COMEDY III PRODUCTIONS V. SADERUP

By Gil Peles

In *Comedy III Productions v. Saderup*,[1] the California Supreme Court developed a comprehensive test for resolving tensions between the right of publicity and the First Amendment's guarantee of freedom of expression.[2] As with copyright, the intellectual property right of publicity can conflict with societal interests in free speech.[3] Unlike copyright law, the right of publicity does not systematically incorporate First Amendment safeguards, such as the idea-expression dichotomy or fair use, into its protective regime.[4] To reconcile this conflict, the court created a test influenced by copyright's fair use doctrine. More specifically, the court focused on whether the allegedly infringing use was "transformative."[5]

In *Comedy III*, the court compared a Gary Saderup silkscreen painting of The Three Stooges to the works of other artists, including Andy Warhol.[6] In so doing, it found that Saderup's silkscreen was not sufficiently transformative to rise to a level of privileged expression under the First Amendment.[7] Warhol's works "convey[ed] a message that went beyond commercial exploitation . . . [to become] a form of ironic social comment,"[8] while Saderup's works lacked the proper "message" or "social comment."[9] In making this comparison, the court failed to create a clear test to determine how much "social comment" must be included in order to be considered "transformative."[10] This Note will analyze the California Supreme Court's modified fair use test and argue that the court's "trans-

1. 25 Cal. 4th 387 (2001).
2. *Id.* at 404.
3. *See* Carson v. Here's Johnny Portable Toilets, Inc., 698 F.2d 831, 841 (1983) (describing how the right of publicity conflicts with the First Amendment guarantee of expression, and comparing this conflict with copyright law).
4. *See* Sid & Marty Krofft Television Prods., Inc. v. McDonald's Corp., 562 F.2d 1157, 1163 n.6 (describing the idea-expression dichotomy as a fundamental safeguard) (1977); *see also* Kalem Co. v. Harper Bros., 222 U.S. 55, 63 (1911) (explaining the use of the idea-expression dichotomy in order to limit the copyright monopoly).
5. *Comedy III*, 25 Cal. 4th at 404.
6. *Id.* at 408-09 (providing Warhol's depictions of Marilyn Monroe, Elizabeth Taylor, and Elvis Presley as examples).
7. *Id.* at 409.
8. *Id.* at 408.
9. *Id.*
10. *Id.* at 404.

formative" test is too vague to provide proper guidance. While the *Comedy III* court was correct in finding a need for a First Amendment test, its specific guidelines require clarification. More specifically, the court should have further defined its requirement of expression while also taking into account the potential economic harm that a celebrity might incur.

I. BACKGROUND

A. Origins of the California Right of Publicity

The right of publicity is the right of a person to control the commercial use of his or her identity.[11] Recognition of this right originated within the domain of "privacy" rights.[12] Although this right was guaranteed for the average citizen, the extent in which it applied to famous people was not clear.[13] Proponents reasoned that if a person's image is already widespread, it does not hurt his or her "privacy" for it to be further disseminated.[14] Therefore, a movement began for celebrities to be able to control their identity.[15] William Prosser and Melville Nimmer initially proposed the formation of an official "right of publicity" which incorporated aspects of privacy, property, and tort law.[16] Later, the right of publicity came to be viewed as a type of intellectual property.[17] This allowed the rights existing in many fields to converge into one category.[18] Consolidation of the right of publicity into the category of intellectual property recognized economic investment in a celebrity identity and thus gave it commercial value.[19]

Today, the California right of publicity exists both as a statutory and common law right.[20] Civil Code section 3344 authorizes recovery of damages by any living person whose "name, photograph, or likeness" has been used without his consent for commercial purposes.[21] In 1979, eight years after the enactment of the statutory right of publicity, the California Su-

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11. *See generally* J. THOMAS MCCARTHY, THE RIGHTS OF PUBLICITY AND PRIVACY, 1-37 (2d ed. 2001).

12. *See, e.g.*, Haelen Lab., Inc. v. Topps Chewing Gum Inc., 202 F.2d 866, 868 (2d Cir. 1953) ("We think that, in addition to and independent of that right of privacy . . . a man has a right in the publicity value of his photograph . . . .")

13. *See* MCCARTHY, *supra* note 11, at 1-7.

14. *See id.* at 1-39.

15. *Id.* at 1-7.

16. *Id.*

17. *Id.* at 6-14.

18. *Id.*

19. *Id.* at 1-39.

20. Comedy III Prods.v. Saderup, 25 Cal. 4th 387, 391 (2001).

21. CAL. CIVIL CODE § 3344 (West 2001).

preme Court recognized a common law right of publicity.[22] The common law right of publicity was intended to augment statutory law.[23]

California enacted a second statute authorizing rights of publicity to be assignable after death to reconcile the difference between statutory and common law.[24] Section 990 states that any person "who uses a deceased personality's name . . . or likeness . . . for purposes of selling goods . . . without prior consent from the persons specified . . . shall be liable for any damages sustained by the person or persons injured as a result thereof."[25] A "deceased personality" is described as a person whose "name, voice, signature, photograph, or likeness has commercial value at the time of his or her death."[26] The California statutory right of publicity can therefore be assigned to a designee after death.

B. First Amendment Conflict

The First Amendment goals of preserving an uninhibited marketplace of ideas and fostering self-expression free of government restraint may conflict with the right of publicity.[27] Celebrity personas contain some type of public meaning and interest.[28] Use or discussion of this meaning serves the First Amendment purpose of fostering expression.[29] According to Professor Roberta Kwall, "we must have the ability not only to write about, but also to interpret, the thought process of illustrious individuals who have shaped our society."[30] A First Amendment interest therefore exists in the use of a celebrity's image for public debate.

At the same time, courts have found a public interest in allowing a celebrity to control his image, and therefore to enforce his right of publicity.[31] Three policy considerations lie behind this right. First, the right of

22. *See* Lugosi v. Universal Pictures, 25 Cal. 3d 813, 842 (1979). The common law right of publicity does not provide a cause of action that survives the death of a person owning the right.

23. *Id.* The common law right was not assignable due to its origination in privacy law.

24. CAL. CIV. CODE § 3344.1 (West 2001) (formerly CAL. CIV. CODE § 990 (West 1984)).

25. *Id.* at (a)(1).

26. *Id.*

27. Roberta Rosenthal Kwall, *The Right of Publicity vs. the First Amendment: A Property and Liability Rule Analysis*, 70 IND. L.J. 47, 66 (1994).

28. *See id.*

29. *See id* at 67.

30. *Id.*; *see also* Guglielmi v. Spelling-Goldberg Prods., 25 Cal. 3d 860, 866 (1979) (describing the publicity conflict with the California state Constitution's reiteration of the First Amendment).

31. Carson v. Here's Johnny Portable Toilets, Inc., 698 F.2d 831, 838 (1983).

publicity furthers economic interests of celebrities to enable those whose identities have monetary value to profit from their fame.[32] Second, the right encourages production of creative works by providing financial incentive for individuals to expend the type of investment necessary to produce them.[33] Third, the right serves both individual and societal interests by preventing the communal use of another's identity without compensation as unjust enrichment and deceptive trade practices.[34] A balance is therefore necessary between a public interest in the First Amendment, and the right of publicity.

C. Balancing the Right of Publicity with First Amendment Concerns

Courts have employed several tests in balancing First Amendment rights with a celebrity's right of publicity. In *Zacchini v. Scripps-Howard Broadcasting Company*,[35] the United States Supreme Court considered whether to allow an entire circus act to be broadcast on the evening news.[36] The Court found that, although public figures are afforded less First Amendment protection, the First Amendment "[does] not immunize the media when they broadcast a performer's entire act without his consent."[37] From an economic viewpoint, the Court found that an entertainment act "is the product of petitioner's own talents and energy, the end result of much time, effort, and expense . . . . [I]f the public can see the act free on television, it will be less willing to pay to see it at the [circus]."[38]

More recently, the appellate court in *Cardtoons v. Major League Baseball Players Association* looked toward "social purpose" to balance the First Amendment with the right of publicity.[39] In *Cardtoons*, a baseball card company produced comic book style artwork of baseball players. The court found that, by poking fun at baseball players, the defendant provided "an important form of entertainment and social commentary."[40] To decipher the importance of the defendant's commentary, the court balanced the "underprotection" and "overprotection" of the right of publicity in question. According to the court:

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32. *Id.*
33. *Id.*
34. *Id.*
35. 433 U.S. 562 (1977).
36. *Id.* at 563.
37. *Id.* at 575.
38. *Id.*
39. Cardtoons, L.C. v. Major League Baseball Players Ass'n, 95 F.3d 959, 976 (10th Cir. 1996).
40. *Id.*

> Underprotection of intellectual property reduces the incentive to create; overprotection creates a monopoly over the raw material of creative expression. The application of the Oklahoma publicity rights statute to Cardtoons' trading cards presents a classic case of overprotection. Little is to be gained, and much lost, by protecting the [Major League Baseball Player's Association's] right to control the use of its members' identities in parody trading cards.[41]

While admitting that protection of the right of publicity is "not nearly as compelling as those [arguments] offered for other forms of intellectual property,"[42] the court found societal value in allowing Cardtoons to produce their cards.

The court in *Cardtoons* considered *Zacchini* to be a "red herring" because it "overstated" the economic incentive argument.[43] While economic incentive may be a compelling argument for other forms of intellectual property, "most sports and entertainment celebrities with commercially valuable identities engage in activities that themselves generate a significant amount of income" and therefore do not have the same interests as many copyrights or trademark owners do.[44] Consequently, the conflicting economic analysis of *Cardtoons* and *Zacchini* illustrates an ongoing debate about where to draw the line in the gray area between the First Amendment and the right of publicity.

Another test in balancing a celebrity's right of publicity with the First Amendment is expressed in *Estate of Presley v. Russen*,[45] where the court looked at whether the alleged infringer's appropriation served a social benefit.[46] In this case, the court considered whether a new show entitled "Big El," which copied the format of an Elvis Presley show, deserves First Amendment protection.[47] According to the court, the purpose of the copied shows "must be examined to determine if it predominantly serves a social function valued by the protection of free speech."[48] If the new show meets this social function test, then it deserves First Amendment protection.[49] This particular show was found not to merit protection because it

41. *Id.*
42. *Id.*
43. *Id.* at 973.
44. *Id.*
45. 513 F. Supp. 1339 (D.N.J. 1981).
46. *Id.* at 1356.
47. *Id.* at 1352.
48. *Id.* at 1356.
49. *Id.*

lacked "its own creative component."[50] Big El's use was found not to serve a social function because it copied the original show without making any creative changes.[51]

II. CASE HISTORY

A. District Court Decision

Gary Saderup is an artist who specializes in making charcoal-type drawings of celebrities.[52] The drawings are transformed into lithographic and silkscreen masters in order to produce items such as prints or shirts.[53] Comedy III Productions owns the rights to all items bearing an image of the Three Stooges.[54] Without obtaining permission from Comedy III Productions, Saderup sold lithographic drawings and shirts bearing a charcoal drawing of the Stooges.[55] The products made no claims or endorsement of the Stooges, but contained a likeness of them. Saderup's profits from the sale of Stooges lithographs totaled approximately $75,000.[56]

Comedy III Productions brought an action against Saderup seeking damages and injunctive relief for his alleged violations of California Civil Code section 990.[57] Comedy III alleged that Saderup's use of the Stooges' likeness constituted a violation of the Stooges' publicity rights.[58] The trial court found for Comedy III and entered judgment against Saderup, awarding damages of all gross income plus attorney fees and costs.[59] The court further issued a permanent injunction to restrain Saderup from violating the statute by future use of the Three Stooges' likeness.[60]

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50. *Id.* at 1359.

51. *Id.*

52. Comedy III Prods. v. Saderup, 25 Cal. 4th 387, 393 (2001).

53. *Id.*

54. *Id.* Comedy III Productions was formed by Larry Fine, Moe Howard, and Curly Joe Dirita in 1959. Fine, Howard, and Dirita were three of the six actors who played the Three Stooges. *See The Three Stooges Official Website, at* http://www.threestooges.com/bios/curlyjoe.htm (last visited November 16, 2001).

55. *Comedy III*, 25 Cal. 4th at 393.

56. *Id.* at 394.

57. 68 Cal. App. 4th 744, 747 (Cal. Ct. App. 1998) (noting that California Civil Code § 990 requires consent for any use of a deceased individual's likeness on products, merchandise, or goods).

58. *Id.* Comedy III alleged a statutory (rather than common law) claim as section 990 allowed them to own the rights through assignment. The common law right is not assignable.

59. *Id.* at 747-48.

60. *Id.* at 748.

B. Appellate Court Decision

The Court of Appeal affirmed in part and reversed in part.[61] The court lifted the injunction, reasoning that Saderup was not likely to continue to violate section 990 in the future, and that a probability of reoccurrence "is generally a prerequisite for permanent injunctive relief."[62] Second, the court found that the language of the injunction was overly broad, thereby creating the possibility that "the injunction could extend to matters and conduct protected by the First Amendment."[63] The court rejected Saderup's argument that his conduct was protected by the First Amendment, reasoning that the commercial nature of his product placed it in an unprotectable category.[64]

C. California Supreme Court Decision

The California Supreme Court affirmed the appellate court's decision, although the reasoning behind its decision differed from that of the appellate court.[65] The California Supreme Court focused on the First Amendment issue. According to the court, the right of publicity "is often invoked in the context of commercial speech when the appropriation of a celebrity likeness creates a false and misleading impression that the celebrity is endorsing a product . . . . [T]he present case [however] does not concern commercial speech."[66] Although created for financial gain, Saderup's portraits were found to be "expressive" works and were not an advertisement or endorsement.[67] This classification creates a tension between the Stooges' rights of publicity and Saderup's First Amendment right.

The court acknowledged that the right of publicity has a "potential for frustrating" public debate and the right to self-expression.[68] A celebrity's likeness may contribute to important issues in public debate and individual expression.[69] Giving broad scope to the right of publicity has "the potential of allowing a celebrity to accomplish through the vigorous exercise of that right the censorship of unflattering commentary that cannot be constitutionally accomplished through defamation actions."[70] Saderup does not

61. *Id.* at 747.
62. *Id.* at 756 (citations omitted).
63. *Id.*
64. *Id.* at 757.
65. Comedy III Prod. v. Saderup, 25 Cal. 4th 387, 387 (2001).
66. *Id.* at 396.
67. *Id.*
68. *Id.* at 397.
69. *See id.*
70. *Id.* at 398.

lose his First Amendment protection simply because his work entertains or is sold for financial gain.[71] From this perspective, his works can be protected since it furthers the First Amendment goal of fostering expression.[72]

In deciphering how to balance Saderup's First Amendment right against the Stooges' right of publicity, the court imported an element of the copyright fair use defense.[73] A particular fair use factor—"the purpose and character of the use"[74]—was used to determine whether Saderup's work "merely 'supercedes the objects' of the original creation", or "adds 'something new'" to become "transformative."[75] In employing this "transformative" test, the court asked whether a product containing a celebrity's likeness "is so transformed that it has become primarily the defendant's own expression rather than the celebrity's likeness."[76]

In applying this test, the court found that Saderup's work had no significant transformative element or contribution.[77] Furthermore, the fact that the marketability and value of Saderup's work derived primarily from the fame of celebrities weighs against a transformative classification.[78] Due to the lack of transformative elements within Saderup's paintings, the court denied the fair use claim.[79]

III. DISCUSSION

This Part analyzes *Comedy III*'s analytical framework, and critiques its test to balance the First Amendment's conflict with the right of publicity. Part III.A evaluates the court's general claim that copyright fair use can be effectively applied to the right of publicity. It describes how the court correctly found copyright as a proper framework to help resolve First Amendment problems in publicity and from which to import a balancing test. Part III.B examines the *Comedy III* court's fair use test and argues

71. *Id.*

72. *Id.* at 397.

73. Copyright's four fair use factors are: (1) The purpose and character of the use, including whether such use is of a commercial nature; (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion used in relation to the copyright work as a whole; and (4) the effect of the use upon the potential market for or value of the copyrighted work. 17 U.S.C. § 107 (1994).

74. 17 U.S.C. § 107(1) (1994).

75. *Comedy III*, 25 Cal. 4th at 404 (quoting Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 585 (1994)).

76. *Id.* at 406.

77. *Id.* at 409.

78. *Id.*

79. The court found Saderup's work to be expressive, but his expression was discounted as being "trivial." *Id.* at 408.

that it does not set adequate standards. Instead, the court should have specifically defined its requirements and designated commercial considerations as a distinct factor.

A. Copyright Fair Use Importation

This section evaluates the *Comedy III* court's general claim that copyright fair use can be properly applied to the right of publicity. The court in *Comedy III* claimed that "common goals" between the right of publicity and copyright would allow fair use to serve a similar benefit.[80] To decipher these common goals, copyright and publicity objectives will be compared. This section concludes that the court correctly found a proper general framework in copyright to resolve Saderup's First Amendment question.

1. Common Goals

Copyright law is designed to "stimulate activity and progress in the arts for the intellectual enrichment of the public."[81] This utilitarian goal is achieved by permitting authors to reap the rewards of their creative efforts, while not conferring unfettered ownership because it could stifle creativity.[82] The right of publicity shares a similar policy.[83] Both the First Amendment and copyright law "have a common goal of encouragement of free expression and creativity, the former by protecting such expression from government interference, the latter by protecting the creative fruits of intellectual and artistic labor."[84] The right of publicity likewise seeks to allow celebrities to control their works, while stimulating creation and free expression.

Due to these common goals and policy interests, the court in *Comedy III* was correct in finding copyright to be a comparable framework. First, by permitting individuals to benefit from their personal efforts, both the right of publicity and copyright provide incentive for creative endeavors. Second, both frequently pose a potential conflict with the First Amendment framework. By utilizing the copyright analogy in right of publicity decisions, courts can inject uniformity and predictability into an area of

80. *Id.* at 404.

81. Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1107 (1990).

82. *See id.* at 1109.

83. *See* Dall T.E. Coyne, *Toward a Modified Fair Use Defense in Right of Publicity Cases*, 29 WM. & MARY L. REV. 781, 813 (1988).

84. Comedy III Prods. v. Saderup, 25 Cal. 4th 387, 405 (2001) (citations omitted).

law that often contains conflicting and inconsistent decisions.[85] Furthermore, as copyright is of constitutional origin, judges can draw upon a developed body of case law in their resolution of publicity rights issues.[86]

2. *Fair Use in Copyright*

A publicity fair use test must work to reconcile rights of free expression.[87] Fair use was first instituted in copyright to unify future First Amendment decisions.[88] In *Folsom v. Marsh*, Justice Story found a need to prepare a test that discovered "the value of the materials taken, and the importance of it to the sale of the original work."[89] Story's test was significant because prior to *Folsom*, copyright was marred by inconsistency in First Amendment jurisprudence.[90] Courts applied a number of subjective tests—varying from looking simply at the "quantity" of the work used, to analyzing the intrinsic and societal value in allowing a "fair" quotation of copyrighted material.[91] Justice Story found that the main factors that should be applied in reconciling the First Amendment with copyright interests were an evaluation of the nature of the new work, the value and quantity of the copyrighted portion used, and the economic impact on the original work's current or future market.[92]

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85. Coyne, *supra* note 83, at 814. *See also* Stephen R. Barnett, *"The Right to One's Own Image": Publicity and Privacy Rights in the United States and Spain*, 47 AM. J. COMP. L. 555, 556 (1999) (labeling the current right of publicity a "quilt of inconsistent statutory and common-law interpretations") (citations omitted).

86. Coyne, *supra* note 83, at 814.

87. *See Comedy III*, 25 Cal. 4th at 404.

88. Folsom v. Marsh, 9 F. Cas. 342, 349 (C.C.D. Mass. 1841) (No. 4,901).

89. *Id.* at 348.

90. *See id.* Prior to Justice Story's classification, some judges would vary their tests from looking wholly at the "quantity" of the work appropriated, while others would subjectively try to determine the "value" of the copied work to see if it interfered with the copyright. *See id.* Story found a need to consolidate these views to create a unified fair use test. His test was later codified in 17 U.S.C. § 107.

91. *Id.* Story referred to common law decisions to illustrate the inconsistent ways in which judges reasoned. *See, e.g.*, Wilkins v. Aikin, 17 Ves. 422, 424 (1810) (focusing on the quantity of the material used to determine whether the amount used constituted "fair quotation"); Bramwell v. Halcomb, 3 Mylne & Cr. 737, 738 (1836) (explaining that "[o]ne writer might take all the vital part of another's book, though it might be but a small proportion of the book in quantity. It is not only quantity, but value, that is always looked to." According to this reasoning, it is irrelevant whether the quoted amount was fair, so long as the quotation itself is valuable); Roworth v. Wilkes, 1 Camp. 94 (1807) (inquiring into whether the copied work would serve as a "substitute" for the original); *See also* WILLIAM F. PATRY, THE FAIR USE PRIVILEGE IN COPYRIGHT LAW, 6-7 (2d ed. 1995) (chronicling the development of fair use prior to Folsom v. Marsh).

92. *Id.* at 348.

Justice Story's test properly limited the scope of the copyright monopoly while creating a new unified First Amendment balancing test. The fair use doctrine "permits [and requires] courts to avoid rigid application of the copyright statute when, on occasion, it would stifle the very creativity which that law is designed to foster."[93] The doctrine "offers a means of balancing the exclusive right of a copyright holder with the public's interest in dissemination of information affecting areas of universal concern, such as art, science, history, or industry."[94] As Lord Ellenborough explained, "[w]hile I shall think myself bound to secure every man in the enjoyment of his copyright, one must not put manacles upon science."[95] To this extent fair use is a necessary part of the overall design of copyright. According to Judge Leval, "although no simple definition of fair use can be fashioned, and inevitably, disagreement will arise over individual applications . . . fair use [is] integral to copyright's objectives."[96] Any First Amendment protections therefore must serve copyright's objective of stimulating productive thought and public instruction without excessively diminishing future creative incentive.[97]

While continuing to be "one of the most important and well-established limitations on the exclusive right of copyright,"[98] the fair use doctrine is also viewed as one of copyright's most unpredictable aspects.[99] On one hand, fair use allows for some uniformity in deciding First Amendment use of copyrighted material. On the other hand, fair use cannot become a bright-line rule, because it is applied on a case-by-case basis. However, the case-by-case approach has been necessary to determine expression and market impact in individual artistic cases—a determination similarly necessary in a future right of publicity First Amendment test.

3. *Fair Use in the Right of Publicity*

Absent a First Amendment balancing test, the right of publicity finds itself in a state similar to that of copyright law before fair use was implemented. That is, a need exists for a clear, unified test to resolve future First Amendment questions. As once was the case for copyright law, courts in publicity law cases have employed varied and often conflicting balancing

93. Stewart v. Abend, 495 U.S. 207, 236 (1990) (quoting Iowa State Univ. Research Found. Inc. v. Am. Broad. Cos., 621 F.2d 57, 60 (1980)).

94. Meeropol v. Nizer, 560 F.2d 1061, 1068 (2d Cir. 1977).

95. Cary v. Kearsley, 170 Eng. Rep. 679, 681 (1803).

96. Leval, *supra* note 81, at 1110.

97. *Id.*

98. MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 13.05 (2001) (citations omitted).

99. *Id.*

tests in determining the line between First Amendment protection and rights of publicity. Lines of analysis vary from a pure economic analysis,[100] to a social benefit analysis.[101] Moreover, nature and application of the right of publicity has varied substantially between states.[102] By drawing on copyright principles, courts can bring a greater amount of predictability into this area.[103] Such a test must "distinguish between forms of artistic expression protected by the First Amendment and those that must give way to the right of publicity."[104] Application of copyright fair use doctrine into right of publicity decisions can therefore help to achieve a balance between First Amendment free speech interests and the goals underlying the right of publicity; namely, to promote creative endeavors and prevent unjust enrichment.[105]

Furthermore, leading scholars such as Mark Lemley and Eugene Volokh have argued that the current speech-restrictive potential of the right of publicity doctrine may be inherently unconstitutional.[106] They argue that the right of publicity has the potential to restrict speech to a much higher degree than trademark or even libel law.[107] Thus, without a First Amendment balancing test, the publicity doctrine itself may be substantively unconstitutional.[108] Therefore, the court in *Comedy III* correctly realized a need to address inherent right of publicity tensions with the First Amendment. According to the court, the right of publicity in its present form has a potential of allowing a celebrity to censor unflattering commentary in a method that cannot be constitutionally accomplished through

100. *See* Zacchini v. Scripps-Howard Broad. Co., 433 U.S. 562, 575 (1977).

101. *See* Estate of Presley v. Russen, 513 F. Supp. 1339, 1356 (D.N.J. 1981).

102. Barnett, *supra* note 85.

103. *Id.*

104. Comedy III Prods. v. Saderup, 25 Cal. 4th 387, 403 (2001).

105. Coyne, *supra* note 83 at 821.

106. Mark A. Lemley & Eugene Volokh, *Freedom of Speech and Injunctions in Intellectual Property Cases*, 48 DUKE L.J. 147, 227 (1998) ("The speech-restrictive potential of the right of publicity goes much further than that of trademark law, or even libel law, and it may mean that the doctrine as a whole is substantively unconstitutional . . . ."). Elsewhere, Lemley and Volokh explain the need for a unified First Amendment test: "[t]he result [in publicity cases] is a rather puzzling mix of precedents, with no clear doctrinal line separating those cases in which preliminary injunctions are granted from those in which the prior restraint rule is applied." *Id* at 228.

107. *Id.* at 227 ("The goal of both trademark and defamation law is to identify and suppress false speech about a person or product which may mislead the public. By contrast, nothing in the right of publicity requires that the punished speech be false or misleading.").

108. *See id.*

defamation actions.[109] A new test is needed, one that must incorporate "the principle that the right of publicity cannot, consistent with the First Amendment, be a right to control the celebrity's image by censoring disagreeable portrayals."[110] This new test can be derived from the copyright realm.

B. Improving Fair Use

Given that the court correctly found a need for a First Amendment test, and copyright fair use could indeed provide a useful realm to import guidelines, this section analyzes the *Comedy III* court's transformative test to determine whether it properly satisfies the need for a clear, unified test. This section argues that the test laid out in *Comedy III* was overly vague and does not go far enough to set proper standards. To improve a publicity fair use test, the court should have specifically defined its requirements and designated commercial considerations as a separate factor.

1. Doctrinal Guidelines

First Amendment law should discourage unpredictability in judicial decision making. The void-for-vagueness doctrine mandates that arbitrary laws can hinder speech.[111] It specifies that clear guidelines for triers of fact should be set to prevent arbitrary First Amendment decisions, as unclear rules may cause speakers to steer wider of the unlawful area than is necessary.[112] This would in turn inhibit the exercise of First Amendment freedoms. First Amendment rules must therefore be drawn as narrowly as possible as to avoid uncertainty.[113]

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109. *Comedy III*, 25 Cal. 4th at 398.

110. *Id.* at 403.

111. MCCARTHY, *supra* note 11, at 8-12. *See also* Grayned v. City of Rockford, 408 U.S. 104. (1972). In *Grayned*, the Court noted:

> It is a basic principle of due process that an enactment is void for vagueness if its prohibitions are not clearly defined. Vague laws offend several important values . . . because we assume that man is free to steer between lawful and unlawful conduct, we insist that laws give the person of ordinary intelligence a reasonable opportunity to know what is prohibited, so that he may act accordingly. Vague laws may trap the innocent by not providing fair warning."

Id. at 108-09.

112. *See* MCCARTHY, *supra* note 11, at 8-12; *see also* Connally v. Gen. Constr. Co., 269 U.S. 385, 391 (1926) ("[A] statute which either forbids or requires the doing of an act in terms so vague that men of common intelligence must necessarily guess at its meaning and differ as to its application, violates the first essential of due process of law.") (citations omitted).

113. *See* RONALD D. ROTUNDA, TREATISE ON CONSTITUTIONAL LAW—SUBSTANCE & PROCEDURE § 20.9 (3d ed. 1999).

Apart from the void-for-vagueness doctrine, the court's transformative test must satisfy a test of strict scrutiny. The strict scrutiny doctrine dictates that "when there exists a real and appreciable impact on, or a significant interference with the exercise of the fundamental right [of the First Amendment,] the strict scrutiny doctrine will be applied."[114] To satisfy strict scrutiny, a rule must be "neither vague nor subjectively over- or underinclusive."[115] The rule must further an overriding state interest and also be drawn with narrow specificity in order to avoid an unnecessary intrusion on First Amendment rights.[116] *Comedy III*'s fair use test is arguably both vague and broad, thereby raising a question as to its survival under a strict scrutiny test. To satisfy the guidelines set in the void-for-vagueness doctrine, and the strict scrutiny test, the right of publicity test will need to set clear guidelines.

2. *Clarify Fair Use*

The *Comedy III* test does not set sufficient guidelines. As stated before, the *Comedy III* fair use test asks whether the product in question "is so transformed that it has become primarily the defendant's own expression rather than the celebrity's likeness."[117] "Expression" is vaguely classified as "something other than the likeness of the celebrity."[118] This definition is not useful for developing a test for the right of publicity. Other courts have also applied highly subjective tests when confronted with a publicity First Amendment challenge. For example, *Cardtoons* focused on whether the product provides "social commentary,"[119] *Estate of Presley* asked whether the new show produced a "social benefit",[120] *Groucho Marx Productions, Inc. v. Day & Night* looked for "works designed primarily to promote the dissemination of thoughts,"[121] and *Zacchini* used an economic utility argument that tried to create a balanced test.[122] The California Supreme Court in *Comedy III* wanted to move past these prior stan-

114. Fair Political Practices Comm'n. v. Super. Ct., 25 Cal. 3d 33, 47 (1979) (citations omitted).

115. H-CHH Assocs. v. Citizens for Representative Gov't, 193 Cal. App. 3d 1193, 1207 (1987).

116. *See id.*

117. Comedy III Prods. v. Saderup, 25 Cal. 4th 387, 406 (2001).

118. *Id.*

119. Cardtoons, L.C. v. Major League Baseball Players Ass'n, 95 F.3d 959, 976 (10th Cir. 1996).

120. *Estate of Presley*, 513 F. Supp. at 1356.

121. 523 F. Supp. 485, 492 (1981).

122. Zacchini v. Scripps-Howard Broad. Co., 433 U.S. 562, 575 (1977).

dards and create a new unifying test;[123] however, the guidelines they used to implement the test did not properly achieve this goal.[124]

First, the court's test does not specify evidentiary burdens. The United States Supreme Court case of *Harper & Row Publishers, Inc. v. Nation Enterprises*, classified copyright fair use as an exception and affirmative defense, where the burden of proof is on the party invoking it.[125] The *Harper & Row* view has caused some analysts to consider fair use inadequate in protecting First Amendment guarantees.[126] A publicity test should therefore move away from the affirmative defense classification in *Harper & Row*. *Comedy III* does not specify whether right of publicity fair use will take a different approach. The court suggests that future decisions should look to see if creative elements "predominate in the work."[127] The court does not specify whether the party invoking fair use will have the burden of proof to show the predominate expression, nor does it indicate how lenient a future court should be in deciding what constitutes "creative elements."[128]

Second, the court does not properly define how much expression a work needs to satisfy the transformative test, other than specifying that the new work should be different than the celebrity's likeness.[129] The court provides only one case example that would hypothetically satisfy its test; however, this example is not particularly helpful because, unlike Sad-

123. *See Comedy III*, 25 Cal. 4th at 406 (noting that decisions using the transformative test will unify right of publicity law by taking "many forms, from factual reporting, to fictionalized portrayal, heavy handed lampooning, to subtle social criticism").

124. Arguably, the court in *Cardtoons* could have been using a pseudo-transformative test when deciding whether the cards' image commented on baseball to a degree that allows societal value. The social benefit analysis in *Estate of Presley* similarly closely resembles that of a "transformative" analysis. Elements that the court looked for to decipher social benefit (did the new "Big El" show merely copy Elvis, or does it add a new creative element?) are nearly identical to that in a broad "transformative" analysis.

125. *See* Harper & Row Publishers, Inc. v. Nation Enters., 471 U.S. 539, 561 (1985).

126. *See* Neil Weinstock Netanel, *Locating Copyright Within the First Amendment Skein*, 54 STAN. L. REV. 1, 21-22 (2001). Netanel argues that since the *Harper & Row* decision:

> Courts have repeatedly invoked the bare possibility of licensing in potential markets for the copyright holder's work to deny fair use. In some cases, indeed, courts have denied fair use even where the copyright owner's avowed purpose is to suppress publication of material that might show the copyright owner in an unfavorable light.

Id.

127. *Comedy III*, 25 Cal. 4th at 407.

128. *Id.*

129. *Id.* at 406.

erup's work, it concerns a parody.[130] In copyright, as well as publicity, parody places itself in an obvious transformative category.[131] It is very easy therefore to point to parody as being "transformative."[132] With regards to situations that do not involve parodies—such as Saderup's work—the court does not specify elements that could have caused his work to be considered transformative. Instead, Saderup's lithograph was discounted as a work with "trivial" expression that is not recognizably "his own."[133] While it may be difficult to create a bright-line rule to determine what constitutes expression, the court could have given further examples of transformative works in addition to clearly defining how "recognizably 'his own'" Saderup's work should have been.[134]

3. Commercial Considerations

Finally, to satisfy the strict scrutiny test and the void-for-vagueness doctrine, a publicity fair use test should separate economic and transformative elements. The *Comedy III* court alluded to including an economic harm factor, but it left this test as a vague subsidiary of the transformative consideration.[135] Under the *Comedy III* test, economic considerations can be an optional part of a transformative analysis "particularly in close cases," and as a "subsidiary inquiry."[136] This "subsidiary" inquiry might ask if "the marketability and economic value of the challenged work derive[s] primarily from the fame of the celebrity depicted . . . ."[137] The court further hinted at an economic test when it pointed to *Cardtoons* as properly decided on the grounds that the parody was found to "not likely substantially impact the economic interests of celebrities."[138] It seems then that the court improperly merged aspects of an economic test into the transformative/expression test. A use is more likely to be transformative if it does not impact a celebrity's "economic interests."[139] It is however unclear when this "subsidiary" inquiry would take effect, and how it should

130. *Id.* ("*Cardtoons* . . . is consistent with this 'transformative' test.").

131. *See* Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 579 (1994) ("Parody has an obvious claim to transformative value . . . . Like less ostensibly humorous forms of criticism, it can provide social benefit, by shedding light on an earlier work, and, in the process, creating a new one.").

132. *Id.*

133. *Comedy III*, 25 Cal. 4th at 408 (quoting Batlin & Son, Inc. v. Snyder, 536 F.2d 486, 490 (2d Cir. 1976)) (citations omitted).

134. *Id.*

135. *Id.* at 407.

136. *Id.*

137. *Id.*

138. *Id.* at 406.

139. *Id.*

be weighed against the general transformative test. Saderup's situation was considered a close case, but the court did not fully utilize the economic test as they designated.[140]

Instituting an "economic harm" inquiry into a separate factor may therefore add clarity to the new rights of publicity fair use standard. This separate factor can be used in the same way that copyright's fourth fair use factor is applied. Deemed "undoubtedly the single most important element of fair use,"[141] copyright's fourth fair use factor asks a court to consider "the effect of the use upon the potential market for or value of the copyrighted work."[142] The Second Circuit found that this factor can create a balance between "the benefit the public will derive if the use is permitted and the personal gain the copyright owner will receive if the use is denied."[143] The Court in *Campbell* defines this factor as requiring that the court consider "not only the extent of market harm caused by the particular actions of the alleged infringer, but also whether unrestricted and widespread conduct . . . would result in a substantially adverse impact on the potential market for the original."[144] A potential market does not only lie within the original work's current market, but also within the potential future derivative market in which the new work has a potential of causing "market substitution."[145] This definition can be particularly useful in publicity, where a court can ask whether the celebrity realistically would enter the market in question.

The court in *Comedy III* initially rejected application of copyright's fourth fair use factor by labeling the factor as "irrelevant" to the right of publicity.[146] According to the court:

> If it is determined that a work is worthy of First Amendment protection because added creative elements significantly transform the celebrity depiction, then independent inquiry into whether or not that work is cutting into the market for the celebrity's images—something that might be particularly difficult to ascertain in the right of publicity context appears to be irrelevant. Moreover, this "potential market" test has been criticized for circularity: it could be argued that if a defendant has capitalized in any

140. *Id.*

141. *Harper & Row*, 471 U.S. at 566.

142. 17 U.S.C. §107(4) (1994).

143. Wright v. Warner Books, Inc., 953 F.2d 731, 739 (2d Cir. 1991) (citations and internal quotation marks omitted).

144. 510 U.S. at 590.

145. *Id.* at 593.

146. *Comedy III*, 25 Cal. 4th at 405 n.10.

> way on a celebrity's image, he or she has found a potential market and therefore could be liable for such work.[147]

The fourth factor is not applicable because it may be both "difficult to ascertain" and "circular."[148] While ascertaining market harm in a right of publicity context may pose some difficulties, it should not be eliminated. In copyright fair use, courts regularly attempt to determine the market effect of derivative works.[149] A right of publicity determination raises similar questions to copyright derivative works (i.e., whether the related—yet not identical—work harms the original) and can be ascertained in the same way.

Arguably, a separate consideration similar to copyright's fourth fair use factor can improve *Comedy III*'s transformative test. In cases of artwork, where it is unclear whether a work is transformative, such as with Saderup's works, a court can look to economic harm as a determinative consideration. The court can consider whether transformative elements dominate the work to a point that its economic value derives from the artist expression, rather than the celebrity.[150] For example, if an artist utilizes a celebrity's image as a subsidiary device within a painting to further the artist's overarching expressive theme, a court may find that the work does not threaten the type of celebrity market protected by the right of publicity.[151] Economic considerations go beyond mere damages, and "pose[] the issue of whether unrestricted and widespread conduct of the sort engaged in by the defendant . . . would result in a substantially adverse impact on

147. *Id.* (citation omitted).

148. *Id.*

149. *See Campbell*, 510 U.S. at 593 (determining whether a rap song was a derivative work harming the potential market of a Roy Orbison song); *see also* Roy Export Co. v. CBS, 503 F. Supp. 1137, 1146 (S.D.N.Y. 1980) ("The value of the right to use the copyrighted work to make a derivative work, which the copyright owner may sell or himself exercise, would certainly seem to be diminished by the ability of another to use the copyrighted work in order to compete at will with the derivative work.").

150. *See* Meeropol v. Nizer, 560 F.2d 1061, 1070 (2d Cir. 1977) (citations omitted).

151. *See Comedy III*, 25 Cal. 4th at 405 (admitting that artistic works with significant expressive elements "are not, from the celebrity fan's viewpoint, good substitutes for conventional depictions of the celebrity and therefore do not generally threaten markets for celebrity memorabilia that the right of publicity is designed to protect"); *see also* ETW Corp. v. Jireh Publ'g, Inc., 99 F. Supp. 2d 829, 835 (2000) (holding that a painting depicting Tiger Woods does not violate Woods' right of publicity because Woods' image is not the primary point of the painting, but rather it is being used to portray a social message about American life. This could therefore be a work where expressive elements in the painting dominate to a point that its sale does not substantially interfere with Woods' memorabilia market).

the potential market for, or value of, the plaintiff's present work."[152] The potential market in publicity will presumably look at a realistic monetary impact on the celebrity.[153]

An economic consideration would further decipher whether the infringing work performs the same function as the existing market created by a celebrity.[154] In copyright, the "functional" test asks if "regardless of medium, the defendant's work, though containing substantially similar material, performs a different function than that of the plaintiff's."[155] David Nimmer describes the functional test in an example involving a reproduction of copyrighted musical lyrics in an article in a magazine:

> The unauthorized reproduction of the chorus lyrics of songs [is a] noninfringing fair use where such reproductions appear in magazine articles . . . . [T]he plaintiff and defendant, in a sense, employed the same medium, *i.e.*, the printed page. However, the functions differed in that plaintiff's sheet music was intended to be used for singing or musical performances, while defendant's article was a literary presentation that incidentally included the disputed lyrics. Persons interested in obtaining plaintiff's music for musical purposes would not find that need fulfilled through the purchase of defendant's magazine article.[156]

The copyright functional test therefore finds a use to be fair where its function does not act as a market substitution for the original copyrighted work. In the right of publicity, the functional test can lean towards fair use where expressive elements within a defendant's works cause consumers to purchase those works primarily for the expression, and not the celebrity. Where a consumer purchases a product because of expressive content, the celebrity's future market is likely not being substituted.[157] Separating

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152. NIMMER, *supra* note 98. *See also Campbell*, 510 U.S. at 593 n.23 ("'[P]otential market' means either an immediate or a delayed market, and includes harm to derivative works.").

153. Once again, monetary impact can be determined on a case-by-case basis in the same way that it is accomplished in copyright cases involving derivative works.

154. *See* NIMMER, *supra* note 98, at § 13.05[B][1].

155. *Id.*

156. *Id.*; *see also* Broadway Music Corp. v. F-R Publ'g Corp., 31 F. Supp. 817 (S.D.N.Y. 1940) (holding that a magazine's publication of a musical's song lyrics was fair use).

157. The court alluded to the notion of a fourth factor functional test. However, it refused to specifically classify it as such:

> [W]hen a work contains significant transformative elements . . . it is also less likely to interfere with the economic interest protected by the right of publicity. As has been observed, works of parody or other distortions of the celebrity figure are

commercial considerations into a second factor can therefore add clarity to a publicity fair use test in satisfying guidelines set forth in the void-for-vagueness and strict scrutiny doctrines.

IV. CONCLUSION

At one point, copyright law found itself in a predicament. Courts had not found a unified method of deciding the parameters with which the First Amendment permits the unauthorized use of copyrighted works. While some courts focused on subjective standards to decide if the "value" of the work had been appropriated, other courts looked purely to economic harm.[158] When developing the copyright fair use test, Justice Story noted that it is not easy "to lay down any general principles applicable to all [First Amendment] cases."[159] He nonetheless found that copyright law needs to form guidelines that can standardize future First Amendment questions. His test therefore asked four specific questions while designating that the test be used on a case-by-case basis.[160] This designation struck a balance between the need to have both clear guidelines and flexibility where it is needed in the realm of artistic works.

The right of publicity currently finds itself in a predicament. Case law has shown that courts have varied their method of First Amendment balancing to range from a social utility to a pure economic test.[161] In finding a need for a new unified publicity test, the court in *Comedy III* correctly looked at copyright law for guidance. Copyright law shares common goals and dilemmas to the right of publicity. Both recognize that authors should have control over their works, while simultaneously accepting that this control does not confer an absolute ownership.[162] Copyright fair use can therefore serve as a model for a right of publicity test that protects First Amendment rights.

> not, from the celebrity fan's viewpoint, good substitutes for conventional depictions of the celebrity and therefore do not generally threaten markets for celebrity memorabilia that the right of publicity is designed to protect. Accordingly, First Amendment protection of such works outweighs whatever interest the state may have in enforcing the right of publicity. The right-of-publicity holder continues to enforce the right to monopolize the production of conventional, more or less fungible, images of the celebrity.

Comedy III, 25 Cal. 4th at 405.

158. *See* Folsom v. Marsh, 9 F. Cas. 342, 348 (C.C.D. Mass. 1841) (No. 4,901).

159. *Id.* at 344.

160. *Id.* at 350.

161. *See* Zacchini v. Scripps-Howard Broad. Co., 433 U.S. 562, 575 (1977); Estate of Presley v. Russen, 513 F. Supp. 1339, 1356 (D.N.J. 1981).

162. *See* Leval, *supra* note 81, at 1110.

Unfortunately, unlike Justice Story's test, the *Comedy III* court's fair use test does not strike a proper balance between a need for clear guidelines and versatile use. The court did not delineate evidentiary burdens, define "expression," or provide substantial examples of "transformative" works. Furthermore, the court did not develop the role of assessing economic harm within the transformative analysis. To serve a similar function as copyright fair use, the right of publicity fair use test needs to further clarify itself, as part of this improvement should be the placement of economic harm into a separate factor. It may not be easy to lay down general principles applicable to all First Amendment cases.[163] It is necessary to form guidelines that are as specific as possible. An improved right of publicity test can perhaps serve this important function.

163. *Folsom*, 9 F. Cas. 342 at 348.