Litigation Alert: Ninth Circuit Assesses Use of Player Likenesses in Video Games

AUGUST 6, 2013

Fenwick
FENWICK & WEST LLP

On Wednesday, July 31, 2013, the Ninth Circuit issued two opinions assessing the parameters of use of individual player likenesses in video games in two highly watched cases:

- In *Brown v. Electronic Arts, Inc.*, No. 09-56675, 2013 U.S. App. LEXIS 15647 (9th Cir. July 31, 2013), the Ninth Circuit panel unanimously affirmed the district court's determination that Jim Brown could not assert a Lanham Act false endorsement claim based on the use of his "likeness" in the *Madden NFL* line of video games because this use was protected by the First Amendment.
- In *In Re NCAA Student-Athlete Name & Likeness Litigation*, No. 10-15387, 2013 U.S. App. LEXIS 15649 (9th Cir. Cal. July 31, 2013), the same panel affirmed, with one dissent, the district court's determination that defendant Electronic Arts ("EA") does not have a First Amendment defense against the state law right of publicity claims asserted by plaintiff collegiate athletes.

Brown v. Electronic Arts, Inc.

Various versions of the *Madden NFL* video game include "historical" or "all-time" teams for which, although no player names were used, specific players were nonetheless recognizable due to the accurate presentation of their other attributes. In *Brown*, hall of fame NFL running back James Brown alleged that EA violated § 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), by creating a false impression of endorsement through this use of his likeness in the video games.

The court considered whether such a claim could survive a First Amendment challenge, assessed by the test set forth in *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989). The *Rogers* test is designed to "balance the public's First Amendment interest in free expression against the public's interest in being free of confusion about affiliation and endorsement." Under *Rogers*, Section 43(a) does not apply to expressive works: (1) "unless the [mark or likeness] has no artistic relevance to the underlying work whatsoever;" or (2) "if it has some artistic relevance, unless the [use] explicitly misleads as to the source or the content of the work." *Id.* at 999. The Ninth Circuit had previously adopted the *Rogers* test in *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894 (9th Cir. 2002), and applied it specifically in the video game context in *E.S.S. Entertainment 2000, Inc. v. Rock Star Videos, Inc.*, 547 F.3d 1095 (9th Cir. 2008).

The panel determined that Brown could not maintain his Lanham Act claim. Under controlling Supreme Court precedent, video games are expressive works, deserving the same protection as more traditional forms of expression, such as books, plays and movies, and thus requiring application of the *Rogers* test. The use of Brown's likeness, the panel reasoned, was artistically relevant because it furthered the games' goal of realism. As Brown had stated in his own briefing, "[T]he '65 Cleveland Browns…cannot be the '65 Cleveland Browns without the players who played for the '65 Cleveland Browns." Furthermore, the court rejected Brown's argument that his Lanham Act claim should survive First Amendment scrutiny because survey evidence demonstrated that consumers believed, mistakenly, that Brown had granted permission to EA to use his likeness. The key, the panel held, is not whether some consumers may be confused, but whether EA *explicitly* misled consumers. In the absence of evidence demonstrating that EA explicitly misled consumers about Brown's endorsement, the court would not permit Brown's Lanham Act claim to proceed.

The panel also rejected Brown's contention that it should replace *Rogers* with a different test, considering only whether the use of the mark or likeness creates a likelihood of confusion, or, alternatively, whether the defendant had an adequate alternative means for expression not involving use of the mark or likeness. Each of these insufficiently protects free expression in the context of artistic works.

In Re NCAA Student-Athlete Name & Likeness Litigation

In *Keller*, the same Ninth Circuit panel addressed nearly identical conduct in the context of a state right of publicity claim. Samuel Keller, a college quarterback for Arizona State and Nebraska, alleged that EA had violated his right of publicity by including his "likeness" in its *NCAA Football* series of video games. The conduct at issue resembled that in *Brown*: Keller's name was not used, but other attributes, such as his height, weight, skin tone, playing style, and facial features were. In the district court below, EA had moved to strike Keller's complaint as a strategic lawsuit against public participation under California's anti-SLAPP statute, Cal. Civ. Proc. Code § 425.16, and the district court had denied that motion, finding that EA's First Amendment-derived defenses did not protect it against Keller's state right of publicity claims.

Again, the Ninth Circuit panel considered the proper First Amendment limitations to the claims asserted. First, the court determined that EA had not demonstrated, *as a matter of law* (the standard applicable on an anti-SLAPP motion), that its use of Brown's likeness contained sufficient "transformative elements" to meet the "transformative use" test outlined by the California Supreme Court in *Comedy III Productions, Inc. v. Gary Saderup, Inc.* 25 Cal. 4th 387 (2001). Based on the contention that a transformative use will be less likely to interfere with the economic rights of the celebrity, the test directs the court to consider five factors: (1) whether the celebrity likeness is a "raw material" from which the work is synthesized; (2) whether the defendant's expression is something other than the likeness of the celebrity; (3) whether the literal or creative elements of the work predominate; (4) whether the marketability of the challenged work derives from the fame of the celebrity; and, somewhat redundant of the foregoing factors, (5) whether the artist's skill and talent has been subordinated to the goal of creating a conventional celebrity portrait for commercial exploitation. The court held that EA's use of an avatar that allegedly replicated Keller's physical characteristics was not sufficiently transformative to meet the test at the motion to strike stage. Moreover, agreeing with *Hart v. Electronic Arts, Inc.*, 717 F.3d 141 (3d Cir. 2013), and *No Doubt v. Activision Publishing, Inc.*, 122 Cal. Rptr. 3d 397 (Ct. App. 2011), the panel found (over the dissent of Judge Sidney R. Thomas) that the existence of other creative elements in the game as a whole does not render the use transformative where avatars replicated the plaintiff's likeness and the realistic portrayal of players is a primary draw of the game.

The panel also rejected EA's argument that the *Rogers* test should be extended to right of publicity claims, reasoning that the *Rogers* test was developed in the Lanham Act context to balance the public's interest in free expression with the public's interest in being free of consumer confusion. "The right of publicity protects the *celebrity*, not the *consumer*."

Finally, the panel rejected EA's defenses, one common law and one based on Cal. Civ. Code § 3344(d), that its inclusion of factual information about athletes into its video games was protected as communications in the "public interest" or related to "news" or "public affairs." Distinguishing EA's video games from documentary films, sports player factual data published in game programs and on league websites, and posters published by newspapers, the court held that EA's game "is not a publication of facts about college football; it is a game, not a reference source."

Conclusions

Brown underscores the high bar a Lanham Act false endorsement claim based on an expressive work must meet under *Rogers*. If a defendant can demonstrate any artistic relevance of the use to its expressive work, it will meet the first prong of the test. Moreover, it is not enough to overcome a First Amendment challenge for a plaintiff to demonstrate that a use causes some consumers to be misled; the plaintiff must demonstrate that the defendant *explicitly* misled consumers.

By contrast, *Keller* underscores that it is the defendant facing state right of publicity claims that faces a high bar to successfully raise a First Amendment-based defense, particularly on a motion to strike under California's anti-SLAPP statute. As the dissent in *Keller* makes clear, the defendant will not always be credited with transformative aspects of the work apart from the presentation of the celebrity in question. The panel also confirmed an unwillingness to extend the *Rogers* balancing test to right of publicity cases. Finally, the panel was unwilling to apply First Amendment protections for reporting of factual information to

uses that are not primarily aimed at publication of information.

Whatever similarity Lanham Act cases based on the use of celebrity likenesses bear to right of publicity claims, courts balance the First Amendment interests of defendants and the public very differently and remain reluctant to extend First Amendment defenses broadly to bar right of publicity claims. Courts have not articulated consistent explanations for why the First Amendment should protect virtually identical conduct in the face of some claims (under the Lanham Act) and not others (under right of publicity statutes). In the short run, however, the door is open wider for litigants to press state law right of publicity claims, and potential defendants must be mindful of those claims and their variations across the different state jurisdictions.

For more information please contact:

Kate Fritz, 415.875.2328; *kfritz@fenwick.com*

Todd Gregorian, 415.875.2402; *tgregorian@fenwick.com*
