

Fifth Circuit Finds Right of Publicity Not Preempted by Copyright Act

By Robert P. Latham

In a decision that may have far-reaching and unintended consequences, the Fifth Circuit upheld an award of damages for misappropriation of name and likeness against a record producer and an oldies record label for using the names, and in some cases the likenesses, of musical artists in connection with the sale of CDs featuring those artists' performances. *Brown v. Ames*, 98-20736 (8th Cir. Feb. 7, 2000). The court held that such claims were not preempted by the Copyright Act.

The Musician's Allegations

The *Brown* case involved a suit by fifteen blues musicians from the Houston, Texas area who claimed copyright infringement against Roy Ames, a music producer in Houston, Texas specializing in Texas blues, and the record label "Collectibles" based on 146 songs that had been released on Collectibles' CDs. Pursuant to license agreements entered into in the early 1990's, Ames licensed to Collectibles master recordings featuring the blues artists, most of which had never previously been released on any label. The licenses granted from Ames to Collectibles included the rights to use the names and likenesses of the artists and warranted that Ames had the rights to enter into the licenses.

The musicians claim that they owned the copyrights to the musical performances that Ames licensed to Collectibles, and further claimed that they had not authorized Ames to distribute the recordings or, if they had, that such licenses were invalid. In addition to claims for copyright infringement, the musicians brought claims for violations of the Lanham Act and added state law claims for misappropriation of name and likeness, conversion and negligence.

The Trial of the Musicians' Claims

Of the copyright claims on the 146 songs at issue, 137 were either dismissed by the court or resulted in a jury verdict for the defendants. The musicians elected statutory damages on the remaining nine songs and Collectibles infringement on the nine songs was found to

be innocent. Consequently, the court awarded \$1,800 total damages against Collectibles for innocent copyright infringement. The musicians recovered \$22,500 for copyright infringement from Ames.

The musicians recovered nothing on their Lanham Act claims, and the conversion and negligence claims were held by the court to be preempted by the Copyright Act. However, the musicians were allowed to proceed to verdict on their misappropriation of name and likeness claims and ended up recovering \$27,000 from Collectibles and \$100,000 from Ames on those claims. Collectibles and Ames each filed an appeal claiming that the misappropriation claims should have been preempted by the Copyright Act. Collectibles in its appeal also urged that there was legally insufficient evidence to support an award of damages for misappropriation since the only claim against Collectibles in this regard was that it had used the names and likenesses of the musicians on the CDs that it sold featuring those musicians' performances and in Collectibles' catalog.

The Arguments Before the Fifth Circuit

Collectibles acknowledged on appeal that not every claim for misappropriation of name and likeness is preempted by the Copyright Act and that the common law cause of action for misappropriation and the right of publicity protect rights that are not necessarily protected under the Copyright Act. The theory behind awarding damages for misappropriation of name and/or likeness is

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Editor's Note: I want to point out that we are publishing three decisions today in which the courts fail to find that right of publicity claims are preempted by the Copyright Act. The facts in each are different, although I note specifically that only one involves traditional commercial speech. These cases, found on pages 21-26, come out of the Fifth Circuit, the California Court of Appeals and a federal district court in New Jersey. The Fifth Circuit and the California state court cases, I would suggest, evidence a dangerous lean toward the application of right of publicity to non-commercial speech.

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that certain individuals have a value to their name and likeness such that the use of that name or likeness in endorsing a product adds value. An unauthorized use of a person's name or likeness to endorse a product to which they are not affiliated dilutes the commercial value of a celebrity's name or likeness. However, Collectibles' argument focused on the fact that in this case the only conduct of Collectibles of which the musicians complained was the copying and distribution of CDs featuring musical performances of the musicians — a right that is protected under the Copyright Act. Collectibles argued that identifying a performer with his music does not dilute the commercial value of that person's name or likeness.

Therefore, the fact that the names and likenesses of the musicians were included on their CDs should not give rise to an additional cause of action or additional damages; otherwise, every single claim for the unauthorized copying and distribution of a musical recording or any other work fixed in a tangible medium, as long as it includes the name or likeness of the artist on it, could be recast as a misappropriation claim and brought in state court.

Collectibles further argued that the misappropriation cause of action should be preempted because it would disrupt the uniform system of damages promulgated by the Copyright Act. For instance, in this case where Collectibles had been granted a license by a musical producer, had no grounds to question that license, and was found to have innocently infringed on only nine of 146 songs at issue, the court deemed appropriate an award of \$1,800 for copyright infringement. Nevertheless, the jury was allowed to award an additional \$27,000 for the exact same conduct.

The Fifth Circuit's Opinion and its Possible Effect

The Fifth Circuit rejected Collectibles' arguments. In so doing, the court drew an analogy to the cases of *Midler v. Ford Motor Co.*, 849 F.2d 460 (9th Cir. 1988) and *Waits v. Frito-Lay, Inc.*, 978 F.2d 1093 (9th Cir.

1992), *cert. denied*, 506 U.S. 1080 (1993) to support the proposition that a cause of action for misappropriation protects a distinct right, not equivalent to rights protected by the Copyright Act. The court also rejected Collectibles' argument that the purpose and objectives of the Copyright Act would be frustrated by allowing a misappropriation claim in this context, stating that most modern day recording contracts and licenses include an assignment of the rights to use the artist's name and likeness.

There are several aspects of the Fifth Circuit opinion that are particularly troubling to record companies as well as to other publishers. In the first instance, the Fifth Circuit has now found a right of publicity in a context unlike *Midler* and *Waits*, each of which involved

an allegation of an implied endorsement of a product, that *Midler* and *Waits*, respectively, did not endorse, as a result of the use of a soundalike in an advertisement. In the *Brown* case, there is no question that the musical performances on the CDs at issue were those of the plaintiffs, and their names and likenesses were not used to imply an endorsement of, or to advertise, a product but rather to identify the source of their own music.

Second, unlike the *Midler* and *Waits* cases, the musicians in *Brown* were not well known. Instead, they were local musicians who were unable to offer any evidence of any previous endorsement opportunities. Thus, the right of publicity as found by the Fifth Circuit can now extend to persons who have never demonstrated commercial value of their names and/or likenesses.

Finally, while the court suggests that if the copying and distribution of musical performances is authorized, its decision will not grant an additional claim for misappropriation of name and likeness (citing a common law right to use the artist's name and likeness as well as the standard industry practice that has evolved of the artist assigning a right to use his name

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and likeness), the court does not address the fact that most such claims will arise where there is a claim of *unauthorized* copying. In such a case, the Fifth Circuit appears to pave the way for plaintiffs to recover damages above and beyond those set forth in the Copyright Act if the name and likeness of the artist or author appears on the unauthorized copy. The *Brown* opinion also increases the ability of plaintiffs to recast their copyright claims as claims for misappropriation of name and likeness and bring them in state court.

The decision appears to conflict with the holding of the Seventh Circuit in *Baltimore Orioles, Inc. v. Major League Baseball Player's Ass'n*, 805 F.2d 663 (7th Cir. 1986), *cert. denied*, 480 U.S. 941 (1987). And, although distinguishable because of a broad release signed by James Brown, the Fifth Circuit opinion may also clash with the D.C.'s Circuit's opinion in *Brown v. Twentieth Century Fox Film Corp.*, 799 F. Supp. 166 (D.D.C. 1992), *aff'd*, 15 F.3d 1159 (D.C. 1994).

Collectibles has filed a petition for rehearing.

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