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TAKE ME OUT [OF] THE BALL GAME? U.S. DISTRICT COURT REJECTS PROPRIETARY RIGHTS IN PLAYER NAMES AND STATISTICS

*By Glenn Mitchell**

Does the right of publicity extend to all commercial use of a well-known person's name or exploits? A U.S. District Court, considering the claim of professional baseball players to their names and statistics, has answered that question in the negative.

I. BACKGROUND

A. Fantasy Baseball

The sport of baseball commonly is known as America's National Pastime.¹ For many fans, their devotion to the sport extends far beyond attending a few games and keeping track of their favorite team in the league standings. They examine the minutiae of the games, poring over each player's statistics—hits, home runs, runs batted in, strikeouts and other measures of a hitter's or pitcher's individual efforts. Such details provide fodder for endless arguments over who is the better player and help keep sports-talk radio stations in business.

In the 1980s, "fantasy baseball" (also known as "Rotisserie" baseball)² emerged as a means for baseball aficionados to compete with one another in their ability to predict players' performances over the course of a season. The basic premise of fantasy baseball is rather simple. Before the beginning of the Major League Baseball³ season, individuals form a league and select (or "draft") actual major league players for their "team." Each team's standing

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1. See *Flood v. Kuhn*, 407 U.S. 258, 92 S. Ct. 2099, 2103 (1972).

2. Fantasy baseball is generally credited as having been conceived around 1980 by Daniel Okrent, a New York-based magazine writer/editor. Its original name, "Rotisserie" baseball, was derived from the restaurant, La Rotisserie Francais, where Mr. Okrent and the other initial participants typically met. Jules Tygiel, *Past Time: Baseball as History* 214 (2000).

3. Major League Baseball is comprised of the National League and American League, and is North America's premier professional baseball league.

relative to the others depends on how its players fare on the field in various statistical categories, such as batting average and home runs for position players, and wins and strikeouts for pitchers. Team “owners” may trade players among themselves according to certain rules, and activate or bench certain players depending on injuries or recent performance. The owner whose “team” has the best overall statistics is the league champion.⁴

At first, fantasy baseball typically was played in private leagues of friends or colleagues, who would appoint one of the “owners” to be “commissioner.” The commissioner’s duties generally included referring to the weekly sports papers that compiled the players’ statistics and applying them to the league’s fantasy teams, which was a relatively time-consuming task before the rise of the Internet simplified data collection and management.

B. Commercial Services and the Dispute at Issue

As fantasy baseball⁵ gained in popularity⁶ and technology developed, commercial entities began providing a variety of services for fantasy “owners,” such as compiling statistics, automatically ranking teams, and even operating leagues. A number of these service providers eventually entered into agreements with the major league players’ union, the Major League Baseball Players’ Association (the “Players’ Association”), for the rights to use, among other things, players’ names, likenesses, playing statistics and biographical data in connection with the service providers’ fantasy baseball products.⁷

In 2005, the Players’ Association entered into an essentially exclusive license agreement with Major League Baseball Advanced Media, L.P. (“Advanced Media”)⁸ “for exploitation [of the players’ Rights and Trademarks] via all interactive media.”⁹ Through this license, Advanced Media sought to promote its own fantasy leagues through existing service providers, but refrained from

4. *C.B.C. Distribution & Marketing, Inc. v. Major League Baseball Advanced Media, L.P.*, 443 F. Supp. 1077, 1080 (E.D. Mo. 2006). See also Michael Zimmerman, *The Complete Idiot’s Guide to Fantasy Baseball* (2000).

5. Fantasy leagues also have arisen for other popular team sports, such as football and basketball. See generally www.rotowire.com, which provides news and information for a wide variety of fantasy sports.

6. The Fantasy Sports Trade Association estimates that over fifteen million people play fantasy sports and spend about \$1.5 billion annually to do so. Alan Schwarz, *Baseball Is a Game of Numbers, but Whose Numbers Are They?* N.Y. Times, May 16, 2006, at A1.

7. See *C.B.C.*, 443 F. Supp. 2d at 1080-81.

8. “Advanced Media was formed in 2000 by various owners of Major League Baseball teams to serve as the interactive media and internet arm of Major League Baseball.” *Id.* at 1080.

9. *Id.* at 1081.

providing licenses to such providers to promote their own fantasy games.¹⁰

C.B.C. Distribution and Marketing, Inc. (“C.B.C.”), a fantasy baseball service provider that had operated under a license from the Players’ Association between 1995 and 2004, was one of the service providers contacted by Advanced Media. In a 2002 license agreement between C.B.C. and the Players’ Association (the “2002 License Agreement”), which by its terms superseded the parties’ previous agreement, C.B.C. obtained the right to use, among other things, “the names, nicknames, likenesses, signatures, pictures, playing records, and/or biographical data of each player” on or in association with the manufacture, offering for sale, advertising, distribution and promotion of certain licensed products.¹¹ The 2002 License Agreement also contained a “licensee estoppel” clause that prohibited C.B.C. from disputing or attacking the Players’ Association’s rights or the validity of the license during the term of the agreement, and from further use of the licensed rights following termination.¹²

In early 2005, Advanced Media offered C.B.C. a license to promote Advanced Media’s fantasy baseball games on C.B.C.’s website, but not for C.B.C. to operate, promote, or offer its own fantasy baseball game. C.B.C. declined this offer.¹³

Concerned that Advanced Media would sue if C.B.C. continued to provide its fantasy baseball services without a license, C.B.C. filed an action in the United States District Court for the Eastern District of Missouri seeking a declaratory judgment that its use of players’ names and statistics does not violate the players’ rights of publicity under state laws.¹⁴ The Players’ Association intervened and, together with Advanced Media (collectively, the “MLB Parties”), asserted counterclaims parallel to C.B.C.’s declaratory judgment claims.

Before submitting the case for decision on cross-motions for summary judgment, the parties dismissed the trademark, unfair competition and copyright claims, limiting the case to the sole issue of whether C.B.C.’s use of players’ names and performance records constitutes an actionable violation of the players’ rights of publicity. On August 8, 2006, United States Magistrate Judge

10. *Id.* Between 2001 and 2004, Advanced Media had offered its own fantasy baseball games on www.mlb.com, the official website of Major League Baseball, without a license from the Players’ Association. *Id.*

11. *Id.* at 1080-81.

12. *Id.* at 1081.

13. *Id.*

14. *Id.* at 1077. The complaint also sought a declaratory judgment that C.B.C.’s activities do not violate copyright or federal and state trademark and unfair competition laws.

Mary Ann Medler¹⁵ decided in favor of C.B.C., holding that, although U.S. copyright law does not preempt the MLB Parties' right of publicity claims, "the players do not have a right of publicity in their names and playing records as used in CBC's fantasy games and that CBC has not violated the players' claimed right of publicity." Judge Medler also ruled that "even if the players have a claimed right of publicity, the First Amendment takes precedence over such a right," and rejected on public policy grounds the MLB Parties' argument that the contractual "no-challenge" provision in the 2002 License Agreement should be enforceable against C.B.C.¹⁶ Each aspect of the court's analysis is addressed below.

II. THE RIGHT OF PUBLICITY

The right of publicity, recognized by many states pursuant to common law or statute,¹⁷ protects a person's right in the commercial value of his or her identity by prohibiting third parties from using that person's name or likeness without permission to promote their own commercial activities.¹⁸ Right of publicity issues most commonly arise when a company uses a celebrity's name or likeness,¹⁹ a famous catchphrase²⁰ or even an imitation of a singer's distinctive voice,²¹ to create the false impression that the individual has endorsed its products or services.

15. Although dispositive motions and trials are generally decided by U.S. District Judges under Article III of the U.S. Constitution, the parties had consented to the Magistrate Judge's jurisdiction pursuant to 28 U.S.C. § 636(c)(1).

16. *C.B.C.*, 443 F. Supp. 2d at 1107. On September 5, 2006, Advanced Media and the Players' Association filed a Notice of Appeal. *C.B.C. Distribution & Marketing, Inc. v. Major League Baseball*, 06-3357, 3358 (8th Circuit).

17. *C.B.C.*, 443 F. Supp. 2d at 1084 (citing J.T. McCarthy, *The Right of Publicity and Privacy* § 63 (2d ed. 2005)).

18. *C.B.C.*, 443 F. Supp. 2d at 1084-85 (citing Restatement (Third) of Unfair Competition § 46 (2005)) ("[o]ne who appropriates the commercial value of a person's identity by using without consent the person's name, likeness, or other indicia of identity for purposes of trade is subject to liability. . .").

19. *Haehlen Labs., Inc. v. Topps Chewing Gum, Inc.*, 202 F.2d 866, 868 (2d Cir.), *cert. denied*, 346 U.S. 816, 79 S. Ct. 26 (1953), in which the United States Court of Appeals for the Second Circuit affirmed the right of a baseball player to authorize the use of his photograph (in connection with sales of chewing gum), has been credited as the first case to recognize the right of publicity. *See ETW Corp. v. Jireh Pub'g, Inc.*, 332 F.3d 915, 929 (6th Cir. 2003).

20. *Carson v. Here's Johnny Portable Toilets, Inc.*, 698 F.2d 831, 835-36 (6th Cir. 1983) (use of "Here's Johnny," a phrase associated with plaintiff talk show host, by manufacturer of portable toilets found to violate plaintiff's right of publicity).

21. *See, e.g., Waits v. Frito-Lay, Inc.*, 978 F.2d 1093, 1100-03 (9th Cir. 1992) (finding advertisement that featured singer copying voice of famous singer Tom Waits to be voice misappropriation, a subspecies of right of publicity).

Under Missouri common law, which governed in *C.B.C.*,²² “the elements of a right of publicity action include: (1) that defendant used plaintiff’s name as a symbol of his identity (2) without consent (3) and with the intent to obtain a commercial advantage.”²³ The court also recognized that the complainant must show injury.²⁴

It was undisputed that C.B.C. used the players’ names and did so without consent, so the issues before the court were whether such use was “to obtain a commercial advantage” and “as a symbol of their identities.”²⁵ The court found that neither requirement was satisfied.

A. Commercial Advantage

The court first addressed the “commercial advantage” element of the right of publicity. In this context, “commercial advantage” means that the defendant is using the plaintiff’s name or image to convey endorsement or otherwise to attract attention to the defendant’s products.²⁶ The “commercial advantage” element is not satisfied simply because the defendant engages in a profit-making enterprise. Rather, the unauthorized use of the plaintiff’s identity must draw attention to the defendant’s product or service that the product or service otherwise would not have enjoyed by creating a specific connection between them and by suggesting sponsorship or affiliation. For example, the commercial advantage element was found to have been satisfied in one reported case where the defendant had used the term “Don’s Henley” in its advertising for a shirt, admittedly to make the advertisement “more interesting” and to “catch the consumer’s eye” by evoking the identity of Don Henley, a well-known musician.²⁷

22. Although the court did not specifically address this issue, a federal court, sitting in diversity (as opposed to federal question) jurisdiction, applies the law of the forum state, here Missouri, including its choice of law principles. *Klaxon Co. v. Stator Elec. Mfg. Co.*, 313 U.S. 487, 496 (1944). The *C.B.C.* court noted that 28 states recognize the right of publicity. *C.B.C.*, 443 F. Supp. 2d at 1084 n.7 (citing John Grady, Steve McKelvy & Annie Clement, *A New Twist for the Home Guys?: An Analysis of the Right of Publicity Versus Parody*, 15 J. Legal Aspects of Sport 267, 271 (2005)). Although the *C.B.C.* court applied Missouri law, it applied broad general principles of right of publicity law, citing cases from a number of jurisdictions in analyzing the parties’ rights. Further, although the court’s holding *vis à vis* the right of publicity does not expressly impact the right of publicity under the law of other states, its holdings with respect to federal law, such as First Amendment freedom of speech and copyright preemption, are generally applicable.

23. *C.B.C.*, 443 F. Supp. 2d at 1084-85 (quoting *Doe v. TCI Cablevision*, 110 S.W.3d 363, 369 (Mo. 2003) (en banc), *cert. denied*, 540 U.S. 1106 (2004)).

24. *Id.*

25. *C.B.C.*, 443 F. Supp. 2d at 1085.

26. *See id.* at 1085-86.

27. *See Henley v. Dillard Dep’t Stores*, 46 F. Supp. 2d 587, 592-92 (N.D. Tex. 1999).

The *C.B.C.* court held that the MLB Parties could not satisfy the commercial advantage element because the use of players' names is essential to any fantasy baseball game. It is not simply that fantasy baseball would be less appealing if the players' names could not be used; rather, the game simply could not exist. *C.B.C.*'s use of the names thus was not intended to draw attention away from competitors, all of whom must rely on the exact same data. As the court found, "[no] reasonable person would be under the impression that the baseball players are associated with *C.B.C.*'s fantasy games any more than the players are associated with a newspaper box score."²⁸

The court rejected the MLB Parties' analogies to instances in which the use of a famous person's picture in a board game violated the right of publicity, on the grounds that (1) no picture or other likeness is used in *C.B.C.*'s fantasy baseball games,²⁹ (2) certain of the cases cited by the MLB Parties involved the right of privacy, not the right of publicity,³⁰ and (3) the cases were obsolete in view of the U.S. Supreme Court's decision in *Zacchini v. Scripps-Howard Broadcasting Co.*³¹

Notably, the *C.B.C.* court declined to follow *Uhlaender v. Henricksen*,³² in which a federal district court, applying Minnesota law, upheld a claim that the defendants' unauthorized use of baseball players' names and statistics in connection with a board

28. *C.B.C.*, 443 F. Supp. 2d at 1086-87.

29. *Id.*, discussing *Palmer v. Schonhorn Enters., Inc.*, 96 N.J. Super. 72, 232 A.2d 458 (1967).

30. The court did not discuss the distinction between the right of publicity and the right of privacy. In *Palmer*, where the game at issue featured twenty-three "famous golfers," the court defined the privacy right there at issue as the "right to be free from the unwarranted appropriation or exploitation if [*sic*] one's personality." *Id.* at 75, 232 A.2d at 460. On its face, this does not appear to be a significant distinction. The real difference—aside from the use of the players' likenesses—is in the substance, namely, that the use of the names and statistics of every player at issue in the *C.B.C.* case does not rely on the particulars of any one or more individuals to improve sales, whereas *Palmer* relied on the attraction of twenty-three "famous golfers." The *Palmer* court concluded that "[t]here is little doubt that a person is entitled to relief when his name has been used without his consent, *either to advertise the defendant's product or to enhance the sale of an article.*" *Id.* at 77, 232 A.2d at 461 (emphasis added). In *C.B.C.*, as the court noted, although the use of every player's name is a fundamental part of fantasy baseball games, for this very reason the use by any service provider is not for the purpose of and does not create a competitive advantage over any other provider.

31. 433 U.S. 562 (1977). In *Zacchini*, the defendant television station, doing a story on plaintiff's human cannonball act, filmed and showed the entire act, without permission. The Court, emphasizing that the right of publicity provides an economic incentive to the performer to invest in the performance, noted that the plaintiff's entire livelihood was in selling tickets to customers to see the act. The court distinguished the broadcast of the plaintiff's performance from cases involving "the unauthorized use of another's name for purposes of trade. . . ." *Id.* at 576.

32. 316 F. Supp. 1277 (D. Minn. 1970).

game violated the players' rights.³³ The *C.B.C.* court noted that *Uhlaender* was decided early in the development of right of publicity law and "is inconsistent with more recent case authority including the Supreme Court's decision in *Zacchini*."³⁴ Although the court did not elaborate on this point, it may base this statement on the *Zacchini* court's emphasis on the issue of whether the conduct actually harmed the plaintiff economically or on the element discussed in more recent right of publicity cases that requires exploitation of the plaintiff's persona or identity in addition to or in connection with the plaintiff's name or likeness.³⁵

B. Symbol of Identity

The *C.B.C.* court stated that to violate the players' rights of publicity, the nature of C.B.C.'s unauthorized use also must have been "as a symbol of the [players'] identity."³⁶ In other words, mere use of a name is not enough, absent the defendant's intent to bring to mind that person's identity or persona. The factors to be considered in making a determination on this issue include "the nature and extent of the identifying characteristics used by the defendant, the defendant's intent, the fame of the plaintiff, evidence of actual identification made by third persons, and surveys or other evidence indicating the perceptions of the audience."³⁷ Thus, the *C.B.C.* court wrote, "[U]pon determining whether there is a violation of the right of publicity in the matter under consideration, *how* players' names are used is significant rather than the mere fact that they are used."³⁸

33. Although not discussed by the court, another arguable distinguishing factor between the game at issue in *Uehlander* and fantasy baseball games such as C.B.C.'s is that the game in *Uehlander* used player statistics and tendencies to allow players to create new, fictional games, whereas fantasy baseball simply tallies up player points based solely on their actual results.

34. *C.B.C.*, 443 F. Supp. 2d at 1087, n.12.

35. See *id.* at 1087 n.13 (citing *Cardtoons, L.C. v. Major League Baseball Players' Ass'n*, 95 F.3d 959, 968 (10th Cir. 1996)); *Henley*, 46 F. Supp. 2d at 597; *TCI*, 110 S.W.3d at 369, 372; *Gionfriddo v. Major League Baseball*, 94 Ca. App. 4th 400, 409, 114 Cal. Rptr. 2d 307 (Cal. Ct. App. 2001).

36. *C.B.C.*, 443 F. Supp. 2d at 1085.

37. *Id.* at 1088 (quoting *TCI*, 110 S.W.3d at 370 (quoting Restatement (Third) of Unfair Competition § 46 cmt. d (1995))). In *TCI*, plaintiff, a professional hockey player named Tony Twist, complained that inclusion in comic books of a character named Tony Twist, although not resembling plaintiff and not a hockey player, was intended to and did conjure up an association therewith. In finding for plaintiff, the court noted, among other things, the reputation of plaintiff as a tough-guy "enforcer," and the "villainous" nature of the comic book character. *TCI*, 110 S.W.3d at 366. See also *Carson*, 698 F.2d at 835 (use of "trademark phrase" "Here's Johnny" in connection with sale of portable toilets conjured up the image and personality of plaintiff Johnny Carson).

38. *C.B.C.*, 443 F. Supp. 2d at 1089 (emphasis added).

In the context of fantasy baseball games, the *C.B.C.* court found there to be no triable issue as to whether C.B.C. used the players' names as a symbol of their identity because the "use of the baseball players' names and playing records . . . does not involve the character, personality, reputation, or physical appearance of the players; it simply involves historical facts about the baseball players such as their batting averages, home runs, doubles, triples, etc."³⁹

C. Policy Considerations

The *C.B.C.* court observed that "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 performer] that would have market value and *for which he would normally pay*."⁴⁰ The court found that C.B.C.'s use of the players' names, in connection with their statistics, does not contravene this policy.

Use of the players' statistics "does not go to the heart of the players' ability to earn a living as baseball players; the baseball players earn a living playing baseball and endorsing products."⁴¹ Further, because "players' records are readily available in the public domain," C.B.C.'s use of those records and statistics is not an activity for which they would ordinarily be paid.⁴² In fact, the *C.B.C.* court noted that including such information as a part of a fantasy baseball service "actually enhances the marketability of the players."⁴³

In essence, the *C.B.C.* court took the position that although C.B.C. relies on each player's status as a major league baseball player in connection with its fantasy baseball services, it is not supplanting legitimate licensing opportunities or otherwise making any use of any particular player's persona to boost sales. Accordingly, the players, individually or in aggregate, have no more right to be paid for such use than they do for news reports of their exploits in the sports pages and box scores.

39. *Id.*

40. *Id.* at 1090 (quoting *Zacchini*, 433 U.S. at 576) (emphasis added by *C.B.C.* court).

41. *Id.* at 1091.

42. *Id.*

43. *Id.* While this may, in fact, be true, it does not necessarily justify rejecting a right of publicity claim. Under copyright law, for instance, the added marketability resulting from a defendant's use does not support a fair use claim. *See, e.g., Castle Rock Entm't, Inc. v. Carol Publ'g Group*, 150 F.3d 132, 145, n.10 (2d Cir. 1998) (trivia book containing questions concerning the "Seinfeld" television series not fair use, notwithstanding claim that book increased interest in original program).

III. OTHER ISSUES

The *C.B.C.* court's holding that C.B.C.'s activities do not violate any right of publicity major league players might enjoy was dispositive of the case. Nevertheless, the court considered whether C.B.C.'s defenses of First Amendment protection and copyright preemption could provide alternate grounds for judgment in its favor.

A. First Amendment Concerns

C.B.C. argued that even if its fantasy games violated the players' rights of publicity, the First Amendment's guarantee of freedom of speech⁴⁴ nevertheless protects C.B.C.'s use of player names and statistics.

The *C.B.C.* court held that the novel nature of the type of expression at issue (fantasy baseball games) does not affect its entitlement to First Amendment protection. In this regard, the court noted the applicability of the First Amendment to symbolic actions (flag burning) and adornment of clothing (obscenity applied to a jacket).⁴⁵ The court adopted a prior court's description of players' statistics as "mere bits of baseball history" and observed that historical data and newsworthy public actions are squarely within the concept of freedom of the press.⁴⁶

The court rejected the MLB Parties' argument that C.B.C.'s activities constitute "[c]ommercial speech" and should not enjoy the same broad First Amendment protections as other expression.⁴⁷ The court stated that "commercial speech is best understood as speech that merely advertises a product or service for business purposes." Expression, however, is not commercial speech *if it does not advertise another unrelated product*, and speech is not transformed into commercial speech merely because

44. "Congress shall make no law . . . abridging the freedom of speech, or of the press. . . ." U.S. Const. amend. 1.

45. *C.B.C.*, 443 F. Supp. 2d at 1092 (citing *Cardtoons, L.C. v. Major League Baseball Players Ass'n*, 95 F.2d 959, 969 (10th Cir. 1996)). In *Cardtoons*, the court upheld the defendant's right to use players' likenesses in connection with parody trading cards on First Amendment grounds.

46. *C.B.C.*, 443 F. Supp. 2d. at 1093 (quoting *Gionfriddo*, 94 Cal. App. 4th at 410).

47. Regulation of non-misleading commercial speech is permitted where such speech relates to exclusively commercial activities and directly advances a substantial governmental interest. See *Lorillard Tobacco Co. v. Reilly*, 533 U.S. 525, 554, 121 S. Ct. (2001). *Lorillard*, for instance, concerned regulations on tobacco advertisements near schools. It should be noted that, since the crux of a right of publicity claim is the misleading implication of endorsement, if a claim for violation thereof were made out, no First Amendment defense would be available, whether the speech were deemed commercial or not.

the product at issue is sold for profit.”⁴⁸ Nor did it matter, the court ruled, that the expression is provided for entertainment purposes or may address relatively trivial subjects. Because the speech at issue was not commercial speech, it was entitled to the broadest level of protection under the First Amendment.

The court stated that, notwithstanding its conclusion that C.B.C.’s use of the players’ names and statistics is protected expression under the First Amendment, this does not end the inquiry, noting that “[t]here is an inherent tension between the right of publicity and the right of freedom of expression under the First Amendment.”⁴⁹ Accordingly, the court addressed several of the MLB Parties’ arguments for protection, including their claimed rights to reap the rewards of their endeavors, to control and protect the commercial value of the players’ names and identities, to promote the efficient allocation of resources, and to avoid consumer deception. The court rejected each of these arguments, finding that C.B.C.’s First Amendment rights to inform and entertain about the history of baseball takes precedence over such concerns.

The court disagreed with the MLB Parties’ rationale that protecting the players’ right of publicity in this situation provides them with an economic incentive to pursue the profession that creates their notoriety, finding that C.B.C.’s use of the players’ names and statistics would not interfere with the players’ ability to earn money in the pursuit of their occupations or in connection with paid advertising endorsements. As a result, refusing to recognize an inherent right to profit from such use would not significantly remove any incentive for individuals to become and remain major league baseball players. The court distinguished between uses of a person’s name that are incidental and those that “‘go[] to the heart [of a person’s] ability to earn a living’ and which involve ‘the very activity by which the entertainer acquired his reputation in the first place.’”⁵⁰

By contrast, the court stated that prohibiting C.B.C. from using the players’ names and statistics would “totally extinguish[]” C.B.C.’s First Amendment rights because fantasy baseball cannot

48. *C.B.C.*, 443 F. Supp. 2d. at 1094 (quoting *Cardtoons*) (emphasis added).

49. *Id.* at 1095 (quoting *ETW Corp. v. Jireh Publ’g Co.*, 332 F.3d 915, 931 (6th Cir. 2003)). In *ETW*, the court rejected the golfer Tiger Woods’ claim that the use of his image by an artist in a painting commemorating Mr. Woods’ Masters’ Tournament victory. “Permitting Woods’ right of publicity to trump [defendant’s] right of freedom of speech would extinguish [the defendant’s] right to profit from his creative enterprise.” *Id.* at 938.

50. *C.B.C.*, 443 F. Supp. 2d at 1097 (quoting *Zacchini*, 433 U.S. at 576 (emphasis added by *C.B.C.* court)). In *Zacchini*, the court found that right of publicity prevailed over First Amendment concerns when a television station broadcast the entirety of the act of a “human cannonball,” an act that the plaintiff charged spectators to view.

exist “without the players’ **names and playing records**.”⁵¹ Accordingly, the court found that “none of the justifications for the right of publicity compel a finding that the First Amendment should not trump the right of publicity.”⁵²

B. Copyright Preemption

The *C.B.C.* court next addressed *C.B.C.*’s argument that even if there were a violation of the players’ rights of publicity, such a claim would be preempted by Section 301(a) of the Copyright Act, which provides that “all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright . . . are governed exclusively by [the Copyright Act].”⁵³ Under Section 301(a), state laws are unenforceable if they provide rights that are equivalent to any of the exclusive rights provided under Section 106 of the U.S. Copyright Act⁵⁴ for works that are within the subject matter of copyright.

Pursuant to the Supreme Court’s *Feist* decision, *compilations* of facts are squarely within the subject matter of copyright, although facts themselves are not copyrightable.⁵⁵ However, the court recognized, a person’s *identity* or *persona* is not.⁵⁶ The court already had found that the use of players’ names and statistics does not involve their personae or identities, but noted that *C.B.C.*’s activities may be deemed to involve compilations of facts that properly are considered under copyright law guidelines.

51. *Id.* at 1099 (emphasis in original).

52. *Id.*

53. 17 U.S.C. § 301.

54. The exclusive rights of the owner of the copyright in a work are the right: (1) to reproduce the work; (2) to prepare derivative works based upon the copyrighted work; (3) to distribute copies of the copyrighted work; (4) in the case of literary, musical, dramatic and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly; (5) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic or sculptural works, including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly; and (6) in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission. 17 U.S.C. § 106.

55. *C.B.C.*, 443 F. Supp. 2d at 1100 (citing *Feist Publ’ns, Inc. v. Rural Telephone Serv. Co.*, 499 U.S. 340, 345 (1991)). In *Feist*, the U.S. Supreme Court, considering the copyrightability of a telephone directory, confirmed that copyright in databases does not extend to the facts contained therein, which are not original works, but may extend to original selection, arrangement and compilation of the uncopyrightable facts. *See Feist*, 499 U.S. at 358-59.

56. *C.B.C.*, 443 F. Supp. 2d at 1100 (citing Melville Nimmer, *Nimmer on Copyright* § 1:01[B][1][c] (“A persona is not a ‘writing’ of an ‘author’ within the meaning of the Copyright Clause. . . . A fortiori, it is not a ‘work of authorship’ under the Act. . . . Because the content of the protected right does not fall within the subject matter of copyright, there is no categorical preemption of the right of publicity”)).

The court addressed the question of whether the rights sought to be protected are equivalent to any of the exclusive rights provided by copyright by inquiring whether the material sought to be protected was copyrightable. Because the players' names and statistics used involved nothing but non-original facts,⁵⁷ the court found that "the players' names and playing records as used by C.B.C. in its fantasy games are not copyrightable" and, accordingly, that copyright preemption does not apply.⁵⁸

By considering the copyrightability of the names and playing records, the court arguably erred in its preemption analysis.⁵⁹ The more widely accepted inquiry, once the material sought to be protected under state law is found to be within the subject matter of copyright, is whether the nature of the protection sought under state law is equivalent to copyright protection. Courts considering this issue typically examine whether there is an "extra element" to the state claim distinct from or in addition to one of the exclusive rights granted under Section 106 of the U.S. Copyright Act.⁶⁰

57. The court did not explicitly address whether there was any originality in the manner in which such facts are selected, compiled or arranged, nor was there any indication (as noted above, the parties had dropped all copyright claims prior to decision) that C.B.C. had actually copied any particular database. Whether it had done so, or whether any copyright protection could have been claimed in statistics is not relevant, as it is likely that any copyright therein would have either belonged to the actual compiler of the records, not the players themselves, who likely did not compile the statistics themselves. Moreover, even to the extent copyright could be claimed in the performances that led to the statistics (for a thoughtful argument that sporting events ought to be copyrightable, see Robert M. Kunststadt, "Misappropriation" Theory Scores Game Point – But Will It Count? N.Y.L.J., Jan. 21, 1997, at 1), the players, whose performances are rendered as employees of the baseball teams, would not own the copyright therein, under the "work made for hire" doctrine. See 17 U.S.C. § 101.

58. C.B.C., 443 F. Supp. 2d at 40.

59. Indeed, it is submitted that such a holding, logically extended, would eviscerate the principle of preemption by holding that preemption cannot apply whenever a court finds that the subject of the dispute is not copyrightable. Under this analysis, a state would not be preempted from prohibiting copying of a non-original database consisting solely of public domain facts. In fact, copyright preemption is particularly important in such cases in order to preclude the states from protecting subject matter that Congress has deemed to be in the public domain.

60. Compare *Dun & Bradstreet v. Grace Consulting, Inc.*, 307 F.3d 197, 218-19 (3d Cir. 2002) (in claim for misappropriation of trade secrets, the violation of a duty of confidentiality was found to provide an element distinct from a copyright infringement claim, making the violation "qualitatively different from mere unauthorized copying") with *National Basketball Assoc. v. Motorola*, 105 F.3d 841, 849 (2d Cir. 1997) (plaintiff's claim that defendant's unauthorized transmission of "real time" game scores and other information constituted state law misappropriation was essentially a claim for copying and hence was preempted, as the information was public domain factual information).

The lower court in *Motorola* had granted relief on the misappropriation claim, finding that it was not preempted. *National Basketball Ass'n v. Sports Team Analysis and Tracking Sys., Inc.*, 939 F. Supp. 1071 (S.D.N.Y. 1996). It has been argued, in that case, that the NBA may have had more success arguing that the defendant's activities may have violated the collective rights of publicity of the players. See Kunststadt, *supra* note 56.

Here, the MLB Parties argued that they had the exclusive right to authorize reproduction of the players' names and statistics in connection with commercial fantasy baseball games. Where the crux of a state law claim is the unauthorized reproduction of subject matter that is within the scope of copyright, whether or not the subject matter is in fact copyrightable, courts generally hold that there arguably is no "extra element" sufficient to save the claims from preemption.⁶¹

The *C.B.C.* court also appears to have erred in analyzing preemption *after* addressing the right of publicity claim. Because personae, likenesses and names are not fixed works of authorship, they have been held to fall outside the subject matter of copyright, and the violation of rights caused by their unauthorized use is distinct from the reproduction rights provided by Section 106 of the Copyright Act.⁶²

In *C.B.C.*, the court arguably should have addressed preemption in the first instance and concluded that the right of publicity claim was not preempted because the MLB Parties' claims included an element that was not equivalent to copyright protection, *i.e.*, unauthorized use of the players' identities and personae. Only after determining that the right of publicity claim was not preempted, should the court have proceeded to examine the MLB Parties could establish their claim.

However, in view of the court's central finding that the right of publicity does not extend to the mere reproduction of the players' names and statistics in connection with fantasy baseball, any potentially erroneous analysis appears to have had no effect on the ultimate result.

IV. LICENSEE ESTOPPEL

The MLB Parties also argued that the court should enforce C.B.C.'s agreement not to challenge the Players' Association's rights to license the players' names and statistics after the termination of the 2002 License Agreement. The court disagreed, holding that under the circumstances, the licensee estoppel provision was void as a matter of public policy.⁶³

61. See *Laws v. Sony Music Entm't, Inc.*, 448 F.3d 1134, 1144 (9th Cir. 2006) (right of publicity claim for alleged unauthorized sampling of plaintiff's voice preempted, as essence of claim was wrongful reproduction; "mere presence of an additional element ('commercial use') is not enough to qualitatively distinguish" claim from copyright claim).

62. See *Toney v. L'Oréal USA, Inc.*, 406 F.3d 905, 909, 910 (7th Cir. 2005); *Landham v. Lewis Galoob Toys, Inc.*, 227 F.3d 619, 623 (6th Cir. 2000) (claim that unauthorized action figure depicting plaintiff's character in movie violated plaintiff's right of publicity was not preempted).

63. *C.B.C.*, 443 F. Supp. 2d at 1103-04.

Under the general rule of licensee estoppel, “when a licensee enters into an agreement to use the intellectual property of a licensor the licensee effectively recognizes the validity of that property and is estopped from contesting its validity in future disputes.”⁶⁴ This doctrine has been justified on the grounds that it encourages parties to reach agreement rather than engage in expensive litigation.⁶⁵

Nonetheless, licensee estoppel is not absolute. For example, a patent licensee is freed from the obligation to continue paying royalties in the event a third party obtains a judgment that the patent is invalid.⁶⁶ Were this not so, the party that accepted the license would be in a worse position than a member of the general public. Further, as emphasized by the U.S. Supreme Court in *Lear, Inc. v. Adkins*, there is a strong public policy in favor of freely permitting the practice of ideas that are or should be in the public domain. As the *C.B.C.* court noted in quoting *Lear*, “[l]icensee estoppel’ is not applicable where the ‘strong federal policy favoring the full and free use of ideas in the public domain’ outweighs the public interest against the ‘competing demands of patent and contract law.’”⁶⁷

The *C.B.C.* court interpreted the Supreme Court’s *Lear* decision as “suggest[ing] that if the Players’ Association, as a licensor, did not have the authority to license the players’ names and playing records, the federal public policy of permitting and encouraging full and free competition of ideas takes precedence over the 2002 [License] Agreement’s prohibiting C.B.C.’s use of the names and playing records in the absence of a license.”⁶⁸ The court indicated that this principle goes beyond patent law to intellectual property law generally.⁶⁹

Citing the holding in *Zacchini* that the interests protected by the right of publicity are closely analogous to those protected by patent and copyright law, the *C.B.C.* court rejected the MLB Parties’ argument that the right of publicity, protected under state laws, does not implicate the strong federal policy interest

64. *Idaho Potato Comm’n v. M&M Produce Farm & Sales*, 335 F.3d 130, 135 (2d. Cir. 2003).

65. *C.B.C.*, 443 F. Supp. at 1104, n.35

66. *Id.* at 1104 (quoting *Lear, Inc. v. Adkins*, 395 U.S. 653, 659, 89 S. Ct. 1902 (1969) (“licensees may avoid further royalty payments, regardless of the provisions of their contract, once a third party proves that the patent is invalid”)).

67. *C.B.C.*, 443 F. Supp. 2d at 1104 (quoting *Lear*, 395 U.S. at 675).

68. *Id.* at 1104.

69. *Id.* at 1105 (citing *M & M Produce*, 335 F.2d at 336). See also *State of Idaho Potato Comm’n v. G & T Terminal Packaging*, 425 F.3d 708, 717-18 (9th Cir. 2005) (holding that *M & M Produce* properly extended *Lear* beyond patent cases).

expressed in patent issues,⁷⁰ concluding that “in the circumstances of this case ‘the strong federal policy favoring the full and free use of ideas in the public domain’ as manifested in the laws of intellectual property prevails over the challenged contractual provisions in the 2002 Agreement.”⁷¹ The licensee estoppel provision thus was void as against public policy and C.B.C. was not prohibited contractually from challenging the players’ claimed rights in their names and statistics.

V. CONCLUSION

The *C.B.C.* court appears to have heeded the caution of Judge Kozinski, writing in dissent in *White v. Samsung Electronics America, Inc.*,⁷² a case in which the Ninth Circuit found that the appearance of a robot in a futuristic “Wheel of Fortune”-type game show violated Vanna White’s right of publicity. Judge Kozinski opined that “[o]verprotecting intellectual property is as harmful as underprotecting it. Creativity is impossible without a rich public domain. . . . Intellectual property rights aren’t free: They’re imposed at the expense of future creators and of the public at large.”

The consistent themes throughout the *C.B.C.* court’s opinion are that the data collected and used by C.B.C. consisted of the same names and facts that appear every day in newspaper sports sections, and that the use of such information in any particular fantasy game will not be viewed as an endorsement of that game because the information is essential to the game itself. Except in instances like *Zacchini*, where a person or entity has actually appropriated the economic value of an individual’s entire performance, such false implication of endorsement is generally the *sine qua non* of right of publicity claim.

It may be argued that the *C.B.C.* decision represents a departure from prior cases that upheld athletes’ rights of publicity. The reproduction of players’ names and records in the fantasy context, however, is fundamentally different from traditional endorsements or cases where products reproducing a player’s image are sold and is, in fact, more like weekly news reports that compile the league’s weekly statistics, an activity which inarguably raises no right of publicity issues. Unlike fantasy sports, whose enthusiasts⁷³ are focused on raw statistics, other licensing opportunities, including baseball cards and endorsements, do rely

70. *C.B.C.*, 443 F. Supp. 2d at 1105.

71. *Id.* at 1106 (citations omitted).

72. 989 F. 2d 1512, 1513, 1516 (9th Cir. 1993).

73. Here, the author speaks from personal anecdotal experience.

for their value on the individual personae of the players. Thus, it is unlikely that *C.B.C.*, should it be affirmed on appeal, would be extended beyond the fantasy sports context to affect traditional licensing opportunities, whether trading cards featuring photographs and assorted biographical information or video games featuring star players that allow fans to play their own games.

Another likely important legacy of the *C.B.C.* decision, should it be upheld on appeal, is the court's holding that licensee estoppel does not apply when the subject matter of the contract is found to be in the public domain, whether in the context of copyright or right of publicity law. Thus, a cautious operator may, as *C.B.C.* did, enter into an agreement to avoid litigation where the validity of licensor's rights is as yet uncertain without forfeiting its ability to challenge the licensor's rights in the future in the event that circumstances change.
