

Litigation Alert

Transforming Uses of a Celebrity's Likeness Are Protected by the First Amendment

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On September 25, 2006, the California Court of Appeal ruled in *Kirby v. Sega of America, Inc.*, No. B183820 (Cal. Ct. App. Sept. 25, 2006), that the First Amendment provides a complete defense for misappropriation of a celebrity's likeness and image where the defendant's use is transformative. The court further held that in order for something to be sufficiently transformative it only requires some new expression. Commentary, parody or satire is not also required.

Practical Impact

This decision further clarifies the application of a First Amendment defense to several related causes of action, including statutory and common law infringement of the right of publicity, misappropriation of likeness and unfair competition. Video games and other media can appropriate aspects of a celebrity's likeness so long as they are sufficiently combined with new and different characteristics.

Background

Appellant Keirin Kirby is a singer, choreographer and designer best known for her role in the early 90's band Deee-Lite. Its single, *Groove is in the Heart*, and its video were in heavy rotation in 1990 on radio and MTV. Going by the moniker "Lady Kier," Kirby claims that she has created a distinctive persona and public identity resulting from "her signature costumes and lyrical expression." Lady Kier's likeness is a blend of 60's retro funk and space-age futurism. Lady Kier has pink hair, wears brightly colored mini-skirts or unitards and stiletto-heeled, knee-high platform boots and uses the catch phrase "ooh la la."

Respondent Sega is the distributor of a Japanese video game called "Space Channel 5" or SC5. The principal character in

the game is a female reporter called "Ulala." Ulala's character appeared to look and dress very similarly to Lady Kier. Ulala also used the catch phrase "ooh la la." The original Japanese version of SC5 was released in 1999. The next June, an American version followed. In July 2000, PD*3 Tully Co., a firm hired by Sega to launch a version in Europe, contacted Kirby regarding the use of *Groove is in the Heart* to promote the game. Kirby declined their request. Over the next three years, several other versions of the game were released for use on various gaming platforms.

Kirby filed suit in 2003, alleging that the Ulala character in SC5 constituted: (1) common law infringement of the right of publicity; (2) misappropriation of likeness under California Civil Code § 3344; (3) violation of the Lanham Act; (4) unfair competition; (5) interference with prospective business advantage; and (6) unjust enrichment. Central to all of Kirby's claims was whether or not Ulala infringed upon Lady Kier's likeness. Sega moved for summary judgment arguing that Ulala did not, as a matter of law, misappropriate Kirby's likeness. Even assuming that Ulala did appropriate Lady Kier's likeness, that appropriation was protected speech. Although enough similarities existed between the two characters so that a question of fact remained whether Ulala did infringe upon Lady Kier, it granted Sega's motion on the First Amendment grounds.

First Amendment Defense

Notwithstanding the remaining issues of fact, the trial court's order granting Sega's motion for summary judgment was affirmed because the protection afforded by the First Amendment and California Constitution, Article 1, gave a complete defense to misappropriation. The court found that

video games, although commercial speech, are creative, expressive works entitled to protection unless they are false or misleading. In cases such as this, the free exchange of ideas can conflict with a celebrity's right to protect their identity.

In order to balance these conflicting interests, the court relied upon the transformative standard set out by the California Supreme Court in *Comedy III Productions, Inc. v. Gary Saderup, Inc.*, 25 Cal. 4th 387, 406-409 (2001), and *Winter v. DC Comics*, 30 Cal. 4th 881, 890-892 (2003). Works where the celebrity's image is an element of the likeness, but that also contain distinct expressive elements, are not misappropriation. In *Comedy III*, an artist rendered line drawings of images of the Three Stooges on t-shirts, while *Winter* addressed a series of comics with characters formed from combining the facial features of singers Edgar and Johnny Winter with the body of slugs. The line drawing in *Comedy III* was not protected as it was a very literal rendition of the Three Stooges. However, the defendant in *Winter* was protected as he added distinctive slug characteristics, thereby transforming the likeness of the Winters brothers.

Based on this precedent, the appellate court upheld the trial court's application of the First Amendment defense. Though Kirby and Ulala shared many similar traits, sufficient differences – dress and dance moves in particular – existed to find that even if Sega video game creators had used Kirby's Lady Kier as inspiration they had also added their own unique and highly protected creative expression.

Kirby also argued that, while some new expression was added to the video game, the transformative work should not be protected because the game lacks any "element of caricature, lampoon, or parody." The court rejected Kirby's attempt to limit the defense to works that comment on public figures. The California Supreme Court in *Winter* found that the issue turned on whether or not the public figure's image was transformed through new expression and not whether that transformation occurred for the purpose of satire, parody or serious social commentary. The appellate court declined Kirby's invitation to "refine" the transformative test in favor of a predominant use test adopted by the Missouri Supreme Court.

Attorney's Fees

Kirby also appealed the grant of attorney's fees to Sega. Under California Civil Code Section 3344(a), California's statute governing misappropriation of celebrity's likeness, the prevailing party in action under that section "shall" be awarded attorney's fees and costs. The trial court awarded \$608,000 in fees and cost to the defendant. Kirby argued that although Section 3344(a) used "shall," it should be interpreted permissively. The appellate court rejected this argument and found that the legislature intended a mandatory grant of attorney's fees. The court then remanded the case to the trial court to determine the appropriate additional amount of fees Sega was entitled to for its appeal.

The appellate court's decision in Kirby reaffirms the Constitutional boundary of actions for misappropriation of a celebrity's likeness. Difficulty remains in identifying the exact quantum of new expression necessary to permit characters based upon or inspired by public figures, though it is now clear that parody, satire, and/or socio-political commentary is not required for the transformative defense to apply.

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