity rights cases, the intellectual property at issue is a marketable reputation, used for that purpose. Thus, the central question is whether this depiction misleads the public into believing that the plaintiff is involved with the product in question. If the answer is no, protection should not attach under the right of publicity.

B. *Exemplar Opinions to Be Incorporated
into Any Future Standard*

The most effective opinions in this arena have recognized the importance of a test eschewing a formalistic “magic words” requirement. These opinions have maintained that the most effective approach to protect publicity rights focuses instead on the association between the individual claiming infringement and the allegedly infringing product. In *Carson v. Here’s Johnny*

65. See Tversky & Kahneman, *supra* note 62, at 1125.

66. The Lanham Act’s protections are limited to profit-seeking depictions, and traditionally do not encompass parody, news, and noncommercial uses. See 15 U.S.C. § 1125(c)(3) (2006).

67. *White v. Samsung Elecs. Am., Inc.*, 989 F.2d 1512, 1513 (9th Cir. 1993) (Kozinski, J., dissenting from order rejecting request for rehearing en banc).

Portable Toilets, Inc.,⁶⁸ for instance, the dispute involved famed talk show host Johnny Carson and a toilet seat maker using the product name “Here’s Johnny”⁶⁹ and the catchphrase, “The World’s Foremost Comedian” to market its products.⁷⁰ The U.S. Court of Appeals for the Sixth Circuit reversed the lower court’s dismissal of Carson’s suit. It held that there had been an appropriation of Carson’s identity, owing to the association between the phrases and Carson.⁷¹ The toilet seat maker had infringed Carson’s right of publicity even though it never used the talk show host’s formal name in its marketing scheme. By contrast, the Sixth Circuit noted, owing to the lack of resonance in the public mind, there would have been no infringement had the product been named the “J. William Carson Portable Toilet.”⁷² Regardless of the presence of magic words, the court explained that “Carson’s achievement has made him a celebrity which means that his identity has a pecuniary value which the right of publicity should vindicate. Vindication of the right will tend to encourage achievement in Carson’s chosen field.”⁷³ Carson’s claim turned on the mental connection between Carson and the product, regardless of the literal accuracy or specificity of the statement in question. This eminently reasonable formulation, consistent with the theoretical underpinnings of the right of publicity, should be the baseline for any approach to resolving comparable disputes.

The U.S. District Court for the Southern District of New York in *Ali v. Playgirl, Inc.* took a similar holistic approach to evaluating whether a picture published in *Playgirl Magazine* infringed Muhammad Ali’s right of publicity.⁷⁴ It addressed a depiction of a male in a boxing ring, captioned “Mystery Man,” but bearing a distinct resemblance to boxer Muhammad Ali. The picture also “refer[red] to the figure as ‘the Greatest,’” Ali’s well-known moniker.⁷⁵ In light of these facts, the court declared that the defendants could not “seriously dispute the assertion that the of-

68. 698 F.2d 831 (6th Cir. 1983).

69. This exclamation was Carson’s introduction on NBC’s *The Tonight Show*. *Id.* at 833.

70. *Id.*

71. *Id.* at 836.

72. *See id.* at 837.

73. *Id.*

74. 477 F. Supp. 723 (S.D.N.Y. 1978).

75. *Id.* at 726–27.

fensive drawing is in fact Ali's portrait or picture."⁷⁶ That is, the court recognized from the picture's context that Ali was the referent, even though he was never explicitly named. The inquiry did not turn on the presence or absence of magic words. Simply, given the picture's context, viewed as a whole, viewers would still reasonably process the information as "Ali."

Yet the *Ali* court went further. It noted that "defendants appear not only to be usurping plaintiff's valuable right of publicity for themselves but may well be inflicting damage upon this marketable reputation."⁷⁷ Indeed, it recognized that injury in one sphere of publicity rights could affect the value of other endorsement opportunities. The intellectual property protected by enforcing rights of publicity—an individual's marketable reputation—does not exist in a vacuum. Rather, a celebrity's reputation is malleable. By publicly tying Ali to unsavory activities, *Playgirl* could damage his ability to secure even endorsements that have little connection, on their face, to *Playgirl's* products.⁷⁸ The public might conceptualize Ali differently than it had before. In this way, the *Ali* court acted consistently with the insights of academic researchers⁷⁹ and practitioners who craft marketable public images.⁸⁰ False endorsements simultaneously threaten to deprive a celebrity of endorsement opportunities and weaken his cultivated brand as a whole. As discussed in Part I.A, Arnold Palmer sought assiduously to avoid advertisements depicting him as a winner, though these opportunities would be lucrative (both for Palmer and for the company seeking to leverage Palmer's reputation as a "winner"). He recognized that there was greater long-term value in nurturing his "sportsmanlike" image. Similarly, the *Ali* court recognized that Ali's image was malleable and that Ali should retain the exclusive right to choose with which products to associate.

In light of Tversky and Kahneman's analysis of contextual processing, and the reasoning in *Carson* and *Ali*, the contours of a

76. *Id.* at 726 (internal quotation marks omitted).

77. *Id.* at 729.

78. *See id.* ("Damages from such evident abuse of plaintiff's property right in his public reputation are plainly difficult to measure by monetary standards.")

79. *See* Tversky & Kahneman, *supra* note 62, at 1125 (noting that individuals attempt to use contextual information in decision making, even where it is devoid of applicability).

80. *See* CARFAGNA, *supra* note 14, at 107.

practical inquiry begin to take shape. The test must protect personal property and create strong incentives for economic entrepreneurialism that generate value where previously none had existed. The test must therefore have the sensitivity to capture false endorsements without being unduly overprotective.⁸¹ Yet it must also treat all individuals fairly and equally, regardless of income or wealth, and provide for the expedient resolution of claims.

C. *The Endorsement Test*

There is an existing test that, if framed by the guideposts discussed above, will more effectively secure publicity rights: the Endorsement Test, developed in the context of the First Amendment. In evaluating whether government action constitutes an impermissible establishment of religion, the Supreme Court has employed a contextual inquiry into “the message that the government’s practice communicates: the question is ‘what viewers may fairly understand to be the purpose of the display.’”⁸² Adapted to publicity rights claims, this inquiry calls for a contextual examination of the message fairly understood to be communicated by the item in question. If it is an implied endorsement, the implied endorser’s right to publicity is implicated. Additionally, because this test already has preexisting case law, its interpretation should be more predictable and streamlined.

The Endorsement Test is well-suited to this context for two further reasons. First, the inquiry is based on the perspective of a reasonable observer, not the vagaries of any particular individual’s interpretation.⁸³ This distinction is important because one can easily imagine the naïve individual who associates golf with Tiger Woods and therefore believes Woods has endorsed any product sold with golf imagery. This individual’s testimony should not secure Woods a publicity rights victory where the product has been associated only with golf, but not with him. The reasonableness standard protects against such an error.

81. In reality, of course, no test can offer perfect protection. Instead, what is sought is a test that comes as close as possible to the goal.

82. *County of Allegheny v. ACLU*, 492 U.S. 573, 595 (1989) (quoting *Lynch v. Donnelly*, 465 U.S. 668, 692 (1984) (O’Connor, J., concurring)).

83. See *Capitol Square Review & Advisory Bd. v. Pinette*, 515 U.S. 753, 779–80 (1995) (O’Connor, J., concurring in part and concurring in the judgment) (stating that the proper standard is not the view of *any* person, but rather the view of a reasonable person, the “personification of a community ideal of reasonable behavior, determined by the [collective] social judgment” (internal citations omitted)).

Additionally, the Endorsement Test operates as a question of law, rather than fact,⁸⁴ allowing for more expedient resolution of clear-cut disputes. Indeed, the test will allow courts to resolve publicity rights issues more easily on the pleadings alone. By contrast, the current complex tests frequently force courts to engage in extensive fact finding, even where the parties seek to stipulate that no further discovery is necessary.⁸⁵ Expediting the resolution of these issues offers twin social benefits. First, eliminating the cost of lengthy trials will reduce strain on the courts. It also lessens the economic pressures on the parties to agree to socially inefficient settlements where settling is worth less than the cost of a lengthy trial. Second, by hastening resolutions, the Endorsement Test limits the risk posed by judgment-proof defendants and the accompanying pressure to settle. Consider, for instance, the buttons and other novelty items emblazoned with celebrity images found to have violated rights of publicity in *Bi-Rite Enterprises, Inc. v. Button Master*.⁸⁶ Such simple-to-produce items could clearly be the work of judgment-proof individuals, and expedient resolution of such claims would limit the losses stemming from the impossibility of recouping such costs.

How would the Endorsement Test operate in practice? Consider the facts in *Carson*. The phrases “Here’s Johnny” and “The World’s Foremost Comedian” were both designed to make consumers think of Carson. Indeed, the toilet seat maker stipulated to an attempted association with Carson at trial.⁸⁷ What, then, would a reasonable observer assume was the meaning of these phrases? It seems only reasonable to assume that they would associate the product with Carson. Reading each statement within the context of the other makes this clear. Although referring to the seat as the “Foremost Comedian” alone would not evoke Carson, because many celebrities could be the world’s foremost comedian, the interplay of the two phrases makes it clear that Carson, owing to the presence of his catchphrase, is the intended referent. Under the Endorsement Test, then, *Carson*

84. See, e.g., *O’Connor v. Washburn Univ.*, 416 F.3d 1216, 1231 n.7 (10th Cir. 2005) (“The effect prong of the endorsement test . . . is a question of law that this court decides without reference to the reactions of individual viewers.”).

85. See, e.g., *Facenda v. N.F.L. Films, Inc.*, 542 F.3d 1007, 1023 (3d Cir. 2008).

86. 555 F. Supp. 1188, 1199 (S.D.N.Y. 1983).

87. *Carson v. Here’s Johnny Portable Toilets, Inc.*, 698 F.2d 831, 836 (6th Cir. 1983).

seems to be a case that could quickly be resolved on the pleadings, saving Carson the costs of a lengthy trial.

This result is also consistent with the underlying basis for publicity rights. The defendant intended its implied endorsement to associate the product with Carson, and thus to increase profits. To encourage the development of marketable personas, the right of profit should belong to Carson alone, not to the toilet-seat maker.

The Endorsement Test would also protect socially desirable works that might cursorily appear tangential to publicity rights. For instance, it would protect parody rights, as in *Cardtoons, L.C. v. Major League Baseball Players Ass'n*, featuring unlicensed cartoon depictions of Major League Baseball players.⁸⁸ There, the Tenth Circuit explained that parody touches core concerns of the First Amendment as one of the key methods of social criticism.⁸⁹ In evaluating the involved parody trading cards, no reasonable observer would imagine that they reflected a product endorsement by the named baseball player. For instance, the court noted that highly paid player Barry Bonds was termed "Treasury Bonds," and the cards described him as having a "24-karat Gold Glove," given his compensation.⁹⁰ This is clear social criticism, rather than endorsement. The Endorsement Test would adequately protect parody because a reasonable observer would recognize that statements such as those in *Cardtoons* are not purported declarations of fact (no one would play with a 24-karat glove) but rather exaggerations meant as social criticism.

The Endorsement Test would also protect genuine transformation. In evaluating a claim under the right of publicity, the California Supreme Court examined "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."⁹¹ Given the contextual nature of the Endorsement Test inquiry, and the insights of Tversky and Kahneman, genuine transformations should be protected. In fact, the Endorsement Test's contextual nature was highlighted by the Supreme Court's analysis in *County of Allegheny v. ACLU*,

88. 95 F.3d 959 (10th Cir. 1996).

89. *Id.* at 972.

90. *Id.* at 962–63. The "Gold Glove" is a baseball award recognizing defensive achievement.

91. *Comedy III Prods., Inc. v. Gary Saderup, Inc.*, 21 P.3d 797, 809 (Cal. 2001).

where it held that the display of a crèche on the courthouse steps was a religious endorsement,⁹² but a display of a Christmas tree, a menorah, and a “Salute to Liberty” sign did not constitute an endorsement of religion.⁹³ The result in *County of Allegheny* seems consistent with the academic research on how individuals interpret messages. Although a single religious symbol standing alone on the courthouse steps might contextually suggest a connection between the judicial system and the religion symbolized by the symbol, it is also reasonable to find that there is no suggestion of a favored religion where multiple religious symbols and a secular symbol are comingled. The context as a whole affects the way in which viewers see the display—recall, this method of evaluation is so ingrained that even where survey participants knew they should not rely on proffered contextual information, they still did so.⁹⁴ Similar logic would protect a news story that legitimately reports on the activities of an individual, while preventing “news” stories that, in reality, *are* the activities of an individual as in *Zacchini*.⁹⁵ In short, the Endorsement Test would far more effectively balance the competing interests in this important sphere.

CONCLUSION

There are compelling social reasons for protecting the property rights encompassed within the right of publicity. These rationales have been recognized by theorists and courts alike. At present, the right of publicity is underprotected by virtue of the threat of unequal treatment based on economic status and the complexity of the test applied. Although no test is perfect, the better the guidance provided to the court, the more likely that it will reach the desired result. Given the underlying goals of the right of publicity, importing the Endorsement Test would provide a more effective analytical framework than the current patchwork of tests. The Endorsement Test, as developed here, guided by the theoretical literature, would cut to the core of the relevant inquiry: In light of a disputed message’s context, does it appear to a reasonable observer that the plain-

92. 492 U.S. 573, 612–13 (1989).

93. *Id.* at 619.

94. See Tversky & Kahneman, *supra* note 62, at 1125.

95. See *supra* text accompanying notes 24–34.

tiff has endorsed the defendant's message? Such a test would appropriately vindicate the underlying goals of the right of publicity and promote the socially beneficial entrepreneurial spirit. In so doing, courts can better provide a remedy that promotes the underlying ends of publicity rights and spares litigant and court resources.

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