"WHY PUBLICLY CONGRATULATING YOUR FAVORITE ATHLETE COULD COST YOU MILLIONS"

By: Gary S. Kessler and Philip G. McNicholas
Published: ICSC
November 2015

Introduction

Imagine driving westbound on I-90 past Fenway Park when you spot a billboard reading: "Congratulations to Tom Brady and the New England Patriots for winning Super Bowl XLIX! Come celebrate with your friends at Dunkin' Donuts." Surely, the laudatory message would appear innocent enough to an unwitting passerby. Dunkin' Donuts, a Massachusetts-based company, is merely celebrating a local sports figure and his team's successes, not unlike the rest of the northeasterly region of the United States. However, assuming Dunkin' Donuts® did not obtain permission from Tom Brady and the Patriots to use their names on the billboard, the chain could face a lawsuit for an incredible amount of damages, regardless of the billboard's intent.

As one might expect, sports franchise and athlete names typically cannot be used for a commercial purpose without consent. But many advertisers attempt to circumvent the applicable laws through an assortment of creative methods. One such device is to congratulate an athlete or sports team for a particular achievement. This article will explore the laws governing the unauthorized use of a celebrity's name or likeness. We will discuss the breadth of protection for celebrities, the amount of damages an unauthorized user could face if found liable, and whether there are any permissible ways to refer to a celebrity in advertising without creating liability. We will also discuss a recent federal lawsuit involving an advertisement in Sports Illustrated in which a supermarket chain congratulated Michael Jordan for his election to the Professional Basketball Hall of Fame - a jury decided that Jordan's name was used for exploitative purposes without his consent and awarded him seven-figure damages.

Background on Celebrities' Right of Publicity

In the earlier example, Tom Brady and the New England Patriots were congratulated in the same billboard but their rights protecting against the unauthorized use of their names derive from two distinct legal sources. Tom Brady is a celebrity, whose rights are protected by his "right of publicity" and possibly the right against misappropriation of name or likeness (a branch of the right against invasion of privacy). The New England Patriots, as an entity, are not protected by the right of publicity but are afforded trademark protection. For the purposes of this article, we will focus on an individual's rights.

A celebrity is protected from the unauthorized use of his likeness or image by his or her "right of publicity." The right of publicity is often described as the "inherent right of every human being to control the commercial use of his or her identity." Historically, the right of publicity was held only by celebrities, since the image of non-celebrities generally does not hold any significant value. In contrast, non-celebrities possess a parallel right against "misappropriation of name or likeness," which is a branch of invasion of privacy laws. Recently, jurisdictions have begun allowing celebrities and non-celebrities to use the highly-similar legal protections interchangeably.

States enforce the right of publicity using common law, statutory law, or sometimes both. For example, California courts provide common law protection to individuals but its legislature also enacted a statute reading: "Any person who knowingly uses another's name, voice, signature, photograph, or likeness, in any manner, on or in products, merchandise, or goods, or for purposes of advertising or selling, or soliciting purchases of, products, merchandise, goods or services, without such person's prior consent ... shall be liable for any damages sustained by the person or persons injured as a result thereof."[i]

The uniform test to determine when a celebrity's right to publicity has been violated requires (1) the misappropriation of a protected attribute (2) for a commercial, exploitative purpose (3) without consent.[ii] Most jurisdictions have adapted some variation of this test. For instance, Texas courts consider these three elements: (1) the defendant appropriated the plaintiff's name or likeness for the value associated with it, and not in an incidental manner or for a newsworthy purpose; (2) the plaintiff can be identified from the publication; and (3) there was some advantage or benefit to the defendant.[iii] Illinois courts employ a similar test for both common law and statutory claims, except the second element focuses on lack of consent.[iv]

The first element – misappropriation of a protected attribute – requires a plaintiff to show that the defendant appropriated attributes of the plaintiff protected by law. Attributes may extend beyond name or likeness. As one example, multiple courts have held that a celebrity's voice is a protected attribute. One court even held that a robot resembling Vanna White qualified as an appropriation of her likeness.[v] The second element – a commercial, exploitative purpose – means the plaintiff's name or likeness must be used in advertising or promoting goods or services. This element is often interpreted broadly so that a plaintiff can bring a lawsuit even if his or her name or likeness is used not directly to sell products but to improve brand recognition for the advertiser. Finally, a celebrity cannot bring a lawsuit for violation of his or her right to publicity if he or she consents to the use of the protected attributes.

Jordan v. Dominick's Finer Foods, LLC

In 2009, Time, Inc. (the publisher of Sports Illustrated) decided to produce a commemorative issue of the magazine to congratulate Michael Jordan on his induction into the Professional Basketball Hall of Fame. Time asked several businesses to design one-page advertisements for the issue. Time specifically required that the advertising companies create content having something to do with Jordan. Dominick's, a Chicago-based supermarket chain, accepted the offer and placed an advertisement. The Dominick's ad read: "Congratulations, Michael Jordan" and "You are a cut above," while also providing a $2 off coupon for steaks. Neither Time nor Dominick's obtained Jordan's consent to use his name in the advertisement.

In response to the commemorative issue, Jordan sued Dominick's and its parent company Safeway, Inc. in the Northern District of Illinois.[vi] Jordan's claim arose from the Illinois Right of Publicity Act. Jordan's attorneys argued that the Dominick's advertisement was placed for a "commercial purpose" to benefit Dominick's, primarily because of the attached $2 coupon, and that no consent was given. Jordan obtained summary judgment as to Dominick's liability for violating his right of publicity, and the lone issue remaining in the case was the amount of Jordan's damages.

Jordan asserted that he should be compensated $10 million for the ad. He alleged that he would not have signed a single-ad deal with Dominick's since he testified that he has spent over 30 years developing his "brand" and he was unwilling to let Dominick's usurp his right to be compensated for the use of that brand. According to Jordan, he only signed long-term sponsorship deals if they were expected to be worth $10 million. As examples, he cited his deals with Nike, Hanes, Gatorade and others. In response, Dominick's hired an expert who asserted that a hypothetical single-ad deal between Dominick's and Jordan would have reasonably cost Dominick's only $126,900, and Dominick's argued that Jordan therefore should only recover that amount.

Interestingly, the judge assigned to the case, Senior United States District Judge Milton I. Shadur, who openly criticized Jordan's team for what he deemed to be an unreasonable damages claim. Judge Shadur disputed Jordan's use of the value of his long-term sponsorship deals as a basis for calculating damages against Dominick's. Based on Judge Shadur's comments, Jordan's counsel filed a Motion for Recusal asserting that the judge was biased against Jordan.[vii] In the order on the Motion for Recusal, Judge Shadur remarked that Jordan based his motion on his "counsel's misleading warping of the criticism that this Court has had occasion to voice on purely legal grounds as to the extraordinarily excessive damages claim prescribed by Jordan's proposed opinion witness, in which Jordan's multimillion dollar long-term contracts with various companies to which he had hired out his name are somehow thought parallel to the one-time one-page participation by [Dominick's]…"[viii] Judge Shadur confirmed that "[t]his Court's view was and is that Jordan's counsel has not articulated any reasonable predicate for advancing the $10 million damages figure…" but refuted any bias against Jordan.[ix] Judge Shadur ultimately denied Jordan's motion for recusal but still withdrew because his integrity was challenged and he did not want to risk any sense of impropriety.

On August 21, 2015, the jury awarded Jordan a verdict for $8.9 million in damages. Jordan announced that he would give the award to charities in Chicago, as the lawsuit was "just about protecting [his] name and [his] likeness."

Notably, Jordan filed a separate lawsuit in the Northern District of Illinois against Jewel Food Stores, Inc. (another advertiser in the 2009 commemorative issue) and Time, Inc. Unlike Dominick's, Jewel did not include a coupon in its advertisement but simply congratulated Jordan on his career and achievement. Jordan's counsel filed a nearly identical summary judgment motion on liability as in the Dominick's case, which was denied by United States District Judge Gary Feinerman.[x] In ruling as such, Judge Feinerman noted that, unlike Dominick's, Jewel could argue that its ad did not serve a "commercial purpose" and that Jordan's claims against Jewel "required a different and far more analytical approach."[xi] The Jewel lawsuit is set for trial beginning December 8, 2015.

Conclusion

Michael Jordan's lawsuits against Dominick's and Jewel have certainly brought celebrity "right of publicity" lawsuits back into the public eye. They have also likely raised questions on how to escape liability for violating a celebrity's right of publicity. In the context of this article's theme – publicly applauding an athlete for a particular achievement - the Jewel case seems to show that a business could possibly congratulate the athlete while evading liability by avoiding any self-promotion within the advertisement. However, the pertinent takeaway should be that any

possible benefit reaped by publicly congratulating an athlete is considerably outweighed by the risk of facing substantial liability for violating his or her right of publicity.

---

[i] Cal. Civ.Code, § 3344, subd. (a).

[ii] 31 Causes of Action 2d § 121 (2012).

[iii] *Matthews v.. Wozencraft*, 15 F.3d 432, 437 (5th Cir.1994) (applying Texas law).

[iv] *Blair v. Nevada Landing P'ship*, 369 Ill. App. 3d 318, 322-23, 859 N.E.2d 1188, 1191-92 (2006)

[v] *White v. Samsung Elec. Am., Inc.*, 917 F.2d 1395 (9th Cir. 1992).

[vi] *Jordan v. Dominick's Finer Foods, LLC* ; Case No. 10 C 407; In the United States District Court for the Northern District of Illinois, Eastern Division

[vii] *Jordan v. Dominick's Finer Foods, LLC*, 10 C 407, 2014 WL 2750265 (N.D. Ill. June 17, 2014).

[viii] *Id.* at *1.

[ix] *Id.* at *2.

[x] *Jordan v. Jewel Food Stores, Inc.*, 83 F. Supp. 3d 761 (N.D. Ill. 2015).

[xi] *Id.* at 769.