Published on *The National Law Review* https://natlawreview.com

Rights of Publicity: A Potentially Catastrophic Pitfall for the Unwary Marketer as told by Jordan v. Dominick's Finer Foods

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Most marketing departments for large companies have at least a basic understanding, if not a proficient grasp, of the type of legal vetting that needs to be conducted before using an image in an ad or marketing piece. They know that when using a photo a copyright license needs to be obtained, not to use trademarks owned by other companies, or start using confusingly similar trademarks in their own advertisements. So the question becomes, how did Michael Jordan win an $8.9 million damage award against ***Dominick's*** (now ***Safeway*** as it bought Dominick's) for running a print ad in Sports Illustrated? Simply…marketing forgot to consider the right of publicity.

So what is the right of publicity?

The right of publicity is the right of every person to control the commercial use of his or her identity.[1] Identity goes beyond just how a person looks but also includes a person's "persona", which includes such indicia of identity as name, voice (including sound-a-likes), signature, distinctive phrases, and biographical information. For example, the Dominick's ad (shown below) didn't include a photo of Jordan but only featured his name and Jordan's jersey number 23.

The right of publicity is protected by state common law or statutory law, not by federal statute. The claim generally requires that the defendant use the plaintiff's identity for "commercial purposes." The statutory language requiring commercial use varies from state to state. In some states "commercial purpose" requires that there exist a direct connection between the use and the commercial purpose. [2] In other states "commercial purpose" is broadly defined to include use of an aspect of a person's identity on or in connection with the product, good or service without the need to show a direct connection between the use and the commercial purpose.[3]

In terms of ads, though, it is generally safe to assume that the use of an individual in an ad will be considered commercial use, as it likely will be directly tied to the commercial purpose—selling a particular product or service.

How did the jury arrive at an $8.9 Million Damage Award?

By all accounts, the $2 off voucher on Dominick's ad was only redeemed by two customers. However, even though the ad was a flop, damages in right of publicity cases are not based on the success of the ad but instead on the value of the plaintiff's identity. There are three general formulas for determining the value of person's identity: (1) fair market value, (2) similar royalty rates, and (3) reasonable royalty award. Jordan presented evidence that he highly values his image and does not sign endorsement deals for anything under $10 million. Although a staggering number, the jury must have found his testimony persuasive and used this rate to find that the reasonable value of using Jordan's right of publicity in the Dominick's ad was $8.9 Million.

Such a high award is not an isolated case. For example, in *Hoffman v. Capital City/ABC, Inc.,* 33 F. Supp. 2d 867, 875 (C.D. Cal. 1999), Dustin Hoffman was awarded $1.5M in compensatory damages as fair market value for use of his name and likeness. The case was overturned on First Amendment grounds on appeal. In *Waite v. Fritolay, Inc.*, 978 F.2d 1093 (9th Cir. 1992), an award of $375,000 in compensatory damages was affirmed as representative of the fair market value for the use of Tom Waite's voice in a commercial by Frito-Lay where they used a sound-a-like.

As the verdicts in cases from *Jordan* to *Waite* show, infringing a person's right of publicity can be a costly mistake.

Can you get around this issue by using the identity of a deceased individual?

Unfortunately the answer is no, especially if your advertisement has a national reach. The majority of states apply the law of the decedent's domicile to determine whether a postmortem right of publicity exists.[4] Some states, like New York, have held that a person's right of publicity terminates at their death.[5] However, whatever protection may have existed in states that do not recognize postmortem rights or recognize them for short periods of time has been essentially eliminated because two states—Indiana and Washington—have enacted statues that apply their rights of publicity protection to any act or event occurring in their respective state, regardless of the person's domicile or residence.[6] More distressing, Indiana's right of publicity statute grants postmortem protection of 100 years after death while Washington grants postmortem protection of 75 years to celebrities. As such, if an ad has national circulation or even if the ad is placed online and individuals in Indiana or Washington are exposed to the ad, a plaintiff can file a claim in these states.

Bottom Line: How Do You Protect Yourself?

To avoid a potentially costly right of publicity claim, don't stop the legal vetting of an image at whether a photo license was obtained but also consider the content of the photo. If the photo includes an identifiable individual, a name, or some other indicia of identity, consider whether a right of publicity release is necessary. A license for use of the photo will not protect you should an individual pictured bring a right of publicity claim. Finally, you should be careful to obtain permission from all the proper parties. Rights of publicity, especially for deceased individuals, may have been inherited by a few descendants. Thus, make sure that all parties with rights have signed a proper release.

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[1] 1 McCarthy on Rights of Publicity and Privacy § 3:1.

[2] *See Newcombe v. Adolf Coors Co.,* 157 F.3d 686, 693 (9th Cir. 1998)(applying California law and noting that "Section 3344(e) states that not all uses of likeness are a 'use' that requires consent; only those uses where the 'likeness was so directly connected with the commercial sponsorship' constitute a 'use'"); *Tyne v. Time Warner Entertainment Co., L.P.*, 901 So.2d 802, 806–810 (Fla. 2005) (holding that Florida right of publicity statute only applies when a publication uses a person's name or likeness to directly promote a product or service); *D'Andrea v. Rafla-Demetrious*, 972 F. Supp. 154, 157 (E.D.N.Y. 1997) *aff'd,* 146 F.3d 63 (2d Cir. 1998) (holding that in New York "[i]n order to establish liability, plaintiff must demonstrate a 'direct

and substantial connection between the appearance of the plaintiff's name or likeness and the main purpose and subject of the work.'").

[3] *See* Ind. Code § 32-36-1-2.

[4] 2 McCarthy on Rights of Publicity and Privacy § 11:15.

[5] *Mirone v. MacMillan*, 894 F.2d 579, 585 (2d Cir. 1990).

[6] Washington: RCW 63.60.020(1); Indiana: Ind. Code § 32-36-1-8.

National Law Review, Volume V, Number 274