

CUTTING-EDGE CASE DEVELOPMENTS IN ENTERTAINMENT LAW

**PRESENTED TO
THE ENTERTAINMENT, ARTS & SPORTS LAW
SECTION
OF THE NEW YORK STATE BAR ASSOCIATION**

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TV REALITY SHOW RELEASE OVERRIDES OBJECTION CLAUSE

The U.S. District Court for the Southern District of New York upheld a release clause signed by an entertainment attorney who appeared in WE network's reality TV show *Money. Power. Respect. Shapiro v. NFGTV Inc.*, 16 Civ. 9152 (S.D.N.Y. 2018).

Entertainment attorney Kelly Shapiro filed suit alleging fraudulent inducement, among other things, over how she was depicted in the series. District Judge Paul G. Gardephe noted Shapiro claimed "the production company falsely represent[ed] that the series was intended to 'shed light' on 'minority females in the entertainment business,' when Defendants actually intended to use the show to 'defame and disparage her.'"

Shapiro had been able to get a clause inserted in the participation agreement that allowed her to object to scenes that "cause[d her] to directly violate a rule of professional conduct." But District Judge Gardephe determined Shapiro's causes of action were barred because the agreement included a release of "any and all claims ... whether now known or unknown, suspected or unsuspected, and whether or not concealed or hidden in any way directly or indirectly related to or arising directly or indirectly out of" the reality show and that she didn't alleged fraud separate from the release.

ORIGINAL *HOUSEWIVES*' PRODUCERS' FRAUD CLAIMS ARE TIME-BARRED, THOUGH CONTRACT BREACH CLAIM CAN PROCEED

The New York Appellate Division, First Department, ruled that fraud claims brought by Kevin Kaufman and Patrick Moses — co-creators/co-executive producers of the initial season of the TV series *The Real Housewives of Orange County* — against Scott Dunlop, the third creator/executive producer, were time-barred. *Moses v. Dunlop*, 155 A.D.3d 466 (N.Y. App. Div., 1st Dept. 2017).

The plaintiffs sought income they claimed they were owed in connection with the series. In 2006, Dunlop allegedly had told Kaufman and Moses that Bravo Media would no longer be using the trio's production company, though Dunlop went on to continue to executive-produce the series.

The appellate court noted of the fraud claim: "At the very latest, [the plaintiffs] were on inquiry notice by January 2007, when Dunlop presented Moses and Kaufman with the settlement and release agreement [among Dunlop, Kaufman, Moses and a Bravo affiliate] — more than two years before the commencement of this action."

But the appellate court allowed the plaintiffs' breach of contract claim to proceed over their 2005 co-production agreement with Dunlop, "because the contracts impose continuing obligations, each of which can be breached, triggering a new cause of action with its own [six-year] limitations period."

FANTASY SPORTS PROMPTS NEW LOOK AT EXCEPTIONS TO RIGHT OF PUBLICITY CONSENTS

In a case of first impression, the U.S. District Court for the Southern District of Indiana decided that the newsworthiness and public interest exceptions to Indiana's right-of-publicity statute, Indiana Code §32-36-1-1 *et seq.*, do apply to online fantasy sports companies that use college athletes' names and likenesses. *Daniels v. FanDuel Inc.*, 1:16-cv-01230 (S.D.Ind. 2017). The Indiana statute's liberal choice-of-law provision for right-of-publicity disputes makes the ruling nationally notable.

Defendants FanDuel and DraftKings include commentary, and athletes' names and fictitious salaries, on the fantasy sports operators' sites, and have used players' names and likenesses for marketing purposes. Indiana Code §32-36-1-7 includes in its right of publicity protection, for which written consent is required, "a personality's property interest in the personality's: (1) name; (2) voice; (3) signature; (4) photograph; (5) image; (6) likeness; (7) distinctive appearance; (8) gestures; or (9) mannerisms."

In raising the newsworthiness and public interest exceptions to enforcement of these rights, FanDuel and DraftKings pointed to the Southern District of Indiana ruling in *Time Inc. v. Sand Creek Partners L.P.*, 825 F.Supp. 210 (S.D.Ind. 1993), which addressed Indiana's common law prior to the enactment of its right-of-publicity statute. In *Daniels*, District Judge Tanya Walton Pratt noted the *Sand Creek* court had held, "The scope of the subject matter which may be considered 'of public interest' or 'newsworthy' has been defined in most liberal and far reaching terms."

District Judge Pratt thus decided "that the Indiana Supreme Court would conclude that the broad definition of 'newsworthy,' as developed at common law, applies to the statutory exception listed in the right-of-publicity statute." She then granted the defendants' motion to dismiss under the statute's newsworthiness exception, Indiana Code §32-36-1-1(c)(1)(B).

The Indiana statute's newsworthiness exception doesn't specifically require that parties such as fantasy sports sites qualify as "reporting" or news outlets. But the Indiana statute's public interest exception, Indiana Code §32-36-1-1(c)(3), does require that an individual's otherwise-protected personality traits be used "in connection with the *broadcast or reporting* of an event or a topic."

Judge Pratt found the fantasy sports operators *were* engaged in "reporting" within the coverage of §32-36-1-1(c)(3). She noted: "Defendants do provide factual data, and their websites could be used as 'reference sources,' either for purposes of playing the associated game, or for information about the collegiate sports and athletes represented on the websites."

However, for those in the "fantasy" content business, the *Daniels* decision did include some caveats. For example, Judge Pratt declined to dismiss the athletes' right-of-publicity suit on copyright preemption grounds. The U.S. Court of Appeals for the Seventh Circuit, within which the Southern District of Indiana resides, has case law on this. *Toney v. L'Oreal U.S.A. Inc.*, 406 F.3d 905 (7th Cir. 2005), which was decided under the Illinois Right of Publicity Act (IRPA), 765 Ill. Comp. Stat. 1075/1-60, involved the unauthorized use of a photograph of model in a hair care ad. The Seventh Circuit found: "Toney's identity is not fixed in a tangible medium of expression. There is no 'work of authorship' at issue in Toney's right of publicity claim. A person's likeness — her

persona — is not authored and it is not fixed. The fact that an image of the person might be fixed in a copyrightable photograph does not change this. From this we must also find that the rights protected by the IRPA are not ‘equivalent’ to any of the exclusive rights within the general scope of copyright that are set forth in [17 U.S.C.] Sec. 106.”

In light of *Toney*, Judge Pratt concluded in *Daniels* that an individual’s persona doesn’t amount to a copyright “writing.”

After the players appealed, the Supreme Court of Indiana in April 2018 accepted a certified question from the U.S. Court of Appeals for the Seventh Circuit involving the interpretation of Indiana Code §32-36-1, in fantasy sports settings. The question is: “Whether online fantasy-sports operators that condition entry on payment, and distribute cash prizes, need the consent of players whose names, pictures, and statistics are used in the contests, in advertising the contests, or both.” *Daniels v. FanDuel Inc.*, 18S-CQ-00134.

TRADEMARK CANCELLATION CLAIM CAN’T PROCEED AGAINST MARILYN MONROE BRAND MANAGER

The U.S. District Court for the Southern District of New York dismissed with prejudice a trademark cancellation claim against Authentic Brands Group (ABG), a brand manager for Marilyn Monroe LLC, by deciding that a trademark licensee can’t be sued for trademark cancellation. *A.V.E.L.A., Inc. v. The Estate of Marilyn Monroe LLC*, 12 Civ. 4828 (S.D.N.Y. 2018).

X One X, which “creat[es] new artistic works in print, graphic and lithographic mediums,” and International Fine Arts Publishing alleged the Monroe LLC improperly claimed exclusive rights in 15 trademarks managed by ABG.

District Judge Katherine Polk Failla first found that Marilyn Monroe LLC wasn’t ABG’s alter ego, by noting: “The claim that the Monroe Estate directs licensees to send correspondence to ABG fails to show that the two companies operate as a single entity, particularly given that the Monroe Estate shares an address with ABG, which ... is of little consequence to the single-entity analysis. And, even if true, the suggestion that ABG is the Monroe Estate’s sole manager offers little evidence that the two companies operate as a single entity.”

District Judge Failla then found: “[T]here is little doubt that the trademark owner is the Monroe Estate, not ABG. The trademark registrations themselves belie [the] assertion to the contrary: They indisputably list the Monroe Estate as the owner. The only reference to ABG is in the Monroe Estate’s street address, which is listed as: ‘100 West 33rd Street, Suite 1007, c/o Authentic Brands Group, LLC, New York, NY 10001.’ The mere fact that the Monroe Estate’s address references ABG does not, and could not, establish that ABG owns the trademarks.”

LIMITS ON FORMER MEMBERS' ABILITIES TO USE BAND NAMES

The U.S. Court of Appeals for the Eleventh Circuit affirmed a Florida federal district court's grant of a permanent injunction in favor of The Commodores music group barring former member Thomas McClary from using the band name. *Commodores Entertainment Corp. v. McClary*, 879 F.3d 1114 (11th Cir. 2018).

McClary left The Commodores in 1984, but in recent years toured as "Commodores Featuring Thomas McClary" and "The 2014 Commodores." The group's general partnership agreement stated: "Upon the death or withdrawal of less than a majority of the Partners, the remaining majority of the Partners shall continue to have the right to use the Group Name for any purpose."

In the band's trademark suit against McClary, the appeals court found: "[T]he unrefuted record can lead only to the reasonable conclusion that McClary lacked control over the musical venture known as 'The Commodores' after he left the band to pursue his solo career. In the period after he left the band, save two performances as a fill-in guitarist in 2010, he did not meet with the other members of the group to rehearse or perform. He did not join the group to make business decisions about performance schedules or recordings. He stopped writing songs with the group. He was not involved with the group's decisions about performances, whether about the songs to be performed, the personnel to be involved, or the production details of the shows. The rights to use the name 'The Commodores' remained with the group after McClary departed, and the corollary is also true: McClary did not retain rights to use the marks individually."

In a different case, a Manhattan federal district court ruled that an agreement among the estates and surviving members of the rock band Lynyrd Skynyrd that prohibited former members, such as signatory/drummer Artemis Pyle, from allowing "authorized" projects focusing on the band's 1977 plane crash also applied to a film production company to which Pyle gave that permission. *Ronnie Van Zant Inc. v. Pyle*, 270 F.Supp.3d 656 (S.D.N.Y. 2017).

The agreement Pyle signed in the 1980s stipulated: "Each of the [parties] shall have the right to exploit his (or with respect to the Estates, the applicable decedent's) own respective life story in any manner or medium, including without limitation, in books or other print publications and in theatrical feature or television motion picture, without obligation, financial or otherwise, to any other party hereto. ... provided that no such exploitation of life state rights is authorized which purpose to be a history of the 'Lynyrd Skynyrd' band, as opposed to the life story of the applicable individual."

In 2016, however, Pyle entered into an agreement for Cleopatra Films to produce a film "based on the story of Lynyrd Skynyrd's 1977 plane crash and the event surrounding it." Pyle was to receive 5% of net revenues, narrate the movie and have a "Consultant" or "Co-Producer" credit.

But issuing a permanent injunction against Cleopatra, District Judge Robert W. Sweet noted that the band members/estates consent order agreement's "terms prohibit those 'in concert or participation with' the signatories from violating these portions of the Consent Order's strictures. If there was a violation of the Consent Order by Pyle, it is within the power of the Court to enjoin those acting in concert with him ..."

EMPIRE TV SHOW DOESN'T INFRINGE ON HIP-HOP LABEL TRADEMARK

The U.S. Court of Appeals for the Ninth Circuit decided that the Fox TV show *Empire* didn't violate federal Lanham Act or California trademark rights of the urban music record label Empire Distribution. *Twentieth Century Fox TV v. Empire Distribution Inc.*, 875 F.3d 1192 (9th Cir. 2017).

The TV show is about a fictional New York-based record company named "Empire Enterprises." Fox also sells *Empire* soundtrack albums and merchandise and promotes its TV program through live events.

The Ninth Circuit affirmed a Central District of California declaratory summary-judgment ruling in favor of Fox under the bell-weather decision in *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989). Under *Rogers*, expressive works in which the title is artistically relevant to the underlying work, and doesn't explicitly mislead consumers regarding its source, can escape Lanham Act liability.

Empire Distribution argued Fox's use of "Empire" beyond the expressive content of the show and related music was no more than "an umbrella brand to promote and sell music and other commercial products." But the appeals court observed: "Although it is true that these promotional efforts technically fall outside the title or body of an expressive work, it requires only a minor logical extension of the reasoning of *Rogers* to hold that works protected under its test may be advertised and marketed by name, and we so hold."

However, Empire Distribution further contended that a limiting footnote in *Rogers* should apply. In the footnote, the Second Circuit said its test for determining whether a work like Fox's violated the Lanham Act "would not apply to misleading titles that are confusingly similar to other titles." But the Ninth Circuit struck down Empire Distribution's reliance on this, by noting: "This footnote has been cited only once by an appellate court since *Rogers*, in a case in which the Second Circuit itself rejected its applicability and applied the *Rogers* test." See, *Cliff Notes Inc. v. Bantam Doubleday Dell Publ'g Grp. Inc.*, 886 F.2d 490 (2d Cir. 1989).

As for artistic relevance, the appeals court reasoned: "Fox used the common English word 'Empire' for artistically relevant reasons: the show's setting is New York, the Empire State, and its subject matter is a music and entertainment conglomerate, 'Empire Enterprises,' which is itself a figurative empire."

The appeals court went on to conclude: "Fox's *Empire* show, which contains no overt claims or explicit references to Empire Distribution, is not explicitly misleading, and it satisfies the second *Rogers* prong."

NO TRADEMARK PROTECTION FOR DIRTY DANCING PHRASE USED IN FINANCIAL SERVICES AD

The U.S. District for the Central District of California declined to vacate a prior court order that dismissed Lions Gate Entertainment's trademark claims in a lawsuit over a financial services advertising campaign that included a phrase similar to a signature line

“Nobody puts Baby in a corner” from the film *Dirty Dancing*. *Lions Gate Entertainment Inc. v. TD Ameritrade Services Co.*, 2:15-05024 (C.D.Calif. 2017).

TD Ameritrade’s ad featured the phrase “Nobody puts your old 401k in a corner” along with visuals that evoked *Dirty Dancing*. The district court ruled in March 2016 that the claims were preempted by federal copyright law. (Lions Gate’s complaint also alleged copyright infringement.)

In the court ruling, District Judge Dean D. Pregerson noted: “Plaintiff claims that Defendants have used a slightly altered version of its trademark in advertising for services that Plaintiff argues will cause consumer confusion as to Plaintiff’s endorsement or association with those services ... even though the advertisements clearly promote TD’s financial services and do not mention Lions Gate or *Dirty Dancing*, or attempt to pass off products of TD as from Lions Gate or vice versa.”

District Judge Pregerson further explained: “Lions Gate alleged trademark violations arising ‘not only on the alleged mark, but also on other elements from the film *Dirty Dancing*,’ such as an image of a man lifting a piggy bank over his head, which evoked the movie’s signature dance lift, and a reference to the song that played during the movie’s closing dance scene with the line, ‘[b]ecause retirement should be the time of your life.’”

The district judge concluded: “Together with these other elements, the use of a variant of Lions Gate’s trademark phrase in TD’s advertisement served to evoke the ‘communications, concepts, or ideas’ embodied in the movie *Dirty Dancing*. As such, the Trademark Claims are barred under *Dastar* [*v. Twentieth Century Fox Film Corp.*, 539 U.S. 23 (2003)], as they do not protect rights in a communicative product that are distinct from those already protected by the Copyright Act.”

TRADEMARK DISPUTE OVER CELEBRITY-RELATED VENUE NAMES

The U.S District Court for the Middle District of Tennessee, Nashville Division, granted summary judgment in favor of the owner of the restaurant chain “Dierks Bentley’s Whiskey Row” in a trademark suit over the use of “Row.” *The Row Inc. v. Rooke LLC*, 3:16-cv-00687 (M.D.Tenn., 2017).

Rooke has a federally registered mark for “Whiskey Row” that it uses in conjunction with “Dierks Bentley’s.” The Row Inc. later obtained a federal trademark registration for and opened a popular restaurant in Nashville named “Genuine Food and Drink The Row Kitchen and Pub.” In 2016, The Row sued Rooke for trademark infringement and for cancellation of the “Whiskey Row” mark. The Row argued its use of “Row” was “arbitrary” and thus entitled to the highest degree of trademark protection.

But District Judge Waverly D. Crenshaw Jr. found the mark was entitled to lesser protection as “descriptive” by noting that “in Nashville The Row seems as likely to conjure up images of Music Row as much as it does a restaurant” and that “it is not otherwise particularly strong.”

The district judge concluded: “Even though both marks are used in the restaurant business, the parties utilize the same marketing channels, and they will compete head-to-head in Nashville, other important factors weigh overwhelmingly against the likelihood

of confusion. These are: The Row mark, apart from being entitled to protection because it is registered, is not particularly strong; its mark looks nothing like the Whiskey Row mark; there is no evidence of actual confusion; and there is nothing to suggest that Whiskey Row sought registration in an effort to play off The Row mark.”

**“LENGTHY” RECORD BEHIND HISTORICAL CHARACTER
RESULTS IN DENIAL OF RULE 21(b)(6) MOTION
IN INFRINGEMENT DISPUTE OVER ANASTASIA**

The U.S. District Court for the Southern District of New York denied a pre-trial defense request to end a copyright infringement suit brought over the recent Broadway musical *Anastasia. Becdelievre v. Anastasia Musical LLC*, 16 Civ. 9471 (S.D.N.Y. 2018).

Anastasia was the youngest daughter of Russia’s last imperial ruler. There had long been a mystery as to whether she survived the 1918 murder of her family during the communist revolution. The plaintiffs own the copyrights to a 1940s play about Anastasia by French playwright Marcelle Maurette and a 1952 English version by Guy Bolton. The defendants produced the recent Broadway musical *Anastasia*, written by co-defendant Terrance McNally.

District Judge Alvin K. Hellerstein noted, “This case presents a relatively simple copyright dispute, but one that is complicated by a lengthy historical record.” The district court’s ruling focused on a judge’s role when defendants file a motion under Rule 12(b)(6) of the Federal Rules of Civil Procedure for “failure to state a claim upon which relief can be granted” in a copyright infringement case of this type.

Judge Hellerstein explained that the defendants want “me to make this comparison [as to whether there is substantially similar between the musical and the plaintiffs’ works] before Answers are filed, and without guidance by experts. I am unable to make such a complicated comparison. In order to do so, I would need to take judicial notice of facts said to be historical — an inappropriate exercise. I would also have to analyze similarities and differences among different literary expressions. The complaint is well-pleaded, and not dismissable on motion.”

The district judge added: “But even accepting defendants’ description of the historical record on its face and dismissing it from the analysis, the two works share significant commonalities not traced to any documented historical record.”

The district court also emphasized the Second Circuit’s view that “[t]he total concept and feel test ... is simply not helpful in analyzing works that, because of their different genres and media, must necessarily have a different concept and feel.”

**STATUTE OF LIMITATIONS
FOR COPYRIGHT INFRINGEMENT CLAIMS
IS NO BAR TO DISCOVERY REQUESTS**

The U.S. District Court for the Southern District of California overrode an objection by musician Carlos Santana and co-defendants that asked the court to bar a plaintiff from pursuing discovery dating back past the three year statute of limitations, 17

U.S.C. §507(b), for copyright infringement claims. *Gottesman v. Santana*, 16-cv-2902 (S.D.Calif. 2018).

In 2005, Santana Tesoro LLC hired visual artist Eric Gottesman to develop artwork for Carlos Santana merchandise and marketing purposes. In November 2016, Gottesman filed an infringement action against Santana and 32 co-defendants over the alleged unauthorized use of twenty of the Santana artworks Gottesman had created. The Santana defendants only responded to Gottesman's document production and interrogatories requests — for costs, sales and profits information — for the three years prior to the filing of the infringement suit.

Federal Magistrate Jill L. Burkhardt first noted: "To the extent Santana Defendants are relying on a perceived agreement with Plaintiff to limit their discovery obligations, they have not met their burden to establish that there was a meeting of the minds as to the terms of that agreement."

On the statute of limitations issue, Magistrate Burkhardt decided Gottesman had established the pre-November 29, 2013, financial information was relevant to the case. "The statute of limitations is not a rigid barrier separating discoverable information from information outside the scope of discovery," she wrote. "Santana Defendants cite no binding authority for the proposition that the statute of limitations provides a definitive boundary for discoverable information."

Magistrate Burkhardt added: "Even if the statute of limitations provided a barrier to discoverable information in this case, the statute of limitations is an affirmative defense that Santana Defendants have not yet established."

NEW YORK COURT WILL CONSIDER COPYRIGHT OWNERSHIP CLAIM, BUT NOT REGISTRATION ISSUE, IN DISPUTE OVER STAGE PRODUCTION

In a declaratory action over who owns the copyright in a stage production named *Once Upon a Pastime*, the U.S. District Court for the Southern District of New York declined to cancel the defendant's copyright registration of the work. *Pastime LLC v. Schreiber*, 16-CV-8706 (S.D.N.Y. 2017).

The plaintiffs claim that script revisions made by writer Lee Schreiber were done as a work for hire under an agreement Schreiber entered into with the play's original developers, who later transferred their rights to the plaintiffs. But Schreiber registered *Once Upon a Pastime* with the U.S. Copyright Office, listing himself as sole author of the work.

District Judge J. Paul Oetken commented, "Schreiber's motion to dismiss presents a play-within-a-play (about a play)." District Judge Oetken then noted: "Nothing in the Copyright Act, nor any other federal statute, grants federal courts the power to cancel or nullify a copyright registration." The district judge added, however, "A federal court's finding that a copyright is invalid, on the other hand, is a determination of ownership which does not disturb the registration of a copyright."

The court went on to deny Schreiber's motion to dismiss Pastime's ownership claim. "Whether Schreiber can claim any ownership in 'Once Upon a Pastime' turns on

this Court’s interpretation and application of the Copyright Act’s ‘works made for hire’ provision. Consequently, Pastime has sufficiently alleged federal-question jurisdiction to survive a motion to dismiss ...”

ELEVENTH CIRCUIT SEES NO PERSONAL JURISDICTION IN MALPRACTICE SUIT AGAINST LAW FIRM THAT HANDLED CONCERT INDUSTRY LITIGATION

The U.S. Court of Appeals for the Eleventh Circuit affirmed the dismissal of a legal malpractice lawsuit brought in Georgia federal district court by Georgia plaintiffs who were unsuccessfully represented by a Florida law firm in a concerts-booking race discrimination case in New York federal court a decade before. *Rowe v. Gary, Williams, Parteni, Watson & Gary, P.L.L.C.*, 16-17798 (11th Cir. 2018).

Determining the Georgia federal district court lacked personal jurisdiction over the law firm, the Eleventh Circuit explained in an unpublished but notable ruling: “Plaintiffs point to few actual contacts that occurred in Georgia — mainly to the one litigation preparation meeting in December 2002, the taking of one deposition for the New York action, and the initial contact between Plaintiffs and the Gary Firm. As to the initial meeting, we find that it was ‘fortuitous’ that Willie Gary happened to be in Atlanta working on an unrelated case at the time Rowe initiated contact with the Gary Firm.”

The appeals court added: “Plaintiffs argue the Gary Defendants regularly communicated with them via phone, e-mail, and even fax about the New York action, including the contested discovery e-mails and the offer of settlement. While [Leonard] Rowe might have been in Georgia for some of the discussions about the ongoing litigation, he clearly admits that he also spoke to the Gary Defendants about his case from New York and in the Gary Firm office in Florida.”

GENERAL COUNSEL FOR FESTIVAL COMPANY CAN’T BE DEPOSED IN LAWSUIT BY LICENSEE

The U.S. District Court for the Southern District of Florida affirmed that an attorney for the company that promotes the Ultra Music Festival couldn’t be deposed in a lawsuit brought by an “Ultra Music” licensee. *Adria MM Productions Ltd. v. Worldwide Entertainment Group Inc.*, 17-21603 (S.D.Fla. 2017).

Worldwide Entertainment and the Croatian company Adria MM agreed to a contract for the latter to license “Ultra” marks. But Adria ended up suing Worldwide in the Florida federal court, alleging breach of contract and fraud, among other things. Worldwide counterclaimed with trade secret, trademark and breach of contract allegations.

Adria moved to depose Sandra York, Worldwide’s general counsel and supervisory counsel over the Adria litigation. The district court granted Worldwide’s motion to quash but allowed Adria to “respond later as to why it should be permitted to depose opponent’s general counsel.”

Southern District of Florida Judge Federico A. Moreno noted in the subsequent ruling: “Adria argues that York has personal, first-hand, exclusive knowledge of at least seven non-privileged, pre-litigation factual matters, and that questioning on those matters would not expose litigation strategy. However, Adria fails to meet the stringent standard required to depose an opposing party’s attorney.”

Though the Federal Rules of Civil Procedure don’t bar deposing a party’s lawyer, District Judge Moreno observed that “federal courts generally disfavor such depositions and permit them in only limited circumstances.” In this case, the district judge concluded: “Adria has failed to demonstrate that York’s deposition is the only practical means of obtaining the information sought, or that the information sought is relevant and crucial to the preparation of the case. Further, although Adria agrees to limit questioning to non-privileged matters, there is no other indication that Adria’s needs outweigh the dangers of deposing York.”

NO ATTORNEY FEES AWARD FOR MANAGEMENT COMPANY THAT WON BAND NAME LITIGATION

The U.S. District Court for the District of South Carolina declined to award attorney fees and costs to the Marshall Tucker Band’s former manager M T Industries (MTI) following dismissal of the band’s trademark claims against it. *Marshall Tucker Band Inc. v. M T Industries Inc. (MTI)*, 7:16-00420 (D.S.C. 2017).

MTI filed a trademark application with the U.S. Patent and Trademark Office (USPTO) for the band’s name in digital media. MTI made the bare statement in its application that it had used the band name for that purpose “in commerce.” But in its trademark infringement suit, the Marshall Tucker Band failed to provide evidence of actual “in commerce” use by MTI. Earlier this year, District Judge Mary Geiger Lewis dismissed the band’s trademark infringement and dilution claims. MTI then moved for attorney fees and costs under the Lanham Act, 15 U.S.C. §1117, and under Rule 54 of the Federal Rules of Civil Procedure.

In the attorney fees ruling, District Judge Lewis first recalled: “Here, the Court granted Defendants’ motion to dismiss, dismissing Plaintiffs’ federal trademark infringement and trademark dilution claims with prejudice. In that those were the only claims establishing independent federal jurisdiction over the action, the Court dismissed without prejudice Plaintiffs’ federal trademark cancellation and declaratory judgment claims for lack of subject matter jurisdiction.”

Thus, Judge Lewis ruled, MTI was a “prevailing party” because it “unquestionably received at least ‘some relief’” when she dismissed the case. But in denying attorney fees and costs for MTI, the district judge decided the Marshall Tucker Band’s lawsuit was neither frivolous nor objectively unreasonable. “Although the Court ultimately determined Plaintiffs’ federal trademark infringement and trademark dilution claims to be without merit, the Court is unable to hold it was ‘so unreasonable that no reasonable litigant could believe’ those claims would succeed,” Judge Lewis wrote. “Furthermore, the fact Plaintiffs could have — and perhaps should have — proceeded before the USPTO fails to meet this frivolous or objectively unreasonable standard as well.”

Noting “however unwise” it turned out to be or the band to pursue its claims in court, instead of through the USPTO, Judge Lewis concluded that “it was entirely within their discretion to choose this [judicial] venue.”

INVESTMENT FIRM’S LAWSUIT GETS GREENLIGHT IN LITIGATION FUNDING DISPUTE

The U.S. District Court for the Central District of California denied Danish recording artist Aura Dione’s motion to dismiss a suit against her that alleges failure to reimburse an investment firm for funding Dione’s litigation against her manager. *Europlay Capital Advisors LLC v. Joensen*, 2:17-cv-02377 (C.D.Calif. 2017).

Dione (Maria Louis Joensen) battled her manager Khalid Schroeder over intellectual property rights in her music. Europlay Capital agreed to retain the law firm Skadden, Arps, Slate, Meagher & Flom to represent Dione in the Schroeder case and says Dione orally agreed to reimburse Europlay within 12 months of the end of the management litigation. Dione won \$1.689 million from Schroeder and the ownership rights to her music.

Europlay later sued Dione alleging breach of contract and fraud for non-payment of any of the more than \$2 million in legal fees that Europlay paid Skadden. Dione filed a motion to dismiss Europlay’s complaint under Rules 12(b)(6) and 9(b) of the Federal Rules of Civil Procedure for failure to state viable claims. She argued Europlay couldn’t proceed on the breach of contract claim because, by offering to be Dione’s “legal consultants” regarding Schroeder, the investment firm had engaged in the unauthorized practice of law.

District Judge Christina A. Snyder noted, however, that Dione’s “contention that Europlay engaged in the unauthorized practice of law, and therefore should be estopped from enforcing the alleged oral agreement, has no bearing upon whether Europlay has properly stated a claim for relief for breach of oral contract pursuant to Rule 12(b)(6). Instead, accepting plaintiff’s allegations as true, the Court cannot make the inference at this stage that Europlay is estopped from stating this claim.”

District Judge Snyder then decided about Europlay’s fraud claim: “Here, plaintiff alleges more than a mere failure to pay in order to support its claim of fraud in the inducement. Europlay alleges that [Dione] gave repeated assurances to it that payment would be made as it continued to advance funds to pay for her lawsuit, and that she absconded from this jurisdiction [back to Europe] to avoid repayment that she knew would come due in the following months. In light of these allegations, Europlay sufficiently alleges a claim for fraudulent promising at the pleading stage of this case.”

To Be Argued By:
THOMAS A. FARINELLA
Time Requested: 30 Minutes

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New York County Clerk's Index No. 151633/14

Court of Appeals
STATE OF NEW YORK

KAREN GRAVANO,

Plaintiff-Appellant,

—against—

TAKE-TWO INTERACTIVE SOFTWARE, INC. and ROCKSTAR GAMES,

Defendants-Respondents.

REPLY BRIEF FOR PLAINTIFF-APPELLANT

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TABLE OF CONTENTS

Preliminary Statement.....	1
Argument	4
I. Ms. Gravano’s Allegations That Respondent Used Her “Name, Portrait, Picture or Voice” Without Her Consent are Sufficient to Satisfy the Requirements of N.Y. Civil Rights Law § 51.....	4
II. Video Games Are Not Absolutely Protected Under New York Law Because the Newsworthy and/or Public Interest Exceptions are Inapplicable When They are Merely an Incidental Aspect to the Predominantly Commercial Purpose of the Game; Video Games are Considered Advertising and/or Trade in Such Instances.....	9
A. Video Games Are Not Worthy of Absolute Protection When They Depict Or Evoke Real People And Their Use Is Merely A Guise To Promote Sales.....	11
B. The Content In GTA V Serves No Informational Value And Therefore It Is Not Entitled To Protection Under The Newsworthy Exception.....	14
C. Because GTA V Falls Outside The Newsworthiness Exception The Issues Raised In The Complaint Are To Be Determined By The Trier Of Fact.....	16
III. The First Amendment Does Not Afford Video Games An Absolute Protection Against Right of Publicity Claims.....	18
IV. GTA V Is Not Absolutely Protected By The First Amendment Because The Content Is Commercial Speech; Therefore, The Law Supports Ms. Gravano’s Claim.....	19
Conclusion.....	22

TABLE OF AUTHORITIES

CASES

<i>Ali v. Playgirl, Inc.</i> , 477 F.Supp. 723 (S.D.N.Y. 1987)	5, 13, 19
<i>Arrington v. N.Y. Times Co.</i> , 55 N.Y.2d 433 (1982).....	18
<i>Cohen v. Herbal Concepts, Inc.</i> , 472 N.E.2d 307, 310 (N.Y. 1984).....	13
<i>Brown v. Entm't Merchants Ass'n</i> , 131 S. Ct. 2729, 2732-33 (2011)....	19, 20
<i>Costanza v. Seinfeld</i> , 29 A.D.2d 255 (1st Dep't 2001)	12
<i>Foster v. Svenson</i> , 12 A.D.3d 150 (1st Dep't 2015)	15
<i>In re NCAA Student-Athlete Name & Likeness Licensing Litigation</i> , 724 F.3d 1268 (9th Cir. 2013)	18, 21
<i>Mastro v. City of New York</i> , 435 F.3d 78 (2006)	19
<i>Mother v. Walt Disney Co.</i> , 2013 WL 497173 (N.Y. Cnty. Feb. 6, 2013).....	<i>passim</i>
<i>Negri v. Schering Corp.</i> , 333 F.Supp. 101, 104 (S.D.N.Y 1971).....	12
<i>Nolan v. Getty Images (US), Inc.</i> , 2014 WL 912254 (Sup. Ct. N.Y. Cty. 2014).....	10
<i>Onassis v. Christian Dior-New York, Inc.</i> , 472 N.Y.S.2d 254 (N.Y. Cty. 1984)	13
<i>Titan Sports, Inc. v Comics World Corp.</i> , 870 F.2d 85 (2d Cir 1989)....	10, 16
<i>Toscani v. Hersey</i> , 271 A.D. 445 (1st Dep't 1946)	<i>passim</i>
<i>University of Notre Dame Du Lac v. Twentieth Century-Fox Film Corp.</i> , 22 A.D.2d 452 (1st Dep't 1965)	11
<i>Wojtowicz v. Delacorte Press</i> , 58 A.D.2d 45 (1st Dep't 1977)	6

Zacchini v. Scripps-Howard Broadcasting Co., 433 U.S. 562 (1977).....18

STATUTES

New York Civ. Rights Law § 50*passim*

New York Civ. Rights Law § 51 *passim*

New York CPLR § 3211.....22

OTHER AUTHORITIES

W. Page Keeton et al., PROSSER AND KEETON ON THE LAW OF
TORTS § 117 at 852 (5th ed. 1984).....11

PRELIMINARY STATEMENT

Take-Two Interactive Software, Inc. and Rockstar Games, Inc. (“Respondents”) argument in opposition can be reduced to the following proposition: the First Amendment bars an individual from asserting a claim under New York law in all cases involving video games, irrespective of their commercial nature. This is a case of first impression under New York Civil Right Law, Sections 50 and 51 (“N.Y. Civil Rights Law,” or the “N.Y. Statute”). Although this is the Court’s first right to privacy/publicity case involving a video game, multiple jurisdictions have permitted individuals to proceed on claims under statutes nearly identical to the New York State statute at issue in this case and have created balancing tests for making such determinations.

Karen Gravano (“Ms. Gravano”) is a reality television personality and an international celebrity. Ms. Gravano starred in a television show that had over three million viewers and she has millions of loyal fans. She relies on her celebrity as a source of income. Grand Theft Auto V (“GTA V”) is a video game premised on a potpourri of criminal activity, which has no informative value. The video game rewards the gamer¹ with money or points for killing people and committing crimes

¹ A “gamer” is one who plays video games.

while offering up an assortment of weapons from a knife to an RPG² to assist gamers in causing their own personal mayhem.

In or about September and October 2013, much to Ms. Gravano's surprise, multiple gamer-fans contacted her via Tweeter. These fans sent Ms. Gravano Tweets informing her that her likeness was being used as a character in the new game Grand Theft Auto V video game. *See* Am. Compl. ¶¶ 5-8 (R. 132); (R. 143-144). It was obvious to Ms. Gravano's fans, who watched her weekly television show for years and were therefore intimately familiar with her, that the game's character, Antonia Bottino ("Bottino"), was Ms. Gravano.

Ms. Gravano's claim is predicated on New York Civil Rights Law Section 51, which states, in pertinent part, that Section 51 applies to the use³ of Plaintiff's "name, portrait, picture or voice." *See* N.Y. Civil Rights Law § 51.

The trial court held that pursuant to N.Y. Civil Rights Law § 51, Respondents used her portrait and likeness without her consent are questions of fact warranting a trial.

In overturning the trial Court, the Appellate Division decision ignored clearly established law when it failed to consider that the Ms. Gravano's Complaint adequately articulates claims, under N.Y. Civil Rights Law § 51, that her portrait

² An "RPG" is a portable, shoulder-launched, anti-tank weapon that fires explosive warheads."

³ The word "use" as it is described by the statute does not mean *actual* use, which the Respondents have deliberately misstated in an attempt to deceive this Court. *See* Respondents' Br. at 1.

and likeness were used without her consent as a character in the video game. The Appellate Division further stated that even if the Court determined that Antonia Bottino was in fact Ms. Gravano, the case would still be dismissed because Ms. Gravano failed to establish the advertising or trade prong of the N.Y. Civil Rights Law § 51. Respectfully, however, the Appellate Division's conclusion is wrong.

Additionally, the Appellate Division determined that the video game falls outside the parameters of N.Y. Civil Rights Law § 51 because it is a work of fiction and/or satire, which provides the Respondents with absolute protection under the First Amendment. In so ruling, the Appellate Division predominantly relied on a California case pertaining to a governmental restriction passed by the California Legislature, which placed content-based restrictions on the creation of a violent video game in an attempt to thwart the game's production. Plaintiff-Appellant respectfully submits that this case is irrelevant and that the Appellate Division's conclusion was improper.

In short, as discussed further herein, N.Y. Civil Rights Law § 51 does not provide a blanket exemption for works of fiction and/or satire. Indeed, here, in order for Respondents' to prove that the GTA V is a parody, Respondents would be forced to concede that the Antonia Bottino character is in fact a parody of Ms. Gravano, thereby undermining their argument. Respondents cannot have it both not ways.

The Respondents argue, in sum and substance, that “[t]he core plotline of ‘Burial’ has no resemblance to anything that Ms. Gravano alleges about her own life.” (Respondents Br. at 9). Nevertheless, Ms. Gravano alleges that the Respondents’ have used her portrait and likeness without her consent, in violation of N.Y. Civil Rights Law § 51, and that the core elements of Antonia Bottino’s character including, but not limited to, her appearance and character-specific dialogue, mirror Ms. Gravano’s own unique character traits, which are well known to millions of people worldwide.

Ms. Gravano’s adequately alleges violations under N.Y. Civil Rights Law § 51 insofar as the Respondents’ have utilized a substantial fictionalization of her portrait and likeness without her consent. Indeed, Respondents concede that the N.Y. Statute “was drafted to narrowly encompass only the commercial use of an individual’s name or likeness and no more.” *Arrington v. N.Y. Times Co.*, 55 N.Y.2d 433 (1982) (Respondents Br. at 11) (Emphasis supplied by Respondents). That is precisely what has happened in this case.

ARGUMENT

I. Ms. Gravano’s Allegations That Respondents Used Her “Name, Portrait, Picture or Voice” Without Her Consent are Sufficient to Satisfy the Requirements of N.Y. Civil Rights Law § 51.

Although the Appellate Division acknowledged that Ms. Gravano’s Complaint alleges that Respondents utilized her portrait and likeness without her consent in

violation of N.Y. Civil Rights Law § 51, the Court failed to provide any further analysis. Specifically, the Court stated that “[d]espite Gravano’s contention that the video game depicts her, defendants never referred to Gravano by name or used her actual name in the video game, never used Gravano herself as an actor for the video, and never used a photograph of her.” (R. 186).

The Plaintiff-Appellant respectfully contends that the Appellate Division’s conclusion is based on an improper interpretation of N.Y. Civil Rights Law § 51 insofar as the Statute authorizes causes of action predicated on the commercial use of an individual’s portrait and/or likeness without that individual’s consent. *See e.g. Ali v. Playgirl, Inc.*, 447 F.Supp 723 (1978) (in defining a portrait, “the Civil Rights Law is not restricted to actual photographs, but comprises any representations which are recognizable as likeness of the complaining individual.”).

Here, Ms. Gravano has explicitly plead, *inter alia*, that the Respondents used her picture, portrait and likeness without her consent in violation of N.Y. Civil Rights Law § 51 *See* Am. Compl. ¶¶ 8-27 (R. 16-18) (R. 26). Further, in opposition to Respondents’ motion to dismiss, Ms. Gravano demonstrated, through affidavits and exhibits, that Respondents’ violation is based on more than just an evocation or suggestion that the character, Antonia Bottino, is intended to replicate her. Ms. Gravano provided Tweets from her fans, who are intimately familiar with her, and

members of the general public, all of whom believed that the so-called Antonia Bottino was actually Ms. Gravano. Among the affidavits submitted by Ms. Gravano were two non-party witness affidavits stating, in sum and substance, that they believed Ms. Gravano was the character depicted in the game as Antonia Bottino. Ms. Gravano also included excerpts from her book, *Mob Daughter: The Mafia, Sammy "The Bull" Gravano, and Me!*, and a New York Times article detailing her book, which further proved that Antonia Bottino was in fact Ms. Gravano. *See* Gravano Aff. (R.131-138); (R.139-144); (R.172-178); (R.145-150).

The Respondents, in a blatant attempt to deceive the Court, assert that Ms. Gravano's case should have been dismissed because, "there can be no Section 51 claim absent *actual* use of "name, portrait, picture or voice." Significantly, Respondents improperly cite to a case, *Wojtowicz v. Delacorte Press*, 43 N.Y.2d 858 (1978), that does not in any way stand for this proposition. Thus, Respondents' argument is misleading because neither the *actual* language of *Wojtowicz* nor the *actual* wording of the N.Y. Statute include the word "actual." *See Id.*; *see also* N.Y. Civil Rights Law § 51.

Respondents also use the support of a recent case, where the plaintiff claimed the character in the popular movie "Sister Act" incorporated aspects of her life. *Mother v. Walt Disney Co.*, 2013 WL 497173 (N.Y. Cnty. Feb. 6, 2013). In *Mother*, the plaintiff was not a known celebrity or public personality, unlike Ms. Gravano, yet the Respondents here argue that "just as the plaintiff did in *Mother*, Ms. Gravano

pleads a fictional character incorporated aspects of her life.” Br. at 11. The plaintiff in *Mother* did not claim that “defendants used her ‘name, portrait, picture or voice,’ but rather that the movies and Broadway production [based on the action] are ‘veritable similitude of plaintiff’s actual experiences as a Nun.’” Id. at 1*. Ms. Gravano is claiming that the Respondents used her portrait and likeness, and that the character’s story is not “similar to her life experiences,” but rather her exact life story taken from excerpts of her book, magazine article, television show, and over all public persona.

In *Mother*, the court and Defendants in their argument, refer to *Toscani v. Hershey*, 271 A.D. 445 (1st Dep’t 1946) in holding that section 51 “was not intended to give a living person a cause of action... merely because the actual experiences of the living person had been similar to the acts and events so narrated.” Id. at 448. The actual experiences are not similar—they are Ms. Gravano’s life story accompanied by a character with her portrait. It goes well beyond Respondents attempts to discredit her claims. Moreover, as the dissent in *Toscani* stated:

The language of the statute is in the disjunctive... The Court of Appeals construing the meaning of this statute has expressly held that a picture is not necessarily a photograph ‘but includes any representation of such person.’ [(citations omitted)] This does not mean... that it may be a violation of the statute for a writer to base a novel or play on events that occurred in the life of any living

person. Basing that novel or play on certain events is one thing. Reproducing or portraying in fiction or trade purposes a living person... without his consent is quite another.

Id. at 449 (emphasis added).

The defense that GTA V is a “creative work” is nothing but a veil to shield Defendants unlawful use of Ms. Gravano’s likeness in the GTA V. The purpose of GTA V is not to be form of creative expression, but rather a profitable commercial video game. This should not invoke the Constitutional protections of free speech embodied in the First Amendment. Simply, Respondents used Ms. Gravano’s portrait and likeness without her consent.

Respondents further argue that based on the cases *Toscani v. Hersey* and *Mother v. The Walt Disney Co.*, Ms. Gravano fails to adequately state a statutory violation. This is simply not true and Ms. Gravano’s case is plainly distinguishable from both of these cases.

The Court in *Toscani v. Hersey*, 271 A.D. 445 (1946), clearly stated:

We do not place any such construction on the statement found in the opinion in the Binns case, supra, nor upon the statute itself. Considered in the light of the facts involved in the Binns case, supra, and the questions that were being discussed, the statement relied on was merely a holding that where the name of a living person is used in advertising for trade purposes, coupled with a picture of a person represented to be a likeness of that named person, there has been a violation of the statute, even though the person posing for the picture was not in fact the person named. But, in the present case, no living person was

named, and no picture or other similar likeness of anybody was used.

(*Id.*).

Here, unlike both *Toscani* and *Mother*, Ms. Gravano explicitly alleges that her picture, portrait and likeness were used without her consent.

Respondents further argue that, “Ms. Gravano does not allege that she ever was kidnapped, threatened with being buried alive or rescued in the process by a passing stranger-the central events that happen to the ‘Bottino’ character in *GTA V*.” (Respondents Br. at 16). Despite Respondents’ argument, the “Burial Sequence” constitutes a substantial fictionalization of Ms. Gravano’s likeness under the New York Civil Rights Law Section 51. Simply stated, Ms. Gravano has alleged the use of her portrait and likeness and that the core elements of Antonia Bottino’s character are unique to her. This constitutes a violation of N.Y. Civil Rights Law § 51. Thus, the Court should, reverse the First Department’s decision.

II. Video Games Are Not Absolutely Protected Under New York Law Because the Newsworthy and/or Public Interest Exceptions are Inapplicable When They are Merely an Incidental Aspect to the Predominantly Commercial Purpose of the Game; Video Games are Considered Advertising and/or Trade in Such Instances.

The Appellate Division improperly overturned the Trial Court insofar as *GTA V* does not fall within the newsworthiness exception; this video game does, however, “fall under the statutory definitions of ‘advertising’ or ‘trade.’” *See* N.Y. Civil Rights Law § 51. The Appellate Division’s dismissal of the case failed to consider an

undisturbed New York County Supreme Court case, which is analogous to this case, *Nolan v. Getty Images (US), Inc.* 2014 WL 912254 (N.Y. Cty. 2014). The *Nolan* decision stands for the proposition that in order for the Respondents here to use Ms. Gravano's portrait and likeness, the "use" must be lawful and the questions of whether the First Amendment permits such use, and whether Ms. Gravano's portrait and likeness was used for "advertising or trade purposes, "must await further development of the facts..." *Nolan v Getty Images (US), Inc.*, 2014 NY Slip Op 30564[U] [Sup Ct, NY County (2014).

This was the exact reasoning used by the Second Circuit Court of Appeals in a recent case brought in the Southern District of New York, *Titan Sports, Inc. v. Comics World Corp.*, in which the Court concluded that the determination of whether a particular work is distributed for the "purposes of trade and not entitled to first amendment protection is genuine issue of material fact," is to be considered by the trier of fact. *Titan Sports, Inc. v Comics World Corp.*, 870 F2d 85 [2d Cir 1989]. Thus, Ms. Gravano is entitled to a jury trial in order to determine whether Respondents utilized her portrait and likeness without her consent in violation of N.Y. Civil Rights Law § 51.

A. Video Games Are Not Worthy of Absolute Protection When They Depict Or Evoke Real People And Their Use Is Merely A Guise To Promote Sales

N.Y. Civil Rights Law § 51 does not define the purpose of trade. Therefore, Respondents' "hey that's me" argument is nothing more than a ruse to distract the Court from the genuineness of Ms. Gravano's claim and to promote the creation and/or implementation of a rule that simply does not—and should not—exist. *See* W. Page Keeton et al., PROSSER AND KEETON ON THE LAW OF TORTS § 117 at 852 (5th ed. 1984) ("Thus in New York, as well as in many other states, there are a great many decisions in which the plaintiff has recovered when his name or picture or other likeness, has been used without his consent to advertise the defendant's product, or to accompany an article sold, to add luster to the name of a corporation, or for other business purposes. The statute in New York and the others patterned after it are limited by their terms to uses for advertising or for 'purpose of trade.'")

Because the cases relied on by Respondents to further its bogus "hey that's me genre" theory are dissimilar to Ms. Gravano's case, the Appellate Division's dismissal was erroneous. Respondents' authority, in pertinent part, comes from the following:

- *University of Notre Dame Du Lac v. Twentieth Century-Fox Film Corp.*, 22 A.D.2d 452, 456-7 (Holding that the film does not use plaintiff's name, portrait or picture which is the statutory test of identification laid out in *Toscani*) ("The only critique we are permitted to make is a threshold one shaped by a consistent line of cases. It is this: Is there any basis for any inference on the part of rational readers or viewers that the antics engaging their attention are anything more than fiction or that the real Notre Dame is in some way associated with its fabrication or presentation? In our judgment

there is none whatever. They know they are not seeing or reading about real Notre Dame happenings or actual Notre Dame characters; and there is nothing in the text or film from which they could reasonably infer ‘connection or benefit to the institution’”(emphasis added).

- *Costanza v. Seinfeld*, 29 A.D.2d 255, 256 (1st Dep’t 2001) (the plaintiff brought an action under section 51 solely for the similarities in his last name, in a television show over a decade old)(“There, not only was there one similarity between the character and the plaintiff, the action was time-barred over a decade.”) *Id.* at 255.

It should be noted that the Plaintiff in *Costanza* asserted that “the fictional character George Costanza in the television program ‘Seinfeld’ is based upon him. In the show, George Costanza is a long-time friend of the lead character, Jerry Seinfeld. He is constantly having problems with poor employment situations, disastrous romantic relationships, conflict with his parents and general self-absorption.” These similarities can probably be identified with any number of people in the general public at large. These are not specific and unique characteristics and are, therefore, quite distinguishable from the clearly established facts of this case.

New York courts have gone to great lengths to protect the right of privacy. Decisions concerning the issue of what constitutes a “portrait or picture” provide great examples of this broad interpretation. Indeed, “portrait or picture” is not limited to photographs “but generally comprises those representations which are recognizable as likeness of the complaining individual.” *Negri v. Schering Corp.*, 333 F.Supp. 101, 104 (S.D.N.Y 1971). Imitations of a person’s face intended to

portray the impression that the picture is that of such person may constitute use of a “picture or portrait,” so as to bring a claim of commercialization of the person within the ambit of Sections 50 and 51. *Onassis v. Christian Dior-New York, Inc.*, 472 N.Y.S.2d 254 (N.Y. Sup. Ct. 1984). A “clearly recognizable” image of an individual constitutes a “portrait or picture.” *Ali v. Playgirl, Inc.*, *supra*, at 726. Additionally, the term “portrait or picture” has been so broadly defined that it includes any representation of a plaintiff, whether two-or three dimensional, including mannequins and sculptures that reflect the plaintiff’s features. *See Cohen v. Herbal Concepts, Inc.*, 472 N.E.2d 307, 310 (N.Y. 1984).

In, *Ali* the individual in the picture, whom plaintiff alleged was intended to depict him, had “recognizable features of plaintiff” such as the “cheekbones, broad nose, wide brown eyes, distinctive smile and cropped black hair.” *Id.* at 726. “The identification of the individual is further implied by an accompanying verse that was used to identify him in the public mind.” *Id.* at 727 (emphasis added). The Court held that “the picture is a dramatization, an illustration falling somewhere between representational art and cartoon, and is accompanied by a plainly fictional... bit of doggerel.” *Id.*

Here, Respondents allege that the Antonia Bottino character has “no particular resemblance [to Ms. Gravano] beyond both being female and having brown hair.” Br at 13, FN 3. Here, similar to *Ali*, in addition to being a female with brown hair, the

character has the same eye color, cheekbones and facial structure as Ms. Gravano. Additionally, here, similar to *Ali*, the identification of Ms. Gravano is further proven by Antonia Bottino's use of the phrase "in the life," which Ms. Gravano states repeatedly throughout her book and in the international television show "Mob Wives," and which is prominently exhibited on the cover of the magazine in which she was featured. Gravano Aff. ¶¶ 13, 14, 21; Exhibits E, F, and H, respectively. Ms. Gravano has consistently used this phrase, which is well known to her fans and the public mind. Thus, Ms. Gravano's fans all believe that Antonia Bottino is intended to depict her. Shah Aff. ¶¶ 4-8; Sullivan Aff. ¶¶ 5,6,9,10. (R. 172-178).

B. The Content In GTA V Serves No Informational Value and is Therefore Not Entitled To Protection Under The Newsworthy Exception

The Respondents argue that "regardless of the medium, the common denominator is this: if the plaintiff is suing over creative content in an expressive work, then the section 51 claims fails on a motion to dismiss." (Respondents Br. at 21). There is no case law in New York that has concluded that the creative content in video games is an expressive artwork in the context of Section 51 of the New York Civil Rights law other than the decision that is the subject of this appeal.

Additionally, Respondents' argument is flawed insofar as it illogically suggests that video game makers have the unfettered discretion to infringe upon the privacy of anyone they want and to further use this person's identity, vis-à-vis their portrait

and likeness, for profit in direct violation of N.Y. Civil Rights Law § 51, under the guise of “free speech.” The Respondents improperly seek to use so-called free speech for the purely commercial purpose of exploiting Ms. Gravano’s likenesses for their own pecuniary gain. This is improper and is in contravention of the prevailing case law on this very issue from the Second Circuit and other jurisdictions.

In *Forster v. Svenson*, the Court held that “to give absolute protection to all expressive works would be to eliminate the statutory right of privacy.”) *Foster v. Svenson*, 12 A.D.3d 150, 150. The Court further opined, “that the Court of Appeals has not been confronted with the issue of whether works of art fall outside the ambit of the privacy statute.” *Id.*

Additionally, the Court noted that there is a newsworthy and public concern exception:

“the newsworthy and public concern exemption does not apply where the unauthorized images appear in the media under the guise of news items, solely to promote sales; such advertisement in disguise is commercial use deserving no protection from the privacy statute (see e.g. *Beverley v. Choices Women’s Med. Ctr.*, 78 N.Y.2d 745, 751–755, 579 N.Y.S.2d 637, 587 N.E.2d 275 [1991] [non-media defendant who produced and distributed a calendar to promote its medical center that included a picture of plaintiff not entitled to protection of newsworthy and public concern exception based on theme of women’s progress where calendar was clearly designed to advertise the medical center]; cf. *Stephano v. News Group Pubs., Inc.*, 64 N.Y.2d 174, 185, 485 N.Y.S.2d 220, 474 N.E.2d

580 [1984] [model for article on men's fashion not entitled to protection of Civil Rights Law § 51 where photo was also used in column containing information on where to buy new and unusual products]).”

(*Id.*).

C. Because GTA V Falls Outside The Newsworthiness Exception The Issues Raised In The Complaint Are To Be Determined By The Trier Of Fact

The Courts have held that a plaintiff may survive a motion to dismiss or summary judgment in a case where they have alleged that their portrait and likeness were used without their consent because the use of the portrait and likeness for “purpose of trade” is a “genuine issue of material fact. *See e.g., Titan Sports, Inc. v Comics World Corp.*, 870 F2d 85 [2d Cir 1989].

GTA V's illegal use of Ms. Gravano portrait and likeness falls outside the newsworthiness exception because the exception does not extend to the intentional commercialization of a celebrities personality. The Court in *Titan*, further explained:

“ In applying section 51, a court must be ever mindful of the inherent tension between the protection of an individual's right to control the use of his likeness and the constitutional guarantee of free dissemination of ideas, images, and newsworthy matter in whatever form it takes. However, as the New York Court of Appeals has recognized, “while one who is a public figure or is presently newsworthy may be the [**8] proper subject of news or informative presentation, the privilege does not extend to commercialization of his personality through a form of treatment distinct from the dissemination of news

or information.” *Gautier v. Pro-Football, Inc.*, 304 N.Y. 354, 359, 107 N.E.2d 485 (1952); see also *Brinkley*, 438 N.Y.S.2d at 1008 (“A public figure does not, however, surrender all right to privacy. Although his privacy is necessarily limited by the newsworthiness of his activities, he retains the ‘independent right to have [his] personality, even if newsworthy, free from commercial exploitation at the hands of another.’”) (quoting *Booth v. Curtis Publishing Co.*, 15 A.D.2d 343, 351, 223 N.Y.S.2d 737, 745 (1st Dep’t), *aff’d*, 11 N.Y.2d 907, 228 N.Y.S.2d 468, 182 N.E.2d 812 (1962))).”

In the recent Appellate Division, Third Department case, *Porco v. Lifetime Entertainment Servs., LLC*, 147 AD3d 1253 (3rd Dept 2017), the Court accommodated “the law to social needs” by expanding the analysis of the newsworthy exception as it was set forth in *Spahn v Julian Messenger, Inc.*, 21 NY2d at 129, holding:

“A work may be so infected with fiction, dramatization or embellishment that it cannot be said to fulfill the purpose of the newsworthiness exception to the statutory right of privacy. The fact that a film revolves around a true occurrence, such as a rescue of passengers from a shipwreck, does not invoke the newsworthiness exception in the event that the entire account remains mainly a product of the imagination.”

This expansion of the law should be applied to the fictional use of a celebrity in a video game. Here, as in *Porco*, where the work revolves around a “true occurrence” with elements of fiction interposed throughout, it is not covered by the newsworthy exception. Further, here, as in *Porco*, this is a case of first impression.

In *Porco*, the Court noted that the Court of Appeals passed on the issue of “whether extending liability in the aforementioned manner violated constitutional protections of freedom of speech and has found no such violation.” *Porco* solidifies the decisions in *Binns* and *Spahn*, where “the Courts concluded that the substantially fictional works at issue were nothing more than attempts to trade on the persona of Warren Spahn and John Binns.....Indeed, in his brief to this Court, Arrington cited *Binns* for the proposition that ‘fiction’ was actionable under sections 50 and 51,” which is applicable and should be the standard applied by the Court in this case. *Id.*

III. The First Amendment Does Not Afford Video Games An Absolute Protection Against Right of Publicity Claims

Plaintiff-Appellant has consistently demonstrated that New York case law does not provide an absolute protection for cases involving decided works of art. The Ninth Circuit has extended this theory to include video games, holding that such rights “are not absolute and states may recognize the right of publicity to a degree consistent with the First Amendment;” *see also In re NCAA Student-Athlete Name & Likeness Licensing Litigation*, 724 F.3d 1268, 1271 (9th Cir. 2013) (holding that the defendants video game had no first amendment defense against the right of publicity claims (emphasis added))(citing *Zacchini v. Scripps-Howard Broad.Co.*, 433 U.S. 562, 574-575 (1977) (parallel citations omitted). New York adheres to the U.S. Supreme Court’s assertion in *Zacchini v. Scripps-Howard*, which concludes

that a state's regulation of commercial misappropriation is reasonable; *i.e.*, it "protects his proprietary interest in the profitability of his public reputation or persona." *Ali v. Playgirl, Inc.*, 477 F.Supp. 723, 728 (S.D.N.Y. 1987).

Consequently, despite Respondents' argument to the contrary, First Amendment protections are not absolute. Indeed, rather than giving creative works⁴ a "presumptive constitutional protection, there must be a factual determination of whether the items served a predominantly expressive purpose or were mere commercial products." *Mastro v. City of New York*, 435 F.3d 78, 93 (2006).

IV. GTA V Is Not Absolutely Protected By The First Amendment Because The Content Is Commercial Speech; Therefore, The Law Supports Ms. Gravano's Claim

The Appellate Division incorrectly relied on *Brown v. Entertainment Merchants Assn.*, deciding that the video games in the context of a civil case involving the New York Civil Rights Law is applicable. (R.156). Respondents contend that the First Amendment requires its speech to be immune from civil causes of action because it is a purportedly a "creative work," despite its overtly commercial nature and use of Ms. Gravano's portrait, voice, and likeness without her permission in the sale of video games.

⁴Assuming, *arguendo*, that video games are perceived as "creative works;" because such a determination has not yet been reached by a N.Y. Court.

Consideration of the First Amendment compels no direct result in this case. It did, however, compel the finding “video games qualify for First Amendment protection,” where they are the subject of a “content-based governmental restriction on expression.” *Brown v. Entm’t Merchants Ass’n*, 131 S. Ct. 2729, 2732-33 (2011). Therefore, *Brown* is irrelevant in the context of this case. As discussed above, of great significance, the Ninth Circuit has made it clear that video games using an individual’s likeness are not afforded First Amendment protection, contrary to Respondents’ repeated assertions.

The most recent decision analyzing this proposition is *Davis v. Electronic Arts, Inc.*, 755 F.3d 1172 (9th Cir. 2015). In *Davis*, the panel affirmed the District Court’s denial of Electronic Arts Inc.’s motion to strike a complaint, brought by a former professional football player alleging that the company used his likeness without his consent in the video game series Madden NFL, where the plaintiff brought a strategic lawsuit against public participation (SLAPP) under California’s anti-SLAPP statute. The panel rejected Electronic Arts’ argument that its use of former players’ likenesses was protected under the First Amendment as “incidental use.” In addition, the panel held that Electronic Arts’ use of the former players’ likenesses was not incidental because it was central to Electronic Arts’ main commercial purpose: to create a realistic virtual simulation of football games involving current and former National Football League teams.

Further, the Ninth Circuit held that a video game developer's use of the likeness of college athletes in its video games is not protected by the First Amendment and, therefore, the players right-of-publicity claims against developer were not barred. *In re NCAA Student-Athlete Name & Likeness Licensing Litigation*, 724 F.3d 1268, 1271 (9th Cir. 2013). The Court used the "transformative use test" and concluded that there "at least five factors to consider in determining whether a work is sufficiently transformative to obtain First Amendment protection." *Id.* at 1274 (parallel citations omitted). In making such determinations, a court should conduct an inquiry into "whether the literal and imitative or the creative elements predominate the work." *Id.* This is similar to New York's predominant purpose analysis, in sum and substance, assesses:

Whether 'the marketability and economic value of the challenged work derive primarily of the fame of the celebrity depicted...[and] lastly...when an artist's skill and talent is manifestly subordinated to the overall goal of creating a conventional portrait of a celebrity so as to commercially exploit her or her fame, "the work is not transformative." *Id.* at 1274 (parallel citations omitted) (emphasis added)

(*Id.*).

The law supports Ms. Gravano's claim and Respondents' contention that she requests, "a change in the law" is patently false. The Administrative Rules of the Unified Court System & Uniform Rules of the Trial Courts §130.1(c)(1) state, in pertinent part:

For purposes of this Part, conduct is frivolous if:
(1) it is completely without merit in law and cannot be supported by a reasonable argument for an extension, modification or reversal of existing law.

(*Id.*).

Ms. Gravano respectfully submits that the facts of this case support a reasonable argument for extension, modification or reversal of existing law. Specifically, Ms. Gravano has implores this Court to accept Justice Dore's dissent in *Toscani, inter alia*.

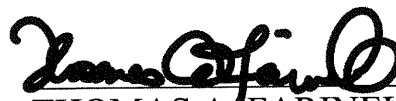
CONCLUSION

Ms. Gravano has adequately stated the elements of a right of privacy claim pursuant to CPLR § 3211 and N.Y. Civil Rights Law § 51. Respondents have violated Ms. Gravano's right to privacy; namely, Respondents created a character, Antonia Bottino, which is a clear parody of Ms. Gravano, without her consent in and distributed the video game internationally for profit in violation of N.Y. Civil Rights Law § 51. Ms. Gravano has pleaded specific facts that support her claim. The video game is not meant to be an artistic expression; rather, as Respondents admits, the game is unequivocally intended to be a fictional parody of the real world, which is not offered heightened protection for commercial speech under the New York Constitution. Respondents have not submitted any evidence that adequately dismisses, nor have they properly plead any defense to Ms. Gravano's claims, that resolves all factual issues as a matter of law.

Accordingly, the Order issued by the Appellate Division dismissing this case should be reversed.

Dated: June 15, 2017
New York, New York

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Thomas A. Farinella", is written over a horizontal line.

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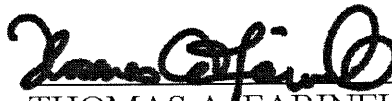
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CERTIFICATION

I certify pursuant to 500.13(c)(1) that the total word count for all printed text in the body of the brief, exclusive of the statement of the status of related litigation; the corporate disclosure statement; the table of contents, the table of cases and authorities and the statement of questions presented required by subsection (a) of this section; and any addendum containing material required by subsection 500.1(h) of this Part is 5,536 words.

Dated: June 15, 2017
New York, New York

Respectfully submitted,



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APL-2017-00028

State of New York
Court of Appeals

LINDSAY LOHAN,

Plaintiff-Appellant,

-against-

TAKE-TWO INTERACTIVE SOFTWARE, INC., ROCKSTAR GAMES,
ROCKSTAR GAMES, INC. and ROCKSTAR NORTH,
Defendants-Respondents.

REPLY BRIEF FOR PLAINTIFF-APPELLANT

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Date Completed: June 14, 2017

Supreme Court, New York County, Index No. 156443/14

TABLE OF CONTENTS

REPLY POINT I. THE FIRST DEPARTMENT ERRED IN HOLDING THAT GTAV'S USE DID NOT VIOLATE SECTION 51 BECAUSE GTAV'S PURPOSE IN MAKING AND USING THE PORTRAIT AND VOICE IS CLEARLY ADVERTISING AND TRADE AND GTAV CANNOT DEMONSTRATE THAT AN EXCEPTION APPLIES.....3

Portrait, Picture or Voice.....4

Advertising or Trade Purposes.....6

REPLY POINT II. THE SUMMONS AND COMPLAINT WERE TIMELY FILED WITHIN ONE YEAR OF EITHER REPUBLISHING THE "ADVERTISING" IMAGES IN A DIFFERENT FORMAT ON THE GAME DISCS OR THE GAME RELEASE STARTS A "TRADE" LIMITATIONS PERIOD.....17

REPLY POINT III. DISCOVERY IS REQUIRED ON *IN PERSONAM* JURISDICTION OVER ROCKSTAR NORTH.....25

CONCLUSION.....28

TABLE OF AUTHORITIES

Cases

<u>Ali v. Playgirl</u> , 447 F. Supp. 723 (SDNY 1978).....	6, 13, 28
<u>Allen v. National Video</u> , 610 F. Supp. 612 (SDNY 1985).....	1, 5, 6
<u>Altbach v. Kulon</u> , 302 A.D.2d 655, 754 N.Y.S.2d 709 (3 rd Dept. 2003).....	11
<u>Amsellem v. Host Marriott</u> , 280 A.D.2d 357, 721 N.Y.S.2d 318 (1 st Dept. 2001).....	26
<u>Arrington v. New York Times</u> , 55 N.Y.2d 433, 449 N.Y.S.2d 941 (1982).....	3, 10
<u>Banham v. Morgan Stanley & Co.</u> , 178 A.D.2d 236, 576 N.Y.S.2d 876, 878 (1 st Dept. 1991).....	25
<u>Benefits by Design v. Contractor Mgmt.</u> , 75 A.D.3d 826, 829-830, 905 N.Y.S.2d 340, 344 (3 rd Dept. 2010).....	27
<u>Benn v. Benn</u> , 82 A.D.3d 548, 918 N.Y.S.2d 465, 466 (1 st Dept. 2011).....	20
<u>Binns v. Vitagraph Co.</u> , 210 N.Y. 51 (1913).....	5, 14
<u>Bolger v. Youngs Drug Products</u> , 463 U.S. 60, 65-68, 103 S. Ct. 2875, 2879-2881 (1983).....	17
<u>Bondar v. LASplash Cosmetics</u> , 2012 U.S. Dist. LEXIS 175873 (SDNY 2012), <i>reh'g denied</i> , 2013 U.S. Dist. LEXIS 352.....	20, 22, 23, 24
<u>Campbell v. Acuff-Rose Music, Inc.</u> , 510 U.S. 569, 114 S. Ct. 1164 (1994).....	15
<u>Cuccioli v. Jekyll & Hyde Neue Metropol Theater</u> , 150 F. Supp. 2d 566, 573 (SDNY2001).....	22, 24
<u>Etheredge-Brown v. American Media</u> , 13 F. Supp. 3d 303, 306-307 (2014).....	18

<u>Firth v. State of New York</u> , 98 N.Y.2d 365, 371, 747 N.Y.S.2d 69, 72 (2002).....	18
<u>Florida Bar v. Went For It</u> , 515 U.S. 618, 623, 115 S. Ct. 2371, 2375 (1995).....	17
<u>Foster v. Svenson</u> , 128 A.D.3d 150, 7 N.Y.S.3d 96 (1 st Dept. 2015).....	3, 7, 9, 11, 12, 13, 15
<u>Geary v. Town Sports International Holding</u> , 21 Misc. 3d 512, 513-514, 870 N.Y.S.2d 846, 847 (Sup. NY 2008).....	18
<u>Gravano v. Take-Two Interactive Software, Inc.</u> , 142 A.D.3d 776, 37 N.Y.S.3d 20 (1 st Dept. 2016).....	9
<u>Hart v. Electronic Arts</u> , 717 F.3d 141 (3 rd Cir. 2013).....	17
<u>Hoepker v. Kruger</u> , 200 F. Supp. 2d 340 (SDNY 2002).....	11, 13
<u>Hoosac Valley Farmers Exchange v. AG Assets</u> , 168 A.D.2d 822, 563 N.Y.S.2d 954, 955 (3 rd Dept. 1990).....	19
<u>Kennedy Onassis v. Christian Dior N.Y.</u> , 122 Misc. 2d 603, 472 N.Y.S.2d 254 (Sup. NY 1984).....	1, 5, 6
<u>Leonard v. Gateway II</u> , 68 A.D.3d 408, 408-410, 890 N.Y.S.2d 33, 35-36 (1 st Dept. 2009).....	27
<u>Lohan v. Perez</u> , 924 F. Supp. 2d 447, 454-455 (EDNY 2013).....	8, 9
<u>Lohan v. Take-Two Interactive Software, Inc.</u> , 142 A.D.3d 776, 37 N.Y.S.3d 20 (1 st Dept. 2016).....	<i>passim</i>
<u>Martin v. Daily News</u> , 121 A.D.3d 90, 103-104, 990 N.Y.S.2d 473, 483-484 (1 st Dept. 2014).....	17
<u>Messenger v. Gruner</u> , 94 N.Y.2d 436, 706 N.Y.S.2d 52 (2000).....	3, 4, 14

<u>Peterson v. Spartan</u> , 33 N.Y.2d 463, 466-467, 354 N.Y.S.2d 905, 907-908 (1974).....	25, 28
<u>Schoeman v. Agon Sports</u> , 816 N.Y.S.2d 701 (Sup. Nassau 2006).....	7
<u>Spahn v. Messner, Inc.</u> , 18 N.Y.2d 324, 274 N.Y.S.2d 877 (1966) <i>vacated</i> 387 U.S. 239, 87 S. Ct. 1706 (1967) <i>adhered to on remand and rearg</i> 21 N.Y.2d 124, 286 N.Y.S.2d 832 (1967).....	4, 14, 15
<u>Tin Pan Apple v. Miller Brewing Co.</u> , 737 F. Supp. 826 (SDNY 1990).....	10
<u>University of Notre Dame v. Twentieth Century- Fox</u> , 22 A.D.2d 452, 256 N.Y.S.2d 301 (1 st Dept. 1965) <i>affd</i> 15 N.Y.2d 940, 259 N.Y.S.2d 832 (1965).....	3
<u>Wojtowicz v. Delacorte Press</u> , 58 A.D.2d 45, 395 N.Y.S.2d 205 (1 st Dept. 1977) <i>affd</i> 43 N.Y.2d 858, 403 N.Y.S.2d 218 (1978).....	5

Constitutions, Statutes and Rules

CPLR § 3211(a)(5).....	20
CPLR § 3211(a)(8).....	25, 28
New York Civil Rights Law § 50.....	<i>passim</i>
New York Civil Rights Law § 51.....	<i>passim</i>
U.S. CONST. amend. I.....	<i>passim</i>
N.Y. CONST.	17

This Reply is submitted in further support of Ms. Lohan's Appeal. GTAV does not address the issues raised in Ms. Lohan's opening Brief. The issue is whether GTAV's "purposes" in developing Ms. Lohan's "portrait" in the "Beach Weather" and "Stop and Frisk" digital portraits and the invented fictional biography of the avatar which includes the "voice" was for "advertising or trade purposes" as opposed to expression. Section 51 specifically uses the word "purposes" because it is the creator's intent that is the most substantial factor. Accordingly, in Kennedy Onassis and Woody Allen the creator's intent or purpose was advertisement as opposed to expression which was readily apparent from the circumstances, but it cannot be credibly said that the required makeup, outfits, photography, production, film developing and writing for those advertisements is not artistic. Film developing in a darkroom alone is an art. The artist painting the "portrait" is still making art, but it depends whether it is made and used for "advertisement or trade purposes" or whether it is made for an expressive purpose which depends substantially on the creator's and user's intent or purpose.

Each point GTAV made in its opposition Brief will be cut down in turn. The Amended Complaint alleges that GTAV deliberately drafted digital sketches of Ms. Lohan and deliberately used these "portraits" on the game discs, game packaging and on billboard advertisements for improper "advertising or trade purposes". GTAV without foundation argues that Ms. Lohan acknowledges that

the images and voice are not actually hers which is simply not true as the Amended Complaint states in paragraph 1 (R 18) that “The Defendants have used the Plaintiff’s images, portraits and voice in large advertising and marketing campaigns, as well as, in the merchandising of GTA V”, and at R 24 it uses the phrase “displaying her portraits, voice”. This plain language alleges that the digital “portraits” and digital “voice” productions GTAV uses are Ms. Lohan’s. In other words, just as a sketcher draws a sketch from a subject or a picture, the allegations are that GTAV deliberately sketched Ms. Lohan digitally- portrait and voice- and produced digital reproductions of her “portrait” and “voice” to use them for “advertising and trade purposes”. Mr. Rosa’s unsubstantiated conclusory denial (R 66) merely creates a question of fact as the issue is whether the GTAV digital portrait and voice maker deliberately made the portraits and voice to be Ms. Lohan for “advertising or trade purposes”.

It is inappropriate for GTAV to repeatedly argue that Ms. Lohan “acknowledges that the images and voice are not of her” (GTAV Br. at 21-22). Because Ms. Lohan properly alleges (R 21-32) that her digital portrait that GTAV uses for its internet and billboard “advertising” and on the product itself for “trade” (GTAV Br. at 11-12) is her “portrait” and because the avatar (R 48 dvd clip, R 122) including the voice are her digital “voice”, Ms. Lohan alleges a sustainable cause of action under the statute no matter how much computer talent and artistic

skill is required to produce them. No matter the rest of the work is fiction/satire, it violates the statute to hypothetically use Madonna's portrait on the cover of the Notre Dame book, it violates the statute to use a Bill Gates' portrait on a novel titled "White Collar Theft Online", and it violates the statute to use Ms. Lohan's portrait and voice in the two still images and in the avatar, respectively¹.

I. THE FIRST DEPARTMENT ERRED IN HOLDING THAT GTAV'S USE DID NOT VIOLATE SECTION 51 BECAUSE GTAV'S PURPOSE IN MAKING AND USING THE PORTRAIT AND VOICE IS CLEARLY ADVERTISING AND TRADE AND GTAV CANNOT DEMONSTRATE THAT AN EXCEPTION APPLIES

Firstly, "Beach Weather" and "Stop and Frisk are simply an "advertisement in disguise having no "real relationship to the content" of playing the game as explained in Messenger, 94 N.Y.2d at 446, 706 N.Y.S.2d at 58 citing Arrington, 55 N.Y.2d at 440, 449 N.Y.S.2d at 944 as these still portraits appear only on transition screens and have really nothing to do with playing the video game (R 65, 73, 99) despite GTAV's strained position that one irrelevant game instruction appears juxtaposed next to each image for a brief moment (GTAV Br. at 11-12). Secondly,

¹ Creating a video game and creating a "portrait" painting both require artistic skills. Obviously, that alone does not entitle them to Free Speech protection if the "portrait" is created wholly and used wholly for "advertising or trade purposes". (R. 39, 57, 34-37, GTAV Br. at 9-11). "To give absolute protection to expressive works would be to eliminate the statutory right of privacy. Accordingly, under New York law, the newsworthy or public concern exception does not apply where the newsworthy or public interest aspect of the images at issue is merely incidental to its commercial purpose." Foster, 128 A.D.3d at 159, 7 N.Y.S.3d at 102-103.

the digital avatar “Lacey Jonas”, voice reproduction (R 48 dvd clip) and story is an “invented fictional biography that is nothing more than an attempt to trade on Ms. Lohan’s persona” (R 28) specifically proscribed by the statute as explained in Messenger, 94 N.Y.2d at 446, 706 N.Y.S.2d at 58, *i.e.* “portrait” here and “name” in Spahn.

The New York Free Speech exceptions do not shield GTAV’s prohibited use of the celebrity portraits in this circumstance as the still portraits are not protected speech regarding matters of news, public interest, transformative art or parody/satire/fiction, but rather are knowingly designed specifically for advertising or trade purposes in violation of section 51.

Portrait, Picture or Voice

GTAV argues on page 21 of their opposition Brief that “Ms. Lohan concedes that these three distinct characters are not literal depictions of her” (GTAV Br. at 21) which is simply not true as the Amended Complaint specifically alleges that the digital portrait and digital voice productions are of her *supra*. At no point did Ms. Lohan “concede” that the uses were not “literal depictions” of her. The opening Brief at page 14 used “exact duplication” and at page 24 used “exact depiction”. No portrait is an exact duplication or an exact depiction of the photograph or the model. All of the case law supports the only rational conclusion

that Ms. Lohan alleges a sustainable cause of action on the “portrait, picture or voice” prong of the statute with GTAV’s unauthorized use of these digital portraits, digital avatar and digital voice productions because the Amended Complaint reasonably alleges that GTAV deliberately made them to be Ms. Lohan as many other reputable unrelated third parties believe too. (R 44-46).²

GTAV’s opposition Brief on pages 22-23 uses the phrase “evocation or suggestion is not enough”, “sounds like” and “dress like” which these arguments ignore the allegations of the Amended Complaint *supra*. All of the case law supports Ms. Lohan’s position that deliberate representations are sustainable under the statute regarding the “portrait, picture or voice” prong and GTAV does not point to one case that holds otherwise.

GTAV’s reliance on Wojtowicz, 58 A.D.2d at 46-47 only illustrates GTAV’s meritless position. Though the actor may or may not have looked like plaintiff, the statutory requirement was not satisfied because defendant changed her “name” and plaintiff did not argue that the actor looked like her sufficient to be “recognizable” as plaintiff to satisfy the statutory requirement of “picture or portrait” as the actors or models in Binns, 210 N.Y. 51, Allen, 610 F. Supp. at 622-623 and Kennedy Onassis, 472 N.Y.S.2d at 262.

² Though not applicable to the case at bar, apparently GTAV does not understand that an artist can intend to make a portrait of someone and have it turn out not to look like that person which is where the “reasonably recognizable” language in the case law is derived from. GTAV struggles with that concept frequently in their opposition Brief.

GTAV's opposition brief on pages 23-24 further argues that Allen and Kennedy Onassis were "advertisements unrelated to an expressive work." GTAV jumps ahead with that statement because we are still talking about *portrait, picture* and *voice* further illustrating GTAV's unsupported analysis. On page 24 GTAV again misses the mark stating that "evocation" is not enough. As demonstrated *supra* there are allegations that GTAV deliberately made these visual and audio productions to be Ms. Lohan which GTAV again simply ignores.³ Similarly on page 24 GTAV misapplies Ali v. Playgirl, 447 F. Supp. at 726-727 which simply holds that a cartoon sketch is sustainable as a "portrait or picture" under the statute- not whether that obvious parody or satire cartoon comment is an improper "advertising or trade purpose". Again GTAV is on the wrong prong of the statute.

Advertising or Trade Purposes

After mis-analyzing all of the case law on "portrait, picture and voice" *supra*, GTAV's opposition Brief on page 25 then points to the "advertising or trade" prong of the statute. GTAV is wrong in stating "Works such as GTAV simply are not covered by the statute as a matter of law" (GTAV Br at 25). No matter how much artistic skill the producer of the portrait has in producing the

³ In short, the whole analysis comes down to defendant's deliberate intent on both prongs of the statute- "portrait, picture or voice" and "advertising or trade". If the allegations of the complaint allege that defendant deliberately created the "portrait or voice" for an improper "advertising or trade purpose", the action is sustainable as long as the allegation is reasonable based on the surrounding circumstances.

portrait, if the purpose is to make the portrait solely for “advertising or trade purposes”, the statute is violated no matter how much defendant labels it artwork. Schoeman v. Agon Sports, 816 N.Y.S.2d 701 (Sup. Nassau 2006). There is no doubt that the photographer in Foster, 128 A.D.3d at 153-154, 7 N.Y.S.3d at 98-99, did not take that picture for “advertising or trade purposes” because there is no marketing value in using an ordinary person’s picture to advertise a product. The Foster type “art gallery” cases are drastically different than the case at bar *i.e.* deliberately created these portraits and voice productions to actually be Ms. Lohan for “advertising or trade purposes”. GTAV’s statement on page 26 of their opposition Brief that, “The highly creative character of GTAV’s world of satire, parody, action and adventure is beyond question”, is simply irrelevant for the same reasons. Because the allegations are that the misused items are Ms. Lohan, whether the remainder of the GTAV world is fiction, satire or parody is irrelevant because GTAV does not admit that they are making satire or parody about Ms. Lohan. The unsubstantiated and conclusory pre-Answer denial (R 66) simply creates a question of fact under these obvious circumstances.



(R 39)



(R 54)



(R 38)



(R 35)

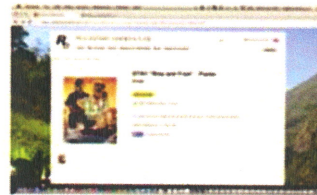


(R 36)

Lindsay Lohan for JAG jeans



(R 37)



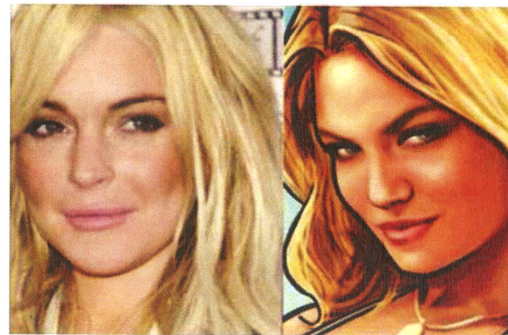
(R 248)



(R 34)



(R 44)



(R 59)

The level of the “game’s creative character” (GTAV Br. at 26) is simply irrelevant in determining whether GTAV deliberately and purposefully produced the portraits and voice to be Ms. Lohan for improper “advertising or trade purposes”. GTAV’s reliance on Lohan v. Perez, 924 F. Supp. 2d 447, 454-455 (EDNY 2013) is misplaced because there Pitbull’s song only mentioned the

“name” one time in a remote part of the song making it incidental use because no reasonable conclusion could ever be drawn that there was an “advertising or trade purpose” behind the use. Indeed, the court held and quoted as follows.

Whether a use falls within [the incidental use] exception to liability is determined by the role that the use of the plaintiff’s name or likeness plays in the main purpose and subject of the work at issue. Lohan v. Perez, 924 F. Supp. 2d at 455.

The second prong of the statute uses the word “purposes” simply meaning that the most substantive factor of determining improper “advertising or trade purposes” is the intent or purpose of the person who produces and uses the “portrait, picture or voice.” Just as in Foster, no rational conclusion could ever be drawn that Pitbull would think to advertise his song by using that “name” once in a remote corner of a song so it is exponentially easier to find an expressive purpose when there can be no reasonable identifiable “advertising or trade purpose”.

Moving to the bottom of page 27, GTAV again fails to address that the allegations plainly stating that the “portraits” and “voice” are actually and intentionally of Ms. Lohan *supra*. Rather, GTAV again uses the term “evoke her” which is not the claim Ms. Lohan is making here though it may be the claim in Gravano which GTAV force-fits that case onto Ms. Lohan’s case which the facts are drastically different as the proscribed “advertising or trade purpose” is obvious when viewing the digital portraits and usages of Ms. Lohan *supra* and is not obvious in Gravano which Gravano lacks the “portrait” (GTAV Br. at 11-12, 13-

14), the “advertising” (R 54-58, 248) and the “trade” (R 34, 38) components needed to demonstrate the proscribed intent or purpose. (R 54-58, 248).

Moving to page 28 of GTAV’s opposition Brief, the transition screens not being “subject to player manipulation” is just another fact demonstrating improper “advertising or trade purposes”. “Escape Paparazzi” contains the Lindsay Lohan avatar named “Lacey Jonas” which contains the digital reproduction of Ms. Lohan’s “voice”. GTAV does not address the voice claim other than stating the avatar is absolutely protected. Also, the “voice” claim and the other intentional and non-coincidental identical similarities in story to Ms. Lohan’s life (R 28) are obviously probative on the intent required for “advertising or trade purpose” for the other two still portraits and the avatar claims. Tin Pan Apple v. Miller Brewing Co., 737 F. Supp. 826, 838 (SDNY 1990).

Ms. Lohan’s claim is that GTAV cannot use her digital “portrait” juxtaposed next to these “game-play instructions” and that GTAV intentionally did so solely for “advertising or trade purposes” with the two still portraits. The fact that the two transition screens do not move and cannot be manipulated by the player is just another fact relevant to GTAV’s real intent in using them because there is “no real relationship” for the portraits in playing the game and they are merely “advertisements in disguise” under Arrington (55 N.Y.2d at 440, 449 N.Y.S. at

944) and its progeny *i.e.* juxtaposed portrait next to the game instructions. (GTAV Br. at 11-12).

On the bottom of page 28 GTAV misapplies the holdings in Foster, Altbach and Hoepker because in those three cases plaintiffs could not demonstrate that the portrait or picture was something the photographer or artist would ever reasonably think to use for advertising while the work was being made so the answer is obvious. Again, it is the producer's "purpose" while creating the portrait or voice reproduction that counts together with the "purpose" in which it is later used. At the top of page 29, GTAV makes another error in arguing that the two digital portraits of Ms. Lohan "Beach Weather" and "Stop and Frisk" are exempt as art whether they are in the game or had no connection to it. That is simply a flagrant misstatement of the law because every "portrait" is art in that it is art to paint, draw or produce a "portrait" of a person from a photograph or model. The real question as the New York courts have properly held for over a century is whether or not the "portrait or "picture" was intentionally made and intentionally used for "advertising or trade purposes". An allegation by a celebrity of portrait on a product is very relevant in determining the artist's intent in creation and use. If the artist's intent is "advertising or trade purpose" in both creation and use, the work does not fall into one of the statute's Free Speech exceptions. In the case at bar, it is reasonably alleged that GTAV had deliberate improper intent at the

development, advertising and packaging stages. With this record, GTAV simply cannot demonstrate as a matter of law that their production and use of Ms. Lohan's portrait and voice fits into one of the New York Free Speech exceptions to the "advertising or trade" prong of statute.⁴

Moving onto page 29 in another attempt to side-step the real issue, GTAV states that "Ms. Lohan cannot credibly deny that the content about which she complains is creative and is part of an expressive work". (GTAV Br. at 29). Every "portrait" can be said to be a creation by an artist who paints or digitally draws it, but that does not mean the "portrait" can be made and used for an "advertising or trade purpose". Whether the remainder of the work falls into a Free Speech exception is irrelevant to the portrait alleged to violate the statute. If the creation and use is for an "advertising or trade purpose" then the use does not fall into an "expressive" statutory New York Free Speech exception. All the art gallery promotion cases like Foster are not applicable here because in Foster the intent to use the work for promotion is formed after the creation, whereas here the purpose of creating the digital portraits is reasonably alleged to be for "advertising or trade purposes" which is obviously lacking in Foster and its progeny. GTAV has simply

⁴ There is no separate Free Speech analysis that is often argued as GTAV does here simply because the New York statute was drafted with the First Amendment in mind which the newsworthy, public interest, transformative art and parody/satire/fiction exceptions keep the statute consistent with the First Amendment. Foster, 128 A.D.3d at 155-157, 7 N.Y.S.3d at 100-101. In other words, if the creation and use fits into one of the four Free Speech exceptions, there is no "advertising or trade purpose" under the second prong of the statute.

not demonstrated that the “portraits” and “voice” were not intentionally made to be Ms. Lohan other than with a conclusory and unsubstantiated pre-Answer denial (R 66) which simply creates a question of fact at best for GTAV.

On page 30 GTAV is wrong again because under the statute and the case law properly interpreting it for the last century, when there is no “advertising or trade purpose” during its creation, the work then fits into one of the New York Free Speech “expression” exceptions. If the intent to use the work in promotion is formed after the work is created, there is no “advertising or trade purpose” because there was an “expressive” purpose in creating the work. Indeed, “To give absolute protection to all expressive works would be to eliminate the statutory right of privacy.” Foster, 128 A.D.3d at 159, 7 N.Y.S.3d at 102-103. The answers to these questions are most of the time obvious to the New York courts considering them for obvious reasons as an “advertising or trade purpose” generally requires strategy during creation and use which in a case like Foster or Hoepker there obviously is none. GTAV cannot credibly argue otherwise.

On pages 31-32 GTAV is again wrong because the two Ms. Lohan “portraits”, and the “Escape Paparazzi/Lacey Jonas” (R 48 dvd clip) avatar using Ms. Lohan’s digital “voice” production and life story elements (R 28) as further evidence of “advertising or trade purpose” during creation, are reasonably alleged to be made and used for nothing other than “advertising or trade purposes”

regardless of whatever expressive satirical comment GTAV may or may not be making about contemporary Hollywood life. In other words, GTAV does not need Ms. Lohan's "portraits" and "voice" to make whatever expressive comment their attorneys claim they are making, and the use of them is just an "advertisement in disguise" as there is no need for them to make their satire about Hollywood. If Ms. Lohan's "portraits" and "voice" were parodied with exaggeration, then GTAV's argument of "expression" might be less nebulous, but that is not the circumstance here as the "portraits" and "voice" are virtually identical in that they are as close as a digital drawing or audio production can get to a photograph or analog audio recording.

On page 32 GTAV is again wrong. Though fiction and satire are ordinarily not improper "advertising" or "trade" under the statute, it is well settled that when "the substantially fictional works at issue are nothing more than attempts to trade on the persona" of plaintiff, such "invented biographies" do not fulfill the purposes of the newsworthy exception. Messenger, 94 N.Y.2d at 446, 706 N.Y.S.2d at 58 citing Binns and Spahn. In Spahn, the defendant's publication used a famous baseball player's "persona" with dramatization, imagined dialogue, manipulated chronologies and fictionalized events. This Court held as follows.

That is not to say, however, that his "personality" may be fictionalized and that, as fictionalized, it may be exploited for the defendants' commercial benefit through the medium of an

unauthorized biography. Spahn, 18 N.Y.2d at 328-329, 274 N.Y.S.2d at 879-880.

The case at bar merely substitutes “portrait” for “name”. In other words, though a novel or work of fiction may contain a fleeting reference to an actual “name” and not violate the statute, if defendant’s primary purpose in using plaintiff’s “name” or “portrait” is for commercial exploitation, the statute is violated under Spahn, Foster and all the other case law.⁵ In other words, use of her portrait on the cover and discs is an “advertisement in disguise” “having no real relationship” to whatever expressive point the author is trying to make because it is Ms. Lohan- nothing more.

When the courts define parody and satire, the plaintiff must be the target of the parody or satire in whole or in part such that the image is not plaintiff anymore, but is transformed into something else. In other words, to be a fair use the parody must conjure up the original Campbell, 510 U.S. at 588, 114 S. Ct. at 1176, and in the case of satire the original must at least be partly the target of the satire. Campbell, 510 U.S. at 597, 114 S. Ct. at 1180. Either way, the original is needed.⁶

⁵ However, if the portrait was an exaggerated parody of Ms. Lohan, GTAV’s argument might then be less nebulous as far as fitting into an exception. GTAV has not argued that here and the “portraits” are identical to Ms. Lohan so there is no parody of her nor does GTAV argue that there is a parody or satire of her.

⁶ GTAV specifically denies at R 104 that the two still images and the avatar and voice resemble, mimic or target Ms. Lohan thereby waiving a parody and satire defense as a permissible use outside the reach of the statute.

GTAV has waived any remaining hope of a New York Free Speech exception to “advertising or trade purpose” (*i.e.* newsworthy, public interest, transformative art and parody/satire/fiction exceptions to the statute) as parody/satire by definition require comment on the original which GTAV specifically denies at R 104 that the portraits, avatar and voice resemble or mimic Ms. Lohan or that she is at least in part a target of any expressive content the game may have. GTAV’s argument on page 33 that they are making a parody or satire about Hollywood life in general is irrelevant to Ms. Lohan’s claim firstly because the portraits are virtually identical in that they are as close as a digital drawing can get to a photograph so they have no satirical or parody elements of exaggeration as relates to Ms. Lohan’s actual photograph, and secondly because GTAV argues the portraits have no resemblance to Ms. Lohan (R 104) so GTAV cannot be making a parody or satire “expressive” comment about her no matter how many websites GTAV now cites for the first time which improperly deforms the record.

GTAV’s argument on pages 33-34 that digital avatar and voice and transition screen still portraits should be excluded from section 51 claims is entirely meritless because all of the New York case law over the past century supports the sustainability of Ms. Lohan’s claims as demonstrated *supra* even though GTAV says they have “powerful support” (GTAV Br. at 34) for the

dismissal they certainly do not provide any.⁷ As there are sustainable allegations that GTAV's intent when it produced these items was "advertising or trade purposes" as opposed to expression, the First Amendment and the New York State Constitution do not protect GTAV because none of the four statutory exceptions apply. Accordingly, the First Department erred in reversing the Supreme Court and the Amended Complaint should be reinstated.

II. THE SUMMONS AND COMPLAINT WERE TIMELY FILED WITHIN ONE YEAR OF EITHER REPUBLISHING THE "ADVERTISING" IMAGES IN A DIFFERENT FORMAT ON THE GAME DISCS OR THE GAME RELEASE STARTS A "TRADE" LIMITATIONS PERIOD

Ms. Lohan timely filed the Summons and Complaint on July 1, 2014 (R 7). It is well settled that a new publication arises when a subsequent publication is intended to and actually reaches a new audience, the subsequent publication is made on an occasion distinct from the initial one, the republished statement has been modified in form or content and the defendant has control over the decision to republish. Martin v. Daily News, 121 A.D.3d 90, 103-104, 990 N.Y.S.2d 473, 483-

⁷ The Free Speech exceptions to "advertising or trade purpose" (*i.e.* newsworthy, public interest, transformative art and parody/satire/fiction exceptions to the statute) incorporate within the "advertising or trade purpose" analysis whether the work is "advertisement in disguise" "with no real relationship" or "commercial exploitation" as opposed to Free Speech "expression". For complete federal analysis, see Hart v. Electronic Arts, 717 F.3d 141, 168-169 (3rd Cir. 2013), *cert. dismiss.* 135 S. Ct. 43 (2014) regarding any avatar altering features and other player interactivity which the avatars do not have in GTAV, and Florida Bar v. Went For It, 515 U.S. 618, 623, 115 S. Ct. 2371, 2375 (1995) and Bolger v. Youngs Drug Products, 463 U.S. 60, 65-68, 103 S. Ct. 2875, 2879-2881 (1983) for federal commercial Speech analysis.

484 (1st Dept. 2014). The classic example exists from the second offering of a novel in a paperback format. Etheredge-Brown v. American Media, 13 F. Supp. 3d 303, 306-307 (SDNY 2014). When the republication is intended to reach a new audience in a different format it is akin to repackaging a book from hard cover to paperback. Etheredge-Brown v. American Media, 13 F. Supp. 3d at 306-307 (2014). In essence, the republication exception applies for publications which are not merely a delayed circulation of the original edition. Geary v. Town Sports International Holding, 870 N.Y.S.2d 846, 847 (Sup. NY 2008) citing Firth v. State of New York, 98 N.Y.2d 365, 371, 747 N.Y.S.2d 69, 72 (2002).

In the case at bar the release of the images on game discs (R 34, 38) on September 17, 2013 (R 62) as a “trade” use is plainly a republication of the previously posted billboard (R 54-57) and internet (R 248) “advertising” images because it is a modified image in a different format that intentionally reaches a new audience that is not merely a delayed circulation of the original images. Indeed pre-release billboards, game guides and website hype are “advertising” and printing the images on the game discs and jacket is a “trade usage” under the statute which are distinctly separate claims utterly mandating a determination that the game release is not merely a delayed circulation of the original advertisements. The game was released on September 17, 2013 (R 62), the Complaint was timely filed within one year on July 1, 2014 (R 7), and process service was complete July

22, 2014 (R 239-246). GTAV does not and cannot dispute that republication on the game discs (R 34, 38) and on the dvd cover jacket (R 47) and in the transition screens (GTAV Br. at 11-12), are not different formats reaching actual purchasers (trade usage) as opposed to potential purchasers (advertising usage) purposely targeted with the GTAV's "Warehouse" website offering a collectible "Stop and Frisk" poster (R 248), a "Signature Series Guide" with the "Stop and Frisk" image on the front and back cover (R 249-250) sold separately from the game, and "Beach Weather" on bus stop and billboard postings prior to the game's release. (R 54-58). Clearly, such targeted marketing and advertising with a later release of the product itself containing modified images as a separate trade usage is not merely an uncontrollable delayed circulation of the original images. Rather, it is GTAV's calculated decision to publish or republish the images at different times, in different formats to reach different people, for different reasons and then again print the modified images (R 34, 38) on the game discs and other game materials when it was released.

GTAV's reliance on Hoosac Valley v. AG Assets, 168 A.D.2d 822, 563 N.Y.S.2d 954, 955 (3rd Dept. 1990) is entirely misplaced. In Hoosac there was no sustainable allegation of republication in plainly different formats as there is here (R 29) and as the Supreme Court properly found. (R 6, 29, 34, 38, 47, 49-53, 54-58, 248, 249-250, *i.e.* from building billboards reduced down and cropped on the

discs and disc jacket, and from the internet website to the game guide to the discs, then on coffee mugs and T-shirts).⁸ Most of the images in their modified condition are attached to the Amended Complaint and are plainly visible. Ms. Lohan has articulated a sustainable allegation of republication as held by the lower court (R 6). Indeed, on a motion to dismiss pursuant to CPLR 3211 (a)(5) on the ground that it is time barred, plaintiff's submissions in response must be given their most favorable intendment. Benn v. Benn, 82 A.D.3d 548, 918 N.Y.S.2d 465, 466 (1st Dept. 2011). Here, because the lower court specifically held that "defendants have not been able to prove at this juncture of the litigation, that the republication exception [] is not applicable" and "Plaintiff specifically alleges facts which contend otherwise" (R 6), the lower court simply found that Ms. Lohan met her burden on the limitations period properly giving her the benefit of every reasonable inferences. The lower court did not switch the burden as GTAV argues which is plainly evident any way that holding is read.

GTAV's reliance on Bondar v. LASplash Cosmetics, 2012 U.S. Dist. LEXIS 175873 at *24 (12 Civ. 1417, SDNY 2012), only bolsters Ms. Lohan's position. In Bondar, plaintiff's picture was used in a poster "advertising" campaign for lip

⁸ On page 15 note 5 of GTAV's opposition Brief, GTAV misrepresents both that "Ms. Lohan conceded to the Appellate Division that the merchandise referenced in the Amended Complaint is 'pirated unauthenticated merchandise from unrelated sources' that was not produced by Take-Two" and that "Ms. Lohan's current appeal is not directed to any merchandise". Ms. Lohan's Appellate Division Brief on page 38 used the word "affirm" which was short Affirmation for the conclusory and unsupported denial in Mr. Rosa's Affirmation (R 66) which he averred was pirated which merely would create a question of fact if GTAV serves a Verified Answer.

gloss, eye liner and eye shadow in cosmetic department stores beyond the one year limitations period. Plaintiff argued that when defendants left up the same posters and released a new eye shadow cream in the stores putting up more copies of the same poster, it was a republication because the same posters were used in connection with a new product. The Southern District rejected plaintiff's argument and held that because plaintiff's picture never appeared on any of the product packaging or containers, it was not a "trade usage" proscribed by the statute, but rather it was an "advertising usage" that plaintiff's complaint alleged regarding the same advertising poster that continually hung on the wall or additional poster copies were hung when the new product was released. Because nothing changed about the poster used to advertise both the old and new products, the court held that it was not a republication of the advertisements because nothing changed with them. The Court was clear that if Ms. Bondar's image also appeared on the new makeup containers themselves and she pled that, there is no doubt that it would have been considered a republication of the original poster image in a different format or it would have started the accrual of a one year "trade usage" limitations period in addition to the one year limitations for "advertising usage" already running from when the posters were hung in the department stores because "the statute of limitations runs separately as to each new product distributed with a

name or image, the use of which contravenes the statute.” Cuccioli v. Jekyll & Hyde Neue Metropol Theater, 150 F. Supp. 2d 566, 573 (SDNY 2001).

Bondar plainly holds that the statute of limitations on section 51 claims begins to run the first time an offending item is published or distributed but the limitations period is refreshed if an item is republished when a subsequent publication (1) is intended for and reaches a new audience *or* (2) materially changes or modifies the original. Bondar, 2012 U.S. Dist. LEXIS 175873 at *24. Regarding the first prong, the billboard and other advertisements containing the “portraits” referenced in the Amended Complaint paragraph 83 (R 30) obviously is directed at potential purchasers and the Amended Complaint paragraphs 74-75 (R 29) obviously is directed at those who have purchased the game then see the plainly modified “portraits” on the discs, the disc jacket and within the game on the two transition screens which is intended to be a different audience *i.e.* potential purchasers as opposed to actual purchasers. The audience of potential purchasers that see the “advertisement” is much larger than the actual purchasers who purchase the game and see the modified images therein.

GTAV cannot credibly argue otherwise as we all see advertisements forced on us but most often never see the packaging or the product. It is impossible to state that advertisements are intentionally directed at those who purchased the game as there is no possible way of knowing exactly who purchased the game

when the advertisements are made. Rather the advertisements are directed at those who are most likely to purchase the game. The two audiences are simply different-potential purchasers and actual purchasers. As the first Bondar republication element is satisfied, there is no need to consider the second prong as it is in the disjunctive. Bondar at *24.

Nevertheless, the second prong is also satisfied as the very purpose of putting the portraits on and in the game is a drastic modification of the size, resolution and cropping of the images. For example compare game disc 2 at R 34 with the internet poster portrait of Ms. Lohan at R 248. Apart from being drastically different sizes, cropping and resolution, the game disc 2 portrait cuts off the tops of the heads and legs, moves the GTAV lettering from the bottom left to the center, does not include the hood of the car, does not include Ms. Lohan's left hand and bracelet, contains PAL Microsoft xbox 360 lettering in the center, has a hole for the dvd drive and decorative corona in the center cutting out Ms. Lohan's right shoulder and upper right arm as well as the Officer's left shoulder and game disc 2 has additional logos at the top. The same is true for "Beach Weather" compare R 146, 73, 74, 75 with game disc 1 at R 38 where the GTAV logo is moved from bottom left to the top left, Playstation 3 logo is added at bottom, the boardwalk and amusement rides are not there from the resolution reduction and the disc has a hole for the dvd drive in the middle blocking a portion of the bikini top

among other wording and logo differences. Moreover, the disc jacket at R 47 is from the opposite angle and she is holding the phone in her right hand as opposed to holding it in her left at R 146 in the alleged clock start date image which is in fact not just cropped, reduced and resolution changed, but rather it is from a completely different angle and pose. These are material changes or modifications. In addition, GTAV does not establish *prima facie* the clock start date for the limitations period regarding “voice” because R 146 and R 154 only apply to the two transition screen still images- not the avatar.

Here, under Cuccioli and Bondar, the statute of limitations was either renewed by republication in a different format on September 17, 2013 from billboard and internet advertising to the discs’ face (R 34, 38) with the game’s release or the game’s release started a separate “trade usage” claim because the image was now modified and released on the game discs and jacket themselves which theoretically is considered a separate claim because it involves another independent element of the statute- “trade” as opposed to “advertising”. Either way, the Supreme Court was correct in denying GTAV’s motion to dismiss on the limitations period because there are sustainable allegations and inferences of the Martin elements- intent, distinct, modified and control. GTAV’s argument that the one year statute of limitations bars Ms. Lohan’s claims is meritless.

Any way it is reviewed, Ms. Lohan has reasonably alleged a timely and sustainable cause of action under sections 50 and 51. Accordingly, GTAV's motion to dismiss the Amended Complaint pursuant to CPLR 3211(a)(5) should be denied in its entirety.

III. DISCOVERY IS REQUIRED ON *IN PERSONAM* JURISDICTION OVER ROCKSTAR NORTH

Discovery is required to determine whether Rockstar North is subject to *in personam* jurisdiction in New York and (GTAV) Rockstar North's motion to dismiss pursuant to CPLR 3211(a)(8) for lack of personal jurisdiction was properly denied. In situations of complex corporate relationships and where the relevant facts are exclusively in possession of the party seeking dismissal, the party opposing dismissal is not required to demonstrate a *prima facie* case of *in personam* jurisdiction, but rather must merely show that facts "may exist" to warrant discovery on the issue. Peterson v. Spartan, 33 N.Y.2d 463, 466-467, 354 N.Y.S.2d 905, 907-908 (1974), Banham v. Morgan Stanley, 178 A.D.2d 236, 576 N.Y.S.2d 876, 878 (1st Dept. 1991). In Banham, the First Department reversed the Supreme Court's dismissal of plaintiff's alleged breach of employment contract claim having sued an entity related to the employer holding that plaintiff is only required to demonstrate that facts "may exist" that there is an interlocking relationship between the entities to defeat the motion which for example can be

established by supervising employees working for both entities warranting discovery on the issue. In addition, agency between parent and subsidiary entities may be sufficient to demonstrate that an entity is sufficiently present in New York to warrant personal jurisdiction which also requires discovery when there are complex corporate relationships and the relevant facts are in defendants' exclusive possession. Amsellem v. Host Marriott, 280 A.D.2d 357, 721 N.Y.S.2d 318 (1st Dept. 2001).

In the case at bar, a simple review of GTAV's website (R 253) www.rockstargames.com/careers/openings/rockstar-north demonstrates offices in the United Kingdom, Canada and the United States including New York City which reasonably could be sufficient to warrant personal jurisdiction over Rockstar North in New York, and there is a reasonable agency question regarding the GTAV entities because they are plainly affiliated and they share the same website probably sharing many of the same officers, supervising employees and directors. As all of the relevant facts are within GTAV's exclusive possession, discovery is required to determine whether Rockstar North is entitled to a dismissal for lacking personal jurisdiction.

Though GTAV argues on page 35 of their opposition Brief that the New York City Office belongs to a separate and distinct entity in the "Rockstar Games corporate family", the web page at R 253 plainly demonstrates otherwise in that

the web page address bar states “/rockstar-north” with the drop-down list further stating “Locations and Studios” “Rockstar NYC”. (R 253). GTAV’s unsupported and conclusory statement that “those offices belong to separate and distinct entities in the Rockstar Games corporate family” is incorrect because the drop-down list is appearing on the “/rockstar-north” page portion of the web page plainly demonstrated in the right of the address bar. GTAV’s unsubstantiated attorney conclusion is contradicted by GTAV’s own web page demonstrating that Rockstar North has contacts with New York through its Rockstar NYC location. Moreover, there is no separate entity called “Rockstar NYC” on GTAV’s Corporate Disclosure Statement (GTAV Br. at 1-2).

GTAV’s reliance on Benefits by Design v. Contractor Mgmt., 75 A.D.3d 826, 829-830, 905 N.Y.S.2d 340, 344 (3rd Dept. 2010) is misplaced. In Benefits there was a web page from an out of state company where the web page was simply viewable by a computer user in New York and had nothing to do with any potential contacts in New York. GTAV’s web page on its face shows Rockstar North holds itself out as having contacts in New York. Leonard v. Gateway II, 68 A.D.3d 408, 408-410, 890 N.Y.S.2d 33, 35-36 (1st Dept. 2009) dealt with the heightened pleading requirements on fraud in the inducement regarding a contract which the responsible defendant would be the defendant executing the contract as that defendant was in privity and the improper conduct would be beyond the scope


of any agency that could have existed. Ms. Lohan is not looking for the “unsubstantiated hope of discovering something relevant” but rather she is looking for “a more accurate judgment” as is her right under Peterson. Accordingly, the Supreme Court properly denied GTAV’s 3211(a)(8) motion to dismiss regarding Rockstar North.

CONCLUSION

For the foregoing reasons, plaintiff-appellant respectfully requests that the First Department Order entered September 1, 2016 dismissing the Amended Complaint be vacated, and the Amended Complaint be reinstated.

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CERTIFICATE OF COMPLIANCE

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Defining the Right of Publicity

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RIGHTS OF PRIVACY/PUBLICITY

I. Introduction

The right of publicity protects against the unauthorized appropriation of an individual's identity. The specifics of exactly what aspects of one's identity are included under this right (e.g., name, likeness, picture, voice, persona, etc.) vary widely from state to state. Some states have codified the right, while others address it pursuant to common law principles. Some states treat the right of publicity more as an aspect of a right of personal privacy (i.e., the right to be free from commercial appropriation of one's persona) while others make it more of a property right, descendible and freely transferable.

New York was the first state to protect the right of publicity by statute and is the home to many of the leading cases. In New York, right of publicity protection extends by statute to the unauthorized use of a living person's name, portrait, picture or voice for advertising purposes or for the purposes of trade (which we will refer to as "Commercial" purposes) during a person's lifetime. N.Y. Civil Rights Law §51. California has an expansive right of publicity statute that extends to a person's name, voice, signature, photograph and likeness. Cal. Civ. Code § 3344. And the extent of the right is always limited by the First Amendment, which permits the use of an individual's identity for informational and other protected purposes. Unlike New York, a number of

states extend the right post-mortem for a number of years. In California, for example, the right lasts for 70 years after death. Cal. Civ. Code § 3344.1.

II. Is the Use for Commercial Purposes?

A critical question is whether the use of an individual's identity is for informational or commercial purposes. The former is fully protected by the First Amendment; the latter may subject the user to the potential of a substantial damage award.

An illustration of the difficulty courts have found in deciding whether a use is or is not commercial can be found in a relatively recent case where Michael Jordan sued Chicago supermarket chain Jewel-Osco, claiming that it had improperly used his identity without authorization. The case stemmed from an advertisement that the supermarket ran in a 2009 Sports Illustrated publication commemorating Jordan's induction into the Basketball Hall of Fame. The ad stated: "Jewel-Osco salutes #23 on his many accomplishments as we honor a fellow Chicagoan who was 'just around the corner' for so many years," and included the Jewel logo and slogan "Good things are just around the corner." In February 2012, a federal judge ruled that the ad was "noncommercial speech" protected by the First Amendment, because the ad did "not propose any kind of commercial transaction." In his decision, the District Court Judge wrote: "The reader would see the Jewel page for precisely what it is -- a tribute by an established Chicago business to Chicago's most

accomplished athlete.” He also found that the use of Jewel’s slogan in the ad was “simply a play on words.” *Jordan v. Jewel Food Stores, Inc.*, 851 F. Supp. 2d 1102 (N.D. Ill. 2012). But this decision was reversed by the Seventh Circuit, 743 F.3d 509 (7th Cir. 2014), with the court finding that the commercial purpose of the advertisement was readily apparent, as it was used to promote the goodwill of and enhance the Jewel brand. A similar congratulatory advertisement, in which a grocer congratulated Jordan on his Hall of Fame election and offered a two dollar off coupon on a steak, led to a 2015 jury verdict in favor of Jordan in the amount of \$8.9 million. *See Jordan v. Dominick’s Finer Foods LLC*, Case No 1:10-cv-00407 (N.D. Ill). The *Jewel Food* case then settled.

As a general rule, uses in newspapers, books, magazines, motion pictures and television programs such as entertainment news and docudramas have been held to be non-commercial for purposes of application of the right of publicity. Most documentaries will be considered non-commercial. But where the content can be deemed to be program-length commercial or promotion for a product, the entire program may be deemed commercial, requiring permission to use any person’s name, picture or voice in the program. *See Facenda v. N.F.L. Films, Inc.*, 542 F.3d 1007 (3d Cir. 2008).

In recent cases, courts have struggled with the question whether a use of a person's identity in a way that is substantially fictitious or imaginary might lead to a right of publicity violation. *See Porco v. Lifetime Entertainment Services, LLC*, 147 A.D.3d 1253 (3d Dep't 2017). *But see De Havilland v. FX Networks, LLC*, 230 Cal. Rptr. 3d (Cal. App. 2 Dist. 2018) (reversing lower court and holding that fictionalized account of rivalry between two famous actresses was fully protected by the First Amendment).

Other cases that have struggled with the question as to whether a particular use is commercial include the claim by Tiger Woods' licensing company against the seller of a limited edition of artwork (5000 copies) depicting Woods along with other famous golfers. There the court found that the use was not commercial. *See ETW Corp. v. Jireh Publ'g, Inc.*, 332 F.3d 915 (6th Cir. 2003).

Finally, it is worth noting that the only time the Supreme Court ever has addressed the limits of the Right of Publicity was in *Zacchini v. Scripps-Howard Broadcasting, Co.*, 433 U.S. 562 (1977), where the court held that the First Amendment did not bar a right of publicity claim brought against a television broadcaster which telecast the plaintiff's entire (although short) performance of being shot out of cannonball.

III. Where do Video Games Fit in?

Video games have been accepted by the Supreme Court as expressive works protected by the First Amendment. *Brown v. Entm't Merchs. Ass'n*, 131 S. Ct. 2729 (2011). The logical implication of this ruling would be that the use of identifiable people in video games would not constitute a violation of the right of publicity. But the cases have not been turning out that way.

For example, the Third Circuit reversed a grant of summary judgment in favor of a video game distributor in a case brought by a former college football quarterback, holding that the use of the player's likeness was not sufficiently transformative to escape a right of publicity claim. *Hart v. Electronic Arts, Inc.*, 717 F.3d 141 (3d Cir. 2013), reversing, 808 F. Supp. 2d 757 (D.N.J. 2011); *In re NCAA Student-Athlete Name & Likeness Litigation*, 2013 WL 3928293 (9th Cir. July 31, 2013) (Use of likenesses of college athletes in football video game is not protected by First Amendment).

California courts have looked to see whether the use of a real person is "transformative" in order to determine whether or not a use is commercial. In *Kirby v. Sega of America*, 144 Cal. App. 4th 47, 50 Cal. Rptr. 3d 607 (2d Dist. 2006), the defendant prevailed because the court found the character in the video game sufficiently transformed a musician's likeness or identity, but in *No Doubt v. Activision Publ'g, Inc.*, 192 Cal. App. 4th 1018, 122 Cal. Rptr. 3d 397 (2d Dist. 2011), the court upheld the plaintiff's right of publicity claims where it found the celebrities' avatars were depicted as the celebrities

themselves might be. In 2014, in *Noriega v. Activision/Blizzard, Inc.*, a California state court dismissed a right of publicity claim by former Panama leader Manuel Noriega based upon the use of his image and likeness in the video game “Call of Duty: Black Ops II.” The court held that Noriega’s right of publicity was outweighed by the defendants’ First Amendment right to free expression. It found the use of Noriega’s likeness to be transformative and therefore not actionable. And as noted above, in the *Hart* case, the Third Circuit held that the use of a college football player’s likeness in a video game was not transformative.

Other courts have taken a different approach in determining whether the First Amendment protects the use of a person’s identity in an expressive work. For example, in *Rogers v. Grimaldi*, 875 F.2d 994 (2nd Cir. 1989), the Second Circuit held that the First Amendment protects the use of a person’s name in the title of a film unless such use is “wholly unrelated” to the film or is simply a disguised advertisement. Still, other courts balance the expressive interests of the purveyor against the economic interests of the claimant. *E.g.*, *C.B.C. Distrib. & Mktg., Inc. v. Major League Baseball Advanced Media, L.P.*, 443 F. Supp. 2d 1077 (E.D. Mo. 2006).

In 2016, the Ninth Circuit affirmed the dismissal of Sgt. Jeffrey Sarver’s claim that the main character in the acclaimed motion picture *The Hurt Locker* was based on his character and experiences. *Sarver v. Chartier*,

813 F.3d 891 (9th Cir. 2016) holding that applying California’s right of publicity law would violate the First Amendment. The Ninth Circuit denied rehearing *en banc* in this case.

Just a few weeks ago the New York Court of Appeals held that the use of the likeness of a celebrity (i.e., Lindsay Lohan) in a video game could be actionable under New York’s right of publicity statute, but then held that the “modern beach-going young woman” in Grand Theft Auto V was not recognizable as the plaintiff. *Lohan v Take-Two Interactive Software, Inc.*, 2018 WL 1524714 (N.Y. App. Ct. March 29, 2018).

IV. Will the Supreme Court Weigh in Again?

The Supreme Court was squarely presented with the question “Whether the First Amendment protects a speaker against a state-law right-of-publicity claim that challenges the realistic portrayal of a person in an expressive work” in a case involving the depiction of NFL players in the Madden NFL video game. However, on March 21, 2016, the Supreme Court denied EA’s petition for a writ of certiorari. *See Davis v. Electronic Arts Inc.*, 775 F.3d 1172 (9th Cir. 2015), *cert. denied*, 2016 WL 1078926. It is quite likely that the question whether the depiction of real people in video games is fully protected by the First Amendment will continue to be litigated, and may at some point reach the Supreme Court.

V. Advertising of the Contents of Protected Expression

Truthful advertising of the content of a publication is protected by the First Amendment, provided that the advertising is a truthful description of the content of the medium. *Montana v. San Jose Mercury News, Inc.*, 34 Cal. App. 4th 790, 40 Cal. Rptr. 2d 639 (6th Dist. 1995) (newspaper's use of a poster of football star permissible as advertising of its content). *Namath v. Sports Illustrated*, 48 A.D.2d 487, 371 N.Y.S.2d 10 (1st Dep't 1975) (Sports Illustrated subscription advertising could use Joe Namath's picture and name in describing coverage of Namath).

VI. Dead People Have Rights Too

Until the 1980s only Florida, Oklahoma, Utah and Virginia provided a statutory right of publicity that survived death. Recent legislation indicates a trend toward extending rights after death. Many states, including California, recognize a post-mortem right of publicity. Minnesota is considering the issue following the death of Prince and legislation has been proposed in New York that would extend protection after death. Even the states like New York that do not recognize a post-mortem right generally will look to the place of domicile of the claimant in order to determine which state law applies. A leading example of this involved the Estate of Marilyn Monroe, which lost its bid to enforce post-mortem rights when the Ninth Circuit ruled in 2012 that Monroe was legally domiciled in New York at the time of her death and her Estate therefore could not benefit from California's posthumous right of

publicity. *Milton H. Greene Archives v. Marilyn Monroe LLC*, 692 F. 3d 983 (9th Cir. 2012).

VII. What About Fantasy Sports?

See C.B.C. Distrib. & Mktg., Inc. v. Major League Baseball Advanced Media, L.P., 443 F. Supp. 2d 1077 (E.D. Mo. 2006) (finding that baseball players did not have a right of publicity in their names and playing records as used by a fantasy baseball game producer).

Recently a putative class action on behalf of NFL players was filed in Maryland by professional football player Pierre Garçon against fantasy site operator FanDuel, Inc. for using NFL players to promote its products. Case 8:15-cv-03324 (D. Md. filed Oct. 30, 2015). That action was dismissed without prejudice before there were any meaningful developments on the issue.

VIII. Is Only a Person's Current Name and Likeness Protected?

Not necessarily. In the sports context, a former name may also be protected. *Abdul-Jabbar v. Gen. Motors Corp.*, 75 F.3d 1391 (9th Cir. 1996) (basketball player formerly known as Lew Alcindor), *amended and superseded on denial of reh'g and reh'g en banc*, 85 F.3d 407 (9th Cir. 1996). *See Motschenbacher v. R.J. Reynolds Tobacco Co.*, 498 F.2d 821 (9th Cir. 1974) (retouched but identifiable racing car made image of driver in photo

recognizable as the race car's owner, even though his facial features were not visible).

Moreover, there are cases that hold that a claim may be brought based on the way a person used to look. *Negri v. Schering Corp.*, 333 F. Supp. 101 (S.D.N.Y. 1977 (photo of movie star taken in 1922 used in 1969)). *See also Newcombe v. Adolf Coors Co.*, 157 F.3d 686 (9th Cir. 1998) (genuine issue of material fact existed over depiction of former major league baseball pitcher's distinct windup in a drawing).

IX. Can an Individual's "Persona" be Protected?

The Ninth Circuit has extended California common law beyond the scope of California's right of privacy statute to include any claim of commercial appropriation of identity of a celebrity, despite the absence of any use of the celebrity's name, picture, likeness, voice or signature. Although heavily criticized and subject to reversal by the California state courts, there is a significant risk that mere association of a celebrity, even without confusion as to endorsement or participation, may be actionable in California federal courts. *See Wendt v. Host Int'l, Inc.*, 125 F.3d 806 (9th Cir. 1997), *reh'g denied*, 197 F.3d 1284 (9th Cir. 1999) (Kozinski, J., dissenting), *cert. denied*, 531 U.S. 811 (2000) (licensed use of "Cheers" characters as animatronic robots designed to not look like actors who played the roles on television was still actionable by the actors associated with characters).

The Ninth Circuit's extension of the law has been rejected by other circuits. *See, e.g., Landham v. Lewis Galoob Toys, Inc.*, 227 F.3d 619 (6th Cir. 2000); *Cardtoons, L.C. v. Major League Baseball Players Ass'n*, 95 F.3d 959 (10th Cir. 1996). *See also Kirby, supra* (video game character, even if based on musician's likeness or identity, was transformative and protected by First Amendment).

X. What About Television Broadcasts?

There have also been attempt by athletes to claim that the broadcast, or re-broadcast, of coverage of sporting events violates their right of publicity. Thus far, such claims have failed. *E.g., Ray v. ESPN, Inc.*, 783 F.3d 1140 (8th Cir. 2015) (right of publicity claims are pre-empted by the Copyright Act). *Marshall v. ESPN, Inc.*, 2015 WL 3537053 (June 4, 2015) (M.D. Tenn.) (putative class action by current and former NCAA athletes against broadcasters dismissed).

XI. What about the Lanham Act?

The Lanham Acts provides a cause of action arising from an advertisement or other communication that "is likely to cause confusion . . . as to the affiliation, connection, or association of [an advertiser] with another

[person, firm or organization], or as to the origin, sponsorship, or approval of [the advertiser's] goods, services, or commercial activities by [the other person, firm or organization].” 15 U.S.C.A. § 1125(a) (1) (A). The Ninth Circuit has suggested that any time a commercial use implicates the persona of a celebrity, a jury must determine whether there is a likelihood of confusion as to endorsement. *See Abdul-Jabbar*, 85 F.3d at 409, 413 (holding that an Oldsmobile television commercial that aired during a basketball tournament and which posed the question, “Who holds the record for being voted the most outstanding player of this tournament?” and then answered, “Lew Alcindor,” arguably attempted to “appropriate the cachet of one product for another”) (internal quotation marks and citation omitted). *Accord Facenda, supra* (Third Circuit remanding for Lanham Act claim against National Football League over use of late broadcaster's voice in promotional television program). But *see Brown v. Electronic Arts, Inc.*, 2013 WL 3927736 (9th Cir. July 31 2013) (Use of former football star Jim Brown's likeness in video game does not violate the Lanham Act).

CERTIFIED FOR PUBLICATION

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA

SECOND APPELLATE DISTRICT

COURT OF APPEAL - SECOND DIST.

FILED

DIVISION THREE

MAR 26 2018

OLIVIA DE HAVILLAND,

B285629

JOSEPH A. LANE

Clerk

Deputy Clerk

Plaintiff and Respondent,

(Los Angeles County
Super. Ct. No. BC667011)

v.

**FX NETWORKS, LLC et al.,
Defendants and Appellants.**

APPEAL from an order of the Superior Court of Los Angeles County, Holly E. Kendig, Judge. Reversed with directions.

Munger, Tolles & Olson, Glenn D. Pomerantz, Kelly M. Klaus, Fred A. Rowley, Jr., and Mark R. Yohalem for Defendants and Appellants.

Horvitz & Levy, Frederic D. Cohen and Mark A. Kressel for Motion Picture Association of America, Inc. and Netflix, Inc. as Amici Curiae on behalf of Defendants and Appellants.

Davis Wright Tremaine, Kelli L. Sager and Rochelle L. Wilcox for A&E Television Networks, LLC, Discovery Communications, LLC, Imperative Entertainment, LLC, Urban One, Inc., Critical Content, LLC, Reporters' Committee for Freedom of the Press, and First Amendment Coalition as Amici Curiae on behalf of Defendants and Appellants.

Jennifer E. Rothman and Eugene Volokh for Intellectual Property and Constitutional Law Professors as Amici Curiae on behalf of Defendants and Appellants.

Daniel K. Nazer for Electronic Frontier Foundation, Organization for Transformative Works, and Wikimedia Foundation as Amici Curiae on behalf of Defendants and Appellants.

Jack Lerner, UCI Intellectual Property, Arts, and Technology Clinic, for International Documentary Association as Amicus Curiae on behalf of Defendants and Appellants.

Howarth & Smith, Don Howarth, Suzelle M. Smith, and Zoe E. Tremayne for Plaintiff and Respondent.

Duncan W. Crabtree-Ireland and Danielle S. Van Lier for Screen Actors Guild-American Federation of Television and Radio Artists as Amicus Curiae on behalf of Plaintiff and Respondent.

Authors write books. Filmmakers make films. Playwrights craft plays. And television writers, directors, and producers create television shows and put them on the air -- or, in these modern times, online. The First Amendment protects these expressive works and the free speech rights of their creators. Some of these works are fiction. Some are factual. And some are a combination of fact and fiction. That these creative works generate income for their creators does not diminish their constitutional protection. The First Amendment does not require authors, filmmakers, playwrights, and television producers to provide their creations to the public at no charge.

Books, films, plays, and television shows often portray real people. Some are famous and some are just ordinary folks. Whether a person portrayed in one of these expressive works is a world-renowned film star -- "a living legend" -- or a person no one knows, she or he does not own history. Nor does she or he have the legal right to control, dictate, approve, disapprove, or veto the creator's portrayal of actual people.

In this case, actress Olivia de Havilland sues FX Networks, LLC and Pacific 2.1 Entertainment Group, Inc. (collectively FX), the creators and producers of the television miniseries *Feud: Bette and Joan*. In the docudrama about film stars Bette Davis and Joan Crawford, an actress plays de Havilland, a close friend of Davis. De Havilland alleges causes of action for violation of the statutory right of publicity and the common law tort of misappropriation. De Havilland grounds her claims on her assertion -- which FX does not dispute -- that she "did not give [her] permission to the creators of 'Feud' to use [her] name, identity[,] or image in any manner." De Havilland also sues for false light invasion of privacy based on FX's portrayal in the

docudrama of a fictitious interview and the de Havilland character's reference to her sister as a "bitch" when in fact the term she used was "dragon lady." De Havilland seeks to enjoin the distribution and broadcast of the television program and to recover money damages.

The trial court denied FX's special motion to strike the complaint. The court concluded that, because *Feud* tried to portray de Havilland as realistically as possible, the program was not "transformative" under *Comedy III Productions*¹ and therefore not entitled to First Amendment protection. As appellants and numerous amici point out, this reasoning would render actionable all books, films, plays, and television programs that accurately portray real people. Indeed, the more realistic the portrayal, the more actionable the expressive work would be. The First Amendment does not permit this result. We reverse.

FACTUAL AND PROCEDURAL BACKGROUND

1. *Feud airs and de Havilland sues*

In March 2017, FX began airing its eight-part docudrama, *Feud: Bette and Joan*. The docudrama portrays the rivalry between actresses Joan Crawford and Bette Davis. The central theme of the program is that powerful men in Hollywood pressured and manipulated women in the industry into very public feuds with one another to advance the economic interests of those men and the institutions they headed. A secondary theme -- as timely now as it was in the 1960's -- is the poor treatment by Hollywood of actresses as they age.

¹ *Comedy III Productions, Inc. v. Gary Saderup, Inc.* (2001) 25 Cal.4th 387 (*Comedy III*).

Academy-Award-winning actress Catherine Zeta-Jones portrays de Havilland in the docudrama. The de Havilland role is a limited one, consuming fewer than 17 minutes of the 392-minute, eight-episode miniseries. The role consists essentially of two parts: (1) a fictitious interview in which Zeta-Jones -- often accompanied by Academy-Award-winning actress Kathy Bates playing actress Joan Blondell -- talks to an interviewer (a young man named "Adam") about Hollywood, its treatment of women, and the Crawford/Davis rivalry; and (2) scenes in which Zeta-Jones interacts with Academy-Award-winning actress Susan Sarandon playing Bette Davis. These scenes portray the close friendship between Davis and de Havilland. As played by Zeta-Jones, the de Havilland character is portrayed as beautiful, glamorous, self-assured, and considerably ahead of her time in her views on the importance of equality and respect for women in Hollywood. *Feud* was nominated for 18 Emmy awards.

On June 30, 2017, de Havilland filed this lawsuit. Her Third Amended Complaint, filed in September 2017, alleges four causes of action: (1) the common law privacy tort of misappropriation; (2) violation of Civil Code section 3344, California's statutory right of publicity; (3) false light invasion of privacy; and (4) "unjust enrichment." De Havilland asks for damages for emotional distress and harm to her reputation; "past and future" "economic losses"; FX's "profits gained . . . from and

attributable to the unauthorized use of [her] name, photograph,² or likeness”; punitive damages; attorney fees; and a permanent injunction prohibiting the “broadcast and distribution” of the series.³

² There seems to be only one photograph to which de Havilland could be referring. At the end of the miniseries, just before the credits, *Feud* displays side-by-side photographs of the real people who had some involvement in the story and the actor who played each. These include director Robert Aldrich (played by Alfred Molina), Jack Warner of Warner Brothers (played by Stanley Tucci), Joan Crawford (played by Jessica Lange), Victor Buono (played by Dominic Burgess), Bette Davis’s daughter B.D. Merrill (played by Kiernan Shipka), and Hedda Hopper (played by Judy Davis), as well as Davis and de Havilland, played, as noted, by Sarandon and Zeta-Jones, respectively. A short blurb tells the viewer what became of each person. For de Havilland, the blurb states, “Olivia de Havilland made her screen debut in Max Reinhardt’s *A Midsummer Night’s Dream* in 1935. She retired from film acting in 1988. She continues to enjoy her retirement in Paris. On July 1, 2016, she turned 100 years old.” De Havilland attached a copy of the side-by-side photographs of her and Zeta-Jones to her complaint.

³ On July 25, 2017, de Havilland filed a motion for trial setting preference. De Havilland submitted a declaration stating she lives in Paris and is 101 years old. She also submitted a declaration by a Los Angeles physician stating that any person of that age “will not survive for any extended period of time.”

2. *FX's special motion to strike*

a. *FX's motion, declarations, and exhibits*

On August 29, 2017, FX filed a motion to strike the complaint under California's anti-SLAPP⁴ law, Code of Civil Procedure section 425.16. FX submitted declarations from Ryan Murphy, a co-creator, executive producer, writer, and director of *Feud*; Michael Zam, a screenwriter who co-wrote a script called *Best Actress* on which *Feud* was based in part; and Timothy Minear, an executive producer and writer for *Feud*. Minear explained the writers on the project created "imagined interviews" conducted at the 1978 Academy Awards as a "framing device" to introduce viewers to *Feud*'s themes such as the unfair treatment of women in Hollywood. Minear stated *Feud*'s writers based the imagined interview on actual interviews de Havilland had given over the years. Minear also explained that a "docudrama" is a "dramatized retelling of history."

FX also submitted a declaration from Stephanie Gibbons, its president of marketing and promotion. Gibbons stated FX had not used de Havilland's photograph in any advertising or promotion for the miniseries. Six of 44 video advertisements included pictures of Zeta-Jones; none of these used de Havilland's name. Gibbons explained that Zeta-Jones is a famous actress whom FX thought viewers would want to watch.

⁴ SLAPP is an acronym for strategic lawsuit against public participation. (*Christian Research Institute v. Alnor* (2007) 148 Cal.App.4th 71, 76, fn. 1 (*Christian Research*).)

FX submitted the declaration of James Berkley, a research analyst for FX's law firm, together with 59 exhibits. These included books, newspaper and magazine articles, and videos of de Havilland appearing as a guest on talk shows. In a number of the articles and video clips, de Havilland granted interviews and made statements about other actors, including her sister Joan Fontaine. In a July 2016 Associated Press interview -- on the occasion of her one hundredth birthday -- de Havilland said this about her sister: "Dragon Lady, as I eventually decided to call her, was a brilliant, multi-talented person, but with an astigmatism in her perception of people and events which often caused her to react in an unfair and even injurious way."

b. *De Havilland's opposition, declarations, and exhibits*

De Havilland filed an opposition on September 15, 2017. She asserted *Feud* was a "commercial production." De Havilland attached a declaration from Mark Roesler, the chairman of Celebrity Valuations. Roesler declared he had represented many celebrities over the years, including Richard Nixon. Roesler calculated the fair market value of FX's "use" in *Feud* of de Havilland's "rights" to be between 1.38 and 2.1 million dollars. This works out to between approximately \$84,000 and \$127,000 per minute of time that Zeta-Jones appears on screen.

De Havilland also submitted declarations from David Ladd and Cort Casady. Both men stated they have many years of experience in the entertainment business. In nearly identical language both Ladd and Casady declared the "standard practice" in the film and television industry is to obtain consent from any "well-known living person" before her or his "name, identity, character[,] or image" can be used in a film or television

program.⁵ In addition, de Havilland submitted a declaration from her attorney attaching posts from Instagram and Facebook with photographs of Zeta-Jones as de Havilland.

c. *FX's reply*

FX filed a reply on September 22, 2017. FX submitted a declaration from Casey LaLonde, Joan Crawford's grandson. LaLonde stated an actor portraying him as a child appears in *Feud*. LaLonde neither granted consent nor received any compensation for this portrayal. LaLonde described the experience of seeing an actor portraying him in the docudrama as "a wonderful surprise." LaLonde also made available to *Feud*'s producers home movies of Crawford. He stated the producers did not pay any compensation to Crawford's family for their portrayal of her. LaLonde declared that de Havilland's attorney's statement to *USA Today* that *Feud*'s producers had compensated Crawford's family for the use of her identity was untrue.

d. *The hearing on the motion and the trial court's ruling*

On September 29, 2017, the parties argued the motion. The superior court issued a 16-page written decision. The court denied the anti-SLAPP motion as to all four causes of action. The court first found the docudrama constitutes speech in a public forum, involving an issue of public concern. Noting the burden then shifts to the plaintiff to show a probability of prevailing on her claims, the court concluded de Havilland had sufficiently met

⁵ Casady stated consent "must be obtained." Ladd stated consent "should be obtained." Ladd added that, "[i]f consent could not be obtained," then the producers could use only "authenticated facts previously disclosed" by the person herself or himself.

her burden of proof. The court stated de Havilland had to show only that her lawsuit had minimal merit.

The trial court said de Havilland had met her burden on her right of publicity claims "because no compensation was given despite using her name and likeness." The court, citing Ladd's declaration, stated, "[I]t is standard in the industry, according to Plaintiff, to negotiate compensation prior to the use of a person's likeness." The court said there was "nothing transformative about [*Feud*]" within the meaning of *Comedy III* because FX admitted it "wanted to make the appearance of [de Havilland] as real as possible."

On de Havilland's false light claim, the court noted de Havilland asserted (1) she had not given an interview at the 1978 Academy Awards; (2) she had not referred to her sister Joan Fontaine as "my bitch sister"; (3) she never told a director she didn't "play bitches" and he should call her sister; and (4) when asked where the alcohol in Frank Sinatra's dressing room had gone, she never said "Frank must have drunk it all." Rejecting FX's argument that these portrayals are not defamatory, the court said, "[I]n considering the show as a whole, the Court finds [de Havilland] has sufficiently met her burden of proof in that a viewer of the television show, which is represented to be based on historical facts, may think [de Havilland] to be a gossip who uses vulgar terms about other individuals, including her sister." Citing the Casady declaration, the court stated, "For a celebrity, this could have a significant economic impact."

As to actual malice (de Havilland did not dispute she is a public figure),⁶ the court concluded de Havilland had "submitted

⁶ De Havilland again concedes on appeal that she is a public figure.

sufficient evidence that [FX] presented scenes 'with knowledge that [they were] false or with reckless disregard of whether [they were] false or not.' ” The court seemed unreceptive to FX’s argument that “false” is different from “dramatized.” Finally, the trial court rejected FX’s argument that de Havilland’s fourth cause of action for “unjust enrichment” was not a cause of action.

DISCUSSION

1. *California’s anti-SLAPP statute and our standard of review on appeal*

A special motion to strike under the anti-SLAPP statute, Code of Civil Procedure section 425.16, “ ‘is a procedural remedy to dispose of lawsuits brought to chill the valid exercise of a party’s constitutional right of petition or free speech. [Citation.] The purpose of the anti-SLAPP statute is to encourage participation in matters of public significance and prevent meritless litigation designed to chill the exercise of First Amendment rights. [Citation.] The Legislature has declared that the statute must be “construed broadly” to that end.’ ” (*Hawran v. Hixson* (2012) 209 Cal.App.4th 256, 268; see also Code Civ. Proc., § 425.16(a); cf. *Bradbury v. Superior Court* (1996) 49 Cal.App.4th 1108, 1114, fn. 3 [an appellate court, whenever possible, should interpret the First Amendment and section 425.16 in a manner “favorable to the exercise of freedom of speech, not its curtailment”].) This legislative directive “is expressed in unambiguous terms.” (*Briggs v. Eden Council for Hope & Opportunity* (1999) 19 Cal.4th 1106, 1119.) “[T]he broad construction expressly called for in subdivision (a) of section 425.16 is desirable from the standpoint of judicial efficiency.” (*Id.* at pp. 1121-1122.)

“Resolution of an anti-SLAPP motion ‘requires the court to engage in a two-step process.’” (*Jarrow Formulas, Inc. v. LaMarche* (2003) 31 Cal.4th 728, 733.) First, the defendant must show the conduct underlying the plaintiff’s cause of action arises from the defendant’s constitutional rights of free speech or petition in connection with a public issue. (*Equilon Enterprises v. Consumer Cause, Inc.* (2002) 29 Cal.4th 53, 67.) If the defendant satisfies this prong, the burden shifts to the plaintiff to prove she has a legally sufficient claim and to prove with admissible evidence a probability that she will prevail on the claim. (*Wilson v. Parker, Covert & Chidester* (2002) 28 Cal.4th 811, 821; see also *HMS Capital, Inc. v. Lawyers Title Co.* (2004) 118 Cal.App.4th 204, 212 [“In opposing an anti-SLAPP motion, the plaintiff cannot rely on the allegations of the complaint, but must produce evidence that would be admissible at trial.”].) “In deciding the question of potential merit, the trial court considers the pleadings and evidentiary submissions of both the plaintiff and the defendant (§ 425.16, subd. (b)(2)); though the court does not *weigh* the credibility or comparative probative strength of competing evidence, it should grant the motion if, as a matter of law, the defendant’s evidence supporting the motion defeats the plaintiff’s attempt to establish evidentiary support for the claim.” (*Wilson v. Parker*, at p. 821; see also *Jackson v. Mayweather* (2017) 10 Cal.App.5th 1240, 1251 (*Jackson*).) “[O]n its face the [anti-SLAPP] statute contemplates consideration of the substantive merits of the plaintiff’s complaint, as well as all available defenses to it, including, but not limited to, constitutional defenses. This broad approach is required not only by the language of the statute, but by the policy reasons [that]

gave rise to our anti-SLAPP statute.” (*Traditional Cat Assn., Inc. v. Gilbreath* (2004) 118 Cal.App.4th 392, 398.)

To satisfy this prong-two showing, the plaintiff must present credible evidence that satisfies the standard of proof required by the substantive law of the cause of action the anti-SLAPP motion challenges. Generally, a plaintiff's claims need only have “‘minimal merit’” to survive an anti-SLAPP motion. (*Navellier v. Sletten* (2002) 29 Cal.4th 82, 95, fn. 11.) But when the plaintiff is a public figure, to establish a prima facie case she must demonstrate by clear and convincing evidence that the defendant acted with “actual malice.” (*Annette F. v. Sharon S.* (2004) 119 Cal.App.4th 1146, 1162, 1169-1172 [trial court should have granted anti-SLAPP motion where limited purpose public figure plaintiff “failed to show a probability of proving actual malice by clear and convincing evidence”]; *Conroy v. Spitzer* (1999) 70 Cal.App.4th 1446, 1451, 1454 [to meet anti-SLAPP statute’s requirement that he show he would “probably” prevail on his claim, public figure plaintiff “was required to ‘show a likelihood that he could produce clear and convincing evidence’” that defendant made statements with actual malice]; *Beilenson v. Superior Court* (1996) 44 Cal.App.4th 944, 950 [“The clear and convincing standard requires that the evidence be such as to command the unhesitating assent of every reasonable mind. [Citation.] Actual malice cannot be implied and must be proven by direct evidence”]; see also *Makaeff v. Trump University, LLC* (9th Cir. 2013) 715 F.3d 254, 271 [whether plaintiff has “reasonable probability of proving, by clear and convincing evidence, that [defendant] made her critical statements with actual malice” is “inherently fact-intensive question”].) “The requirement that a public figure plaintiff prove malice by clear

and convincing evidence arises from First Amendment concerns that freedom of expression be provided ‘the “breathing space” that [it] “need[s] . . . to survive” ’ ” (*Christian Research, supra*, 148 Cal.App.4th at p. 82, quoting *New York Times Co. v. Sullivan* (1964) 376 U.S. 254, 272 [11 L.Ed. 2d 686].)

“An order denying an anti-SLAPP special motion to strike is appealable under [Code of Civil Procedure] sections 425.16, subdivision (i), and 904.1.” (*Christian Research, supra*, 148 Cal.App.4th at p. 79.) Our review of the trial court’s order denying FX’s motion “is de novo, and entails an independent review of the entire record.” (*City of Costa Mesa v. D’Alessio Investments, LLC* (2013) 214 Cal.App.4th 358, 371; see also *Mundy v. Lenc* (2012) 203 Cal.App.4th 1401, 1408 [“An appellate court reviews an order denying an anti-SLAPP motion from a clean slate”].)

2. De Havilland concedes FX met the first prong of the two-step process

The trial court found that de Havilland’s lawsuit arises from FX’s exercise of its free speech rights on a topic of public interest in a public forum. De Havilland presented no argument on that issue in her opposition brief. At oral argument, her counsel conceded FX has met the first prong of the anti-SLAPP analysis.

3. The First Amendment protects FX’s portrayal of de Havilland in a docudrama without her permission

a. We question whether a docudrama is a product or merchandise within the meaning of Civil Code section 3344

As noted, de Havilland alleges causes of action for violation of the statutory right of publicity, Civil Code section 3344, and for the common law tort of misappropriation. Section 3344,

subdivision (a) provides, in part, “Any person who knowingly uses another’s name, voice, signature, photograph, or likeness, in any manner, on or in *products, merchandise, or goods*, or for purposes of advertising or selling, or soliciting purchases of, *products, merchandise, goods, or services*, without such person’s prior consent, . . . shall be liable for any damages sustained by the person or persons injured as a result thereof.” (Italics added.) Misappropriation is one of the four branches of the privacy tort identified by Dean William Prosser. (Prosser, *Privacy* (1960) 48 Cal. L.Rev. 383, 389; see generally 5 Witkin, Summary of Cal. Law (11th ed. 2017) Torts, § 756, p. 1043.) The Restatement Second of Torts adopted Prosser’s classification. (*Hill v. National Collegiate Athletic Assn.* (1994) 7 Cal.4th 1, 24.) “California common law has generally followed Prosser’s classification of privacy interests as embodied in the Restatement.” (*Ibid.*) The Restatement defines the misappropriation tort: “One who appropriates to his own use or benefit the name or likeness of another is subject to liability to the other for invasion of his privacy.” (Rest.2d Torts § 652C.)

De Havilland’s statutory claim raises a preliminary question of whether the portrayal of a real person in a television program (or a book, play, or film) constitutes the “use” of that person’s name or “likeness” “on or in” a product, merchandise, or good. Books, films, and television shows are “things” but are they “merchandise” or “products”? Many of the cases in this area involve products and merchandise such as T-shirts and lithographs (*Comedy III, ante*), greeting cards (*Hilton v. Hallmark Cards* (9th Cir. 2010) 599 F.3d 894), and video games (*Davis v. Elec. Arts, Inc.* (9th Cir. 2015) 775 F.3d 1172; *In re NCAA Student-Athlete Name & Likeness* (9th Cir. 2013) 724 F.3d

1268; *Kirby v. Sega of America, Inc.* (2006) 144 Cal.App.4th 47), or advertisements for products and merchandise. (See, e.g., *Newcombe v. Adolf Coors Co.* (9th Cir. 1998) 157 F.3d 686, 691-694 [beer advertisement]; *Waits v. Frito-Lay, Inc.* (9th Cir. 1992) 978 F.2d 1093 [advertisement for SalsaRio Doritos]; *Midler v. Ford Motor Co.* (9th Cir. 1988) 849 F.2d 460 [advertisement for Ford Lincoln Mercury]; cf. CACI No. 1804A [to establish violation of Civil Code section 3344, plaintiff must prove (among other elements) that defendant knowingly used plaintiff's name or likeness "on merchandise/[or] to advertise or sell [*describe what is being advertised or sold*]" and that defendant's use of plaintiff's name or likeness "was directly connected to [defendant's] commercial purpose."].)

The United States Court of Appeals for the Ninth Circuit addressed this question in a recent case, *Sarver v. Chartier* (9th Cir. 2016) 813 F.3d 891 (*Sarver*). A United States Army sergeant who had served in Iraq sued the screenwriter, director, and producer of the motion picture *The Hurt Locker*. The plaintiff alleged "he did not consent to [the] use [of his life and experiences in the film] and that several scenes in the film falsely portray him in a way that has harmed his reputation." (*Id.* at p. 896.) He asserted causes of action for (among other torts) misappropriation of his likeness and violation of the right of publicity, false light invasion of privacy, and defamation. (*Ibid.*) The appellate court affirmed the district court's dismissal of the lawsuit under our anti-SLAPP statute. The court observed "*The Hurt Locker* is not speech proposing a commercial transaction." (*Id.* at p. 905.) The court discussed *Zacchini v. Scripps-Howard Broadcasting Co.* (1977) 433 U.S. 562 [53 L.Ed.2d 965] (*Zacchini*), the only United States Supreme Court case to "review[] the

constitutionality of a state's right of publicity law." (*Sarver*, at p. 903.) An Ohio television station broadcast 15 seconds of Zacchini performing his "human cannonball" act. Zacchini sued for violation of his right of publicity under Ohio law. The Court concluded the First Amendment interests in broadcasting Zacchini's *entire* act -- rather than, for example, his name or picture -- was minimal. (*Zacchini*, at pp. 563-564, 573.) The *Sarver* court noted that, in the intervening forty years, the "Court has not revisited the question of when a state's right of publicity law is consistent with the First Amendment." (*Sarver*, at p. 904; see also *Matthews v. Wozencraft* (5th Cir. 1994) 15 F.3d 432, 439 (*Matthews*) [" 'Courts long ago recognized that a celebrity's right of publicity does not preclude others from incorporating a person's name, features, or biography in a literary work, motion picture, news or entertainment story. Only the use of an individual's identity in advertising infringes on the persona.' "].)

We need not decide this question, however, because *Feud* is constitutionally protected in any event.

b. *Assuming a docudrama is a "use" for purposes of the right of publicity, the First Amendment protects Feud*

Assuming for argument's sake that a television program is a "product, merchandise, or good" and that Zeta-Jones's portrayal of de Havilland constitutes a "use" of de Havilland's name or likeness within the scope of both the right of publicity statute and the misappropriation tort, we come to FX's First Amendment defense. Nearly 40 years ago, the Chief Justice of our Supreme Court addressed this issue in *Guglielmi v. Spelling-Goldberg Productions* (1979) 25 Cal.3d 860 (*Guglielmi*). The case involved a television program that was a "fictionalized version" of the life of actor Rudolph Valentino. Valentino had died years earlier and

his nephew Guglielmi sued, alleging misappropriation of Valentino's right of publicity and seeking damages and injunctive relief. The Court affirmed the dismissal of the complaint on the ground that, at the time, the right of publicity was not descendible to heirs.

In a concurring opinion joined by three other justices, the Chief Justice framed the issue as whether the use of a celebrity's "name and likeness in a fictional film exhibited on television constitutes an actionable infringement of that person's right of publicity." (*Guglielmi, supra*, 25 Cal.3d at p. 862.) She concluded, "It is clear that [Guglielmi's] action cannot be maintained." (*Ibid.*) The Chief Justice noted Guglielmi alleged the television production company "knew that the film did not truthfully portray Valentino's life." (*Ibid.*) She summarized Guglielmi's contentions: the film was not entitled to constitutional protection because the producers "incorporated Valentino's name and likeness in: (1) a work of fiction, (2) for financial gain, (3) knowing that such film falsely portrayed Valentino's life." (*Id.* at p. 865.) The Chief Justice noted Guglielmi's argument "reveal[ed] a fundamental misconception of the nature of the constitutional guarantees of free expression," adding, "Our courts have often observed that entertainment is entitled to the same constitutional protection as the exposition of ideas." (*Id.* at pp. 865-867.) "Thus," the justice said, "no distinction may be drawn in this context between fictional and factual accounts of Valentino's life." (*Id.* at p. 868.) "[T]ruthful and fictional accounts" "have equal constitutional stature." (*Id.* at p. 871.) The Chief Justice "readily dismissed" Guglielmi's next argument, stating, "The First Amendment is not limited to those who publish without charge." (*Id.* at p. 868.)

The Chief Justice wrote, "Valentino was a Hollywood star. His life and career are part of the cultural history of an era. . . . His lingering persona is an apt topic for poetry or song, biography or fiction. Whether [the producers'] work constitutes a serious appraisal of Valentino's stature or mere fantasy is a judgment left to the reader or viewer, not the courts." (*Guglielmi, supra*, 25 Cal.3d at pp. 869-870.)

In the nearly four decades since, our Supreme Court and courts of appeal have continued to cite *Guglielmi* with approval. (See, e.g., *Comedy III, supra*, 25 Cal.4th at pp. 396-398, 401-402, 406; *Winter v. DC Comics* (2003) 30 Cal.4th 881, 887-888, 891 (*Winter*); *Tamkin v. CBS Broadcasting, Inc.* (2011) 193 Cal.App.4th 133, 145 (*Tamkin*); *Dyer v. Childress* (2007) 147 Cal.App.4th 1273, 1280; *Polydoros v. Twentieth Century Fox Film Corp.* (1997) 67 Cal.App.4th 318, 324-325 (*Polydoros*).) Federal courts applying California law have as well. (See, e.g., *Sarver, supra*, 813 F.3d at p. 905, fn. 9 [noting *Guglielmi* post-dated *Zacchini* and the four justices "cautioned that the defendants' fictionalized portrayal of Valentino's life was entitled to greater First Amendment protection than the conduct in *Zacchini*"].)

Feud is as constitutionally protected as was the film in *Sarver, The Hurt Locker*. As with that expressive work, *Feud* "is speech that is fully protected by the First Amendment, which safeguards the storytellers and artists who take the raw materials of life -- including the stories of real individuals, ordinary or extraordinary -- and transform them into art, be it articles, books, movies, or plays." (*Sarver, supra*, 813 F.3d at p. 905; see also *Dora v. Frontline Video, Inc.* (1993) 15 Cal.App.4th 536, 542 [producer of documentary about surfers

in Malibu was entitled to judgment on surfer's claims for violation of common law and statutory right of publicity; "[w]hether [Dora] is considered a celebrity or not, whether he is seeking damages for injury to his feelings or for the commercial value of his name and likeness, . . . the public interest in the subject matter of the program gives rise to a constitutional protection against liability"; cf. *Polydoros*, *supra*, 67 Cal.App.4th at pp. 322-325 [*Guglielmi* unequivocally prevent[ed] [plaintiff] from proceeding on his claim for commercial appropriation of identity" against writer and director of fictional film with character that resembled plaintiff as a child; "[t]o succeed in his claims, [plaintiff] must establish a direct connection between the use of his name or likeness and a *commercial* purpose"]; *The Institute v. Target Corp.* (11th Cir. 2016) 812 F.3d 824, 826 (*Rosa & Raymond Parks*) [books, movie, and plaque depicting civil rights pioneer Rosa Parks were protected under Michigan's constitution]; *Seale v. Gramercy Pictures* (E.D. Pa. 1996) 949 F.Supp. 331 (*Seale*) [First Amendment protected filmmakers' use of name and likeness of Black Panther Party's co-founder; "the creation, production, and promotion of a motion picture and history book [that] integrate[d] fictitious people and events with the historical people and events surrounding the emergence of the Black Panther Party in the late 1960's" constituted First Amendment expression and was not for a commercial purpose]; *Matthews*, *supra*, 15 F.3d at p. 440 [First Amendment protected book and movie about narcotics officers from misappropriation and false light claims; "[i]t is immaterial whether [the book] 'is viewed as an historical or a fictional work,' [citation], so long as it

is not 'simply a disguised commercial advertisement for the sale of goods or services' "].)⁷

That *Feud*'s creators did not purchase or otherwise procure de Havilland's "rights" to her name or likeness does not change this analysis. Producers of films and television programs may enter into agreements with individuals portrayed in those works for a variety of reasons, including access to the person's recollections or "story" the producers would not otherwise have, or a desire to avoid litigation for a reasonable fee. But the First Amendment simply does not require such acquisition agreements. (*Polydoros, supra*, 67 Cal.App.4th at p. 326 ["[t]he industry custom of obtaining 'clearance' establishes nothing, other than the unfortunate reality that many filmmakers may deem it wise to pay a small sum up front for a written consent to avoid later having to spend a small fortune to defend unmeritorious lawsuits such as this one"]; cf. *Rosa & Raymond*

⁷ De Havilland relies on *Eastwood v. Superior Court* (1983) 149 Cal.App.3d 409. That case -- which arose from an unusual set of facts -- does not assist our analysis. A tabloid published an article about the supposed involvement of famous actor Clint Eastwood in a "love triangle." Eastwood alleged the article was entirely false. (*Id.* at p. 414.) The court of appeal, citing *Zacchini*, held that Eastwood could proceed with his right of publicity claims. (*Id.* at p. 423.) Here, by contrast, the expressive work at issue is an eight-hour docudrama of which the de Havilland character is but a small part. Moreover, as discussed below, the scenes and lines of which de Havilland complains are permissible literary license and, in any event, not highly offensive to a reasonable person. Unlike *Eastwood*, *Feud*'s creators did not make out of whole cloth an entirely false "article" for economic gain.

Parks, supra, 812 F.3d at p. 832 [privilege based on state constitution's free speech guarantee was not "contingent on paying a fee"].) The creators of *The People v. O.J. Simpson: American Crime Story* can portray trial judge Lance Ito without acquiring his rights. *Fruitvale Station*'s writer and director Ryan Coogler can portray Bay Area Rapid Transit officer Johannes Mehserle without acquiring his rights. HBO can portray Sarah Palin in *Game Change* without acquiring her rights. There are myriad additional examples.

De Havilland also contends the fictitious interview "is structured as an endorsement of [*Feud*]." The miniseries itself does not support this contention. Nothing Zeta-Jones says or does as de Havilland in the docudrama suggests -- much less constitutes -- an "endorsement" of the work by de Havilland. De Havilland's argument seems to be that, whenever a filmmaker includes a character based on a real person, that inclusion implies an "endorsement" of the film or program by that real person. We have found no case authority to support this novel argument.

Nor does the use of de Havilland's name -- along with photographs of Zeta-Jones -- in social media promotion for the miniseries support de Havilland's claims for violation of her right of publicity. Constitutional protection for an expressive work such as *Feud* " 'extends to the truthful use of a public figure's name and likeness in advertising [that] is merely an adjunct of the protected publication and promotes only the protected publication.' " (*Montana v. San Jose Mercury News, Inc.* (1995) 34 Cal.App.4th 790, 797 [First Amendment protected posters that reproduced newspaper stories and photographs of famous quarterback "for two distinct reasons: first, because the posters

themselves report newsworthy items of public interest, and second, because a newspaper has a constitutional right to promote itself by reproducing its originally protected articles or photographs"].) "[U]se of a person's name and likeness to advertise a novel, play, or motion picture concerning that individual is not actionable as an infringement of the right of publicity." (*Seale, supra*, 949 F.Supp. at p. 336; see also *Guglielmi, supra*, 25 Cal.3d at pp. 872-873.)

c. *In any event, Feud's portrayal of de Havilland is transformative*

The parties spend considerable time discussing the "transformative" test set forth in *Comedy III*. There, a company that owns the rights under Civil Code section 990⁸ to The Three Stooges (all three are deceased) sued an artist who had made a charcoal drawing of The Three Stooges, put it on T-shirts and lithographs, and sold those items. The Supreme Court noted the statute imposes liability on a person who uses a deceased personality's name or likeness "either (1) 'on or in' a product, or (2) in 'advertising or selling' a product." (*Comedy III, supra*, 25 Cal.4th at p. 395.) The T-shirts and lithographs were, the Court said, "tangible personal property," "consisting of fabric and

⁸ Civil Code section 990 has since been renumbered as Civil Code section 3344.1. Enacted in 1984, the statute essentially provides a descendible right of publicity. In language similar to section 3344 governing the rights of living persons, section 3344.1 gives a "deceased personality's" heirs and their assignees a cause of action against someone who uses the deceased person's "name, voice, signature, photograph, or likeness . . . on or in products, merchandise, or goods, or for purposes of advertising or selling, or soliciting purchases of, products, merchandise, goods, or services, without prior consent."

ink” and “paper and ink.” (*Ibid.*) The Court found the artist’s drawing was an “expressive work[] and not an advertisement for or endorsement of a product.” (*Id.* at p. 396.) But, the Court continued, “[A] celebrity’s heirs and assigns have a legitimate protectable interest in exploiting the value to be obtained from *merchandising* the celebrity’s image.” (*Id.* at p. 400, italics added.)

To resolve this “difficult issue” (*Comedy III, supra*, 25 Cal.4th at p. 396), the Court borrowed a concept from copyright law: “‘whether and to what extent the new work [the product bearing the deceased personality’s likeness] is ‘transformative.’” (*Id.* at p. 404.) The Court held: “When artistic expression takes the form of a literal depiction or imitation of a celebrity for commercial gain, directly trespassing on the right of publicity without adding significant expression beyond that trespass, the state law interest in protecting the fruits of artistic labor outweighs the expressive interests of the imitative artist.” (*Id.* at p. 405.) The Court continued, “Another way of stating the inquiry is whether the celebrity likeness is one of the ‘raw materials’ from which an original work is synthesized, or whether the depiction or imitation of the celebrity is the very sum and substance of the work in question.” (*Id.* at p. 406.) The Court identified a “useful . . . subsidiary inquiry:” “does the marketability and economic value of the challenged work derive primarily from the fame of the celebrity depicted? If this question is answered in the negative, then there would generally be no actionable right of publicity. When the value of the work comes principally from some source other than the fame of the celebrity -- from the creativity, skill, and reputation of the artist -- it may be presumed that sufficient transformative

elements are present to warrant First Amendment protection.” (*Id.* at p. 407.) Applying its “transformative” test to the sketch artist’s T-shirts and lithographs, the Court concluded the charcoal drawing on the shirts and prints was a “literal, conventional depiction[] of The Three Stooges” and therefore not constitutionally protected. (*Id.* at p. 409.)

Comedy III’s “transformative” test makes sense when applied to products and merchandise -- “tangible personal property,” in the Supreme Court’s words. Lower courts have struggled mightily, however, to figure out how to apply it to expressive works such as films, plays, and television programs.⁹ The trial court’s analysis here is a good example.¹⁰ The court wrote, “[H]ere, because [FX] admit[s] that [it] wanted to make the appearance of [de Havilland] as real as possible . . . , there is nothing transformative about the docudrama. Moreover, even if [FX] imagined conversations for the sake of being creative, such does not make the show transformative.”

We disagree. The fictitious, “imagined” interview in which Zeta-Jones talks about Hollywood’s treatment of women and the

⁹ Cf. *Sarver*, *supra*, 813 F.3d at p. 904, fn. 6 [unnecessary in *Hurt Locker* case to reach affirmative defense of “transformative use”].

¹⁰ Amici, 22 constitutional law and intellectual property law professors, note they “have serious reservations about the [*Comedy III*] test [as the appropriate test for deciding the federal question of whether and when the First Amendment protects against right of publicity claims] -- highlighted by the trial court’s struggle to understand what was meant by a transformative use, and its . . . reading of that test to devalue realistic uses in works of historical fiction and biography.”

Crawford/Davis rivalry is a far cry from T-shirts depicting a representational, pedestrian, uncreative drawing of The Three Stooges. The de Havilland role, performed by Zeta-Jones, constitutes about 4.2 percent of *Feud*. The docudrama tells the story, in nearly eight hours, of the competition between Hollywood's leading ladies of the day, Bette Davis and Joan Crawford, for film roles, attention, awards, and acclaim. The miniseries tells many stories within the story as well: Jack Warner's demeaning and dismissive treatment of director Robert Aldrich; Crawford's and Davis's struggles with their personal relationships: husbands, partners, and children; the obstacles faced by capable women like Aldrich's assistant Pauline Jameson who want to direct motion pictures; and the refusal of powerful men in the entertainment business to take women seriously, even when their movies make money.

In the words of the *Comedy III* Court, Zeta-Jones's "celebrity likeness [of de Havilland] is one of the 'raw materials from which [the] original work [*Feud*] is synthesized." (*Comedy III, supra*, 25 Cal.4th at p. 406.) Applying *Comedy III*'s "useful subsidiary inquiry" here, we conclude as a matter of law that *Feud*'s "marketability and economic value" does not "derive primarily from [de Havilland's] fame" but rather "comes principally from . . . the creativity, skill, and reputation" of *Feud*'s creators and actors. Ryan Murphy is a successful screenwriter, director, and producer who counts among his credits the television series *Glee* and the Emmy-award-winning miniseries *The People v. O.J. Simpson: American Crime Story*. Accomplished writers contributed to the script. Highly-regarded and award-winning actors including Susan Sarandon, Jessica Lange, Catherine Zeta-Jones, Stanley Tucci, Alfred Molina, Judy

Davis, and Kathy Bates performed in *Feud*. In short, *Feud* constitutes "significant expression" -- a story of two Hollywood legends -- of which the de Havilland character is but a small part. While viewers may have "tuned in" to see these actors and watch this Hollywood tale, there is no evidence that de Havilland as a character was a significant draw. (Cf. *Johnson v. Harcourt, Brace, Jovanovich, Inc.* (1974) 43 Cal.App.3d 880, 895 [use in textbook of article about janitor who found and returned large sum of money was not actionable misappropriation; article was neither "a primary reason for the textbook" "nor was it a substantial factor in the students' purchases of the book"].)

4. De Havilland has not carried her burden of proving with admissible evidence that she will probably prevail on her false light claim

a. The allegations of de Havilland's complaint

In her third cause of action, de Havilland alleges false light invasion of privacy. Though not entirely clear,¹¹ the complaint

¹¹ De Havilland's complaint blends the allegations concerning her right of publicity claims with those concerning her false light claim. For example, de Havilland alleges the "fake interview" "put[] false words [in her] mouth," "misappropriated [her] name, likeness[,] and identity without her permission and used them falsely in order to exploit their own commercial interests," and "create[d] the public impression that she was a hypocrite, selling gossip in order to promote herself at the Academy Awards." In her third cause of action for false light, de Havilland alleges that she "benefits financially from the authorized use of her own name, likeness, and identity" and that FX's "misappropriation caused" her harm, and she prays for a permanent injunction restraining FX "from continuing to infringe [her] right of publicity." To assist our analysis, we separate de Havilland's legal theories and address each one separately.

seems to ground this claim in four scenes or lines in *Feud*: (1) a fictionalized interview at the 1978 Academy Awards; (2) a reference by the de Havilland character to her “bitch sister” in a private conversation with the Bette Davis character; (3) a remark to the Aldrich character that she “do[esn’t] do bitches” and he should “call [her] sister” about a film role; and (4) a response to the Davis character’s question (“where’s the booze?”) when the two are alone in Frank Sinatra’s dressing room that “Frank must’ve drunk it all.”

b. *False light invasion of privacy and de Havilland’s required showing*

“ ‘False light is a species of invasion of privacy, based on publicity that places a plaintiff before the public in a false light that would be highly offensive to a reasonable person, and where the defendant knew or acted in reckless disregard as to the falsity of the publicized matter and the false light in which the plaintiff would be placed.’ ” (*Jackson, supra*, 10 Cal.App.5th at p. 1264.) “ ‘A “false light” claim, like libel, exposes a person to hatred, contempt, ridicule, or obloquy and assumes the audience will recognize it as such.’ ” (*Brodeur v. Atlas Entertainment, Inc.* (2016) 248 Cal.App.4th 665, 678 (*Brodeur*).) “In order to be actionable, the false light in which the plaintiff is placed must be highly offensive to a reasonable person.” (*Fellows v. National Enquirer, Inc.* (1986) 42 Cal.3d 234, 238 (*Fellows*), citing Rest.2d Torts § 652E, p. 394.) “ ‘A “false light” cause of action is in substance equivalent to a libel claim, and should meet the same requirements of the libel claim, including proof of malice.’ ” (*Brodeur*, at p. 678, quoting *Aisenson v. American Broadcasting Co.* (1990) 220 Cal.App.3d 146,161 (*Aisenson*).)

To defeat FX's anti-SLAPP motion on her false light claim, de Havilland, as a public figure, must demonstrate a reasonable probability she can prove FX broadcast statements that are (1) assertions of fact, (2) actually false or create a false impression about her, (3) highly offensive to a reasonable person or defamatory, and (4) made with actual malice. (*Brodeur, supra*, 248 Cal.App.4th at p. 678; see also *Dodds v. American Broadcasting Co.* (9th Cir. 1998) 145 F.3d 1053 (*Dodds*); cf. *Fellows, supra*, 42 Cal.3d at p. 239 ["Although it is not necessary that the plaintiff be defamed, publicity placing one in a highly offensive false light will in most cases be defamatory as well"].) We decide as a matter of law whether a reasonable viewer would interpret *Feud* as conveying (a) statements of fact that are (b) defamatory or highly offensive to a reasonable person and (c) actually false or that convey a false impression of de Havilland. (*Couch v. San Juan Unified School Dist.* (1995) 33 Cal.App.4th 1491, 1497, 1500-1501 (*Couch*) ["the proper focus of judicial inquiry in [defamation and false light cases] is simply whether the communication in question could be reasonably understood in a defamatory sense by those who received it"; "[t]his question must be resolved by considering whether the reasonable or 'average' reader would so interpret the material"]; *Moyer v. Amador Valley J. Union High School Dist.* (1990) 225 Cal.App.3d 720, 724; see also *Ollman v. Evans* (D.C. Cir. 1984) 750 F.2d 970, 978 [questions as to privileges derived from the First Amendment are to be decided as matters of law].) "The Supreme Court and other courts have emphasized that one must analyze a statement in its broad context to determine whether it implies the assertion of an objective fact." (*Partington v. Bugliosi* (9th Cir. 1995) 56 F.3d 1147, 1153 (*Partington*).)

Accordingly, de Havilland must offer admissible evidence that the average, reasonable viewer of *Feud*, watching the scenes in their original context, would have understood them to convey statements of fact that she is “a hypocrite, selling gossip” and a person who “speak[s] in crude and vulgar terms about others.” (*Couch, supra*, 33 Cal.App.4th at p. 1501.) She also must demonstrate that these scenes and lines in *Feud* “would be highly offensive to a reasonable person,” (*Sarver, supra*, 813 F.3d 891 at p. 907) a person “of ordinary sensibilities.” (*Aisenson, supra*, 220 Cal.App.3d at p. 161.) In light of the actual docudrama itself -- which we have viewed in its entirety -- de Havilland cannot meet her burden.

c. *The fictitious interview and the light-hearted reference to Frank Sinatra’s drinking are neither reasonably susceptible to a defamatory meaning nor highly offensive to a reasonable person*

First, we question whether a reasonable viewer would interpret *Feud* -- a docudrama -- as entirely factual. Viewers are generally familiar with dramatized, fact-based movies and miniseries in which scenes, conversations, and even characters are fictionalized and imagined. (See *Masson v. New Yorker Magazine, Inc.* (1991) 501 U.S. 496, 512-513 [111 S.Ct. 2419, 115 L.Ed.2d 447] (*Masson*) “[A]n acknowledgement that the work is so-called docudrama or historical fiction . . . might indicate that the quotations should not be interpreted as the actual statements of the speaker to whom they are attributed”); *Partington, supra*, 56 F.3d at pp. 1154-1155 [“the general tenor of the docudrama also tends to negate the impression that the statements involved represented a false assertion of objective fact”; docudramas “often rely heavily upon dramatic interpretations of events and dialogue filled with rhetorical

flourishes”; most viewers of docudramas “are aware by now that parts of such programs are more fiction than fact”].)

In any event, assuming for argument’s sake that the average, reasonable viewer would see the scenes in question as literal statements of actual fact, de Havilland’s false light claim fails nevertheless because *Feud*’s depiction of her is not defamatory nor would it “highly offend” a reasonable person. Granting an interview at the Academy Awards is not conduct that would subject a person to hatred, contempt, ridicule, or obloquy. (Cf. *Jackson, supra*, 10 Cal.App.5th at pp. 1264-1265 [famous boxer’s social media postings that he broke up with his girlfriend because she had an abortion “did not expose [girlfriend] to ‘hatred, contempt, ridicule, or obloquy’ ”].) *Feud*’s writers explained in their declarations that they employed the fictitious interview as a “framing device.” In the interview, Zeta-Jones as de Havilland introduces the theme of powerful men misusing women in Hollywood. She says she was “furious” when she learned how Crawford and Davis had been pitted against one another. *Feud*’s producers wove this theme throughout the miniseries, culminating in the title of the final episode: “You Mean All This Time We Could Have Been Friends?” From time to time in the docudrama -- in brief segments¹² -- Zeta-Jones acts as a guide for the viewer through the tale, a Beatrice to the viewer’s Dante.¹³

¹² The “interview” segments consume fewer than seven minutes of the 392-minute miniseries, about 1.8 percent of the total work.

¹³ Aligheri, *The Divine Comedy* (1320).

Zeta-Jones plays de Havilland as a wise, witty, sometimes playful woman. That wit is the same as that displayed by the real de Havilland when she appeared in November 1973 on Merv Griffin's talk show. When Griffin asked de Havilland whether the relationship between a talented director and a talented actress was like that of husband and wife, de Havilland responded, "No. It's like lovers. It's the next best thing to sex." (On the talk show, de Havilland also told Griffin that when she and Bette Davis were both at Warner Brothers Davis "got all the interesting parts" and that Davis deserved them.) De Havilland's wit and playfulness also are evident in her book *Every Frenchman Has One*, published in 1961 and reissued in 2016 with an added "Q and A" with de Havilland. De Havilland includes an entire chapter on the habit of French men of urinating by the side of the road, in public. Taken in its entirety and in context, Zeta-Jones's portrayal of de Havilland is overwhelmingly positive. Indeed, with possible exception of Aldrich's assistant, aspiring director Pauline Jameson (played by Alison Wright), *Feud's* portrayal of de Havilland is the most favorable of any character in the docudrama. The work itself belies de Havilland's contention that Zeta-Jones portrays de Havilland as a "vulgar gossip" and "hypocrite."

Nor is Zeta-Jones's light-hearted, offhand remark as de Havilland to her good friend Bette Davis while they are alone in Sinatra's dressing room that he must have drunk the liquor defamatory or highly offensive to a reasonable person. FX submitted evidence in support of its motion that Sinatra's fondness for alcohol was well known, and Zeta-Jones's comment to Sarandon would not subject de Havilland to hatred, contempt, ridicule, or obloquy. (*Jackson, supra*, 10 Cal.App.5th at

pp. 1264-1265; see also *Sarver*, *supra*, 813 F.3d at pp. 906-907 [“a reasonable viewer of the film would be left with the conclusion that the character [Sarver says is him] was a heroic figure, albeit one struggling with certain internal conflicts”; “even if the film’s portrayal of Sarver were somehow false, such depiction certainly would not ‘highly offend’ a reasonable person”].)

d. *The “bitch” remarks -- when de Havilland’s actual words were “dragon lady” -- are not highly offensive to a reasonable person and are, in addition, substantially truthful characterizations of her actual words*

“ ‘California law permits the defense of substantial truth,’ and thus a defendant is not liable ‘ “if the substance of the charge be proved true” ’ ‘Put another way, the statement is not considered false unless it “would have a different effect on the mind of the reader from that which the . . . truth would have produced.” ’ ” (*Carver v. Bonds* (2005) 135 Cal.App.4th 328, 344-345, quoting *Masson*, *supra*, 501 U.S. at pp. 516-517; see also *Jackson*, *supra*, 10 Cal.App.5th at p. 1262; *Gilbert v. Sykes* (2007) 147 Cal.App.4th 13, 28 [“ ‘ “it is sufficient if the substance, the gist, the sting of the libelous charge be justified” ’ ”].)

In *Feud*, Zeta-Jones uses the word “bitch” twice. In the fifth episode, Sarandon, as Davis, calls Zeta-Jones, as de Havilland, who is living in Paris. The two close friends have a private telephone conversation. Sarandon complains that Crawford “sets [her] off,” and then refers to de Havilland’s well-known estrangement from her sister Joan Fontaine. Zeta-Jones tells Sarandon her “bitch sister” has started telling the press that she broke Fontaine’s collarbone when they were children. The second use of the word comes in the seventh episode when Sarandon and Alfred Molina, playing Robert Aldrich, call

de Havilland in Paris to ask her to replace Crawford as cousin Miriam in *Hush . . . Hush, Sweet Charlotte*. Molina tells Zeta-Jones that the role is not a victim but a "villainess." Zeta-Jones responds, "Oh, no. I don't do bitches. They make me so unhappy." She then adds, "You should call my sister."¹⁴

In its motion to strike, FX submitted declarations from Ryan Murphy and Timothy Minear, who both wrote parts of *Feud*. Both men were familiar with the well-publicized life-long animosity between de Havilland and her sister Joan Fontaine. Murphy wrote the scene in which Zeta-Jones uses the words "my bitch sister" on the telephone with Sarandon. Ryan declared he used the word "bitch" "because, in [his] mind, the terms *dragon lady* and *bitch* generally have the same meaning, but 'bitch' would be more recognizable to the audience than 'Dragon Lady.' " Similarly, Minear declared *Feud*'s writers "thought 'bitch' was more mainstream and would be better understood by the modern audiences than 'Dragon Lady.' "

Had *Feud*'s creators had Zeta-Jones refer to Fontaine as "my dragon lady sister," the "effect on the mind of the reader" would not have been appreciably different. Nor would a line by the de Havilland character, "Oh, no. I don't do dragon ladies. They make me so unhappy. You should call my sister."¹⁵ "[W]e decline ' "to dissect the creative process." ' " (*Brodeur, supra*,

¹⁴ De Havilland eventually accepted the role of cousin Miriam in *Hush . . . Hush*.

¹⁵ *Feud* writer Minear notes the first part of de Havilland's telephone conversation with Aldrich was reported in Shaun Considine's book, *Bette & Joan: The Divine Feud*, first published in 1989 and reissued twice since.

248 Cal.App.4th at p. 677, quoting *Tamkin, supra*, 193 Cal.App.4th at p. 144.) “ ‘We must not permit juries to dissect the creative process in order to determine what was *necessary* to achieve the final product and what was not, and to impose liability . . . for that portion deemed unnecessary. Creativity is, by its nature, creative.” ’ ” (*Brodeur* at p. 675, quoting *Tamkin, supra*, 193 Cal.App.4th at pp. 144-145.)

e. *De Havilland has not demonstrated she can prove by clear and convincing evidence that Feud’s creators acted with actual malice*

De Havilland does not dispute that she is a public figure. Her attorneys describe her as “a living legend” and “an internationally-known celebrity.” Accordingly, the Constitution requires de Havilland to prove by clear and convincing evidence that FX “knew the [docudrama] would create a false impression about [her] or acted with reckless disregard for the truth.” (CACI No. 1802.)

When the expressive work at issue is fiction, or a combination of fact and fiction, the “actual malice” analysis takes on a further wrinkle. De Havilland argues that, because she did not grant an interview at the 1978 Academy Awards or make the “bitch sister” or “Sinatra drank the alcohol” remarks to Bette Davis, *Feud*’s creators acted with actual malice. But fiction is by definition untrue. It is imagined, made-up. Put more starkly, it is false. Publishing a fictitious work about a real person cannot mean the author, by virtue of writing fiction, has acted with actual malice.

Recognizing this, in cases where the claimed highly offensive or defamatory aspect of the portrayal is implied, courts have required plaintiffs to show that the defendant “ ‘intended to

convey the defamatory impression.’” (*Dodds, supra*, 145 F.3d at pp. 1063-1064.) De Havilland must demonstrate “that [FX] either deliberately cast [her] statements in an equivocal fashion in the hope of insinuating a defamatory import to the reader, or that [it] knew or acted in reckless disregard of whether [its] words would be interpreted by the average reader as defamatory statements of fact.” (*Good Government Group of Seal Beach, Inc. v. Superior Court* (1978) 22 Cal.3d 672, 684 (*Good Government Group*).) Moreover, because actual malice is a “deliberately subjective” test, liability cannot be imposed for an implication that merely “‘should have been foreseen.’” (*Newton v. National Broadcasting Co., Inc.* (9th Cir. 1990) 930 F.2d 662, 680.)

As discussed above, we conclude Zeta-Jones’s portrayal of de Havilland in *Feud* is not highly offensive to a reasonable person as a matter of law. Even if it were, however, de Havilland has not demonstrated that she can prove actual malice by clear and convincing evidence. In his sworn declaration, Murphy stated he intended Zeta-Jones’s portrayal of de Havilland to be that of “a wise, respectful friend and counselor to Bette Davis, and a Hollywood icon with a unique perspective on the past.”

5. *De Havilland’s cause of action for unjust enrichment cannot proceed*

De Havilland’s fourth cause of action, entitled “Unjust Enrichment,” alleges FX has “received unjust financial and economic benefits at [her] expense,” including “the value of the use of [her] name, image[,] and identity for [FX’s] commercial purposes.” De Havilland asks for FX’s “gross revenues” and a constructive trust.

“Unjust enrichment is not a cause of action.” It is “just a restitution claim.” (*Hill v. Roll Internat. Corp.* (2011) 195 Cal.App.4th 1295, 1307.) Because de Havilland’s right of publicity and false light claims fail, her unjust enrichment claim fails as well. “There being no actionable wrong, there is no basis for the relief.” (*Ibid.*)

CONCLUSION

The trial court’s ruling leaves authors, filmmakers, playwrights, and television producers in a Catch-22.¹⁶ If they portray a real person in an expressive work accurately and realistically without paying that person, they face a right of publicity lawsuit. If they portray a real person in an expressive work in a fanciful, imaginative -- even fictitious and therefore “false” -- way, they face a false light lawsuit if the person portrayed does not like the portrayal. “[T]he right of publicity cannot, consistent with the First Amendment, be a right to control the celebrity’s image by censoring disagreeable portrayals.” (*Comedy III, supra*, 25 Cal.4th at p. 403.) FX’s evidence here -- especially the docudrama itself -- establishes as a matter of law that de Havilland cannot prevail. (*Hall v. Time Warner, Inc.* (2007) 153 Cal.App.4th 1337, 1346.) “[B]ecause unnecessarily protracted litigation would have a chilling effect upon the exercise of First Amendment rights, speedy resolution of cases involving free speech is desirable.” (*Winter, supra*, 30 Cal.4th at p. 891, quoting *Good Government Group, supra*, 22 Cal.3d at p. 685.)

¹⁶ Heller, *Catch-22* (1961).

DISPOSITION

The order denying the motion to strike is reversed. The trial court is directed to enter a new and different order granting the motion and awarding defendants their attorney fees and costs. (Code Civ. Proc., § 425.16, subd. (c).) Defendants shall recover their costs on appeal.

CERTIFIED FOR PUBLICATION

EGERTON, J.

We concur:

EDMON, P. J.

DHANIDINA, J.*

* Judge of the Los Angeles Superior Court, assigned by the Chief Justice pursuant to article VI, section 6 of the California Constitution.

Foster v Svenson
2015 NY Slip Op 03068 [128 AD3d 150]
April 9, 2015
Renwick, J.
Appellate Division, First Department
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As corrected through Wednesday, July 1, 2015

[*1]

<p>Martha G. Foster et al., Appellants, v Arne Svenson, Respondent.</p>
--

First Department, April 9, 2015

Foster v Svenson, 2013 NY Slip Op 31782(U), affirmed.

APPEARANCES OF COUNSEL

Menaker & Herrmann LLP, New York City (*Richard G. Menaker, Erika S. Krystian* and *Wojciech Jackowski* of counsel), for appellants.

Cowan, DeBaets, Abrahams & Sheppard LLP, New York City (*Nancy E. Wolff, Matthew A. Kaplan* and *Scott J. Sholder* of counsel), for respondent.

{**128 AD3d at 152} OPINION OF THE COURT

Renwick, J.

[1] In this action, plaintiffs seek damages and injunctive relief for an alleged violation of the statutory right to privacy. Concerns over privacy and the loss thereof have plagued the public for [*2]over a hundred years.^[FN1] Undoubtedly, such privacy concerns have intensified for obvious reasons.^[FN2] New technologies can track thought, movement, and intimacies, and expose them to the general public, often in an instant. This public

apprehension over new technologies invading one's privacy became a reality for plaintiffs and their neighbors when a photographer, using a high powered camera lens inside his own apartment, took photographs through the window into the interior of apartments in a neighboring building. The people who were being photographed had no idea this was happening. This case highlights the limitations of New York's statutory privacy tort as a means of redressing harm that may be caused by this type of technological home invasion and exposure of private life. We are constrained to find that the invasion of privacy of one's home that took place here is not actionable as a statutory tort of invasion of privacy pursuant to sections 50 and 51 of the Civil Rights Law, because defendant's use of the images in question constituted art work and, thus is not deemed "use for advertising or trade purposes," within the meaning of the statute.

Factual and Procedural Background

Defendant Arne Svenson is a critically acclaimed fine art photographer whose work has appeared in galleries and museums throughout the United States and Europe. Beginning in or about February 2012, after "inheriting" a telephoto camera lens from a "birder" friend, defendant embarked on a project photographing the people living in the building across from him. The neighboring building had a mostly glass facade, with large windows in each unit. Defendant photographed the building's residents surreptitiously, hiding himself in the shadows of his darkened apartment. Defendant asserts that he did so for reasons of artistic expression; he obscured his {*128 AD3d at 153} subjects' faces, seeking to comment on the "anonymity" of urban life, where individuals only reveal what can be seen through their windows. After approximately one year of photography, defendant assembled a series of photographs called "The Neighbors," which he exhibited in galleries in Los Angeles and New York.

The exhibit's promotional materials on defendant's website stated that for his "subjects there is no question of privacy; they are performing behind a transparent scrim on a stage of their own creation with the curtain raised high." Defendant further stated that "The Neighbors" did not know they were being photographed, and he "carefully" shot "from the shadows" of his apartment "into theirs." Defendant apparently spent hours, in his apartment, waiting for his subjects to pass the window, sometimes yelling to himself, "Come to the window!" A reporter for The New Yorker magazine spent time with defendant while he was surreptitiously photographing his subjects. During this time,

defendant took a photo of a "little girl, dancing in her tiara; half naked, she looked like a cherub. As she turned away, [defendant] took a photograph. I don't like it when little girls are running around without their tops,' he said, 'but this is a beautiful image."

During the New York exhibition of "The Neighbors," plaintiffs and other residents of the [*3] building learned, through media coverage of the exhibition, that they had been defendant's unwitting subjects. Plaintiffs, in particular, learned that their children, then aged three and one, appeared in the exhibition, in the photographs numbered six and twelve. Despite defendant's professed effort to obscure his subjects' identity, plaintiffs' children were identifiable in these photographs, one of which showed their son in his diaper and their daughter in a swimsuit; the other showed plaintiff mother holding her daughter. Upon viewing defendant's website, and discovering that the photographs of her children were being offered for sale, plaintiff mother called defendant to demand that he stop showing and selling the images of her children. Defendant agreed with respect to the photo with the children together (No. 6), but was noncommittal about the photo of plaintiff's daughter (No. 12). Plaintiffs then retained counsel, who sent letters to defendant and the Manhattan gallery where the photos were being shown, demanding that the photographs of plaintiffs' children be removed from the exhibition, the gallery's website, and defendant's website. Defendant and the gallery complied. {**128 AD3d at 154} Plaintiffs' counsel sent a similar demand to an online art sales site called "Artsy." It, too, complied.

Despite this, one of the photographs of plaintiffs' daughter (No. 12) was shown on a New York City television broadcast discussing defendant and his show. Other showings followed, including one on NBC's "Today Show" on May 17, 2013, displaying photograph No. 12, showing plaintiffs' daughter's face. In addition, the address of the building was revealed in print and electronic media, including a Facebook page.

In May 2013, plaintiffs commenced this action seeking injunctive relief and damages pursuant to the statutory tort of invasion of privacy and the common-law tort of intentional infliction of emotional distress. Plaintiffs simultaneously moved for a preliminary injunction and a temporary restraining order. The TRO was granted on consent. Defendant then submitted his opposition to the motion for a preliminary injunction and cross-moved to dismiss the complaint, asserting the theory that because the

photographs were art, they were protected by the First Amendment, and their publication, sale, and use could not be restrained.

In August 2013, Supreme Court denied plaintiffs' motion for a preliminary injunction; instead, it granted defendant's cross-motion to dismiss the entire complaint. In so doing, the court concluded that the photographs were protected by the First Amendment. The court found that the photographs conveyed defendant's "thoughts and ideas to the public" and "serve[d] more than just an advertising or trade purpose because they promote the enjoyment of art in the form of a displayed exhibition." (2013 NY Slip Op 31782[U], *5 [2013].) This Court, however, granted a preliminary appellate injunction pending the outcome of this appeal.

Discussion

As indicated, the denial of the preliminary injunction and the dismissal of the complaint were based on the same ground, namely that the alleged conduct constituting the privacy invasion are not actionable under the statutory tort of invasion of privacy (*see* Civil Rights Law §§ 50, 51).

New York State's privacy statute was borne out of judicial prompting from the Court of Appeals in *Roberson v Rochester Folding Box Co.* (171 NY 538 [1902]). In *Roberson*, the Court of Appeals declined to establish a common-law right to privacy where a flour company "obtained, made, printed, sold and **{**128 AD3d at 155}** circulated about 25,000 lithographic prints, photographs and likenesses of plaintiff" without the plaintiff's consent (*id.* at 542). The "25,000 likenesses of the plaintiff . . . ha[d] been conspicuously posted and displayed in stores, warehouses, saloons and other public places." (*Id.*) The plaintiff sought an injunction preventing further use of the photographs as well as damages in the sum of \$15,000 (*id.*). The Supreme Court, affirmed by the Appellate Division (64 App Div 30 [1901]), decided that the plaintiff had a "right . . . to be let alone" (32 Misc 344, 347-348 [1900]) a "so-called right of privacy" (171 NY at 544), which had been invaded by the widespread distribution of her image.

[*4]

The Court of Appeals, however, reversed, reasoning that the adoption of such a right would result in "a vast amount of litigation [that would] border[] upon the absurd,"

because the assertions of a right to privacy, according to the court, would be limitless (*id.* at 545). The Court of Appeals ultimately found that "[t]he legislative body could very well . . . provide that no one should be permitted for his own selfish purpose to use the picture or the name of another for advertising purposes without his consent," as only the legislature can draw "arbitrary distinctions which no court should promulgate as a part of general jurisprudence" (*id.* at 545, 555).

Public outcry over the perceived unfairness of *Roberson* led to a rapid response by the New York State Legislature (*see Lerman v Flynt Distrib. Co., Inc.*, 745 F2d 123, 129 [2d Cir 1984], *cert denied* 471 US 1054 [1985]). Within a year of *Roberson*, New York enacted a statutory right to privacy (L 1903, ch 132). The statutorily-created right prohibits the use of a person's "name, portrait or picture" (Civil Rights Law § 50) or "name, portrait, picture or voice" (Civil Rights Law § 51) for advertising or trade purposes. Section 50 provides for criminal penalties for such prohibited uses, while section 51 gives the individual victim of such appropriation the right to obtain an injunction and bring a cause of action to obtain compensatory and exemplary damages (*id.*). Two phrases in the New York privacy statute describe the type of unauthorized use that is prohibited. The phrases are: (1) "for advertising purposes" and (2) "for the purposes of trade."

The legislature's use of the broad, unqualified terms for advertising and trade purposes, on their face, appear to support plaintiffs' contention that the statutory terms apply to all items which are bought and sold in commerce. Courts, however, {**128 AD3d at 156} have refused to adopt a literal construction of these terms because the advertising and trade limitations of the privacy statute were drafted with the First Amendment in mind. As the Court of Appeals held in *Arrington v New York Times Co.* (55 NY2d 433, 440 [1982]), the terms trade and advertising concomitantly act as a narrowly-construed categorization crafted by the legislature to strike a balance between the concerns of private individuals and the First Amendment. Accordingly, the Court of Appeals has consistently held that the privacy statute should not be construed to apply to publications regarding newsworthy events and matters of public concern (*see Howell v New York Post Co.*, 81 NY2d 115, 123 [1993]; *Finger v Omni Publs. Intl.*, 77 NY2d 138, 141-142 [1990]). Thus, the prohibitions of sections 50 and 51 of the privacy statute are not applicable to newsworthy events and matters of public concern because such dissemination or

publication is not deemed strictly for the purpose of advertising or trade within the meaning of the privacy statute (*see Arrington*, 55 NY2d 433, 440 [1982]).

The newsworthy and public concern exemption's primary focus is to protect the press's dissemination of ideas that have informational value. However, the exemption has been applied to many others forms of First Amendment speech, protecting literary and artistic expression from the reach of the statutory tort of invasion of privacy (*see e.g. University of Notre Dame Du Lac v Twentieth Century-Fox Film Corp.*, 22 AD2d 452, 456 [1st Dept 1965], *affd* 15 NY2d 940 [1965] [motion picture and novel]).

Similarly, the exemption has been applied in cases addressing written and nonwritten materials published or televised for the purpose of entertainment (*see e.g. Freihofer v Hearst Corp.*, 65 NY2d 135, 140-141 [1985]; *Stephano v News Group Publs.*, 64 NY2d 174, 184 [1984] [applying the exception to an article of consumer interest regarding events in the fashion industry]; *Gautier v Pro-Football, Inc.* (304 NY 354 [1952] [dismissing complaint of animal trainer who objected to televised broadcast of act performed during half-time at professional football game]). This is because there is a strong societal interest in facilitating access to information that enables people to discuss and understand contemporary issues (*see Time, Inc. v Hill*, 385 US 374, 388 [1967], citing *Thornhill v Alabama*, 310 US 88, 102 [1940]).

Since the newsworthy and public concern exemption has been applied to many types of [*5]artistic expressions, including {**128 AD3d at 157} literature, movies and theater, it logically follows that it should also be applied equally to other modes of artistic expression. Indeed, works of art also convey ideas. Although the Court of Appeals has not been confronted with the issue of whether works of art fall outside the ambit of the privacy statute, other courts that have addressed the issue have consistently found that they do (*see e.g. Altbach v Kulon*, 302 AD2d 655 [3d Dept 2003]; [Nussenzweig v DiCorcia](#), 11 Misc 3d 1051[A], 2006 NY Slip Op 50171[U] [Sup Ct, NY County 2006], [affd 38 AD3d 339](#) [1st Dept 2007], *affd* 9 NY3d 184 [2007]; *Hoepker v Kruger*, 200 F Supp 2d 340 [SD NY 2002]; *Simeonov v Tiegs*, 602 NYS2d 1014 [Civ Ct, NY County 1993]).

For instance, in *Altbach v Kulon*, the Third Department held that an artist's publication of a town justice's photograph, along with a painting of the justice that

caricatured him by portraying him as a devil with a horn and a tail, was constitutionally protected as a work of art (302 AD2d at 657-658). In *Altbach*, the defendant distributed flyers with the caricature and a photo of the justice to promote the opening of his art gallery (*id.* at 655). Preliminarily, the Court found that the

"similarity of poses between the photograph and the painting, together with the content of the advertising copy identifying plaintiff as an experienced attorney, attest[ed] to the accuracy of [the] defendant's portrayal of [the] plaintiff's face and posture, while emphasizing that the painting is a caricature and parody of the public image" (*id.* at 658).

Nevertheless, the Court found that the photograph's use can readily be viewed as ancillary to a protected artistic expression because it "prove[s] [the] worth and illustrate[s] [the] content" of the painting exhibited at defendant's gallery (*id.*).

Similarly, in *Hoepker v Kruger*, the federal district court for the Southern District of New York gave First Amendment protection to a collage photograph displayed in the Museum of Contemporary Art, in Los Angeles (200 F Supp 2d 340 [2002]). The defendant Kruger, a collage artist known for her feminist position on issues of beauty, femininity, and power, copied an image, "Charlotte As Seen By Thomas," created by plaintiff, Thomas Hoepker (*id.*). She cropped and enlarged the image and superimposed three red blocks containing the words, "It's a small world but not if you have to clean it" (*id.* at 342). Kruger's creation was printed and sold in many forms (e.g., ****128 AD3d at 158**) postcards and magnets) in the museum's gift shop. It was also published in a catalog of Kruger's works (*id.*). The court held that the creation itself "should be shielded from [the plaintiff's] right of privacy claim by the First Amendment. [It] is pure First Amendment speech in the form of artistic expression . . . and deserves full protection" (*id.* at 350).

It is also worth noting *Nussenzweig v diCorcia* (38 AD3d 339, 341 [1st Dept 2007, Tom, J.P., concurring], *affd* 9 NY3d 184 [2007]), which involved the same issue presented here—whether a citizen of this state retains the right to preclude the use of his likeness where such likeness is displayed in an artistic form (*id.*). The defendant, diCorcia, a respected photographer with a history of shows in New York museums, photographed a series called "HEADS," which involved candid "street photography" of people walking by a Times Square location. The images were exhibited in a gallery for sale (*id.*). The

plaintiff, Nussenzweig, was readily identifiable, and did not consent to diCorcia's use of the images (*id.*). Nussenzweig was an Orthodox Jew with deep religious beliefs against the use of his image (*id.*). The exhibit was open to the public and was advertised. The 10 photos of Nussenzweig sold for \$20,000 to \$30,000 each (*id.*).

The majority found it unnecessary to address the constitutional issue and dismissed the privacy tort action as time-barred because more than one year had passed since the first (rather than the last) publication of the photographs (38 AD3d 339).^[FN3] However, a concurrence did reach [*6] the constitutional issue of whether the defendant's use of the plaintiff's photograph was entitled to First Amendment protection (*id.*). The concurrence opined that "the inclusion of the photograph in a catalog sold in connection with an exhibition of the artist's work d[id] not render its use commercial" pursuant to the privacy statute because "the public expression of those ideas and concepts [wa]s fully protected by the First Amendment" (*id.* at 347).

In this case, we are constrained to concur with the views expressed in *Altbach*, *Hoepker*, and *Nussenzweig*'s concurrence: works of art fall outside the prohibitions of the privacy statute under the newsworthy and public concerns exemption. As indicated, under this exemption, the press is given broad leeway. This is because the informational value of the ideas {**128 AD3d at 159} conveyed by the art work is seen as a matter of public interest. We recognize that the public, as a whole, has an equally strong interest in the dissemination of images, aesthetic values and symbols contained in the art work. In our view, artistic expression in the form of art work must therefore be given the same leeway extended to the press under the newsworthy and public concern exemption to the statutory tort of invasion of privacy.

To be sure, despite its breadth, the exception is not without limits. To give absolute protection to all expressive works would be to eliminate the statutory right of privacy. Accordingly, under New York law, the newsworthy and public concern exception does not apply where the newsworthy or public interest aspect of the images at issue is merely incidental to its commercial purpose. For instance, the newsworthy and public concern exemption does not apply where the unauthorized images appear in the media under the guise of news items, solely to promote sales; such advertisement in disguise is commercial use deserving no protection from the privacy statute (*see e.g. Beverley v Choices Women's*

Med. Ctr., 78 NY2d 745, 751-755 [1991] [nonmedia defendant who produced and distributed a calendar to promote its medical center that included a picture of plaintiff not entitled to protection of newsworthy and public concern exception based on theme of women's progress where calendar was clearly designed to advertise the medical center]; *cf. Stephano v News Group Publs.*, 64 NY2d 174, 185 [1984] [model for article on men's fashion not entitled to protection of Civil Rights Law § 51 where photo was also used in column containing information on where to buy new and unusual products]).

Similarly, when a court determines that there is no real relationship between the use of the plaintiff's name or picture and the article it is used to illustrate, the defendant cannot use the newsworthy and public concern exception as a defense. This is because, by definition, if a person's image has no real relationship to the work then its only purpose must be for the sale of the work (*compare Thompson v Close-Up, Inc.*, 277 App Div 848 [1st Dept 1950] [publication of photograph did not fall within exceptions to Civil Rights Law §§ 50 or 51 where plaintiffs had no connection to dope peddling, which was the subject of defendant's article], *with Murray v New York Mag. Co.*, 27 NY2d 406 [1971] [photograph of plaintiff dressed in Irish garb while watching St. Patrick's Day parade spotlighted a newsworthy event and bore a real relationship to article {**128 AD3d at 160} about contemporary attitudes of Irish-Americans in New York City]; and *Finger v Omni Publs. Intl.*, 77 NY2d 138 [1990] [photograph of plaintiffs and their six children bore real relationship to article entitled, "Want a big family?" and fell within the newsworthy exception despite fact that family had no involvement with subject matter of article, caffeine-enhanced in vitro fertilization, where both title and photo involved theme of fertility]).

Applying the newsworthy and public concern exemption to the complaint herein, we [*7] conclude that the allegations do not sufficiently plead a cause of action under the statutory tort of invasion of privacy. As detailed above, plaintiffs essentially allege that defendant used their images in local and national media to promote "The Neighbors," an exhibition that included photographs of individuals taken under the same circumstances as those featuring plaintiffs. Plaintiffs further allege that the photographs were for sale at the exhibit and on a commercial website.

[2] Accepting, as we must, plaintiffs' allegations as true (*Nonnon v City of New York*, 9 NY3d 825 [2007]; *Leon v Martinez*, 84 NY2d 83, 87-88 [1994]), they do not sufficiently

allege that defendant used the photographs in question for the purpose of advertising or for the purpose of trade within the meaning of the privacy statute. Defendant's use of the photos falls within the ambit of constitutionally protected conduct in the form of a work of art. While a plaintiff may be able to raise questions as to whether a particular item should be considered a work of art, no such question is presented here. Indeed, plaintiffs concede on appeal that defendant, a renowned fine arts photographer, assembled the photographs into an exhibit that was shown in a public forum, an art gallery. Since the images themselves constitute the work of art, and art work is protected by the First Amendment, any advertising undertaken in connection with the promotion of the art work was permitted. Thus, under any reasonable view of the allegations, it cannot be inferred that plaintiffs' images were used "for the purpose of advertising" or "for the purpose of trade" within the meaning of the privacy statute.

Contrary to plaintiffs' arguments, the fact that profit might have been derived from the sale of the art work does not diminish the constitutional protection afforded by the newsworthy and public concern exemption. *Stephano v News Group Publs.* (64 NY2d 174 [1984]) illustrates how the newsworthy and public **{**128 AD3d at 161}** concern exemption precludes right of privacy violations when the publication is distributed for profit. Stephano, a professional model who posed for photos for an article on men's fashion, claimed that the defendant improperly used his picture for trade or advertising purposes without his consent when it published a picture of him modeling a "bomber jacket" in a magazine column containing information regarding new and unusual products and including the approximate price of the jacket, the name of the designer, and the names of three stores where the jacket might be purchased. The motion court granted summary judgment to the defendant, concluding that the article reported a newsworthy fashion event, and was not published for trade or advertising purposes. In agreeing that the plaintiff did not have a claim under the privacy statute, the Court of Appeals explained that "(i)t is the content of the article and not the defendant's motive . . . to increase circulation which determines whether it is a newsworthy item, as opposed to a trade usage, under the Civil Rights Law" (*id.* at 185).

Plaintiffs also argue that, merely because the use of a person's name, portrait, or picture is newsworthy or a matter of public concern, such as a legitimate work of art, it should not be exempt from classification as "advertising" or "trade" if it was obtained in

an improper manner. Plaintiffs do not cite any authority directly on point for this proposition, and indeed there does not appear to be any. However, acknowledging that Civil Rights Law §§ 50 and 51 reflect a careful balance of a person's right to privacy against the public's right to a free flow of ideas, plaintiffs argue that defendant's work should not be entitled to First Amendment protection because of the manner or context in which it was formed or made. In essence, plaintiffs seem to be arguing that the manner in which the photographs were obtained constitutes the extreme and outrageous conduct contemplated by the tort of intentional infliction of emotional distress and serves to overcome the First Amendment protection contemplated by Civil Rights Law §§ 50 and 51.

The Court of Appeals has set a high bar for what constitutes outrageous behavior in this context. In *Howell* (81 NY2d 115 [1993]), the plaintiff was a patient at a private psychiatric facility who alleged that it was critical to her recovery that no one outside of her immediate family know [*8] about her commitment. A New York Post photographer trespassed onto the secluded {**128 AD3d at 162} grounds of the facility for purposes of capturing images of Hedda Nussbaum, who had been prominently thrust into the public eye a year earlier when her boyfriend Joel Steinberg murdered her daughter (*id.* at 118). Using a telephoto lens, the photographer took pictures of Nussbaum, who happened at the time to be strolling the grounds of the facility with the plaintiff (*id.*). When the pictures were published in the newspaper, the plaintiff claimed, inter alia, that her statutory right to privacy had been violated and that defendants had intentionally inflicted emotional distress on her (*id.* at 119).

The Court of Appeals held that the newsworthy and public concerns exception applied to bar the privacy claim because the Nussbaum affair was a matter of public interest and the photographs were directly related to the story (*id.* at 124-125). It rejected the plaintiff's contention that her presence at the facility was not newsworthy, since it was the fact of Nussbaum's interaction with the plaintiff that demonstrated Nussbaum's path to recovery from the physical and emotional abuse she had suffered at the hands of Steinberg (*id.* at 125). Notably, in dismissing the plaintiff's claim for intentional infliction of emotional distress as being "an end run around a failed right to privacy claim," the Court observed that the "defendants acted within their legal right" (*id.*). The Court further stated:

"Courts have recognized that newsgathering methods may be tortious (*see, e.g., Galella v Onassis*, 487 F2d 986, 995 [2d Cir (1973)]) and, to the extent that a journalist engages in such *atrocious, indecent and utterly despicable* conduct as to meet the rigorous requirements of an intentional infliction of emotional distress claim, recovery may be available. The conduct alleged here, however—a trespass onto Four Winds' grounds—does not remotely approach the required standard. That plaintiff was photographed outdoors and from a distance diminishes her claim even further" (81 NY2d at 126 [emphasis added]).

[3] The quoted language did not directly apply to the privacy claim in *Howell*. However, it strongly suggests that expression will not lose entitlement to the newsworthy and public concerns exemption of Civil Rights Law §§ 50 and 51 unless the means by which a person's privacy was invaded was truly outrageous. Indeed, while one can argue that defendant's actions were more {**128 AD3d at 163} offensive than those of the defendant in *Howell*, because the intrusion here was into plaintiffs' home, clearly an even more private space, they certainly do not rise to the level of "atrocious, indecent and utterly despicable" (*id.*). Further, the depiction of children, by itself, does not create special circumstances which should make a privacy claim more readily available (*see Finger*, 77 NY2d at 138). We note that defendant's conduct here, while clearly invasive, does not implicate the type of criminal conduct covered by Penal Law § 250.40 *et seq.*, prohibiting unlawful surveillance.

In short, by publishing plaintiffs' photos as a work of art without further action toward plaintiffs, defendant's conduct, however disturbing it may be, cannot properly, under the current state of the law, be deemed so "outrageous" that it went beyond decency and the protections of Civil Rights Law §§ 50 and 51. To be sure, by our holding here—finding no viable cause of action for violation of the statutory right to privacy under these facts—we do not, in any way, mean to give short shrift to plaintiffs' concerns. Undoubtedly, like plaintiffs, many people would be rightfully offended by the intrusive manner in which the photographs were taken in this case. However, such complaints are best addressed to the legislature—the body empowered to remedy such inequities (*see Black v Allstate Ins. Co.*, 274 AD2d 346 [1st Dept 2000]; *Yankelevitz v Royal Globe Ins. Co.*, 88 AD2d 934 [2d Dept 1982], *aff'd* 59 NY2d 928 [1983]). Needless to say, as illustrated by the troubling facts here, in these times of heightened threats to privacy posed

by new and ever more invasive technologies, we call upon the legislature to [*9]revisit this important issue, as we are constrained to apply the law as it exists.

Accordingly, the order of the Supreme Court, New York County (Eileen Rakower, J.), entered August 5, 2013, which denied plaintiffs' motion for a preliminary injunction, and granted defendant's cross motion to dismiss the complaint, should be affirmed, without costs.

Mazzarelli, J.P., Andrias, Richter and Feinman, JJ., concur.

Order, Supreme Court, New York County, entered August 5, 2013, affirmed, without costs.

Footnotes

Footnote 1: See Samuel D. Warren & Louis D. Brandeis, *The Right to Privacy*, 4 Harv L Rev 193, 205 (1890).

Footnote 2: See e.g. Harry Lewis, *How Facebook Spells the End of Privacy*, Boston Globe, June 14, 2008 at A11; Jeffrey Rosen, *The End of Forgetting*, NY Times Mag, July 25, 2010 at 32; Daniel J. Solove, *The End of Privacy?*, Sci Am, Sept. 2008 at 101; Richard Stengel, *The End of Privacy? Not Yet*, Time, Mar. 21, 2011 at 4.

Footnote 3: The Court of Appeals affirmed, agreeing with this Court and resolving the issue in favor of the limitations period running from the first invasion or use (*Nussenzweig v diCorcia*, 9 NY3d 184 [2007]).

State of New York Court of Appeals

MEMORANDUM

This memorandum is uncorrected and subject to revision before publication in the New York Reports.

No. 23
Karen Gravano,
Appellant,
v.
Take-Two Interactive Software,
Inc. et al.,
Respondents.

Thomas A. Farinella, for appellant.
Jeremy Feigelson, for respondents.
Jarryd Huntley; Motion Picture Association of America, Inc. et al.; Entertainment
Software Association; American Booksellers Association, et al.; Eric M. Freedman, et al.,
amici curiae.

MEMORANDUM:

The order of the Appellate Division, insofar as appealed from, should be affirmed, with costs. A computer-generated image may constitute a “portrait” within the meaning of Civil Rights Law §§ 50 and 51 (see Lohan v Take-Two Interactive Software, ___ NY3d

____, ____ [2018] [decided herewith]). Plaintiff, however, is not recognizable from the images at issue here, namely, the “Andrea Bottino” avatar in the video game in question (see Cohen v Herbal Concepts, 63 NY2d 379, 384 [1984]).

In view of our determination, we do not address plaintiff’s additional contentions.

* * * * *

Order, insofar as appealed from, affirmed, with costs, in a memorandum. Chief Judge DiFiore and Judges Rivera, Stein, Fahey, Garcia and Feinman concur. Judge Wilson took no part.

Decided March 29, 2018

Court of Appeals
of the
State of New York

KAREN GRAVANO,
Plaintiff-Appellant,

– against –

TAKE-TWO INTERACTIVE SOFTWARE, INC. and ROCKSTAR GAMES,
Defendants-Respondents.

– and –

LINDSAY LOHAN,
Plaintiff-Appellant,

– against –

TAKE-TWO INTERACTIVE SOFTWARE, INC. and ROCKSTAR GAMES,
Defendants-Respondents.

**ENTERTAINMENT SOFTWARE ASSOCIATION'S MOTION FOR
LEAVE TO APPEAR AND FILE BRIEF OF *AMICUS CURIAE***

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Dated: December 21, 2017

**COURT OF APPEALS
STATE OF NEW YORK**

KAREN GRAVANO,

Plaintiff-Appellant

v.

Case Nos. APL-2017-00027,
 APL-2017-00028

TAKE-TWO INTERACTIVE
SOFTWARE INC. and ROCKSTAR
GAMES,

Defendants-Respondents.

and

LINDSAY LOHAN,

Plaintiff-Appellant

v.

TAKE-TWO INTERACTIVE
SOFTWARE INC. and ROCKSTAR
GAMES,

Defendants-Respondents.

NOTICE OF MOTION

PLEASE TAKE NOTICE that upon the accompanying moving affirmation of Kenneth L. Doroshow, dated December 21, 2017, and the accompanying brief, the Entertainment Software Association (ESA) will move this Court, at the Court of Appeals, Court of Appeals Hall, 20 Eagle Street, Albany, New York, on January 8, 2018 for an Order, pursuant to Court of Appeals Rule § 500.23(a):

1) Granting ESA leave to appear and file a brief as *amicus curiae*. ESA seeks to provide the Court with its unique perspective on the issues presented by these appeals. Specifically, ESA seeks to provide information to the Court regarding the expressive nature of video games and to explain to the Court that it should interpret “advertising” and “trade” under Section 51 so as not to cover video games and other expressive works.

2) Directing such other and further relief as the Court may deem just and proper.

Dated: December 21, 2017

Respectfully submitted,

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**COURT OF APPEALS
STATE OF NEW YORK**

KAREN GRAVANO,

Plaintiff-Appellant

v.

Case Nos. APL-2017-00027,
APL-2017-00028

TAKE-TWO INTERACTIVE
SOFTWARE INC. and ROCKSTAR
GAMES,

Defendants-Respondents.

and

LINDSAY LOHAN,

Plaintiff-Appellant

v.

TAKE-TWO INTERACTIVE
SOFTWARE INC. and ROCKSTAR
GAMES,

Defendants-Respondents.

AFFIRMATION OF KENNETH L. DOROSHOW

KENNETH L. DOROSHOW, ESQ., an attorney duly admitted to practice law in the State of New York, duly affirms the following to be true under the penalties of perjury, pursuant to New York Civil Practice Law and Rule 2106:

1. I am a member of the bar of the State of New York, am not a party to this action, and am a partner in the law firm Jenner & Block LLP, located at 1099 New York Avenue, N.W., Washington, D.C., 20001, which is counsel for the Entertainment Software Association (ESA) in this action.

2. I submit this affirmation in support of ESA's Motion for Leave to Appear and File an *Amicus Curiae* Brief, seeking an Order granting ESA leave to appear and file a brief as *amicus curiae* in connection with the above-captioned appeals.

3. ESA is the U.S. association dedicated to serving the business and public affairs needs of companies that publish computer and video games for video game consoles, handheld devices, personal computers and the Internet. ESA was a respondent in *Brown v. Entertainment Merchants Ass'n*, 564 U.S. 786 (2011), which held that video games are entitled to the same First Amendment protection as other forms of media.

4. The arguments to be raised in ESA's *amicus brief* provide the Court with its unique perspective on the issues presented. Specifically, ESA seeks to provide information to the Court regarding the expressive nature of video games and to explain to the Court that it should interpret "advertising" and "trade" under Section 51 so as not to cover video games and other expressive works.

5. ESA's *amicus curiae* brief explains that video games are a modern and culturally-significant form of artistic expression, entitled to First Amendment protection. The brief explains that the courts of New York commonly rely on free speech concerns when granting motions to dismiss Section 51 claims against expressive works, holding that such works are exempted from the statute, as the legislature intended. The brief argues that these cases should be treated no differently and that this Court should affirm that constitutionally-protected works, such as the video games in question in these cases, do not fall within the text of—and are exempted from—Section 51.

6. ESA has a unique interest and perspective on these issues because of its role in the video game industry.

7. ESA's proposed *amicus curiae* brief, a copy of which is attached hereto as Exhibit A, draws attention to arguments and issues that might otherwise escape the Court's consideration, thus the brief would be of assistance to the Court in adjudicating this appeal.

For all the reasons set forth above, ESA respectfully requests the Court to grant its Motion for Leave to Appear and File an *Amicus Curiae* Brief, and enter the proposed brief.

Respectfully submitted,

Dated: December 21, 2017

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EXHIBIT A

Court of Appeals
of the
State of New York

KAREN GRAVANO,
Plaintiff-Appellant,
– against –

TAKE-TWO INTERACTIVE SOFTWARE, INC. and ROCKSTAR GAMES,
Defendants-Respondents.
– and –

LINDSAY LOHAN,
Plaintiff-Appellant,
– against –

TAKE-TWO INTERACTIVE SOFTWARE, INC. and ROCKSTAR GAMES,
Defendants-Respondents.

BRIEF OF *AMICUS CURIAE*
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Dated: December 21, 2017

RULE 500.1(f) CORPORATE DISCLOSURE STATEMENT

Amicus curiae the Entertainment Software Association (“ESA”) hereby states that it is a nonprofit corporation that does not have any parent corporations or subsidiaries. Neither ESA nor its affiliate the ESA Foundation is owned in any part by a publicly held corporation.

Dated: December 21, 2017

By: 

Kenneth L. Doroshov

*Counsel for Entertainment Software
Association*

TABLE OF CONTENTS

RULE 500.1(F) CORPORATE DISCLOSURE STATEMENT	i
TABLE OF AUTHORITIES	iii
INTEREST OF AMICUS CURIAE	1
INTRODUCTION	2
ARGUMENT	3
I. VIDEO GAMES ARE A MODERN FORM OF ARTISTIC EXPRESSION	3
II. THE FIRST AMENDMENT PROTECTS VIDEO GAMES BECAUSE THEY ARE A FORM OF ARTISTIC EXPRESSION	10
III. THIS COURT SHOULD INTERPRET “ADVERTISING” AND “TRADE” UNDER SECTION 51 SO AS NOT TO APPLY TO CONSTITUTIONALLY-PROTECTED ARTISTIC EXPRESSION	14
A. New York Courts Interpret Section 51 Narrowly So As Not To Abridge Constitutionally-Protected Expression	14
B. Section 51 Claims Do Not Apply To Expressive Works, And Must Be Dismissed Or Else Risk Chilling Expression	18
CONCLUSION	22

TABLE OF AUTHORITIES

CASES

<i>Altbach v. Kulon</i> , 302 A.D.2d 655 (3d Dep’t 2003).....	19
<i>American Amusement Machine Ass’n v. Kendrick</i> , 244 F.3d 572 (7th Cir. 2001)	11, 12
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<i>Brown v. Entertainment Merchants Ass’n</i> , 564 U.S. 786 (2011)	2, 10, 11, 12, 13
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<i>Winters v. New York</i> , 333 U.S. 507 (1948).....	11

STATUTES

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INTEREST OF AMICUS CURIAE

The members of the Entertainment Software Association (“ESA”) publish computer and video games. ESA was a respondent in *Brown v. Entertainment Merchants Ass’n*, 564 U.S. 786 (2011), which held that video games are entitled to the same First Amendment protection as other forms of media. The decision below must be affirmed, consistent with *Brown*, so that ESA’s members’ ability to create such expressive works is not hindered.

ESA submits this *amicus curiae* brief, accompanied by a motion for leave to file the same, pursuant to Rule of Practice, N.Y. Comp. Codes R. & Regs. tit. 22, § 500.23(a)(1).

INTRODUCTION

Time magazine declared that “*Grand Theft Auto* Is Today’s *Great Expectations*.” Gravano Record at 80 (Nick Gillespie, *Grand Theft Auto is Today’s Great Expectations*, *Time* (Sept. 20, 2013), <http://ideas.time.com/2013/09/20/grand-theft-auto-todays-great-expectations/>) (hereinafter Gillespie, *Today’s Great Expectations*). While such a statement might surprise some Dickens aficionados, it is entirely true—especially from a constitutional perspective. Video games are a modern and culturally-significant form of artistic expression that, like other creative works, are entitled to robust First Amendment protection. The central role of video games in today’s culture is reflected by their overwhelming popularity. The serious artistic nature of video games is evident by their treatment in the mainstream press, which review and critique video games alongside other forms of expression, such as literature, movies, television, and theater. The reviews of *Grand Theft Auto V* in the Record in the cases before this Court are prominent illustrations of such treatment.

The U.S. Supreme Court recognized in *Brown v. Entertainment Merchants Ass’n*, 564 U.S. 786 (2011), the incontrovertible fact that video games as expressive works are fully protected by the First Amendment. That is because “[l]ike the protected books, plays, and movies that preceded them, video games communicate ideas—and even social messages.” *Id.* at 790.

Consistent with this precedent, this Court must interpret “advertising” and “trade” under Section 51 of the New York Civil Rights Law (“Section 51”) so as not to cover video games and other expressive works. The courts of New York commonly rely on free speech concerns when granting motions to dismiss Section 51 claims against expressive works, holding that such works are exempted from the statute as the legislature intended. The cases before this Court should be treated no differently.

This Court should articulate a bright-line rule that constitutionally-protected expressive works, such as the video game in question in these cases, do not fall within the text of—and are exempted from—Section 51, and affirm the dismissal of the Appellants’ claims. Failure to do so would chill speech and lead creators to self-censor for fear of being sued by public figures who might be depicted in their expressive works. The U.S. and New York constitutions cannot abide such an outcome.

ARGUMENT

I. VIDEO GAMES ARE A MODERN FORM OF ARTISTIC EXPRESSION

Video games are a culturally-significant form of artistic expression entitled to First Amendment protection. Like films, video games incorporate creative elements such as dialogue, music, visual images, plot, and character development. Like literature, video games invoke classic themes that have captivated audiences for

centuries, such as good-versus-evil, triumph over adversity, struggle against corrupt powers, and quest for adventure.

Video games are a mainstream pastime. Nearly two-thirds (65%) of U.S. households are home to at least one person who plays three or more hours of video games a week. See Entertainment Software Association, *Essential Facts About the Computer and Video Game Industry: 2017 Sales, Demographic, and Usage Data* 6 (2017), http://www.theesa.com/wp-content/uploads/2017/09/EF2017_Design_FinalDigital.pdf (hereinafter “ESA, Essential Facts”). The average “gamer” is thirty-five years old, and women over the age of eighteen represent a significantly greater portion of the game-playing population than boys under the age of eighteen. *Id.* at 7. Many games can be played online cooperatively with other players anywhere in the world, including on social network sites like Facebook.¹ Over half of frequent gamers play these multiplayer games with others at least once a week, and over two-thirds of parents play video games with their children at least once a

¹ See, e.g., Mark Hachman, *Facebook Instant Games puts games right smack in the middle of News Feed, Messenger*, PCWorld (Nov. 29, 2016), <https://www.pcworld.com/article/3145467/software-games/facebook-instant-games-puts-games-right-smack-in-the-middle-of-news-feed-messenger.html> (describing Facebook’s Instant Games platform as “reorienting its social media empire back towards gaming” and allowing “[s]eventeen games—including arcade classics as *Space Invaders* and *Pac-Man* as well as more modern games like *EverWing* and *Words with Friends: Frenzy*” to be launched from a user’s news feed).

week. *Id.* at 8, 10.² The gamecasting service Twitch is the largest live-streaming site on the internet, amassing over 660 million unique viewers in 2017—more than twice the combined viewership of HBO, Netflix, ESPN, and Hulu.³

As video games have grown more popular, they have become more varied. Some video games, such as the popular *The Elder Scrolls* and *Halo* series, are entirely a product of the creator’s imagination, much like science-fiction novels and other works of fantasy. Other video games incorporate elements based on real life, from popular sports games like *Madden NFL 17* and *FIFA 17*, to memoirs and autobiographical games like *Cibele* and *That Dragon, Cancer*.⁴ Some games are based directly on popular books, movies, and television shows. For example, *Star Wars Battlefront*, a top-selling game in 2016, is based on the world George Lucas originally created for his famous films. ESA, Essential Facts, at 12. *Walden: A Game*, based on Henry David Thoreau’s famous stay by the titular pond, “plunges

² In addition to connecting with others through game play, video games may improve a gamer’s ability to connect *outside* of the game itself. See, e.g., Doug Bolton, *Video games may improve children’s intellectual and social skills, study finds*, The Independent (Mar. 9, 2016), <http://www.independent.co.uk/news/science/video-games-children-learning-intelligence-social-skills-study-a6920961.html>.

³ See Ana Valens, *Report Shows Twitch Audience Bigger Than HBO’s and Netflix’s*, Dot Esports (Oct. 18, 2017), <https://dotesports.com/general/news/twitch-audience-hbo-netflix-18122>.

⁴ Nina White, *Gaming to cope: how developers are tackling real life*, The Telegraph (Jan. 21, 2016), <http://www.telegraph.co.uk/gaming/what-to-play/personal-issues-inside-the-fascinating-world-of-interactive-biog/>.

you into a virtual Walden Woods, where you can ‘live deliberately,’ as Thoreau famously put it, replacing drudgery in the pursuit of material comfort with a quest for spiritual fulfillment in harmony with nature.”⁵ A wide range of animated television characters, from the Simpsons to SpongeBob SquarePants, have starred in their own video games. And generations of children have grown up playing video games starring superheroes in the DC and Marvel comic universes.

As inspiration is a two-way street, video games increasingly are the inspiration for other media, including books and movies. Last year alone saw the theatrical release of the movies *Warcraft*, *Angry Birds*, and *Assassin’s Creed*, all based on video games. Video games also feature prominently in the story lines of movies such as *Pixels*, *Wreck It Ralph*, and the upcoming *Ready Player One* directed by Steven Spielberg.

In addition to the artistry inherent in the games, video game scores are often original pieces of music composition, designed, like a film score, to enhance the effect of the visual and narrative elements of the work. For example, Sir Paul

⁵ Britt Peterson, *Can A Video Game Capture the Magic of Walden?*, Smithsonian Magazine (Mar. 2017), http://www.smithsonianmag.com/arts-culture/can-video-game-capture-magic-walden-180962125/?mc_cid=ab6bfdb61c&mc_eid=50ea0bc7ee. Other games reference works of literature more obliquely. For example, *BioShock* explores Ayn Rand’s objectivist philosophies. See Chloi Rad, *11 Games You Didn’t Know Were Based on Books*, IGN (June 2, 2015), <http://www.ign.com/articles/2015/06/02/11-games-you-didnt-know-were-based-on-books>.

McCartney composed the score for the 2014 game *Destiny* because he was “interested in the challenge of writing orchestral music for an interactive game—that is, musical sequences that would change depending on the game players’ actions and interactions.”⁶ Music from video games is not just consumed at home; for example, this summer, the National Symphony Orchestra performed music from the popular *The Legend of Zelda* video games in the D.C. area’s iconic Wolf Trap amphitheater.⁷

As video games have risen in prominence, they have become an important focus of critical commentary. Today, video game reviews and criticism regularly appear in mainstream newspapers and periodicals, such as the *New York Times*, the *Washington Post*, the *New Yorker*, and the *Wall Street Journal*—right alongside reviews of literature, movies, television, and theater. These reviews typically critique a game’s value and themes the same way they would for any work of art or literature. For example, the *New York Times*’s review of Take-Two Interactive Software’s 2010 hit *Red Dead Redemption*, the long-awaited sequel of which will be released next year, illustrates the way in which modern video games often confront weighty moral issues:

⁶ Allan Kozinn, *Paul McCartney Collaborates on a Video Game Score*, N.Y. Times (Aug. 8, 2014), <https://artsbeat.blogs.nytimes.com/2014/08/08/paul-mccartney-collaborates-on-a-video-game-score/>.

⁷ See Wolf Trap, <http://www.wolftrap.org/tickets/calendar/performance/17filene/0722show17.aspx> (last visited Dec. 18, 2017).

Like our own, the world of Red Dead Redemption ... is one in which good does not always prevail and yet altruism rarely goes unrewarded. This is a violent, unvarnished, cruel world of sexism and bigotry, yet one that abounds with individual acts of kindness and compassion. Like our own, this is a complex world of ethical range and subtlety where it's not always clear what the right thing is. ...

Riding along in the desert, you may see two groups of men shooting it out. Whether to intervene is your choice. If you do, it may not be clear which are the good guys. ... Do you help?⁸

The reviews of *Grand Theft Auto V* in the Records in these cases provide an especially clear illustration of critical treatment of video games as a serious artistic medium. "Indeed, the notices for *Grand Theft Auto V* aggregated at the site metacritic read like the pages of *The New York Review of Books*." Gravano Record at 80 (Gillespie, Today's *Great Expectations*). In a *Time* magazine review of *Grand Theft Auto V* entitled, "*Grand Theft Auto Is Today's Great Expectations*," the author noted that "[i]f there were any lingering questions as to whether video games are *the* defining popular art form of the 21st century, this week's release of *Grand Theft Auto V* should put them all to rest." *Id.*

It is no surprise, then, that cultural institutions have recognized video games' central place among the most established forms of art. For example, in 2012 the Museum of Modern Art in New York City began displaying video games in its galleries, and exhibitions devoted to video games opened at the Smithsonian

⁸ Seth Schiesel, Way Down Deep in the Wild, Wild West, N.Y. Times (May 16, 2010), www.nytimes.com/2010/05/17/arts/television/17dead.html.

American Art Museum and the Museum of the Moving Image, prompting the *New York Times* to declare that “[v]ideo games are now high culture.”⁹ The Strong National Museum of Play in Rochester houses the World Video Game Hall of Fame, which recognizes individual video games that have exerted influence on the industry or on popular culture and society in general.¹⁰

Further underscoring the prominence of video games as a modern art form, more than 520 colleges and universities in the U.S. offer degrees in video game design and video game studies.¹¹ For example, New York University’s famous Tisch School of the Arts’ Department of Game Design “stand[s] shoulder-to-shoulder with film, television, theater, dance, and other forms of artistic human expression.”¹² Department of Game Design students “study the design, production, and scholarship of games in a context of advanced critical theory.”¹³

⁹ Allan Kozinn, *MoMA Adds Video Games to Its Collection*, N.Y. Times (Nov. 29, 2012), <https://artsbeat.blogs.nytimes.com/2012/11/29/moma-adds-video-games-to-its-collection/>. MoMA selects games to acquire using the same criteria the museum uses for other collections, including “historical and cultural relevance, aesthetic expression, functional and structural soundness, innovative approaches to technology and behavior, and a successful synthesis of materials and techniques.” *Id.*

¹⁰ World Video Game Hall of Fame, The Strong, <http://www.museumofplay.org/about/world-video-game-hall-fame> (last visited Dec. 18, 2017).

¹¹ The Entertainment Software Association, Impact of the Video Game Industry: State by State, <http://www.areweinyourstate.org>.

¹² Game Center, NYU, <http://gamecenter.nyu.edu/academics/> (last visited Dec. 18, 2017).

¹³ *Id.*

In summary, there is no question that video games are a culturally-important modern-day form of artistic expression.

II. THE FIRST AMENDMENT PROTECTS VIDEO GAMES BECAUSE THEY ARE A FORM OF ARTISTIC EXPRESSION

Video games, as expressive works, are fully protected by the free speech clauses of the U.S. and New York constitutions. *See Brown*, 564 U.S. at 790 (“[V]ideo games qualify for First Amendment protection.”). “[W]hatever the challenges of applying the Constitution to ever-advancing technology, ‘the basic principles of freedom of speech . . . , like the First Amendment’s command, do not vary’ when a new and slightly different medium for communication appears.” *Id.* Recognizing this fact, the U.S. Supreme Court in *Brown* sustained a First Amendment challenge to a California law restricting the sale of “violent video games” to minors. *Id.* at 799; *see also E.S.S. Entm’t 2000, Inc. v. Rock Star Videos, Inc.*, 547 F.3d 1095, 1096, 1099-1100 (9th Cir. 2008) (holding “producer of a video game in the ‘Grand Theft Auto’ series has a defense under the First Amendment against a claim of trademark infringement”); *Dillinger, LLC v. Elec. Arts Inc.*, 795 F. Supp. 2d 829, 835-36 (S.D. Ind. 2011) (construing videogames as “literary works” exempted from Indiana’s right of publicity statute because “[a]ny holding that ‘literary works’ in the statute don’t encompass videogames would set the right-of-publicity statute up for a constitutional challenge”).

Video games speak—they “ha[ve] a message, even an ‘ideology,’ just as books and movies do.” *Am. Amusement Mach. Ass’n v. Kendrick*, 244 F.3d 572, 578 (7th Cir. 2001) (Posner, J) (“*AAMA*”). And they convey these messages “through many familiar literary devices (such as characters, dialogue, plot, and music) and through features distinctive to the medium (such as the player’s interaction with the virtual world).” *Brown*, 564 U.S. at 790.

As the U.S. Supreme Court recognized in *Brown*, video games are fully protected by the First Amendment regardless of whether their primary purpose is entertainment. *Id.* The First Amendment protects “entertainment” media as it does other forms of speech because “[t]he line between the informing and the entertaining is too elusive” to justify any distinction. *Winters v. New York*, 333 U.S. 507, 510 (1948). Indeed, “[w]hat is one man’s amusement, teaches another’s doctrine.” *Id.*; *see also Brown*, 564 U.S. at 790 (quoting same). That is why the First Amendment protects magazines, *Winters*, 333 U.S. at 510, movies, *Joseph Burstyn, Inc. v. Wilson*, 343 U.S. 495, 501-02 (1952), comic books, *see Brown*, 564 U.S. at 797, and adult content, *United States v. Playboy Entm’t Grp., Inc.*, 529 U.S. 803, 818 (2000), among others, in addition to traditional political speech. Not only is it “difficult to distinguish politics from entertainment,” it is “dangerous to try.” *Brown*, 564 U.S. at 790. And the New York constitution is even *more* protective of freedom of expression than its federal counterpart and the constitutions of many other states:

this State “has a long history and tradition of fostering freedom of expression, often tolerating and supporting works which in other States would be found offensive to the community” and are not protected by the Supreme Court’s First Amendment jurisprudence. *People ex rel. Arcara v. Cloud Books, Inc.*, 68 N.Y.2d 553, 557 (1986).

These principles apply equally to an interactive medium like video games. As Judge Posner has observed, “[a]ll literature ... is interactive; the better it is, the more interactive. Literature when it is successful draws the reader into the story, makes him identify with the characters, invites him to judge them and quarrel with them, to experience their joys and sufferings as the reader’s own.” *AAMA*, 244 F.3d at 577; *see also Brown*, 564 U.S. at 798 (quoting same). As the U.S. Supreme Court has recognized, interactivity is “nothing new.” *Brown*, 564 U.S. at 798. “Since at least the publication of *The Adventure of You: Sugarcane Island* in 1969, young readers of choose-your-own-adventure stories have been able to make decisions that determine the plot.” *Id.* Nor is such interactivity in “traditional” art a thing of the past—one of the hottest plays in New York City in recent years, *Sleep No More*, is an interactive theater and dance performance based on Shakespeare’s *Macbeth* housed in a five-story warehouse in Chelsea.¹⁴ And virtual reality technology, which

¹⁴ Ben Brantley, *Shakespeare Slept Here, Albeit Fitfully*, N.Y. Times (Apr. 13, 2011), <http://www.nytimes.com/2011/04/14/theater/reviews/sleep-no-more-is-a-macbeth-in-a-hotel-review.html>.

is inherently interactive, is increasingly popular: one in three frequent gamers said they were likely to buy virtual reality technology in the next year. ESA, Essential Facts, at 9.

Moreover, video games are fully protected even if they contain violent content. In *Brown*, the U.S. Supreme Court struck down as unconstitutional California's restriction on the sale of violent video games to children, observing that children have throughout our history been exposed to such material. 564 U.S. at 795. "Certainly the *books* we give children to read—or read to them when they are younger—contain no shortage of gore." *Id.* at 795-96 (citing Grimm's Fairy Tales (Snow White, Cinderella, and Hansel and Gretel), *The Odyssey*, Dante's *Inferno*, and *Lord of the Flies*). And although children's consumption of violent entertainment encountered resistance throughout our modern history—first dime novels, then movies, radio dramas, comic books, and music lyrics—those activities remained constitutionally protected. *Id.* at 797-98.

In short, video games—no less than books, movies, and plays—are a form of expression fully protected by the First Amendment and the New York constitution.

III. THIS COURT SHOULD INTERPRET “ADVERTISING” AND “TRADE” UNDER SECTION 51 SO AS NOT TO APPLY TO CONSTITUTIONALLY-PROTECTED ARTISTIC EXPRESSION

A. New York Courts Interpret Section 51 Narrowly So As Not To Abridge Constitutionally-Protected Expression

In holding that *Grand Theft Auto V* did not fall within the statutory definition of “advertising” or “trade,” the Appellate Division’s opinion ensured that Section 51 did not run afoul of vitally important constitutional free expression protections. This Court should affirm that holding and confirm that constitutionally-protected expressive works, like the video game at issue here, are exempted from Section 51.

The origin of the statute shows that it does not apply to the type of constitutionally-protected expression embodied in video games. Section 51 was borne out of the Court of Appeals’ opinion in *Roberson v. Rochester Folding Box Co.*, 171 N.Y. 538 (1902). In *Roberson*, a flour company “obtained, made, printed, sold and circulated about 25,000 lithographic prints, photographs and likenesses of plaintiff” without her consent to advertise its product. *Id.* at 542. The Court of Appeals declined to establish a common law right to privacy because it would be too broad, and because it would apply to “a responsible periodical or leading newspaper” or to “an advertising card or sheet” and would therefore result “in a vast amount of litigation . . . bordering on the absurd.” *Id.* at 544-45. Still, the Court noted that the legislature could “provide that no one should be permitted for his own selfish

purpose to use the picture or the name of another for advertising purposes without his consent.” *Id.* at 545.

And so New York’s statutory right of privacy was born. Within a year of the *Roberson* opinion, the New York legislature enacted a statutory right to privacy, which prohibits using a person’s “name, portrait, picture or voice” for advertising or trade purposes. As this Court has observed, Section 51 addressed the *Roberson* Court’s concern in that it was “drafted narrowly to encompass *only the commercial use* of an individual’s name or likeness *and no more.*” *Arrington v. N.Y. Times Co.*, 55 N.Y.2d 433, 439 (1982) (emphasis added). Indeed, Section 51 was “drafted with the First Amendment in mind.” *Foster v. Svenson*, 128 A.D.3d 150, 156 (1st Dep’t 2015) (no claim for individuals photographed without their consent for images shown in galleries and then sold).

Since the passage of the statutory right to privacy, New York courts have repeatedly recognized that the phrases “for advertising purposes” and “for the purpose of trade” in Section 51 must be read narrowly, consistent with the free expression protections of the U.S. and New York constitutions. Indeed, although “[t]he legislature’s use of the[se] broad, unqualified terms . . . on their face, appear to support [the] contention that the statutory terms apply to all items which are bought and sold in commerce,” courts “have refused to adopt a literal construction of these terms.” *Id.* at 155-56. Rather, as this Court noted in *Messenger ex rel.*

Messenger v. Gruner + Jahr Printing & Publishing, 94 N.Y.2d 436 (2000), Section 51 must be “narrowly construed and strictly limited to nonconsensual commercial appropriations of the name, portrait or picture of a living person.” *Id.* at 441 (citation and quotation marks omitted).

The rationale for this narrow construction of the terms “trade” and “advertising” is that, in drafting the statute, the Legislature intended to strike a balance between protecting against invasion of privacy and “the values our State and Federal Constitutions bespeak in the area of free speech and free press.” *Arrington*, 55 N.Y.2d at 440 (no Section 51 claim for man whose photograph appeared, without his consent, on the cover of the *New York Times Magazine* under the heading “The Black Middle Class: Making It”). Thus, the terms of Section 51 must be “construed narrowly and not used to curtail the right of free speech, or free press, or to shut off the publication of matters newsworthy or of public interest, or to prevent comment on matters in which the public has an interest or the right to be informed.” *Rand v. Hearst Corp.*, 31 A.D.2d 406, 409-10 (1st Dep’t 1969), *aff’d*, 26 N.Y.2d 806 (1970) (no Section 51 claim for Ayn Rand, whose name was used on the cover of another author’s book, in quote from a review); *see also Groden v. Random House, Inc.*, 61 F.3d 1045, 1051 (2d Cir. 1995) (affirming rejection of Section 51 claim of author whose name and photograph were used to advertise another author’s book, noting

that “the New York courts have been vigilant in interpreting the right of privacy to permit the free flow of information”).

Further, as courts have made clear, the fact that a constitutionally-protected expressive work is *sold* does not transform the work into mere “advertising” or “trade” for purposes of Section 51. Indeed, another Section 51 case brought by Lindsay Lohan, *Lohan v. Perez*, 924 F. Supp. 2d 447 (E.D.N.Y. 2013), is instructive. The recording artist Pitbull referred to Ms. Lohan in one of his songs, and she sued him, among others, alleging a violation of Section 51. The district court granted the defendants’ motion to dismiss, holding that the New York Civil Rights law does not apply to protected works of art such as the pop song in question. *Id.* at 454 (“Courts interpreting [Section 51] have concluded that ‘pure First Amendment speech in the form of artistic expression . . . deserves full protection, even against [another individual’s] statutorily-protected privacy interest.’ (citation omitted) (first bracket added)). Further, the district court held, “[t]he fact that the Song was presumably created and distributed for the purpose of making a profit does not mean that plaintiff’s name was used for ‘advertising’ or ‘purposes of trade’ within the meaning of the New York Civil Rights Law.” *Id.* at 455.

Other cases likewise reject the argument that the fact that a work is *sold* brings it within Section 51. See *Ann-Margret v. High Soc. Magazine, Inc.*, 498 F. Supp. 401, 406 (S.D.N.Y. 1980) (“[I]t is well established that simple use in a magazine

that is published and sold for profit does not constitute a use for advertising or trade sufficient to make out an actionable claim.”); *Simeonov v. Tiegs*, 602 N.Y.S.2d 1014 (Civ. Ct., N.Y. Cty. 1992) (sculptures intended for sale not made “for the purposes of trade”); *Time, Inc. v. Hill*, 385 U.S. 374, 397 (1967) (“That books, newspapers, and magazines are published and sold for profit does not prevent them from being a form of expression whose liberty is safeguarded by the First Amendment” (quoting *Joseph Burstyn, Inc.*, 343 U.S. at 501-03)). Consistent with this precedent, dismissal is appropriate where the use of a person’s “name, portrait, picture or voice” is used for the purposes of constitutionally-protected expression, even where that expression is sold for profit.

In sum, “as has been noted by the New York courts, freedom of speech and the press under the First Amendment transcends the right to privacy.” *Ann-Margret*, 498 F. Supp. at 404 (internal quotation marks omitted).

B. Section 51 Claims Do Not Apply To Expressive Works, And Must Be Dismissed Or Else Risk Chilling Expression

Because the law has recognized that Section 51 must be interpreted narrowly and against a constitutional backdrop, courts have relied on the First Amendment when granting motions to dismiss, holding that expressive works are exempted from the statute. For example, the district court in the *Lohan* case granted the defendants’ motion to dismiss, holding that “the use of an individual’s name—even without his consent—is not prohibited by the New York Civil Rights Law if that use is part of a

work of art.” 924 F. Supp. 2d at 454. Because the U.S. Supreme Court had made clear that music is a form of expression and thus protected by the First Amendment, that was the end of the matter. *Id.* (“[B]ecause the Song is a protected work of art, the use of plaintiff’s name therein does not violate the New York Civil Rights Law.”). Other New York courts have reached the same conclusion. *See, e.g., Altbach v. Kulon*, 302 A.D.2d 655, 657 (3d Dep’t 2003) (“[D]efendant’s flyers are artistic expressions—specifically a caricature and parody of plaintiff in his public role as a town justice—that are entitled to protection under the First Amendment and exempted from New York’s privacy protections.”); *Hoepker v. Kruger*, 200 F. Supp. 2d 340, 350 (S.D.N.Y. 2002) (dismissing Section 51 claim by woman whose photograph Barbara Kruger used in artwork, which was then used by the Whitney Museum of American Art to publicize the show: “[t]he Kruger Composite itself is pure First Amendment speech in the form of artistic expression . . . and deserves full protection, even against [plaintiff’s] statutorily-protected privacy interests”).

Courts must dispose of such claims at the motion to dismiss stage, lest First Amendment free speech rights be chilled. It is axiomatic that meritless lawsuits have a pernicious effect on the exercise of speech rights. As the U.S. Supreme Court has recognized, “[t]he chilling effect upon the exercise of First Amendment rights may derive from the fact of the prosecution [of a lawsuit] unaffected by the prospects of its success or failure.” *Dombrowski v. Pfister*, 380 U.S. 479, 487 (1965). Indeed,

“[t]he threat of being put to the defense of a lawsuit . . . may be as chilling to the exercise of First Amendment freedoms as fear of the outcome of the lawsuit itself.” *Karaduman v. Newsday, Inc.*, 51 N.Y.2d 531, 545 (1980) (alteration in original) (quoting *Wash. Post Co. v. Keogh*, 365 F.2d 965, 968 (D.C. Cir. 1966)).

Right of privacy lawsuits under Section 51 pose an especially acute threat to publishers of expressive works. Such claims have been used to target myriad types of protected expression and will continue to do so unless this Court affirms the Appellate Division. For example, such claims have been brought relating to newspaper and magazine publishers, *see, e.g., Arrington*, 55 N.Y.2d 433; *Time, Inc.*, 385 U.S. 374, fine artists, *see, e.g., Foster*, 128 A.D.3d 150; *Hoepker*, 200 F. Supp. 2d 340; *Simeonov*, 602 N.Y.S.2d 1014, authors and publishing houses, *see, e.g., Rand*, 31 A.D.2d 406, motion picture studios, *see, e.g., Greene v. Paramount Pictures Corp.*, 138 F. Supp. 3d 226 (E.D.N.Y. 2015), television show hosts, *see, e.g., Sondik v. Kimmel*, 131 A.D.3d 1041 (2d Dep’t 2015), comic book publishers, *see, e.g., Netzer v. Continuity Graphic Associates, Inc.*, 963 F. Supp. 1308 (S.D.N.Y. 1997), documentary filmmakers, *see, e.g., Candelaria v. Spurlock*, No. 08 Civ. 1830 (BMC) (RER), 2008 WL 2640471 (E.D.N.Y. July 3, 2008), and musicians and music publishers, *see, e.g., Lohan*, 924 F. Supp. 2d 447, in addition to the video game publishers at issue in these cases. It is critical that courts have clear guidance to dispose of these claims at the dismissal stage so that publishers of creative works

do not censor themselves in their protected expression for fear of suit. To allow such suits to proceed through discovery and reach summary judgment or trial would serve only to stifle creative expression.

Moreover, depictions of identifiable individuals and personalities are essential elements of a broad array of expressive works. If this Court were to reverse in these cases and hold that Section 51 applies to *Grand Theft Auto V*, a wide range of expression would be hindered. For example, this year's Tony Award winner for Best Play, *Oslo*, dramatizes the real-life story of a Norwegian couple who initiated a series of secret peace talks between Israel and the Palestinian Liberation Organization, which led to the Oslo Accords.¹⁵ In addition, one of the most critically-acclaimed television shows of last year, Netflix's *The Crown*, depicted Queen Elizabeth II's early years on the throne, set mostly in the 1950s.¹⁶ And an event from Elizabeth's father's reign was the subject of the 2010 Oscar winner for Best Picture, *The King's Speech*.¹⁷ Affirming the Appellate Division's opinion in these cases ensures that such expressive works featuring real-world figures (or

¹⁵ Ben Brantley, *Review: "Oslo" Fills a Large Canvas in a Thrilling Production*, N.Y. Times (Apr. 13, 2017), <https://www.nytimes.com/2017/04/13/theater/oslo-broadway-review.html?mcubz=0>.

¹⁶ See, e.g., Matthew Gilbert, *Netflix's "The Crown" bows to the queen*, Boston Globe, Nov. 3, 2016, <https://www.bostonglobe.com/arts/television/2016/11/02/netflix-the-crown-bows-queen/bL6EPY2JcAbY8k1py5AJhO/story.html>.

¹⁷ Matt Murray & Brianna Bernath, *Behold! A list of every "Best Picture" Oscar winner ever*, Today (Jan. 31, 2017), <https://www.today.com/popculture/complete-list-every-best-picture-oscar-winner-ever-t107617>.

parodied versions of them) will continue to be made, shielded by the First Amendment from meritless suits.

Accordingly, this Court should affirm that constitutionally-protected expressive works, such as the video game in question in these cases, do not fall within the text of and are exempted from Section 51. Failure to do so would chill speech and lead artistic creators to self-censor out of fear of being sued for breach of the statutory right of privacy by the public figures who might be depicted in the expressive work. The U.S. and New York constitutions do not permit such an outcome.

CONCLUSION

For the foregoing reasons, this Court should affirm the dismissal of the Amended Complaints in these cases in their entirety and with prejudice.

Respectfully submitted,

By: 

Dated: December 21, 2017

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CERTIFICATE OF COMPLIANCE

Pursuant to Rules of Practice 500.23(a)(1)(i) and 500.13(c)(1), I certify that the foregoing brief is proportionately spaced, has a typeface of 14 points or more, and contains 5041 words.

December 21, 2017

By: 

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CERTIFICATE OF SERVICE

Kenneth L. Doroshow, an attorney, certifies that he caused ESA's Motion for Leave to Appear and File a Brief as *Amicus Curiae*, and accompanying files, to be served on the following counsel of record via first class mail on the 21st day of December, 2017.

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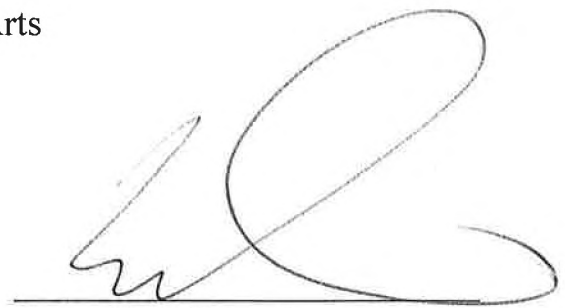
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Kenneth L. Doroshow

**COURT OF APPEALS
STATE OF NEW YORK**

KAREN GRAVANO,

Plaintiff-Appellant,

—against—

TAKE-TWO INTERACTIVE SOFTWARE, INC. AND ROCKSTAR GAMES,

Defendants-Respondents.

LINDSAY LOHAN,

Plaintiff-Appellant,

—against—

TAKE-TWO INTERACTIVE SOFTWARE, INC., ROCKSTAR GAMES, ROCKSTAR
GAMES, INC., and ROCKSTAR NORTH,

Defendants-Respondents.

**NOTICE OF MOTION OF JARRYD HUNTLEY
FOR LEAVE TO FILE AS *AMICUS CURIAE*
IN SUPPORT OF DEFENDANTS-RESPONDENTS**

PLEASE TAKE NOTICE, that upon the annexed affirmation of Patrick S. Kabat, dated November 15, 2017, a motion will be made at a term of this Court to be held in the City of New York, New York on the 27th day of November, 2017 for an order granting proposed *amicus curiae* Jarryd Huntley leave to file the brief attached hereto as *amicus curiae* in support of Defendants-Respondents in the above-captioned action, and for such further relief as the court may deem just and proper.

Dated: November 15, 2017

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Patrick S. Kabat (Reg. No. 5280730)

First Amendment and the Arts Project

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**COURT OF APPEALS
STATE OF NEW YORK**

KAREN GRAVANO,

Plaintiff-Appellant,

—against—

TAKE-TWO INTERACTIVE SOFTWARE, INC. AND ROCKSTAR GAMES,

Defendants-Respondents.

LINDSAY LOHAN,

Plaintiff-Appellant,

—against—

TAKE-TWO INTERACTIVE SOFTWARE, INC. AND ROCKSTAR GAMES,

Defendants-Respondents.

**AFFIRMATION OF PATRICK S. KABAT IN SUPPORT OF
MOTION FOR LEAVE TO FILE BRIEF *AMICUS CURIAE* IN
SUPPORT OF DEFENDANTS-RESPONDENTS**

Patrick S. Kabat, an attorney duly admitted to practice in the State of New York, hereby affirms under penalty of perjury as follows:

1. I am the Director of the First Amendment and the Arts Project at the Spangenberg Center for Law, Technology & the Arts at the Case Western Reserve University School of Law, a practicum that defends creative and expressive freedoms.

2. I am also Adjunct Professor of Law the Case Western Reserve University School of Law, and the Legal Director of POET, a Cleveland-based charitable organization that protects literary freedoms.

3. I submit this affirmation in support of proposed *amicus curiae* Jarryd Huntley's motion for leave to file a brief *amicus curiae* in the above-captioned appeal.

4. Attached hereto is a copy of the brief Mr. Huntley wishes to submit to this Court. Mr. Huntley has duly authorized me to submit this brief on his behalf.

5. Mr. Huntley is an award-winning independent ("indie") game developer whose works are widely published across the country, including in New York, and featured in the Smithsonian Museum's indie videogame showcase "American Art Museum Arcade." He is an Adjunct Professor at Lorain County Community College in Lorain County, Ohio, where he teaches game design, and along with Hanna Brady, the author of *GAME PROGRAMING FOR ARTISTS* (CRC Press 2017), a textbook that "provides a foundation for artists and other creatives to jumpstart learning to program their own games."

6. As both educator and artist, Mr. Huntley is a prominent member of the indie videogame development community. He is expert on “Game Development in Flyover States,” the title of his 2017 address to the College of Engineering at Iowa State University, and is the Lead Organizer for a collective of Cleveland game designers who publish interactive stories to audiences in New York and nationwide, meeting monthly to discuss what is technically possible and legally permissible. Mr. Huntley speaks at fora from the Independent Games Summit at the San Francisco Game Developers Conference to the City Club of Cleveland’s forum on “The Future of Imagination,” where he discussed “the new form of storytelling” indie developers are pioneering in virtual worlds, as well as their unique vulnerability to uncertainty in legal protections.

7. These perspectives are not represented by Defendants-Appellees (“Rockstar”) or Plaintiffs-Appellants (the “Celebrities”). Mr. Huntley could therefore remedy a deficiency in the full and adequate presentation of issues before this Court. 22 NYCRR 500.23(a)(4)(i).

8. The lawful use of likeness is just as important to indie developers as to large publishers, and their stories are often less genre-bound than those that must satisfy mass-market demand. The Celebrities' request to retract protections for authors who use likeness in works of fiction would disproportionately threaten authors like Mr. Huntley, who lack the resources of corporate publishers to defend their stories, and would be uniquely affected by any retreat this Court might consider from New York's categorical protections for works of fiction.

9. Mr. Huntley can also "identify law or arguments that might otherwise escape the Court's consideration." 22 NYCRR 500.23(a)(4)(ii). The Celebrities presenting important questions about how New York courts define, identify, and protect "works of fiction." These issues were presented to the courts below and decided by the First Department, *id.* R. 500.23(4), and are properly before this Court. But none of the parties brief them directly, address the impact of a series of Supreme Court decisions that vacated decisions of this Court on this issue, or explain how New York courts developed the "work of fiction" doctrine doctrine to resolve them. In these ways, Mr. Huntley's proposed brief can "be of assistance to the Court." 22 NYCRR 500.23(a)(4)(iii).

10. This Court's ruling will affect protections for works of fiction that are different than the particular videogame at issue in the appeals before it ("GTAV"), but the parties do not provide the Court with a definitional background to fashion a ruling that accounts for its effects on different works. Mr. Huntley has a direct stake in the issues presented by this appeal, as do his colleagues, students, and audiences. Their art is published instantly to player-audiences in jurisdictions across the country, including New York, and they rely on courts in New York (and in jurisdictions that overwhelmingly follow them) to fully enforce the categorical and well-developed protections provided by the "work of fiction" doctrine.

11. No party to this case drafted any part of this brief, or contributed any money to its preparation. No-one other than the CWRU School of Law contributed any money intended for the preparation of the brief. This brief was prepared by lawyers with assistance with students in the First Amendment and the Arts Project of Case Western Reserve University School of Law, but does not represent the views of the institution, if any.

For these reasons, proposed *amicus curiae* Jarryd Huntley respectfully requests that this Court grant his motion Motion for Leave to File Brief *Amicus Curiae* In Support Of Defendants-Respondents, and that he be given leave to file the attached brief in this consolidated appeal.

Affirmed: November 15, 2017

A handwritten signature in dark ink, reading "Patrick S. Kabat". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Patrick S. Kabat

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Court of Appeals
of the
State of New York

APL-2017-00027

KAREN GRAVANO,

Plaintiff-Appellant,

– against –

TAKE-TWO INTERACTIVE SOFTWARE, INC., and ROCKSTAR GAMES,
Defendants-Respondents.

APL-2017-00028

LINDSAY LOHAN,

Plaintiff-Respondent,

– against –

TAKE-TWO INTERACTIVE SOFTWARE, INC., ROCKSTAR GAMES,
ROCKSTAR GAMES, INC. and ROCKSTAR NORTH,
Defendants-Appellants.

BRIEF FOR *AMICUS CURIAE* JARRYD HUNTLEY

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* Counsel thanks Andrew Geronimo, Esq., the Project's Stanton Litigation Fellow, and CWRU School of Law students Tawnya Bell, Amina McClain, Lidia Mowad, and Brooke Tyus, who contributed research to this brief.

Date Completed: November 15, 2017

Table of Contents

Table of Authorities	iii
Interest of <i>Amicus Curiae</i>	1
Summary of Argument.....	3
Argument	9
I. Section 51 Does Not Apply To “Works Of Fiction”	9
II. The First Amendment Protects “Works Of Fiction”	10
A. The Supreme Court Protects Fiction	12
B. This Court Makes Fiction Actionable Again	13
C. The Supreme Court Protects Fiction Again	16
D. This Court Makes Fiction Actionable Again, Again	20
E. Courts Restore Protections For “Works of Fiction”	21
F. This Court Affirms the “Work of Fiction” Doctrine.....	21
G. <i>Hicks</i> Weighs Interests And Protects Fiction	22
III. The Celebrities’ Request To Withdraw Protections For “Works of Fiction” From Videogames Should Be Denied	26
A. Authors (And Judges) Need Categorical Rules	26
B. The First Department Correctly Protected GTAV As A “Work Of Fiction”	28
C. A Pop Star And A Mob Wife Walk Into A Videogame	31
1. Lohan’s Concerns Are Meritless.....	31
2. Gravano’s Concerns Are Illusory.....	33
3. <i>Porco</i> Is An Aberration	34
Conclusion.....	37
Certificate of Compliance	38

Table of Authorities

Cases:

<i>Binns v. Vitograph</i> , 210 N.Y. 51 (1913)	<i>passim</i>
<i>Bleistein v. Donaldson</i> , 188 U.S. 239 (1903)	27
<i>Brinkley v. Casablancas</i> , 80 A.D.2d 428 (1st Dep’t 1981)	27
<i>Brown v. EMA</i> , 564 U.S. 786 (2011)	6, 9, 27
<i>Burstyn v. Wilson</i> , 343 U.S. 495 (1952)	4, 13, 14, 21
<i>Carter-Clark v. Random House</i> , 17 A.D.3d 241 (1st Dep’t 2005)	24
<i>Costanza v. Seinfeld</i> , 279 A.D.2d 255 (1st Dep’t 2001)	9, 24
<i>Donahue v. Warner Bros.</i> , 272 P.2d 177 (Utah 1954).....	10, 13
<i>Flores v. Mosler</i> , 7 N.Y.2d 276 (1959)	13, 15
<i>Frosch v. Grosset</i> , 75 A.D.2d 768 (1st Dep’t 1980)	27
<i>Gravano v. Take-Two</i> , 142 A.D.3d 776 (1st Dep’t 2016)	28
<i>Guglielmi v. Spelling-Goldberg</i> , 603 P.2d 454 (1979)	<i>passim</i>
<i>Hampton v. Guare</i> , 195 A.D.2d 366 (1st Dep’t 1993)	9, 24, 28

<i>Hicks v. Casablanca</i> , 464 F. Supp. 426 (S.D.N.Y. 1978)	<i>passim</i>
<i>Hill v. Hayes</i> , 15 N.Y.2d 986 (1965)	16
<i>Holmes v. Winter</i> , 22 N.Y.3d 300 (2013)	5
<i>Howell v. N.Y. Post</i> , 81 N.Y.2d 115 (1993)	15, 19
<i>Humiston v. Universal</i> , 189 A.D. 467 (1st Dep't 1919)	11
<i>Julian Messner, Inc. v. Spahn</i> , 1968 WL 129237 (Mar. 26, 1968)	20
<i>Koussevitzky v. Allen</i> , 188 Misc. 479 (Sup. Ct. 1947)	12
<i>Lahiri v. Daily Mirror</i> , 162 Misc. 776 (Sup. Ct. 1937)	12
<i>Leopold v. Levin</i> , 259 N.E.2d 250 (Ill. 1970)	10, 24
<i>Messenger v. Gruner</i> , 94 N.Y.2d 436 (2000)	<i>passim</i>
<i>Molony v. Boy Comics</i> , 277 A.D. 166 (1st Dep't 1950)	13
<i>Mutual Film v. Indus. Comm'n of Ohio</i> , 236 U.S. 230 (1915)	10, 27
<i>New York Times v. Sullivan</i> , 376 U.S. 254 (1964)	14, 19
<i>Notre Dame v. Twentieth Century-Fox</i> , 22 A.D.2d 452 (1st Dep't 1965), <i>aff'd</i> , 15 N.Y.2d 940	<i>passim</i>

<i>Pathe v. Cobb</i> , 202 A.D. 450 (3d Dep’t 1922)	11
<i>Porco v. Lifetime</i> , 147 A.D.3d 1253 (3d Dep’t 2017)	33, 36
<i>Rogers v. Grimaldi</i> , 875 F.2d 994 (2d Cir. 1989).....	10, 24, 32
<i>Rosemont v. McGraw-Hill</i> , 85 Misc. 2d 583 (Sup. Ct. 1975)	24
<i>Sarver v. Chartier</i> , 813 F.3d 891 (9th Cir. 2016)	26
<i>Spahn v. Messner</i> , 18 N.Y.2d 324 (1966)	<i>passim</i>
<i>Spahn v. Messner</i> , 21 N.Y.2d 124 (1967)	<i>passim</i>
<i>Sutton v. Hearst</i> , 277 A.D.2d 155 (1st Dep’t 1950)	12
<i>Time v. Hill</i> , 385 U.S. 374 (1967)	<i>passim</i>
<i>U.S. v. Alvarez</i> , 567 U.S. 709 (2012)	15
<i>U.S. v. One Book Called “Ulysses,”</i> 5 F. Supp. 182 (S.D.N.Y. 1933)	7
<i>Winters v. New York</i> , 333 U.S. 507 (1948)	<i>passim</i>
<i>Zacchini v. Scripps</i> , 433 U.S. 562 (1977)	<i>passim</i>

Statutes & Other Authorities:

First Amendment to the U.S. Constitution.....	<i>passim</i>
Civil Rights Law, § 51	<i>passim</i>
Restatement (Third) of Unfair Competition § 47 (1995)	10
Alfred Hill, <i>Defamation and Privacy Under the First Amendment</i> , 76 COLUM. L. REV. 1205 (1976).....	30
Edward Castronova, <i>The Right To Play</i> , THE STATE OF PLAY: LAW, GAMES, AND VIRTUAL WORLDS 34 (2003).....	29, 30
Greg Lastowka & Dan Hunter, <i>Virtual Worlds: A Primer</i> , THE STATE OF PLAY	30
J. Thomas McCarthy, 2 THE RIGHTS OF PUBLICITY AND PRIVACY § 8:87 (2d ed.).....	17
Janet H. Murray, <i>HAMLET ON THE HOLODECK: THE FUTURE OF NARRATIVE IN CYBERSPACE</i> (MIT University Press 2016).....	6
Jason Schreier, <i>Video Games Are Destroying The People Who Make Them</i> (NEW YORK TIMES, Oct. 25, 2017)	8
Michael Wood, <i>Prologue</i> , LIES AND FICTION IN THE ANCIENT WORLD xvi (Christopher Gill & T.P. Wiseman, eds. 1995).....	29
Patrick Kabat, <i>The Right Of Publicity</i> (YALE LAW SCHOOL, May 31, 2016)	23
Richard A. Bartle, <i>Virtual Worldliness</i> , THE STATE OF PLAY.....	29
<i>Romeo Killer: The Chris Porco Story</i> (Lifetime 2013).....	35
Samuel Taylor Coleridge, <i>Biographia Literaria</i> (1817).....	5
<i>The Future of Imagination</i> , The City Club of Cleveland (Oct. 13, 2017).....	7
TMZ.COM, <i>Lindsay Lohan: rolling in \$\$\$\$</i> (Aug. 13, 2012).....	8

Interest of *Amicus Curiae*

These cases determine whether independent (“indie”) videogame developers who create works of interactive fiction will enjoy the same creative freedoms as mass-market publishers like Defendants-Appellees (“Rockstar”)—the same First Amendment rights long exercised by novelists, playwrights, and screenwriters—to bring their stories to player-audiences in virtual worlds.

Jarryd Huntley is an award-winning indie videogame developer. His works are published in New York and across the country, and are featured in the Smithsonian Museum in Washington, D.C. He teaches game design at Lorain County Community College in Elyria, Ohio, and wrote *GAME PROGRAMING FOR ARTISTS* (2017), a textbook that “provides a foundation for artists and other creatives to jumpstart learning to program their own games.” A resident of Cleveland, Ohio, Mr. Huntley is a prominent member of Cleveland’s robust indie development community, an authority on game development in “flyover states,” and a sought-after speaker and panelist on indie game development at community forums and national conferences alike.

Authors like Mr. Huntley are uniquely vulnerable to fractures in legal protections for their works. Their interactive fictions are innovative, genre-defying, and less easily analogized to classics like *Citizen Kane* than those published by studios with the resources to realize cinematic experiences, and rely more heavily on their players' imaginations than their mass-market counterparts.

But they cannot afford to defend frivolous claims, and would be directly affected by the limitations Plaintiffs-Appellants (the "Celebrities") ask this Court to impose on New York's influential "work of fiction" doctrine, which the First Department correctly applied, or a decision based on particular features of *Grand Theft Auto V* ("GTAV"), instead of the categorical protections the doctrine provides.

Indie authors rely on courts to fully enforce the "work of fiction" doctrine as they publish their works in New York and beyond. Its protections are not only required under a raft of First Amendment decisions from the Supreme Court, and necessary to clarify dissonance in this Court's jurisprudence, they are the lynchpin of continued innovation in an increasingly important medium of artistic expression.

Summary of Argument

This case presents two dispositive questions on which this Court's decisions diverge: what are "works of fiction," and when are they immune to publicity claims under Section 51 of the Civil Rights Law? The decision below correctly applied New York's "work of fiction" doctrine to protect a videogame, but the parties proffer incompatible answers under old cases that still chill First Amendment freedoms.

The parties agree that "works of fiction" are categorically immune to publicity claims, but dispute the doctrine's application to GTAV. The Celebrities deny that it is "work of fiction" at all: to Lohan, it is an "advertisement in disguise" or an "invented biography" trading on her fame; to Gravano, a commercial product that implies her endorsement. Rockstar simply denies that GTAV used their likenesses, either because its avatars did not depict them as a matter of *fact*, or because "works of fiction" like GTAV do not depict real people as a matter of law.

None of the parties brief the doctrine this Court has affirmed to resolve these issues, categorically protecting works *known by audiences to be imagined*, even if a use is *unmistakable*, because authors have a *right* to depict real people to suspend their audiences' disbelief.

This doctrine constitutionalized Section 51 after the Supreme Court abrogated an ancient line of cases holding “fictionalization” actionable (without defining it) under Section 51 (without saying why). *Binns v. Vitograph*, 210 N.Y. 51 (1913); *Spahn v. Messner*, 18 N.Y.2d 324 (1966). These relics failed to distinguish false-light from publicity interests, requiring the Supreme Court to vacate five of this Court’s decisions that did not adequately protect works of fiction. After declaring them entitled to full First Amendment protection, *Winters v. New York*, 333 U.S. 507 (1948); *Burstyn v. Wilson*, 343 U.S. 495 (1952), the Supreme Court forbid this Court from applying Section 51 to works that do not conceal their fictional nature, *Spahn*, 387 U.S. 239 (1967); *Time v. Hill*, 385 U.S. 374 (1967), clarifying that “fictionalization” is not actionable in publicity claims. *Zacchini v. Scripps*, 433 U.S. 562 (1977).

To ignore five apposite Supreme Court decisions is a feat indeed. But the Celebrities manage it, even though *Binns* and its progeny are widely disfavored. And though this Court has twice affirmed the “work of fiction” doctrine, it has not resolved lingering tensions in *Binns* and *Spahn*, emboldening hungry litigants like the Celebrities to take new bites at rotten apples.

Instead, the lower courts resolved them by articulating categorical protections for “works of fiction” under *Time*. The doctrine now suffuses leading decisions from coast to coast, and is a testament to New York’s Constitution, which created a “hospitable environment” for “the burgeoning publishing industry to establish a home in our state during the early years of our nation’s history.” *Holmes v. Winter*, 22 N.Y.3d 300, 307 (2013). When called to protect works of fiction, New York courts did it proud, defining them by the features that give them value, not the mediums in which they appear.

They protected the freedom to imagine, holding that commercial interests in persona *cannot* trump an author’s First Amendment right to suspend her audience’s disbelief. They recognized that depicting real people is *essential* to fiction, not just inoffensive at law. And they protected them *categorically* to secure their expressive power.

These are not just poetical insights, though poets say them best.¹

¹ Samuel Taylor Coleridge, *Biographia Literaria* (1817), Ch. XIV (fiction’s power lies in “exciting the sympathy of the reader by a faithful adherence to the truth,” while “giving the interest of novelty by the modifying colours of imagination.”).

They define a protected category of speech under Section 51, and New York courts have consistently applied them to works in traditional mediums, insulating plays, novels, and films against publicity claims.

Now, the Celebrities seek a “change in law,” asking this Court to withdraw these protections from videogames. *C.f. Brown v. EMA*, 564 U.S. 786 (2011) (it cannot). But they do not only ask this Court to dislodge settled protections for works of fiction, or ignore six Supreme Court decisions it cannot “change.” They ask it to cripple a medium that is inherently fictive, for videogames meet legal criteria for “works of fiction” more fundamentally than any medium yet devised, telling stories in virtual worlds that, as the decision below correctly held, every gamer knows are not “real” the moment a game boots up.

The Celebrities’ disdain for the medium is unlawful and ignorant. Their claims reached this Court just as Mr. Huntley’s works entered the Smithsonian, and “[t]he process by which this new art form will emerge is already under way,” with indie authors at the vanguard as “the digital art medium matures.”²

² Janet H. Murray, *HAMLET ON THE HOLODECK: THE FUTURE OF NARRATIVE IN CYBERSPACE* (MIT University Press 2016), at 111, 139.

As Mr. Huntley warns his students, readers, and audiences,³ any change in New York law would uniquely chill these “pioneering and aspiring storytellers who identify with the figure of the Shakespeare of the future as hacker-bard.”⁴ Unlike studios that publish highly profitable works like GTAV, they cannot readily afford counsel, and rely particularly heavily on New York’s clear, categorical, and influential analysis as they publish their works in the state, and as cases in other jurisdictions come to term.

Silencing pioneers who explore new forms is a tragedy of artistic innovation, but courts in New York confront it with courage. Judge Woolsey protected James Joyce’s *Ulysses* from the New York City Bar Association, finding it “a serious experiment in a new, if not wholly novel, literary genre,” and commending Joyce for being “loyal to his technique,” because doing otherwise “would be artistically inexcusable.” *U.S. v. One Book Called “Ulysses”*, 5 F. Supp. 182, 183 (S.D.N.Y. 1933).

³ *The Future of Imagination*, The City Club of Cleveland (Oct. 13, 2017), <http://www.ideastream.org/programs/city-club-forum/the-future-of-imagination-virtual-augmented-reality>.

⁴ Murray, *supra* n.2 at x.

Videogame authors deserve no less protection for their craft. The Celebrities sell themselves as Davids to Rockstar's Goliath, but the doctrine they assail protects the *real* Davids, indie authors who receive no vast sums for short works,⁵ and labor tirelessly for their art.⁶ They may be liable in defamation or privacy if they harm those interests, like artists in other mediums. But their right to use real people to tell stories cannot constitutionally be subordinated to celebrity pocketbooks.

Mr. Huntley therefore requests that this Court affirm the decision below, clarify categorical protection for "works of fiction," and ensure that the videogame authors of today, no less than the playwrights of yesterday, are not bullied by frivolous threats from litigious celebrities against telling their stories to the player-audiences of tomorrow.

⁵ TMZ.COM, *Lindsay Lohan: rolling in \$\$\$\$* (Aug. 13, 2012) (Lohan earned \$2 million the year after her shoplifting conviction).

⁶ Jason Schreier, *Video Games Are Destroying The People Who Make Them* (NEW YORK TIMES, Oct. 25, 2017).

Argument

I. Section 51 Does Not Apply To “Works Of Fiction.”

Section 51 categorically excludes “works of fiction,” a protected category of expression beyond “the narrow scope of the statutory phrases ‘advertising’ and ‘trade.’” *Hampton v. Guare*, 195 A.D.2d 366 (1st Dep’t 1993); *Costanza v. Seinfeld*, 279 A.D.2d 255 (1st Dep’t 2001) (same). After the Supreme Court “reversed course” in *Winters* to recognize First Amendment protections for fiction, *Brown*, 564 U.S. at 797, this Court affirmed that a “consistent line of cases” require courts to protect “works of fiction” as a matter of law. *Notre Dame v. Twentieth Century-Fox*, 22 A.D.2d 452, 455 (1st Dep’t 1965), *aff’d*, 15 N.Y.2d 940.

When the Supreme Court limited Section 51 claims for “fictionalization” to factual works that place persons in a false light, *Time*, 385 U.S. at 396, and isolated the commercial interest protected by the right of publicity, *Zacchini*, 433 U.S. at 573, courts recognized that “the right of publicity does not attach” where “it is evident to the public that the events so depicted are fictitious.” *Hicks v. Casablanca*, 464 F. Supp. 426, 433 (S.D.N.Y. 1978) (dismissing publicity claim because novel’s readers “would know that the work was fictitious.”).

The California Supreme Court famously recognized that “[f]iction writers may be able to more persuasively, more accurately express themselves by weaving into the tale persons or events familiar to their readers,” and correctly held that “[t]he choice is theirs.” *Guglielmi v. Spelling-Goldberg*, 603 P.2d 454, 460-63 (1979) (Bird, C.J., concurring). But it did so by following *Hicks*, which followed *Notre Dame*.

This categorical protection is now axiomatic. *See, e.g., Donahue v. Warner Bros.*, 272 P.2d 177, 182 (Utah 1954) (“fictional publications”), *Leopold v. Levin*, 259 N.E.2d 250, 256 (Ill. 1970) (“works of fiction”); *Rogers v. Grimaldi*, 875 F.2d 994, 1004 (2d Cir. 1989) (“refus[ing] to extend the right of publicity” to uses in “a fictional or semi-fictional book or movie” from “concern for free expression”); Restatement (Third) of Unfair Competition § 47 (1995) (“works of fiction”).

II. The First Amendment Protects “Works Of Fiction.”

A century ago, fiction was actionable *per se*. A new medium (“moving pictures”) threw courts into a tizzy, and the Supreme Court deemed them mere “spectacle,” “entertaining” but “capable of great evil,” and disentitled to First Amendment protection. *Mutual Film v. Indus. Comm’n of Ohio*, 236 U.S. 230, 244 (1915).

Binns, decided just two years earlier, was a product of its time. Addressing a “picture film” that dramatized a heroic rescue at sea, this Court enforced privacy interests in “peculiarities as of dress and walk,” or “personal fads, eccentricities, [and] amusements” under Section 51, and held that only hard news was protected by the First Amendment, lest “[b]y such pictures an audience would be amused and the maker of the films and the exhibitors would be enriched.” 210 N.Y. at 58.

Judges assumed that “those who engage in the show business” would not “confine their productions to the things which are just, pure, and of good report,” and exploit “the business advantage of depicting the evil and voluptuous thing with the poisonous charm.” *Pathe v. Cobb*, 202 A.D. 450, 457 (3d Dep’t 1922). Works of “pure fiction, and not fact” could therefore be enjoined under Section 51 under “clear distinctions between a news reel and a motion picture photoplay,” because “[a] photoplay is inherently a work of fiction,” but “[a] news reel contains no fiction, but shows only actual photographs of current events.” *Humiston v. Universal*, 189 A.D. 467, 470-71 (1st Dep’t 1919).

Courts applied *Binns* against works meant “to amuse and astonish the reading public, not for the legitimate purpose of disseminating news,” *Sutton v. Hearst*, 277 A.D.2d 155, 157 (1st Dep’t 1950), finding them actionable under Section 51 if they were “fictional or novelized in character.” *Koussevitzky v. Allen*, 188 Misc. 479, 484 (Sup. Ct. 1947). Only works deemed not “of fiction,” like “tales of historic personages and events” that were “educational and informative” or had “legitimate news interest” were “not, as a general rule, within the purview of the statute.” *Lahiri v. Daily Mirror*, 162 Misc. 776, 782 (Sup. Ct. 1937).

A. The Supreme Court Protects Fiction.

By mid-century, the Supreme Court rejected this view, reversing two decisions from this Court that failed to protect works of fiction. In 1948 (seven years after *Citizen Kane* premiered) the Supreme Court rejected New York’s argument “that the constitutional protection for a free press applies only to the exposition of ideas” because “[t]he line between the informing and the entertaining is too elusive” to protect authors, and held that works of fiction are fully protected by the First Amendment. *Winters*, 333 U.S. at 510.

The Supreme Court reversed this Court again in 1952, *Burstyn*, 343 U.S. at 501, rejecting *Binns*' premise that works of fiction were actionable if they "enriched" their authors. 210 N.Y. at 58. *Binns* was already in disrepute, "distinguished frequently" and "confined to its particular facts" since inception, *Molony v. Boy Comics*, 277 A.D. 166, 173 (1st Dep't 1950). Courts immediately applied *Winters* and *Burstyn* to clear detritus from the right of publicity, noting *Binns*' widely criticized "infringement upon freedom of speech." *Donahue*, 272 P.2d at 181-83 (protecting fictional film against publicity claims).

B. This Court Makes Fiction Actionable Again.

But *Winters* and *Burstyn* came late to New York. A decade later, New York courts still drew "no distinction between fictionalizing a character and using the name for other purposes of trade or for advertising." *Flores v. Mosler*, 7 N.Y. 2d 276, 285 (1959) (Van Voorhis, J., dissenting). Judge Van Voorhis worried only that Section 51 might chill the fictions he enjoyed ("war novels"), and would only permit works to "introduce actual historical events into a story" or use names "in connection with what they actually did," barring works from "introducing real people into fictional episodes." *Id.*

This Court adopted the Judge's distinction within a decade, unanimously banning a "fictitious biography" under Section 51, and without addressing *Winters*, drew its forbidden line. *Spahn v. Messner*, 18 N.Y.2d 324, 328 (1966) ("The factual reporting of newsworthy persons and events is in the public interest and is protected. The fictitious is not."). Flouting *Burstyn* as well, *Spahn* forbade "fictionalized" uses if "exploited for the defendants' commercial benefit through the medium of an unauthorized biography." *Id.*

Spahn misread the most speech-protective decision of its century, *New York Times v. Sullivan*, 376 U.S. 254 (1964), which insulated *false* statements of *fact* from the tort of *defamation*, to magnify *Binns'* restrictions on works of *fiction* under *different* claims. Decided while *Spahn* was pending before Supreme Court, *Sullivan* was the centerpiece of the defense, but by focusing on defamation, this Court erroneously suggested that "fiction" meant nothing more than factual falsehood (even if audiences knew a work was imagined), found it unprotected by the First Amendment (even against different claims asserting weaker interests), and made fiction actionable again *per se* under Section 51.

The problem, as Judge Van Voorhis foresaw in *Mosler*, was the indiscriminate use of terms like “fictionalized” and “false,” which pack different interests (reputation, privacy, commercial) into different torts (defamation, privacy, false-light, publicity) requiring different constitutional constraints (fault for falsity, newsworthiness for privacy; protections for fiction against commercial interests in persona). Section 51 was no help: collapsing these claims before common-law jurisdictions refined them. *Howell v. N.Y. Post*, 81 N.Y. 2d 115, 123 (1993).

Spahn did not plead defamation (the book was laudatory), and claimed only that the book took “pecuniary advantage” of his identity “to create for profit a fictionalized and dramatic story” “designed primarily and exclusively for entertainment value.” 43 Misc. 2d 219, 227 (Sup. Ct. 1964). So none of the New York courts that banned *The Warren Spahn Story* parsed false-light from publicity claims, or analyzed the different constraints they require.

Supreme Court criticized *factual* errors in the children’s novella: evidently (Sgt.) Spahn did not repair a bridge, was not carried on a stretcher (he walked), and received no Bronze Star. *Id.* at 225-28.

The First Department called it “an unauthorized fictionalized biography” and forbade “fictionalization or dramatization.” 23 A.D.2d at 220. And this Court, in turn, saw “no constitutional infirmities” banning the book because “[n]o public interest is served by protecting” a “fictitious biography,” whatever that was. 18 N.Y.2d at 329.

C. The Supreme Court Protects Fiction Again.

Spahn was vacated in six months, and remanded for reconsideration under *Time*. 387 U.S. 239 (1967). The Supreme Court had no need to parse it, because *Time* vacated a two-line Section 51 decision from this Court, *Hill v. Hayes*, 15 N.Y.2d 986 (1965), after delving into the record to provide guidance on how the First Amendment protects works of fiction. 384 U.S. at 374.

The problems with *Spahn* were obvious. It drew an “elusive” line for liability, and left “fictitious biography” undefined. This Court stated only that the book “[p]urport[ed] to be [Spahn’s] biography” without explaining how, or distinguishing works stating false facts from those *known to be imaginary*—as a children’s novella with “imagined dialogue” might reasonably be known.

Instead, *Spahn* suggested that any variance from historical fact was actionable in any work under any claim, appearing to bless the Celebrities' frontal assault on fiction. But the Supreme Court rejected this view in *Time*, holding that Section 51 cannot apply to works that readers *know* to be fictional, and limiting actionable "fictionalization" to false-light claims against works that *conceal* their fictive nature. 385 U.S. at 396. So the Supreme Court instructed this Court to follow *Time*, fix *Spahn*, and protect fiction.

When it vacated those decisions, the Supreme Court "was steeped in the literature of privacy law" and the "distinct branches" of publicity and false-light invasion of privacy. *Zacchini*, 433 U.S. at 571-72. "The differences between these two torts are important," because "the State's interests in providing a cause of action in each instance are different": false-light protects reputation from falsehoods, while the publicity interest is purely commercial, and truth and falsehood are irrelevant.⁷ *Id.* at 572. But this Court's decision in *Time* and *Spahn* made no distinction between (protected) fiction and (knowing) falsehood.

⁷ See J. Thomas McCarthy, 2 THE RIGHTS OF PUBLICITY AND PRIVACY § 8:87 (2d ed.) ("An unthinking and robotic application of the New York 'fictionalization' exception could tear away all free speech protections for creative and dramatic uses of real persons").

The news article in *Time* described a promotional event for a fictional play that was inspired by real events, and the real people (a family held hostage by escaped convicts) sued Life Magazine under Section 51. And the Supreme Court identified a single dispositive question: *did the work conceal its fictional nature from its audience?*

The jury was instructed to return a plaintiffs' verdict if "the statements concerning the plaintiffs in the article constituted fiction, as compared with news, or matters which were newsworthy." 385 U.S. at 419 (Fortas, J., dissenting). This unconstitutionally banned known fictions, implying "that 'fictionalization' was synonymous with 'falsity' without regard to knowledge or even negligence," so the Supreme Court limited Section 51 to cases where publishers knowingly or recklessly failed to convey a work's fictional nature. *Id.* at 396.

The Supreme Court criticized the trial court for "variously restat[ing] this 'fictionalization' requirement" as (1) "whether [Life] altered or changed the true facts," or (2) "whether the article constituted 'fiction,' or was 'fictionalized.'" *Id.* at 394-95. And New York courts conflated them under Section 51, chilling works that collapsed these criteria by altering reality *through* fiction *without* stating facts.

As the Supreme Court observed, “nothing in the New York cases decided at the time of trial limited liability” for “fictionalization” under Section 51 “to cases of knowing or reckless falsity and *Spahn*, decided since, has left the question in doubt.” *Id.* So the Supreme Court refined “fictionalization” to mean *factual falsehood*, treated *Time* and *Spahn* as false-light cases, *Zacchini*, 433 U.S. at 571-72, and because the words “somewhat fictionalized” were deleted in the editing process, remanded *Time* to determine whether the article conveyed a knowing falsehood or a known fiction. 385 U.S. at 393-94 & n. 11.

In most jurisdictions, *Time* simply constrains false-light claims. But the Supreme Court addressed fiction in *Time* because Section 51 does not distinguish the torts, *Howell*, 81 N.Y.2d at 123, and this Court failed to distinguish fiction from falsehood. So in New York, *Time* is fiction’s *Sullivan*, constitutionalizing Section 51 by grafting a “knowing or reckless” element to “fictionalization,” and distinguishing actionably concealing “fiction” as fact (as the article might have done) from non-actionably depicting events in fiction (as did the unchallenged play).⁸

⁸ The play was known to be a work of fiction and not at issue, but the Supreme Court reiterated *Winters* for good measure. 385 U.S. at 388.

D. This Court Makes Fiction Actionable Again, Again.

Time settled, but this Court adhered to *Spahn*, even though the Supreme Court would “have affirmed in due course” had it agreed. 21 N.Y.2d 124, 29 (1967) (“*Spahn II*”) (Bergan, J., dissenting). *Spahn II* paid “only lip service” to *Time*,⁹ holding that the book’s “literary techniques,” “distortions and inaccuracies” violated Section 51 without parsing known fictions from actionable falsehoods.

Spahn II found the Supreme Court’s distinction superfluous. Eschewing analysis for rhetorical questions, its majority asked “how it may be argued” that “imaginary incidents,” “invented dialogue,” and “thoughts and feelings which were likewise the figment of the author’s imagination” “can be said not to constitute knowing falsehood.” *Id.* at 127-29 (refusing to grant “a literary license which is not only unnecessary to the protection of free speech but destructive of” *Spahn*’s state-law right “to be free of the commercial exploitation of his name.”).

⁹ Appellants’ Jur. St., *Julian Messner, Inc. v. Spahn*, 1968 WL 129237, at 25 (Mar. 26, 1968) (*Spahn II*’s “purported application . . . of the constitutional criteria announced in *Time, Inc. v. Hill* has made [the Supreme] Court’s remand pointless.”).

These “categorical assignments” misperceived “works of fiction,” their authors’ “constitutional privilege to write,” and that

All fiction is false in the literal sense that it is imagined rather than actual. It is, of course, ‘calculated’ because the author knows he is writing fiction and not fact; and it is more than a ‘reckless’ disregard for truth.

Id. at 131 (Bergan, J., dissenting). But *Spahn II* evaded merits review, and the Supreme Court never reached them, dismissing the publisher’s appeal after a challenge to the existence of a substantial federal question on the empirical extent of the book’s falsehoods. 89 S.Ct. 676 (1969).

E. Courts Restore Protections For “Works of Fiction.”

Spahn II failed to clarify protections for “works of fiction,” so the lower courts leapt into the breach. Defining them under *Winters*, *Burstyn*, and *Time*, they weighed authors’ expressive interests in using real people against commercial interests in persona under *Zacchini*, and categorically excluded “works of fiction” from Section 51.

1. This Court Affirms the “Work of Fiction” Doctrine.

This Court ratified the “work of fiction” doctrine two years before *Spahn II*, when it affirmed *Notre Dame*. 15 N.Y.2d 940 (1965).

After reading the challenged novel—a farce depicting recognizable people—and enjoying a “special viewing” of the film, the First Department held that works of fiction are categorically protected against publicity claims under the “only critique” permitted under a “consistent line of cases”:

Is there any basis for any inference on the part of rational readers or viewers that the antics engaging their attention are anything more than fiction?

22 A.D.2d at 455. There was none, as a matter of law, because reasonable audiences knew they were “not seeing or reading about real Notre Dame happenings or actual Notre Dame characters.” *Id.* (“Nobody is deceived. Nobody is confused. . . . nobody was intended to be.”).

This Court affirmed, and neither retracted, qualified, nor mentioned its affirmance in *Spahn II*. Even Judge Van Voorhis voted to affirm *Notre Dame*, and both dissenting Judges in *Notre Dame* joined *Spahn II* without comment.

2. *Hicks* Weighs Interests And Protects Fiction.

Spahn II's omission of *Notre Dame* was “curious,” but the “work of fiction” doctrine rationalized them. *Hicks*, 464 F. Supp. at 432.

The right of publicity was better understood when *Hicks* was decided. The Supreme Court addressed it for the first time the year before (in *Zacchini*), and *Hicks* joined the emerging consensus isolating commercial interests in persona from dignitary interests protected by false-light and other privacy torts.¹⁰ 464 F. Supp. at 431. As *Hicks* explained, *Time* privileged known fictions over dignitary interests asserted in false-light claims, which required “deliberate falsifications or an attempt by a defendant to present the disputed events as true,” so weaker state-law commercial interests in exploiting persona could not censor *bona fide* “works of fiction” under Section 51. *Id.* at 433.

Therefore, if audiences “would know that the work was fictitious,” it was immune to publicity claims under Section 51 because an author’s First Amendment rights “outweigh[] whatever publicity rights plaintiffs may possess.” *Id.* *Spahn II* applied only to “fiction *qua* falsification,” but for works known “as fictions,” *Notre Dame* controlled, protecting works of fiction where “the defendant had not represented the events . . . to be true” and the audience knew “that the circumstances involved therein were fictitious.” *Id.* at 432.

¹⁰ See Patrick Kabat, *The Right Of Publicity* (YALE LAW SCHOOL, May 31, 2016), <https://law.yale.edu/right-publicity-through-thicket>.

Spahn II fell rapidly into disfavor. Illinois pronounced it “basically irrelevant” post-*Winters*, dismissing publicity claims against works of fiction. *Leopold v. Levin*, 259 N.E.2d 250 (Ill. 1970). California sided with *Notre Dame* and *Hicks*, categorically protecting works of fiction because an author’s “interest in free expression [is] paramount and overrides a plaintiff’s ability to control the publicity values in his name.” *Guglielmi*, 603 P.2d at 463 n.20. And the Second Circuit followed *Guglielmi* and *Hicks*, protecting works of fiction unless a use had no artistic relevance. *Rogers*, 875 F.2d at 1004.

New York courts followed suit, and *Spahn II* no longer merited mention in claims against works of fiction. *Hampton*, 195 A.D.2d at 366 (citing *Notre Dame*); *Costanza*, 279 A.D.2d at 255 (citing *Guare*). Fiction was finally understood to state no facts, and was protected accordingly.

[I]t should go without saying that a person need not get the consent of a celebrity to write a fictional piece about that person, even if the fictional work is in the form of an autobiography, so long as it is made clear that the creative work is fictional.

Rosemont v. McGraw-Hill, 85 Misc. 2d 583, 587 (Sup. Ct. 1975); see also *Carter-Clark v. Random House*, 17 A.D.3d 241, 242 (1st Dep’t 2005) (dismissing libel claim against *roman à clef* because “the record demonstrates this book was a work of fiction”).

In 2001, after the Second Circuit certified questions about “fictionalization” in its “older cases,” this Court finally confronted *Binns* and *Spahn II*, implied their irrelevance to “works of fiction,” and limited them to works that “invented biographies of plaintiff’s lives” by creating a “false implication” that they were true accounts. *Messenger v. Gruner*, 94 N.Y.2d 436, 446-47 (2000).

But *Messenger* only addressed nonfiction, requiring a “real relationship” between stock photographs with real people used to illustrate factual news articles in this “fictionalized way.” *Id.* at 444. It rationalized *Binns* and *Spahn II* with First Amendment protections for *factual* works, but was not called explain protections for works of fiction, because the article at bar was a news report.

This Court has still not closed the gap. There is no *Messenger* for “works of fiction,” even though the overwhelming weight of First Amendment authority (and New York’s lower courts) affirms that no commercial interest in persona, under any constitutional analysis, can trump a fiction author’s expressive rights.

III. The Celebrities' Request To Withdraw Protections For "Works of Fiction" From Videogames Should Be Denied.

The Celebrities ask this Court to widen this gap, revive anachronistic "exceptions" they cannot define, overrule First Amendment protections for "works of fiction" this Court cannot change, and retract those protections from videogames. It shouldn't.

A. Authors (And Judges) Need Categorical Rules.

The "work of fiction" doctrine is a masterwork, a constitutional shorthand that saves courts from applying strict scrutiny to every challenged work, and determining anew whether applying Section 51 is necessary to protect a compelling interest and limited to that end.

As the Ninth Circuit held when bad decisions about videogames required a resort to strict scrutiny to protect a work of fiction, the right of publicity is a content-based restriction on speech. *Sarver v. Chartier*, 813 F.3d 891 (9th Cir. 2016). Liability is "presumptively unconstitutional," and publicity claims against works of fiction "cannot stand" because the First Amendment "safeguards the storytellers and artists who take the raw materials of life—including the stories of real individuals, ordinary or extraordinary—and transform them into art, be it articles, books, movies, or plays." *Id.* at 905–06.

The “work of fiction” doctrine saves New York courts from repeating this analysis for works with common features, categorically weighing their authors’ rights against state interests in permitting the exploitation of persona, against which “the right of free expression would prevail.” *Brinkley v. Casablancas*, 80 A.D.2d 428, 438 (1st Dep’t 1981) (dismissing publicity claim against “fictional biography”).

The doctrine also deters unconstitutional impulses, like the medium bias against videogames *Brown* forbade, and the high-art bias that required the Supreme Court to overrule *Mutual Film*. Even when films were poison, judges knew that “persons trained only in the law” cannot be arbiters of artistic merit—a “dangerous undertaking,” because “some works of genius would be sure to miss appreciation,” and “[t]heir very novelty would make them repulsive until the public had learned the new language in which their author spoke.” *Bleistein v. Donaldson*, 188 U.S. 239, 252 (1903).

Asking courts to adjudicate literary genres, or determine what constitutes a “literary work,” *Frosch v. Grosset*, 75 A.D.2d 768, 769 (1st Dep’t 1980), is doubly dangerous for new mediums, threatening to obscure protected features common to novel works and classics.

By focusing on protected features *across* mediums, without reference to literary merit or narrative devices (like satire and parody, the Celebrities' bugaboos), the "work of fiction" doctrine protects authors whose works may not yet be classics, but exercise the same First Amendment freedom to imagine.

B. The First Department Correctly Protected GTAV As A "Work Of Fiction."

The decision below correctly applied these categorical protections. Quoting *Guare* (and noting this Court's denial of leave to appeal) the First Department protected GTAV *even if* it depicted the Celebrities. Recognizing interactivity ("the player's ability to choose how to proceed in the game") as the hallmark by which players understand the game is not "real," the First Department protected it *as a work of fiction*. *Gravano v. Take-Two*, 142 A.D.3d 776, 777 (1st Dep't 2016).

The First Department understood that satires, parodies, and narratives may all be protected *as* works of fiction, and located those devices in GTAV. But constitutional protection does not inhere in them. Judges do not "import the role of literary or dramatic critic," but categorically protect authors who make clear that their "works of fiction" are imagined. *Notre Dame*, 22 A.D.2d at 458.

This definition dates to antiquity:

[Fiction] is an invention which knows it is invention; or which knows *and says* it is invention; or which whatever it knows and says, *is known* to be invention. . . . It is not lying at all, but exempt from all notions of truth and falsehood.¹¹

These are not academic musings. Courts apply them.

[T]he author who denotes his work as fiction proclaims his literary license and indifference to ‘the facts.’ There is no pretense. All fiction, by definition, eschews an obligation to be faithful to historical truth. Every fiction writer knows his creation is in some sense ‘false.’ That is the nature of the art.

Guglielmi, 603 P.2d at 461; *Hicks*, 464 F. Supp. at 426.

And videogame authors follow them, under a developer’s creed called “the magic circle,” a play space within which a gamer accepts the fictive conceits of a virtual world in consideration for its imaginative value.¹² If a game works this magic, it is fully protected as a “work of fiction,” whatever other narrative, literary, or expressive devices it may employ, for through their interactivity, videogames are inherently “artificial, fictitious, imaginary, intangible, and invented.”¹³

¹¹ Michael Wood, *Prologue*, LIES AND FICTION IN THE ANCIENT WORLD xvi (Christopher Gill & T.P. Wiseman, eds. 1995).

¹² Richard A. Bartle, *Virtual Worldliness*, THE STATE OF PLAY: LAW, GAMES, AND VIRTUAL WORLDS 34 (Balkin & Noveck, eds.) (2003).

¹³ Edward Castronova, *The Right To Play*, THE STATE OF PLAY at 68.

These definitions—which *Time* announced and New York courts adopted—focus protections for “works of fiction” on the source of their constitutional value, because “[w]hat may be difficult to communicate or understand when factually presented may be poignant and powerful if offered in satire, science fiction or parable.” *Guglielmi*, 603 P.2d at 459.

Videogames are a particularly powerful source of protected fiction. “The original virtual worlds were created in fiction,”¹⁴ and interactive works effect through technology what playwrights evoke in prose, offering unprecedented immersion in virtual worlds, with “deeper and richer access to the mental states evoked by play, fantasy, myth, and saga, states that have immense value to the human person.”¹⁵ So it is no less true for Mr. Huntley than Aristophanes, whom *Binns* and *Spahn* would also censor,¹⁶ that “[n]o author should be forced into creating mythological worlds or characters wholly divorced from reality.” *Guglielmi*, 603 P.2d at 460.

¹⁴ Greg Lastowka & Dan Hunter, *Virtual Worlds: A Primer*, THE STATE OF PLAY at 17.

¹⁵ Castronova, *supra* n. 15 at 68.

¹⁶ Alfred Hill, *Defamation and Privacy Under the First Amendment*, 76 COLUM. L. REV. 1205, 1304 (1976).

C. A Pop Star And A Mob Wife Walk Into A Videogame...

It is “difficult to imagine anything more unsuitable, or more vulnerable under the First Amendment, than compulsory payment, under a theory of appropriation,” for videogame developers to use “an individual’s identity in a work of fiction.” *Guglielmi*, 603 P.2d at 460 & 462 (quoting Hill, *supra* n. 16 at 1305).

The First Department recognized this in a single sentence, and the “work of fiction” doctrine answers every question the Celebrities present.

1. Lohan’s Concerns Are Meritless.

The pop star presents a single question: whether GTAV’s inclusion of a still image in a transition screen makes it an “advertisement in disguise” or an “invented biography.” Lohan Br. at 1, 6. She admits that works of fiction are “categorically” excluded from publicity claims pled under Section 51. *Id.* at 19-20. But she butchers the doctrine, limiting it to works that “tell a real biography story or make a satirical/parody comment,” mistaking the “fictional character *Costanza* exception” as inconsistent with *Messenger* by conflating factual and fictional works. *Id.* at 9.

By her account, the doctrine affords no protection if a use “is directly related to defendant’s primary purpose of commercialization,” and she relies on *Binns*, the *vacated* opinion in *Spahn* opinion, and *Messenger* to argue that GTAV is an “advertisement in disguise” and “nothing more than [an] attempt to trade on” her fame. *Id.* at 19-21.

But as the Second Circuit recognized, the “work of fiction” doctrine does not protect naked commercial appropriation, and excludes uses that are “wholly unrelated” to a work, and works that are “simply a disguised commercial advertisement for the sale of goods or services.” *Rogers*, 875 F.2d at 1004 (following *Hicks* and *Notre Dame*). If courts had to do more than identify a “minimal relationship between the expression and the celebrity,” however, “grave harm would result.”

Only upon satisfying a court of the necessity of weaving the celebrity’s identity into a particular publication would the shadow of liability and censorship fade.

Guglielmi, 603 P.2d at 460. So those judgments are for “the reader or viewer, not the courts.” *Id.*

And Lohan’s discussion of “invented biographies” fails grammar. Spawned by *Binns*, the phrase describes works that “invented” (*verb*) biographies by peddling falsehood as fact. *Messenger*, 94 N.Y.2d at 446.

But *Time* (and the New York cases that actually applied it) clarified that Section 51 does not apply to works of fiction, which are “invented” (*adjective*) stories that are instead *known to be fictional*. Her argument misuses language, conflates fiction with falsity, and ignores *Burstyn’s* holding that works of fiction make expressive, not commercial use, inviting the very confusion the “work of fiction” doctrine resolved. And her claim is unfounded, for the doctrine accommodates *valid* concerns about endorsements masquerading as art without unconstitutionally limiting authors’ rights to use persona. Hers, as to GTAV, are not.

2. Gravano’s Concerns Are Illusory.

The mob wife presents just one substantive question: whether the First Amendment bars all claims against videogames. Her question is irrelevant, and the answer is no. Works of fiction are protected whether published on consoles or stone tablets, but uses that lack any conceivable artistic relevance, or endorse collateral products, are not.

Like Lohan, Gravano acknowledges categorical protections for works of fiction, but denies that GTAV qualifies because it has an “overtly commercial nature” and “is not meant be an artistic expression but rather an imitation of the real world.” Gravano Br. at 16-17.

Her dichotomy is false (when art imitates life, it is still art) and her premise is flawed. Anyone who plays GTAV knows it does not state facts, and Rockstar had an absolute right (which it does not fully defend, cheapening fiction for those that might wish it) to depict her *overtly* in GTAV and deepen its verisimilitude. That is an expressive, not a commercial purpose, known from ancient Greece to *Notre Dame*.

Had the game knowingly purported to provide a false factual account of true events, and concealed its fiction from its players, she might have pled cognizable claims even under *Binns* and *Spahn*, but her commercial interest in persona is constitutionally insufficient to withdraw her famous likeness from an author's palette.

3. *Porco* Is An Aberration.

The Celebrities do this Court one small favor: highlighting a conflict between the First Department's correct decision below and a Third Department opinion in a pending Section 51 lawsuit filed *pro se* by an incarcerated murderer against a *Lifetime* movie inspired by his crime. *Porco v. Lifetime*, 147 A.D.3d 1253 (3d Dep't 2017).

The movie disclaimed that it was “a dramatization based on a true story” in which “some characters are composites” and “other characters and events have been fictionalized.”¹⁷ It was also close to home for the Third Department,¹⁸ which vacated and reversed Supreme Court’s pre-broadcast injunction on emergency motion because Section 51 interests cannot justify prior restraints. 116 A.D.3d 1264, 1266 (3d Dep’t 2014).

But it has no bearing on GTAV, even by the Third Department’s unexplained account, because it “purport[ed] to depict the events . . . surrounding the plaintiff’s murder trial.” *Id.* Supreme Court assumed the same, dismissing Porco’s claims without considering whether the movie concealed the fictional nature it expressly declared. 48 Misc. 3d 419, 420 (N.Y. Sup. Ct. 2015). And an ensuing Third Department opinion (upon which the Celebrities rely) inverted the “work of fiction” doctrine by conflating “fiction” with “falsity,” finding it “reasonable to infer that the producer indicated that the film was considered to be a fictitious program” by inviting Porco’s family to participate in a *different* and “*non-fictional* program.” 147 A.D.3d at 1255.

¹⁷ *Romeo Killer: The Chris Porco Story* (Lifetime 2013), at 1:27:40.

¹⁸ The plaintiff murdered his father, Peter Porco, who served as law clerk to the Third Department’s then-Presiding Justice Cardona.

Even under the false-light cases the last *Porco* panel misapplied, the producer's intent would only matter if the movie was understood *not* to be a work of fiction. Its juxtaposition with a nonfiction program did not conceal its dramatized nature; the juxtaposition highlighted it, just as reasonable audiences know to restore their disbelief when credits roll and state facts about the real people that play characters. In any event, the Third Department never asked whether viewers of the disclaimed *Lifetime* movie could think every "fact" it depicted was "true."

Porco invites chaos. Its guiding lights are the *vacated* decision in *Spahn* and every abrogated holding from the *Binns* line, which the panel wove together to conclude that the very feature that *protects* works of fiction (that that they are known by authors and audiences to be fictional) makes them *actionable*. 147 A.D.3d at 1254-55. Like the anachronisms upon which it relies, *Porco* would ban everything from *Citizen Kane* to *Seinfeld*, and overrule cases this Court has affirmed from *Notre Dame* forward. It encourages speech-chilling litigants to file frivolous suits, and better demonstrates the need for this Court to clarify the "work of fiction" doctrine than any ink spilled here.

Conclusion

The Supreme Court has repeatedly instructed this Court that if the First Amendment protects knowledge, it protects imagination. By affirming the “work of fiction” doctrine, it did. The decision below did as well, and should be affirmed on grounds that clarify categorical protections for “works of fiction” against claims under Section 51, even when published in videogames.

Dated: November 15, 2017

Respectfully submitted,



Patrick S. Kabat

Certificate of Compliance

This foregoing brief was prepared using 14-point Century Schoolbook, double-spaced. It contains 6981 words, including headings and footnotes and excluding the table of contents, table of citations, proof of service, and this certificate of compliance. It is not a work of fiction, and purports to state the law.

To Be Argued By:
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Court of Appeals
STATE OF NEW YORK

KAREN GRAVANO,

Plaintiff-Appellant,

—against—

TAKE-TWO INTERACTIVE SOFTWARE, INC. and ROCKSTAR GAMES,

Defendants-Respondents.

BRIEF FOR PLAINTIFF-APPELLANT

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TABLE OF CONTENTS

Statement of Jurisdiction	1
Questions Presented	1
Summary of Argument	2
Statement of Facts	3
Argument	7
I. The Appellate Division Erred because the amended complaint met the liberal pleading standard sufficient to overcome a motion to dismiss for failing to state a claim under the CPLR 3211	7
A. Standard of Review	7
B. The Appellate Division Erred in reversing the Motion Courts decision because the Defendants have not submitted documentary evidence that resolves all factual issues as a matter of law	8
C. Under New York’s Civil Rights Law Section 51, a creative Work whose primary purpose is commercial is subject to a right of Publicity claim.....	14
II. The First Amendment does not bar all right of privacy claims involving video games under New York’s Civil Rights Law Section 51	21
A. The First Amendment does not afford video games an absolute protection against right of Publicity claims.....	22
B. The Appellate Division’s order that video games are absolutely exempt from the right of Publicity under the First Amendment disregards recent New York precedent and persuasive decisions in other states	23
1. Ninth Circuit Law	25
2. Third Circuit Law	26
3. Seventh Circuit Law	28
Conclusion	34

TABLE OF AUTHORITIES

CASES

<i>511 West 232nd Owners Corp. v. Jennifer Realty Co.</i> , 98 NY2d 144, 152 (2002).....	5
<i>Ali v. Playgirl, Inc.</i> , 477 F.Supp. 723 (S.D.N.Y. 1987)	12
<i>Altbach v. Kulon</i> , 302 A.D.2d 655, (3d Dep’t 2003)	15
<i>Beal Savings Bank v. Sommer</i> , 8 N.Y.3d 318 (2007).....	7
<i>Brown v. Board of Education</i> , 347 U.S. 438 (1954)	24
<i>Brown v. Entm’t Merchants Ass’n</i> , 131 S. Ct. 2729 (2011)	11
<i>Costanza v. Seinfeld</i> , 29 A.D.2d 255 (1st Dep’t 2001).....	14
<i>Davis v. Electronic Arts, Inc.</i> , 755 F.3d 1172 (9th Cir. 2015).....	19
<i>Fisher v. Star Co., Inc.</i> , 231 N.Y. 414 (1921).....	19
<i>Flores v. Mosler Safe Co.</i> , 7 N.Y.2d 276 (1959).....	24
<i>Fontanetta v. Doe I</i> , 73 A.D.3d 78 (2d Dep’t 2010)	6, 7
<i>Foster v. Svenson</i> , 12 A.D.3d 150 (1st Dep’t 2015).....	14, 16

<i>Haelan Laboratories v. Topps Chewing Gum</i> , 202 F.2d 866 (1953)	18
<i>Hart v. Electronic Arts, Inc.</i> , 717 F.3d 141 (3d Cir.2013)	20
<i>In re NCAA Student-Athlete Name & Likeness Licensing Litigation</i> , 724 F.3d 1268 (9th Cir. 2013).....	11, 19, 20
<i>Jordan v. Jewel Food Stores, Inc.</i> , 83 F.Supp.3d 761, (N.D. Ill. Mar. 12, 2015).....	21, 22
<i>Keller v. Electronic Arts, Inc.</i> 724 F.3d at 1271 (N.D. Cal. Feb 6, 2010).....	17, 20
<i>Krupnik v. NBC Universal, Inc.</i> , No. 103249/10, 2010 WL 901365 (Sup. Ct., N.Y. Cnty. Jun. 29, 2010)	15
<i>Lahiri v. Daily Mirror</i> , 295 N.Y.S. 382 (1937)	24
<i>Mastro v. City of New York</i> , 435 F.3d 78 (2006)	12
<i>Nolan v. Getty Images (US), Inc.</i> , No. 158540/13, 2014 WL 912254 (NY Cty Sup. Ct. March 6, 2014)	8, 9, 10
<i>Plessy v. Ferguson</i> , 163 U.S. 537 (1896)	24
<i>Porco v. Lifetime Entertainment Servs., LLC</i> , 147 AD3d 1253 (3rd Dept 2017)	8, 25, 26
<i>Rogers v. Grimaldi</i> , 875 F.2d 994 (2d Cir. 1989)	20

<i>Toscani v. Hersey</i> , 271 A.D. 445 (1st Dep’t 1946).....	15, 24, 25
<i>SPI Comms. v. WTZA-TV Assocs. Ltd. P’ship</i> , 229 A.D.2d 644 (3rd Dep’t 1996)	8
<i>University of Notre Dame Du Lac v. Twentieth Century–Fox Film Corp.</i> , 22 A.D.2d 452 (1st Dep’t 1965).....	15
<i>Wojtowicz v. Delacorte Press</i> , 58 A.D.2d 45 (1st Dep’t 1977).....	18
<i>Zacchini v. Scripps-Howard Broadcasting Co.</i> , 433 U.S. 562 (1977)	11, 16, 18

STATUTES

New York Civ. Rights Law § 50	<i>passim</i>
New York Civ. Rights Law § 51	<i>passim</i>
New York CPLR § 3026.....	5
New York CPLR § 3211(a)(1)	6, 7, 8
New York CPLR § 3211(a)(2)	9
New York CPLR § 3211(a)(7)	6
New York CPLR § 3211(c)	8

OTHER AUTHORITIES

SEIGEL PRACTICE AND COMMENTARIES, CPLR 3211:10.....	7
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STATEMENT OF JURISDICTION

This Court has jurisdiction pursuant to NY CPLR §§ 5602(a) and 5611 because the underlying action originated in the Supreme Court of the State of New York, New York County, and the Appellate Decision, which reversed an order denying dismissal of the underlying amended complaint in its entirety, is an order which finally determines the action and which is not appealable as of right and this Court has granted leave to appeal. See CIV. PRAC. L. & R. 5602(a)(1)(i), 5611.

QUESTIONS PRESENTED

Whether the trial Court properly found that the Plaintiff's cause of action met the liberal pleading standard sufficient to overcome a motion to dismiss for failing to state a claim under CPLR 3211 of which was reversed by the Appellate Division?

The Appellate Division ruled in the negative, and Plaintiff contends that this ruling was erroneous.

Whether the First Amendment bars all right of privacy claims involving video games under New York's Civil Rights Law Sections 50 and 51?

The Appellate Division ruled in the positive, and Plaintiff contends that this ruling was erroneous.

SUMMARY OF ARGUMENT

The Appellate Division held in this case that a person asserting a right to privacy violation under Civil Rights Law § 51 is not entitled to recovery despite pleading that their portrait was used in a video game and even if it was used it is protected by the First Amendment. The Court cited a case in which the State of California passed a content based governmental restriction on expression law regarding the violent nature of video games. This is an astonishing holding, without precedent, because it is a case of first impression with respect to video games and the right to privacy which completely ignores the current advancement of law in the third seventh and ninth circuits. The Supreme Court denied cert. in the ninth circuit case which leaves the decision in effect. This case will have a chilling affect that will impact the right to privacy for every entertainer and athlete if not reversed.

Gravano commenced this action in the Supreme Court, New York County, by the filing of a Verified Complaint on February 24, 2014 and on February 25, 2014 served the Verified Complaint asserting claims that her right to privacy was violated under the New York Civil Rights Law § 51. Gravano filed an Amended Verified Complaint of March 28, 2014 and served the Amended Verified Complaint on March 28, 2014. On March 11, 2016, the Supreme Court denied Defendant's motion to dismiss the complaint

pursuant to NY CPLR § 3211.

On March 15, 2016 Gravano filed a Notice of Entry. On March 16, 2016, Defendant filed a timely notice of appeal from the Denial of Dismissal Order to the Supreme Court of the State of New York, Appellate Division, First Judicial Department. After briefing and oral argument, the First Department issued the Appellate Decision on September 1, 2016. Gravano was electronically served with Notice of Entry of the Appellate Decision on September 1, 2016. Accordingly, Gravano's timely filed a motion to this Court for leave which was granted. The Defendants' motion to dismiss Ms. Gravano's Verified Amended Complaint was properly denied by the motion Court and improperly granted by the appellate court.

STATEMENT OF FACTS

Gravano is a reality television personality that is a known international celebrity. She relies on her celebrity as a source of income. Grand Theft Auto V ("GTA V") is a video game that is premised on violence and criminal activity. The video game rewards the players with "money and points" for killing people and committing an assortment of crimes. The Defendants used Ms. Gravano's portrait in violation of Section 51, which the lower court found that there were fact questions requiring trial.

Defendants created, marketed, sold and profited in excess of \$1 billion in sales, on GTA V, a video game that includes the unlawful use of Ms. Gravano's portrait. The Defendant set out and succeeded in using her portrait, voice in conjunction with her life story, and recognized television and book quotations in the video game, without obtaining her consent, entirely for their pecuniary benefit. In an effort to use Gravano's portrait without her permission and the fact that certain parts of her life are a matter of public record, they created a character identical to Ms. Gravano. In the GTA V video games that are the subject to this action, the Defendants could have varied details of the "Antonia Bottino" characters life or given her different physical features. Defendants chose not to. Instead, they consciously chose to use the portrait, voice and the actual words of Ms. Gravano in its video game to which they have used the First Amendment defense as a guise for their illegal conduct.

Ms. Gravano seeks to be compensated for the illegal use of her portrait, voice and words. She seeks punitive damages from Defendants for their failure to obtain her permission to use her portrait, voice and likeness in GTA V. Ms. Gravano's Verified Amended Complaint is governed by New York law and properly stated a cause of action as the motion court held.

Gravano's Amended Verified Complaint and her accompanying Affidavit in her Opposition to Defendant's motion to dismiss specifically assert a proper claim under the New York Civil Rights Law § 51. Gravano Aff.¹. Her Affidavit states specific facts, discussed in detail below, that exemplify how Defendants used her portrait, voice and likeness in GTA V. Thomas Farinella, by accompanying Affirmation, supports that there is a good faith, reasonable basis in the law for the claims under N.Y. Civ. Rights Law §§ 50 and 51 due to the misappropriation of Ms. Gravano's portrait, picture and voice.

Attached to Ms. Gravano's Affidavit is a picture of her and the character Defendants created using her portrait, picture, voice and likeness. Gravano Aff.² In October, 2013, shortly after the release of GTA V, Ms. Gravano began receiving "tweets" on her Twitter account from members of the public who believed the character in GTA V was her. *Id.* In addition to random members of the public, her friends and family thought the character was her. *Id.* ¶ 5.

¹ "Gravano Aff." refers to The Affidavit of Karen Gravano, Plaintiff, in Opposition to Motion, sworn to April 29, 2014 and Exhibits attached thereto.

² It should be noted that nothing the Defendants submitted refutes that Ms. Gravano was the basis or that the Anotonio Bottino character wasn't based on her portrait and likeness.

Ms. Gravano has become identified in the public by using the phrase “in the life.” *Id.* ¶ 13. In her book, a New York Times “Best Seller,” she quotes “in the life” various times throughout, excerpts of which have been submitted to this Court. Gravano Aff. ¶ 13. Specific references are made to statements in Ms. Gravano’s book throughout the GTA V video game. *Id.* ¶¶ 13, 17, 20. Furthermore, she was featured in an article with the phrase “the life” as the headline. *Id.* ¶ 14.

GTA V was released to the public as a video game for PlayStation and Xbox 360 consoles in September 2013. This game is set in the U.S. state wherein a portion of the game entitled “Burial” use Gravano’s portrait to represent a character they named “Antonia Bottino.” The purpose of the mission is free Ms. Gravano from being buried alive. Ms. Gravano and the public believe this character is an exact portrait of Karen Gravano and it is a question that can only be answered by the trier of fact. The Defendants concede that the random event is approximately seven minutes long. Br. at 6. Accordingly, that amounts to approximately twenty-one minutes of game time. Regardless, it does not matter if the character appeared for one second it is still a violation of the New York Civil Rights Law § 51.

ARGUMENT

I. The Appellate Division Erred because the amended complaint met the liberal pleading standard sufficient to overcome a motion to dismiss for failing to state a claim under the CPLR 3211

A. Standard of Review

The Plaintiff's pleadings "shall be liberally constructed [and] defects shall be ignored if a substantial right of a party is not prejudiced." *See*, CPLR 3026. If from the four corners of the complaint factual allegation are discerned which, taken together, manifest any cause of action cognizable at law, a motion to dismiss will fail. *511 West 232nd Owners Corp. v. Jennifer Realty Co.*, 98 NY2d 144, 152 (2002).

In a recent decision in the Third Department where the Court was dealing with similar issues as the issues presented in this case, *Porco v. Lifetime Entertainment Servs., LLC*, 147 AD3d 1253 [3rd Dept 2017], the Court reaffirmed the long held standard of review for a motion to dismiss, stating,

"On a motion pursuant to CPLR 3211(a)(7) to dismiss a complaint for failure to state a cause of action, the court must afford the complaint a liberal construction, accept as true the allegations contained therein, accord the plaintiff the benefit of every favorable inference and determine only whether the facts alleged fit within any cognizable legal theory."

The Appellate Division failed to follow this standard. This is evident because the Appellate Division did not address the Motion Court's analysis

of the sufficiency of the pleading which led the Motion Court to conclude, “that the plaintiff has alleged causes of action alleging a violation of the right to privacy pursuant to the New York City Civil Rights Law section 50 and 51.

Defendants moved to dismiss the Amended Complaint on the basis that (1) “a defense is founded upon documentary evidence” under CPLR 3211(a)(1) and (2) that “the pleading fails to state a cause of action,” under Rule 3211(a)(7). Br. at 9. The former is frivolous, as Defendants have not submitted “documentary evidence” that resolves all factual issues as a matter of law and completely disposes of plaintiff’s claim. Moreover, Plaintiff’s claims are valid and supported by non-conclusory allegations in the Amended Complaint, which must be accepted as true on this motion to dismiss.

B. The Appellate Division Erred in reversing the Motion Courts decision because the Defendants have not submitted documentary evidence that resolves all factual issues as a matter of law

Defendants’ submissions do not justify dismissal because the materials submitted do not constitute “documentary evidence” within the meaning of CPLR 3211(a)(1) and, in any event, do not conclusively establish any defense to Plaintiffs’ claims as a matter of law. “A motion to dismiss pursuant to CPLR 3211(a)(1) will be granted only if the ‘documentary evidence resolves all factual issues as a matter of law, and conclusively disposes of the plaintiff’s claim.’” *Fontanetta v. Doe 1*, 73 A.D.3d 78, 83-84 (2d Dep’t 2010)(citations

omitted); *Beal Savings Bank v. Sommer*, 8 N.Y.3d 318, 324 (2007). “[I]f the court does not find [the movants’] submissions ‘documentary,’ it will have to deny the motion.” *Fontanetta*, 73 A.D.3d at 84 (quoting SEIGEL PRACTICE AND COMMENTARIES, CPLR 3211:10, at 22). Judicial records, mortgages, deeds, contracts, and other papers “the contents of which are ‘essentially undeniable,’” may qualify as documentary evidence. *Id.* at 84-85 (citation omitted). Types of written materials that do not qualify as documentary evidence include “affidavits,” “deposition and trial testimony,” “letters, summaries and opinions” and “e-mails.” *Id.* at 85-87 (collecting cases).

The materials Defendants submit in support of their motion do not begin to approach the standard for documentary evidence that could support dismissal under Rule 3211(a)(1).³ They seek to rely primarily on the Affirmation of Stephanie L. Gal, an associate at Defendants law firm, the Affidavit of Jeff Rosa, Vice President of Quality Assurance for Rockstar Games, Inc., and the Exhibits attached thereto. Gal Aff.; Rosa Aff. An affidavit and an affirmation of interested parties cannot sustain dismissal under the Rule because “affidavits [and affirmations] submitted by a defendant do not constitute documentary evidence upon which a proponent of

³ Defendants’ materials consist almost entirely of material that do not constitute documentary evidence for purposes of Rule 3211(a)(1): affidavits and affirmations (Gale Aff.; Rosa Aff.; Exhibits).

dismissal can rely.” *Crepin v. Fogarty*, 59 A.D.3d 837, 837 (3d Dep’t 2009)(citations omitted). See also *Fontanetta*, 73 A.D.3d at 86 (same). Attached to the Gale Affirmation are frivolous exhibits such as magazine articles that acclaim the GTA V video game and dozens of pre-suit emails and letters, which are not relevant to the issues of this case. Similarly, the Rosa Affidavit includes the GTA V game, DVD, transcript and book. It states nothing other than the fact that “GTA V does not include any character named Karen Gravano.” Rosa Aff. ¶ 11. The Defendants “documentary evidence,” “i.e., the actual content of GTA V” can not resolve any factual issues, as a matter of law, to conclusively dismiss Ms. Gravano’s claim of the Defendants wrongful misappropriation of her portrait, voice and likeness. Defendants’ 3211(a)(1) motion must, therefore, be denied.⁴

There have been two recent cases that discuss the central issues in this case.⁵ The first is *Nolan v. Getty Images (US)*, No. 158540/13, 2014 WL 912254 (NY Cty Sup. Ct. March 6, 2014). In *Nolan v. Getty Images*, the

⁴ Even if the motion to dismiss was converted to a motion for summary judgment, due to the submission of materials extrinsic to the Complaint, there are genuine issues of material fact that would defeat Defendants’ motion on [at least the first cause of action]. Here, the parties have not been given notice that conversion will occur, as required by CPLR Rule 3211(c), and the Court should decline any invitation to convert since the case is “in its earliest stages, and no discovery has been had.” *SPI Comms. v. WTZA-TV Assocs. Ltd. P’ship*, 229 A.D.2d 644, 645 (3rd Dep’t 1996).

⁵ The second case is *Porco v Lifetime Entertainment Servs., LLC*, 147 AD3d 1253 [3rd Dept 2017] discussed below.

Supreme Court denied Defendant's motion to dismiss, which alleged the same argument relied on by the Defendant in this case, stating:

"In support of its motion, Getty makes the following arguments. The complaint fails to state a cause of action because displaying and licensing a photograph are, as a matter of law, not advertising or trade uses under Civil Rights Law §§ 50 and 51, and any other interpretation contravenes the First Amendment... The complaint pleads a single cause of action for violating Civil Rights Law §§ 50 and 51 by using Nolan's image for trade or advertising purposes absent any written consent." *Id.* at *2.

The Court further stated,

"Getty claims that the portion of Civil Right Law § 51 in bold above immunizes it from liability. However, by the terms of the statute, for Getty's sale of the photograph to be lawful, the "use" of the photograph by the end-user must be "lawful under this article." *Id.* at *3.

The most compelling portion of the court's decision came when the court explained that the New York Constitution does not offer heightened protection for commercial speech and the statute does not define the meaning of trade and advertising purposes explaining,

"Also 'contrary to plaintiff's contention, the New York State Constitution does not afford heightened free speech protections to commercial speech.' Written consent is explicitly required by the statute. The statute does not furnish any definition of trade or advertising purposes. However, it has been noted that the statute serves 'to protect the sentiments, thoughts and feelings of individuals,' the Court sustained a Civil Rights Law § 51 complaint alleging that plaintiffs picture and likeness were made available on the Internet. Displaying plaintiff's image on the defendant's website, available for use on a world-wide basis, necessarily was concurrently available within New York State. Therefore, for the purposes of a motion to

dismiss, plaintiff's assertion of a website's accessibility sufficiently meets the required statutory element of use within New York State." (internal citations omitted)(emphasis added). *Id.* at *4-5.

The Court further opined in it's decision,

"In this case; whether Nolan is a model, whether in fact a written release was signed by Nolan, whether Civil Rights Law §§ 50 and 51 required Getty to investigate the existence of a release signed by Nolan, whether the First Amendment protects Getty's exploitation of Nolan's image without Nolan's written permission, whether Getty's conduct qualifies as use of the image for either advertising or trade purposes, and whether Getty is able by agreement to shift to the end-user and the photographer the burden of obtaining Nolan's written consent, all must await further development of the facts, either by way of summary judgment or trial....Accepting the complaint's allegations as true and according plaintiff the benefit of every favorable inference, plaintiff's complaint sufficiently states a cause of action. Accordingly, it is ORDERED that the motion to dismiss is denied..." (internal citations omitted). *Id.* at *5.

While there are distinguishing facts in *Nolan* than the case at bar the underlining applicable law relied on in *Nolan* is indistinguishable from this case. The Court held that the motion to dismiss was denied because the issues raised in Getty's motion to dismiss including the First Amendment argument and "whether Getty's conduct qualifies as use of the image for either advertising or trade purposes...must await further development of the facts, either by way of summary judgment or trial." *Id.*

In the instant case the motion court found, based on the Amended Complaint and opposition to Defendant-Appellants motion to dismiss, the

“images in question” [this finding satisfies the first prong of the statute]⁶

were factually disputed and it is up to the trier of fact to make a determination, saying:

“The “documents” relied upon by movants [Defendant-Appellant], to assert that the images in question are not those of the plaintiff, is vehemently and factually contested by the plaintiff. These factual disputes require a determination by the trier of facts and said documents cannot, at this juncture, support an application to dismiss based on the self-serving statements that the images are not those of the plaintiff’s.... In assessing the sufficiency of the complaint, this court must also consider the allegations made in both the complaint and the accompanying affidavit, submitted in opposition to the motion, as true and resolve all inferences which reasonably flow therefrom, in favor of the plaintiff...”⁷

As in the Nolan decision the motion court determined that the Amended Complaint stated a cause of action, and was further supported by the opposition to defendant-appellants motion to dismiss. Therefore, warranting the denial of defendants motion to dismiss. The appellate court failed to consider the Nolan case despite the fact that the case is an undisturbed decision in the First Department. The appellate court should have sent this case back to the trial court in accordance with Nolan. The appellate court failed to consider the lower court’s clear finding that, the “New York

⁶ The statue has three prongs which have been satisfied to the extent the plaintiff has stated a cause of action. The three prongs are: (i) use of a persons name, portrait, picture, voice or in this case image (ii) within New York, (iii) for the purpose of advertising or trade, the third prong is satisfied.

⁷ Excerpt from the Decision and Order of the Supreme Court, Hon. Joan M. Kenney, dated March 14, 2016.

Constitution does not offer heightened protection for commercial speech and the statute does not define the meaning of trade and advertising purposes explaining” and thus their decision to should be reversed. *Id.*

C. Under New York’s Civil Rights Law Section 51, a creative Work whose primary purpose is commercial is subject to a right of Publicity claim

The appellate court decided that the First Amendment requires that Defendants’ speech is immune because it is a “creative work,” despite its overtly commercial nature and use of Ms. Gravano's portrait, voice, and likeness in the sale of video games. Consideration of the First Amendment compels no direct result in this case. The United States Supreme Court held that video games are protected when the state or federal government enacts a new law imposing restrictions and labeling requirements on the sale or rental of “violent video games to minors.” *Brown v. Entm’t Merchants Ass’n*, 131 S. Ct. 2729, 2732-33 (2011).

The proper context of the case must be flushed out. In *Brown*, the State of California passed a content-based governmental restriction on video games because the State “claimed that “interactive” video games present special problems, in that the player participates in the violent action on screen and determines its outcome attempted to limit expression of speech regarding

video games.” *Id.* The Supreme Court rejected the state action as being over-and-under-inclusive and that the statute wasn’t narrowly drawn.

The Supreme Court did not intend to give a free pass to allow for a person’s portrait, picture or voice to be used without their consent. More important, such rights “are not absolute and states may recognize the right of publicity to a degree consistent with the First Amendment.” *In re NCAA Student-Athlete Name & Likeness Licensing Litigation*, 724 F.3d 1268, 1271 (9th Cir. 2013) (holding that the defendants video game had no First Amendment defense against the right of publicity claims (emphasis added))(citing *Zacchini v. Scripps-Howard Broad.Co.*, 433 U.S. 562, 574-575 (1977) (parallel citations omitted)). New York adheres to the U.S. Supreme Court’s assertion in *Zacchini v. Scripps-Howard* that state regulation of commercial misappropriation is reasonable; it “protects his proprietary interest in the profitability of his public reputation or persona.” *Ali v. Playgirl, Inc.*, 477 F.Supp. 723, 728 (S.D.N.Y. 1987). Consequently, First Amendment protection is not absolute.

Rather than giving creative works a “presumptive constitutional protection, there must be a factual determination of whether the items served a predominantly expressive purpose or were mere commercial products.” *Mastro v. City of New York*, 435 F.3d 78, 93 (2006). Thus, to determine

whether a defendant's creative expression is entitled to First Amendment protection the New York Courts have applied a predominance test that resembles California's public interest exemption in so far as it considers the public's interest in and benefit from the presentation of the information.

New York Courts ask whether the portrayal in question "predominantly serves an expressive purpose." *Id.* at 91. A video game does not enjoy complete immunity from actions for right of publicity because it contains artistic elements. All games contain artistic elements. It goes without saying that there is art in the graphics, design, functions, and ability of a player to engage in the virtual world. The presence of some artistic functionality is not the sine qua non of complete protection under the First Amendment. Otherwise, there would be no place for the right of publicity to exist.

Here, the primary purpose of the inclusion of Plaintiff is to aid in the sale of video games. Defendants made their commercial purpose clear in the boastful manner that GTA V "reach[ed] \$1 billion in sales in just three days." Br. at 1-2; Gal Aff. ¶ 13. Defendants represent that the essence of GTA V is to place players in a virtual world as close to reality as possible. Without stepping into the shoes of a player and engaging in significant aspects of the real world that form the illusion of reality -- i.e. nationally/internationally known Karen Gravano's persona, the game has no attraction. The game is not

meant to be an artistic expression but rather an imitation of the world. The use of Ms. Gravano's portrait and likeness furthers Defendants creation of a virtual reality intended to "model Los Angeles, California." Br. at 4-5; Rosa Aff. ¶ 6; Exhibit 1. Defendants do not allege otherwise. They claim it is a "fictional" city. *Id.* Yet Defendants affirm how the game embodies popular culture, it is "today's great expectations." App. at 11⁸. Therefore, it is perfectly clear that the use of Ms. Gravano's detailed image, her persona, her likeness, even her facial structure, is what provides the player with the reason to play the game, and concomitantly fuels the profits to Defendants and the appellate court ignored these considerations.⁹ This story allows the player to save the real daughter of a real-world mob boss from being buried alive. Thus, in this respect, it is incorporation of plaintiff's person, as a reference to the real world that provides the attraction to buy the game from Take-Two.

The defendant's argued and the appellate court agreed that, "creative works are categorically not 'advertising' or 'trade' purposes within the meaning of Section 51." App. at 10. They reference cases then go on to state that "there can be no doubt that GTA V is a creative work, just like the books,

⁸ "App." Refers to the Defendant-Appellants Brief submitted on appeal March 21, 2016.

⁹ This is simply not a question of the Plaintiff claiming, "Hey that's me!" The Plaintiff provided Exhibits from Twitter and the Affidavit's of Edwin Sullivan and Isys Shah, independent third parties who believed the character Anotonio Bottino to be the Plaintiff.

plays, movies and photographs that decades of precedent have protected.” *Id.* However, this is not a book, play, movie or photograph. It is a video game that is primarily a commercial product and not afforded absolute protection as a creative work.

The relevant part of the statute provides:

“for advertising or trade purposes”

N.Y. CPLR § 51. Contrary to the appellate court’s decision, the plain language of the statute states nothing about “works of fiction or satire,” and video games are not afforded absolute protection under the First Amendment. New York uses a predominance purpose test to determine whether creative works fall under First Amendment protection and, as established above, it is clear that Defendants primary purpose is commercial. The public does not benefit from the information presented through this video game, if anything, it is allowing the public to do immoral things in a virtual landscape. In GTA V, the most recent installment of the video game series, players are able to engage in heinous acts such as murdering jurors, pick up a prostitute and beat or kill her after, even torture a person with a vast selection of instruments.

Defendants’ cases do not apply to the issue in this case. The cases used to support Defendants incorrect understanding of the law relate to photographs, paintings, movies and books. They illustrate exactly how Ms.

Gravano's claims are dissimilar and dismissal is not warranted. Defendants authority, in part, comes from the following:

- *Foster v. Svenson*, 12 A.D.3d 150, 156-60 (1st Dep't 2015) (art work is Protected by the First Amendment affirming dismissal of Section 51 claim based on Photographs) "Indeed, plaintiffs concede on appeal that defendant, a renowned fine arts photographer, assembled the photographs into an exhibit that was shown in a public forum, an art gallery. Since the images themselves constitute the work of art, and art work is protected by the First Amendment, any advertising undertaken in connection with the promotion of the art work was permitted" *Id.* at 160.
- *Costanza v. Seinfeld*, 29 A.D.2d 255, 256 (1st Dep't 2001) (the plaintiff brought an action under section 51 solely for the similarities in his last name, in a television show over a decade old)("There, not only was there one similarity between the character and the plaintiff, the action was time-barred over a decade.") *Id.* at 255.¹⁰
- *Krupnik v. NBC Universal, Inc.*, No. 103249/10, 2010 WL 901365 , at 1 (Sup. Ct., N.Y. Cnty. Jun. 29, 2010)(stating that "Plaintiff was paid in connection with the photograph, and executed a release that not only permits the use of her image for any and all purposes, including commercial uses, but expressly waives any claims for misappropriation of the right of privacy or publicity, and for defamation.")

Additionally, *University of Notre Dame Du Lac* (quoted in *Hampton*), and *Altbach, supra*, referenced by Defendants to support their contention that

¹⁰ It should be noted that the Plaintiff in *Costanza* asserted, "the fictional character George Costanza in the television program "Seinfeld" is based upon him. In the show, George Costanza is a long-time friend of the lead character, Jerry Seinfeld. He is constantly having problems with poor employment situations, disastrous romantic relationships, conflict with his parents and general self-absorption." It should be pointed out that these similarities can probably be identified with any number of people in the general public at large. These are not specific and unique characteristics and are quite distinguishable as those proven in this case.

artistic works are not “advertising” or “trade” within the meaning of Section 51, both set forth the “threshold [inquiry] shaped by a consistent line of cases.” *University of Notre Dame Du Lac v. Twentieth Century–Fox Film Corp.*, 22 A.D.2d 452, 456 (1st Dep’t 1965). This inquiry is whether there is any basis to infer the plaintiff endorsed or is associated with the subject of the case. The cases explain:

- *University of Notre Dame Du Lac v. Twentieth Century–Fox Film Corp.*, 22 A.D.2d 452, 456-7 (Holding that the film does not use plaintiff’s name, portrait or picture which is the statutory test of identification laid out in *Toscani*) (“The only critique we are permitted to make is a threshold one shaped by a consistent line of cases. It is this: Is there any basis for any inference on the part of rational readers or viewers that the antics engaging their attention are anything more than fiction or that the real Notre Dame is in some way associated with its fabrication or presentation? In our judgment there is none whatever. They know they are not seeing or reading about real Notre Dame happenings or actual Notre Dame characters; and there is nothing the text or film from which they could reasonably infer ‘connection or benefit to the institution’”)(emphasis added).
- *Altbach v. Kulon*, 302 A.D.2d 655, 58,55 (3d Dep’t 2003) (“Since defendant’s flyers identified plaintiff as the subject of the caricature and cannot reasonably be read to assert that plaintiff endorsed or recommended either the painting or defendant’s gallery, we find that Supreme Court’s reasoning concerning the flyers’ use of the painting leads inexorably to the conclusion that their use of his name and photograph also is exempt from the proscriptions of Civil Rights Law §§ 50 and 51”)(“flyers identified plaintiff as subject of caricature and cannot reasonably be read to assert that plaintiff endorsed or recommended painting or defendant’s gallery.”)

These cases turned out the way they did because no reasonable person could

find the plaintiff's endorsing the end product. The result is not the case with Ms. Gravano. After GTA V came out with the character based on her the public all believed Ms. Gravano was associated with GTA V. Her claims under Section 51 are clearly warranted and Defendants violated her right to privacy creating the inference she is endorsing and associated with their commercial product. Accordingly, the appellate court erred in deciding that the that Gravano's claim should be dismissed because it is not "trade" or "advertising" under Section 51 as it is flawed and their decision should be reversed.

II. The First Amendment does not bar all right of privacy claims involving video games under New York's Civil Rights Law Section 51

This is a case of first impression regarding the New York Civil Rights Law and video games. The appellate division ruled that Ms. Gravano's right of publicity claims in a video game must fail because of constitutional free speech concerns. Their support comes from cases that fail to acknowledge the issue at hand—whether GTA V, a video game, is fully protected under the First Amendment. As discussed above their support comes from irrelevant cases. These cases support Ms. Gravano's argument that video games are not fully protected under the First Amendment which the appellate court ignored.

In Defendant's supporting case, *Server*, supra, video games are specifically addressed as being unprotected:

- *Foster v. Svenson*, 12 A.D.3d 150, 150 ("To give absolute protection to all expressive works would be to eliminate the statutory right of privacy.")
- *Sarver v. Chartier*, Nos. 11-569 6, 12-55429, 2016 WL 625362 (9th Cir. Feb. 1, 2016)("We, however, have interpreted *Zacchini* to uphold the right of publicity in a variety of contexts where the defendant appropriates the economic value that the plaintiff has built in an identity or performance. For example, in *Hilton v. Hallmark Cards*, we held that Paris Hilton could pursue a right of publicity claim for Hallmark's use of her image and catch phrase ("that's hot") from her television show in one of its greeting card. In doing so, we suggested that 'merely merchandising a celebrity's image without that person's consent, the prevention of which is the core of the right of publicity,' is not protected by the First Amendment. Similarly, in *Keller v. Electronic Arts, Inc.*, we upheld an action by a college football player who sought to prevent the use of his likeness in EA's video game. see also Davis v. Elec. Arts, Inc., (upholding right of publicity action challenging EA's use of professional football player likenesses in a video game). We noted that the video game "literally recreates [the football player] in the very setting in which he has achieved renown," Keller, and interferes with his ability "to capitalize on his athletic success," which took "talent and years of hard work on the football field" to build.")(internal citations omitted)(emphasis added).

A. The First Amendment does not afford video games an absolute protection against right of Publicity claims

Defendants cannot use the First Amendment to shield their misappropriation of Ms. Gravano's portrait and likeness. Just like the player in *Keller*, Ms. Gravano has worked on her image as a public figure and the

Defendants have interfered with her ability to capitalize on this success which the appellate court has failed to consider.

The main argument Defendants made and the appellate court found is rooted in the contention that the video game Grand Theft Auto V is a creative work protected by the First Amendment. This point is flawed because the New York Supreme Court addressed this very issue in *Nolan v. Getty Images*.

The defense that GTA V is a “creative work” is nothing but a veil to shield Defendants illegal, egregious conduct. The purpose of GTA V is not to be form of creative expression but a profitable commercial video game. This should not invoke the Constitutional protections of free speech embodied in the First Amendment. Defendants used Ms. Gravano’s portrait and likeness without her consent.

B. The Appellate Division’s order that video games are absolutely Exempt from the right of Publicity under the First Amendment disregards recent New York precedent and persuasive decisions in other states

New York courts have never explicitly recognized a non-statutory right of publicity. *Wojtowicz v. Delacorte Press*, 58 A.D.2d 45 (1st Dep’t 1977). However, the United States Court of Appeals for the Second Circuit, in construing New York law, found that the so-called right of publicity did, in fact, exist independent of the statutory right of privacy. *Haelan Laboratories v. Topps Chewing Gum*, 202 F.2d 866, 868 (1953). “The right of publicity

guarantees celebrities the exclusive right to control and profit from the commercial marketing of their own valuable likeness.” *Id.* at 868.

The United States Supreme Court has stated that the State’s interest in the protection of the right of publicity “is closely analogous to the goals of patent and copyright law, focusing on the right of the individual to reap the reward of his endeavors and having little to do with protecting feelings or reputation.” *Zacchini v. Scripps-Howard Broadcasting Co.*, 433 U.S. 562, 563 (1977) (parallel citations omitted) (noting that because plaintiff’s identity was clearly recognizable and the conclusion was made by the public defendant created a false impression that the plaintiff was associated with the defendant.).

The Court of Appeals has said, “Any civil right not unlawful in itself nor against public policy, that has acquired pecuniary value, becomes a property right that is entitled to protection as such. The courts have frequently exercised this right. They have never refused to do so when the facts show that the failure to exercise equitable jurisdiction would permit unfair competition in trade or in any manner pertaining to a property right.” *Fisher v. Star Co., Inc.*, 231 N.Y. 414, 428 (1921) (parallel citations omitted) (emphasis added).

1. Ninth Circuit Law

As discussed above, of great significance, the Ninth Circuit has made it clear that video games using an individual's likeness are not afforded First Amendment protection, contrary to Defendants repetitive assertions. The most recent decision is *Davis v. Electronic Arts, Inc.*, 755 F.3d 1172 (9th Cir. 2015). In *Davis*, the panel affirmed the district court's denial of Electronic Arts Inc.'s motion to strike a complaint, brought by former professional football players alleging unauthorized use of their likenesses in the video game series Madden NFL, as a strategic lawsuit against public participation (SLAPP) under California's anti-SLAPP statute. The panel rejected Electronic Arts' argument that its use of former players' likenesses was protected under the First Amendment as "incidental use." In addition, the panel held that Electronic Arts' use of the former players' likenesses was not incidental because it was central to Electronic Arts' main commercial purpose: to create a realistic virtual simulation of football games involving current and former National Football League teams.

Further, the Ninth Circuit held that a video game developers use of the likeness of college athletes in its video games is not protected by the First Amendment and therefore the players right-of-publicity claims against developer were not barred. *In re NCAA Student-Athlete Name & Likeness*

Licensing Litigation, 724 F.3d 1268, 1271 (9th Cir. 2013). The Court used the “transformative use test” and states that there “at least five factors to consider in determining whether a work is sufficiently transformative to obtain First Amendment protection.” *Id.* at 1274 (parallel citations omitted). These include protection “so long as the expression is ‘something other than the likeness of the celebrity,’” “‘the quality of the artistic contribution’, a court should conduct an inquiry ‘whether the literal and imitative or the creative elements predominate the work,’” similar to New York’s predominant purpose analysis, “whether ‘the marketability and economic value of the challenged work derive primarily of the fame of the celebrity depicted,’” and “‘lastly... ‘when an artist’s skill and talent is manifestly subordinated to the overall goal of creating a conventional portrait of a celebrity so as to commercially exploit her or her fame,’” “the work is not transformative.” *Id.* at 1274 (parallel citations omitted) (emphasis added).

2. Third Circuit Law

The court *In Re NCAA* noted “*Keller* [*In re NCAA Student-Athlete Name & Likeness Licensing Litigation*] is simply [*Hart*] incarnated in California” because the facts were the same and the court in *Hart* looked to the transformative use test in California *Id.* at 1278; *Hart v. Electronic Arts, Inc.*, 717 F.3d 141 (3d Cir.2013) (nothing that the right-of-publicity laws are

“strikingly similar... and protect similar interests” in New Jersey and California)(holding that the transformative use test is the proper analytical framework to apply to cases such as the one at bar”). The defendants in that case argued that the *Rogers* test should be applied, and the court disagreed stating “we considered a claim by a strip club owner that video game Rock Star incorporated its club logo into the games virtual depiction of East Los Angeles... we held that Rock Star’s use of the logo was protected by the First Amendment... we extended the Rogers test slightly... [however] we disagree that the Rogers test should be imported wholesale to right-of-publicity claims.” *Id.* at 1280; *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989) (emphasis added). This is the exact case Defendants used to support their original argument and as the Supreme Court correctly asserts it is not the right place to be applied. The court explained that “the right of publicity protects the celebrity not the consumer.” *Id.* at 1281. The claim is that the defendants “appropriated, without permission and without compensation” and rejected the *Rogers* test “in favor of a flexible case-by-case approach that takes into account the celebrities interest in retaining his or her publicity and the public’s interest in free expression. Therefore, we decline [defendants] invitation to extend the *Rogers* test to right-of-publicity claims.” *Id.* at 1281-1282.

3. Seventh Circuit Law

In, *Jordan v. Jewel Food Stores, Inc.*, 83 F.Supp.3d 761, (N.D.Ill. Mar. 12, 2015), the Court highlighted the Seventh Circuit's opinion and addressed whether Jewel's ad qualified as commercial-speech under the First Amendment, as well as the Seventh Circuits explicit denial to address whether "the Supreme Court's commercial-speech doctrine should be used to define the 'commercial element' of Jordan's IRPA... and other claims. In fact, the court expressed doubt that the First Amendment commercial speech doctrine governed the scope of the 'commercial' element of those claims." *Jordan* at 7 (emphasis added). The Court went on to note that the parties had not briefed the meaning of the "commercial" element of Jordan's claims "to the extent to which the scope [of the state laws] is coextensive with the Supreme Court's constitutional commercial speech doctrine." *Id.*

The *Jordan* decision stresses very important rules applicable to this case. It noted how Illinois courts also look to the interpretation given to analogous statutes enacted by other states, as the Plaintiff has asked the court to do in this case. Moreover, it explained that the "central legal question of 'the extent to which the scope of the... state laws... is coextensive with the Supreme Court's constitutional commercial-speech doctrine.'" *Jordan* at 9.

Jordan also filed a similar suit against another grocery chain, Dominick's, for the same conduct. The *Jordan* court footnotes that the Dominick case "bears a strong resemblance both in substance and brevity to the initial brief in this case..." *Id.* at FN1. In that case, on August 21, 2015, the federal jury decided that Dominick's will have to pay Michael Jordan \$8.9 million for the unauthorized use of his image in a 2009 Sports Illustrated ad.

In the case at bar, the Plaintiff claims that the Defendant's "creative work" defense is not applicable under New York law principles or the First Amendment and respectfully asks The Court that *Jordan* is used as supplemental authority to support this claim for the reasons set forth below.

Similar to the elements applicable in *Jordan* "to prevail on a statutory right of privacy claim pursuant to the New York Civil Rights Law, a plaintiff must prove '(1) use of plaintiff's name, portrait, picture or voice; (2) for the purposes of advertising or trade; (3) without consent ; and (4) within the state of New York.'" (internal citations omitted). As the *Jordan* court explained, the commercial element of the statute should not be governed by First Amendment principles and the parties are required to provide the meaning of the element in dispute, here whether GTAV falls within the "trade" or "advertising" element. The Defendant's only support for their claim that works of art or fiction are not within the scope of the statute is citing cases

that are factually distinct from the case at bar. They go on explain that “these cases come out the way they do, not simply because of the plain language of the statute, but also because of constitutional free speech concerns.” *Id.* at 15. This is incorrect as both the *Jordan* case and the Plaintiff illustrated.

Although the Defendant’s believe their speech is immune because it is a “creative work,” despite it’s overtly commercial nature, the Plaintiff has made it clear that defense is inapplicable here. The Plaintiff explained that, although a videogame involves both fictional and artistic elements, “New York courts have determined that “rather than giving creative works a ‘presumptive constitutional protection, there must be a factual determination of whether the items served a predominantly expressive purpose or were mere commercial products.’” As further noted, the primary purpose of the game is commercial, as the Defendant’s boastfully state how the videogame made over \$1 billion in sales in just three days.

The Defendant’s have not shown “the extent to which the scope of the ... state laws... is coextensive with the Supreme Court’s commercial-speech doctrine” as required by the *Jordan* court. *Jordan* at 9. The Plaintiff has met this burden by not only providing New York case law but also a recent Supreme Court case (among various other cases), that deals directly with video games “holding that defendants video game had no first amendment

defense against the right of publicity claims.” Moreover, Plaintiff has shown how the Third, Ninth and Seventh Circuits have made recent developments in this area of the law, in favor of the Plaintiff, as recommended in *Jordan* for statutory interpretation.

This Court should consider the Third Circuit, Seventh Circuit and Ninth Circuit law as supplemental authority in this case. It effectively addresses and resolves two issues in the case at bar, namely, that GTAV is not entitled to First Amendment protection nor is it an expressive work of fiction, excused from liability under the New York Civil Rights Law §51.

Although they are not binding these recent cases in the Third, Seventh and Ninth Circuits are persuasive and should be taken into consideration due to the recent developments of the law.

The statute, which is the subject of this action, was not intended to be read narrowly. *Flores v. Mosler Safe Co.*, 7 N.Y.2d 276, 281 (1959)(citations omitted)(A statute of this kind is not ‘to be obeyed grudgingly, by construing it narrowly and treating it as though it did not exist for any purpose other than that embraced within the strict construction of its words.’ It is ‘not an alien intruder in the house of the common law, but a guest to be welcomed as a new and powerful aid in the accomplishment of its appointed task for accommodating the law to social needs.” (quoting *Lahiri v. Daily Mirror*, 162

Misc. 776, 779, 295 N.Y.S. 382, 385 (1937)). As the court said as early as 1937 the statute would have to “accommodate the law to social needs.” *Id* at 385. That time has come. This statute was enacted before video games, before reality television, and before the rise of the vast technology of today. Defendants have distributed the GTA V game nationally and internationally, therefore, Ms. Gravano was harmed in New York.

There is good faith basis for a change in the law since Judge Dore’s dissent in *Toscani v. Hershey*:

“The language of the statute is in the disjunctive... The Court of Appeals construing the meaning of this statute has expressly held that a picture is not necessarily a photograph ‘but includes any representation of such person.’ [(citations omitted)] This does not mean... that it may be a violation of the statute for a writer to base a novel or play on events that occurred in the life of any living person. Basing that novel or play on certain events is one thing. Reproducing or portraying in fiction or trade purposes a living person... without his consent is quite another.” (emphasis added)

Toscani v. Hersey, 271 A.D. 445, 449 (1st Dep’t 1946). Such has been the case in the landmark decisions such as *Plessy v. Ferguson*, the dissent which became the majority in *Brown v. Board of Education*. History has shown dissents become law. *Plessy v. Ferguson*, 163 U.S. 537 (1896); *Brown v. Board of Education*, 347 U.S. 438 (1954). Supreme Court justice Ruth Bader Ginsberg gave a lecture on “the role of dissenting opinions” in which she stated “describing the external impact of dissenting opinions, chief justice

Hughes famously said; ‘A dissent in a court of last resort is an appeal... to the intelligence to a future day, when a future decision may possibly correct the error in to which the dissenting judge believes the court to have been betrayed.’” This new day for the right of publicity has come.

Furthermore, Justice Jesse W. Carter wrote an article about dissenting opinions in which he opened the article by writing “the right to dissent is the essence of democracy- the will to dissent is an effective safeguard against all judicial lethargy- the effect of a dissent is the essence of progress.” The time to progress the right of publicity is now. Justice Dore’s dissent is analogous to Ms. Gravano’s case. There are many reasons for a dissenting opinion. In this case, the dissent in *Toscani* provides that a good faith basis for a change in the law has been ripe since Judge Dore wrote it in 1945.

In the recent Appellate Division, Third Department, Porco v. Lifetime Entertainment Servs., LLC, 147 AD3d 1253 [3rd Dept 2017] the Court accommodated “the law to social needs” by expanding the analysis of the newsworthy exception as it was set forth in Spahn v Julian Messenger, Inc., 21 NY2d at 129, holding,

“A work may be so infected with fiction, dramatization or embellishment that it cannot be said to fulfill the purpose of the newsworthiness exception to the statutory right of privacy. The fact that a film revolves around a true occurrence, such as a rescue of passengers from a shipwreck, does not invoke the newsworthiness exception in the

event that the entire account remains mainly a product of the imagination.”

This expansion of the law should be applied to the fictional use of a celebrity in a video game. As in *Porco*, where the work revolves around a "true occurrence" but is still riddle with fiction it is not covered by the newsworthy exception. Further, this is a case of first impression as stated in *Porco*.

In *Porco*, the Court noted that the Court of Appeals passed on the issue of "whether extending liability in the aforementioned manner violated constitutional protections of freedom of speech and has found no such violation." *Porco* solidifies the decision in *Binns* and *Spahn*, where “the Courts concluded that the substantially fictional works at issue were nothing more than attempts to trade on the persona of Warren Spahn and John Binns.....Indeed, in his brief to this Court, Arrington cited *Binns* for the proposition that “fiction” was actionable under sections 50 and 51,” which is applicable and should be the standard in this case. *Id.*

CONCLUSION

Ms. Gravano has stated the elements of a right of privacy claim pursuant to New York Section 51. Defendants violated her right of privacy, namely, Defendants created a character with the portrait of Ms. Gravano, without her consent, in the *GTA V* video game that was distributed

internationally for profit. She has pleaded specific facts that support her claim. The video game is not meant to be an artistic expression but rather an fictional imitation of the world and the New York Constitution does not offer heightened protection for commercial speech. Defendants have not submitted any evidence or properly plead any defense to her claims to resolve all factual issues as a matter of law. Accordingly, the Order issued by the Appellate Division dismissing this case should be reversed.

Dated: April 14, 2017
New York, New York

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Thomas A. Farinella', written over a horizontal line.

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CERTIFICATION

I certify pursuant to 500.13(c)(1) that the total word count for all printed text in the body of the brief, exclusive of the statement of the status of related litigation; the corporate disclosure statement; the table of contents, the table of cases and authorities and the statement of questions presented required by subsection (a) of this section; and any addendum containing material required by subsection 500.1(h) of this Part is 8,471 words.

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(Time Requested: 30 Minutes)

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Court of Appeals
of the
State of New York

KAREN GRAVANO,

Plaintiff-Appellant,

– against –

TAKE-TWO INTERACTIVE SOFTWARE, INC. and ROCKSTAR GAMES,

Defendants-Respondents.

BRIEF FOR DEFENDANTS-RESPONDENTS

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CORPORATE DISCLOSURE STATEMENT

Defendant-Respondent Take-Two Interactive Software, Inc. is the parent company of Defendant-Respondent Rockstar Games, Inc. The following companies also are subsidiaries of Defendant-Respondent Take-Two Interactive Software, Inc.: 2K Australia Pty. Ltd.; 2K Czech, s.r.o.; 2K Games (Chengdu) Co., Ltd.; 2K Games (Hangzhou) Co. Ltd.; 2K Games (Shanghai) Co., Ltd.; 2K Games, Inc.; 2K, Inc.; 2K Marin, Inc.; 2K Play, Inc.; 2K Games Songs LLC; 2K Games Sounds LLC; 2K Games Tunes LLC; 2K Vegas, Inc.; 2KSports, Inc.; A.C.N. 617 406 550 Pty Ltd.; Cat Daddy Games, L.L.C.; Digital Productions S.A.; DMA Design Holdings Limited; Double Take LLC; Firaxis Games, Inc.; Frog City Software, Inc.; Gathering of Developers, Inc.; Gearhead Entertainment, Inc.; Indie Built, Inc.; Inventory Management Systems, Inc.; Irrational Games, LLC; Jack of All Games Norge A.S.; Jack of All Games Scandinavia A.S.; Joytech Europe Limited; Joytech Ltd.; Kush Games, Inc.; Maxcorp Ltd.; Parrot Games, S.L.U.; Rockstar Events Inc.; Rockstar Games Songs LLC; Rockstar Games Sounds LLC; Rockstar Games Toronto ULC; Rockstar Games Tunes LLC; Rockstar Games Vancouver ULC; Rockstar Interactive India LLP; Rockstar International Limited; Rockstar Leeds Limited; Rockstar Lincoln Limited; Rockstar London Limited; Rockstar New England, Inc.; Rockstar North Limited; Rockstar San Diego, Inc.; Social Point, K.K.; Social Point, S.L.; T2 Developer, Inc.; Take 2 Interactive

Software Pty. Ltd.; Take 2 Productions, Inc.; Take-Two Asia Pte. Ltd.; Take-Two Chile SpA; Take-Two Europe (Holdings) Limited; Take-Two GB Limited; Take-Two Holdings III LLC; Take-Two Holdings II LLC; Take-Two Holdings LLC; Take-Two Interactive Austria GmbH; Take-Two Interactive Benelux B.V.; Take-Two Interactive Canada Holdings, Inc.; Take-Two Interactive Canada, Inc.; Take-Two Interactive Espana S.L.; Take-Two Interactive France SAS; Take-Two Interactive GmbH; Take-Two Interactive Japan G.K.; Take-Two Interactive Korea Ltd.; Take-Two Interactive Software Europe Limited; Take-Two Interactive Software UK Limited; Take-Two International B.V.; Take-Two International Holdings L.P.; Take-Two International GmbH; Take-Two Invest Espana, S.L.; Take-Two UK Holdings Limited; Talonsoft, Inc.; Techcorp Ltd.; Venom Games Limited; Visual Concepts China Co., Ltd.; Visual Concepts Entertainment; VLM Entertainment Group, Inc.; Weazel Studios Incorporated; and WC Holdco, Inc.

Dated: May 31, 2017
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TABLE OF CONTENTS

Preliminary Statement.....	1
Questions Presented	3
Background	4
I. The Creative Work At Issue: Grand Theft Auto V	4
A. The Fictional World Of The Game	4
B. The Plot Of The “Burial” Random Event	7
II. Section 51 Of The New York Civil Rights Law	10
III. The Appellate Division’s Dismissal Of This Case	12
Argument.....	14
I. GTAV Does Not Use Ms. Gravano’s “Name, Portrait, Picture Or Voice” As The Statute Requires	14
II. Creative Content In Expressive Works Like GTAV Is Absolutely Protected Because It Is Not For Purposes Of “Advertising” Or “Trade” As The Statute Requires.....	17
A. Expressive Works Like GTAV Are Absolutely Protected Even When The Works Allegedly Depict Or Evoke Real People	18
B. The Content of GTAV Fits Squarely Within The New York Rule Of Absolute Protection	21
C. The Protection Of Creative Content Applies At The Motion To Dismiss Stage, Sparing Content Creators From Costly Discovery.....	22
III. Constitutional Free Speech Values Support The Statutory Grounds For Dismissal	26
IV. Ms. Gravano Concedes The Law Does Not Support Her Claim	30
Conclusion	33

TABLE OF AUTHORITIES

CASES

<i>Altbach v. Kulon</i> , 302 A.D.2d 655, 657 (3d Dep’t 2003).....	<i>passim</i>
<i>Arrington v. N.Y. Times Co.</i> , 55 N.Y.2d 433 (1982)	11
<i>Bello v. Cablevision Sys. Corp.</i> , 185 A.D.2d 262 (2d Dep’t 1992).....	24
<i>Binns v. Vitagraph Co.</i> , 210 N.Y. 51 (1913)	32
<i>Brown v. Board of Education</i> , 347 U.S. 483 (1954).....	30
<i>Brown v. Entm’t Merchants Ass’n</i> , 564 U.S. 786, 790 (2011).....	22, 28
<i>Costanza v. Seinfeld</i> , 279 A.D.2d 255, 255 (1st Dep’t 2001)	<i>passim</i>
<i>Deer Consumer Prods., Inc. v. Little</i> , No 650823/2011, 2011 WL 4346674 (Sup. Ct., N.Y. Cnty. Aug. 31, 2011)	24
<i>Foster v. Svenson</i> , 128 A.D.3d 150 (1st Dep’t 2015)	<i>passim</i>
<i>Gravano v. Take-Two Interactive Software, Inc.</i> , 142 A.D.3d 776 (1st Dep’t 2016)	12, 13, 14, 22
<i>Hampton v. Guare</i> , 195 A.D.2d 366, 366 (1st Dep’t 1993)	<i>passim</i>
<i>Hampton v. Guare</i> , No. 17869, 1992 WL 117448 (N.Y. Sup. Ct. Apr. 29, 1992)	30
<i>Hart v. Electronic Arts, Inc.</i> , 717 F.3d 141 (3d Cir. 2013)	32

<i>Hoepker v. Kruger</i> , 200 F. Supp. 2d 340 (S.D.N.Y. 2002)	21, 27
<i>Howell v. N.Y. Post Co., Inc.</i> , 81 N.Y.2d 115 (1993)	11, 27
<i>Immuno, A.G. v. Moor-Jankowski</i> , 77 N.Y.2d 235 (1991)	29
<i>In re NCAA Student-Athlete Name & Likeness Licensing Litig.</i> , 724 F.3d 1268 (9th Cir. 2013)	32
<i>Krupnik v. NBC Universal, Inc.</i> , No. 103249/10, 2010 WL 9013658 (Sup. Ct., N.Y. Cnty. Jun. 29, 2010).....	<i>passim</i>
<i>Lohan v. Perez</i> , 924 F. Supp. 2d 447 (E.D.N.Y. 2013)	21, 23, 26
<i>Mastrovincenzo v. City of N.Y.</i> , 435 F.3d 78 (2d Cir. 2006)	31
<i>Messenger v. Gruner + Jahr Print. & Publ’g</i> , 94 N.Y.2d 436 (2000)	11
<i>Mother v. The Walt Disney Co.</i> , No. 103662/2012, 2013 WL 497173 (Sup. Ct. N.Y. Cnty. Feb. 6, 2013)	16, 30
<i>Parks v. LaFace Records</i> , 329 F.3d 437 (6th Cir. 2003)	32
<i>People ex rel. Maggio v. Charles Scribner’s Sons</i> , 205 Misc. 818 (N.Y. City Ct. 1954)	30
<i>Plessy v. Ferguson</i> , 163 U.S. 537 (1896).....	30
<i>Porco v. Lifetime Entm’t Servs., LLC</i> , 147 A.D.3d 1253 (3d Dep’t 2017).....	32
<i>Roberson v. Rochester Folding Box Co.</i> , 171 N.Y. 538 (1902)	10, 11

<i>Spahn v. Messner, Inc.</i> , 18 N.Y.2d 324, 327 (1966)	32
<i>Stephano v. News Publ'n</i> , 64 N.Y.2d 174 (1984)	27
<i>Toscani v. Hersey</i> , 271 A.D. 445, 448 (1st Dep't 1946)	<i>passim</i>
<i>Univ. of Notre Dame Du Lac v. Twentieth Century-Fox Film Corp.</i> , 22 A.D.2d 452 (1st Dep't 1965), <i>aff'd</i> , 15 N.Y.2d 940 (1965)	<i>passim</i>
<i>Wojtowicz v. Delacorte Press</i> , 58 A.D.2d 45, 47 (1st Dep't 1977), <i>aff'd</i> , 43 N.Y.2d 858 (1978)	15, 16, 30

STATUTES

N.Y. Civil Rights Law § 51.	<i>passim</i>
N.Y. CPLR § 3211(a)(1)	1, 24
N.Y. CPLR § 3211(a)(7)	1, 24
N.Y. CPLR § 3214(b)	26
S05857, Reg. Sess. 2017-2018 (N.Y. 2017)	16

OTHER AUTHORITIES

N.Y. Const. Art. I, § 8	29
Alex Witchel, <i>The Life of Fakery and Delusion In John Guare's 'Six Degrees'</i> , N.Y. TIMES (Jun. 21, 1990)	25
CARMODY-WAIT 2D, CYCOLPEDIA OF NEW YORK PRACTICE WITH FORMS § 38:161 (2016)	24
Chris Suellentrop, <i>Grand Theft Auto V Is a Return to the Comedy of Violence</i> , N.Y. TIMES (Sep. 16, 2013)	6
Erin Blakemore, <i>How Hearst Tried to Stop 'Citizen Kane'</i> , SMITHSONIAN (Mar. 30, 2016)	25

Keza MacDonald, <i>Grand Theft Auto V Review: Grand in Every Sense</i> , IGN (Sept. 16, 2013).....	9
Jason Hughes, <i>‘The Good Wife’ Creators Explain Inspiration Behind Pilot Slap on ‘The Writers’ Room’</i> , THE WRAP (May 24, 2014)	25
Jeanie Riess, <i>Ten Famed Literary Figures Based on Real-Life People</i> , SMITHSONIAN (Sep. 12, 2012).....	26
Stephen Rex Brown, <i>Manhattan judge who called Newser ‘wiseass’ hit with demotion</i> , N.Y. DAILY NEWS (May 15, 2017).....	12
W. Page Keeton et al., PROSSER AND KEETON ON THE LAW OF TORTS § 117 (5th ed. 1984)	19
Wendy Parish, <i>GTA V parodies real-life brands, including KFC, Sprite</i> , MARKETING DIVE (Oct. 15, 2013)	6

Defendants-Respondents Take-Two Interactive Software, Inc. and its subsidiary Rockstar Games, Inc. (together, “Take-Two”) respectfully request that the Court affirm the decision below dismissing this case. Plaintiff-Appellant Karen Gravano has sued for the purported violation of her right of publicity under Section 51 of the New York Civil Rights Law (“Section 51”). The Appellate Division properly dismissed the complaint for failure to state a cause of action, pursuant to CPLR § 3211(a)(7), and based on documentary evidence, pursuant to CPLR § 3211(a)(1).

PRELIMINARY STATEMENT

Take-Two’s celebrated video game “Grand Theft Auto V (“GTAV”) takes place in a fictional universe of parody that does not contain any literal representation of the real world or of any real people. Ms. Gravano claims that a fictional character in GTAV resembles her. The claim of resemblance is baseless and, even more fundamentally, so is the legal claim. GTAV, an expressive work challenged here for its creative content, is absolutely protected against Section 51 claims regardless of any resemblance between Ms. Gravano and the fictional character. Ms. Gravano’s claim fails for the same core reasons that similar claims always have failed in this State:

On its face, Section 51 only applies to the actual use of a plaintiff’s “name, portrait, picture or voice” – not the claim here, which is that a fictional character

is recognizable as the plaintiff. The fictional “Antonia Bottino” character at issue here simply does not use Ms. Gravano’s “name, portrait, picture or voice” as the plain language of Section 51 requires. This issue easily was decided by the Appellate Division as a matter of law under well-settled New York precedent, and this Court should readily affirm.

Section 51 only reaches “advertising purposes” or “trade” purposes – not creative content in expressive works such as novels, books, movies, television shows, songs, or, here, video games. Even if Ms. Gravano’s name, portrait, picture or voice had been used in GTAV (which they were not), such use in the creative content of an expressive work is not “advertising” or “trade.” That is the plain meaning of the statute. It also is the clear rule followed for decades by the courts of New York that have dismissed claims just like this one. GTAV plainly is an expressive work and its content plainly is creative. GTAV essentially is an interactive movie that consists of over 100 hours of on-screen gameplay rich with a lengthy and involved plot, dialogue, animated sequences, still-image visual artworks, and music. The particular portion of the game about which Ms. Gravano complains – a gameplay sequence called “Burial” – is itself clearly creative content. As the Appellate Division correctly held, the creative and expressive purpose of GTAV’s content alone fully supports dismissal.

Constitutional free speech considerations strongly support affirming the dismissal. The protection of First Amendment interests, and of New York’s own constitutional free speech clause, is a key purpose of Section 51. GTAV is an expressive work, the use complained of is for creative purposes, and that use fits squarely within these constitutional protections. Just as the U.S. Supreme Court has held that video games deserve full constitutional free speech protections, so too should this Court.

New York is the creative capital of the world. This case presents an important opportunity to reaffirm New York’s bedrock tradition of protecting creative works against right of publicity claims. Ms. Gravano asks this Court to abandon that tradition of protection. Such a holding would have a far-ranging impact on a wide variety of creative content in expressive works, including plays, movies, television, books, art, and paintings. The plain language and purpose of Section 51, decades of precedent, and constitutional free speech values all point to affirmance.

QUESTIONS PRESENTED

1. Should the Appellate Division’s order dismissing the Amended Complaint for failure to state a cause of action be affirmed because Take-Two did not use Ms. Gravano’s “name, portrait, picture or voice,” as is required by Section 51 of the Civil Rights Law?

This Court should answer in the affirmative.

2. Should the Appellate Division's order dismissing the Amended Complaint for failure to state a cause of action be affirmed because creative content in an expressive work, like the content in GTAV, is not as a matter of law use for purposes of "advertising" or "trade" under Section 51 of the Civil Rights Law?

This Court should answer in the affirmative.

3. Should the Appellate Division's order dismissing the Amended Complaint for failure to state a cause of action also be affirmed on constitutional free speech grounds?

The Appellate Division did not reach this question. This Court should answer in the affirmative.

BACKGROUND

I. THE CREATIVE WORK AT ISSUE: GRAND THEFT AUTO V

A. The Fictional World Of The Game

GTAV was released to the public on September 17, 2013 for use on PlayStation 3 and Xbox 360 video game consoles. *See* Am. Compl. ¶ 7 (R. 16); Affidavit of Jeff Rosa (Mar. 17, 2014) ("Rosa Aff.") ¶ 2 (R. 90).

GTAV is set in the U.S. state of "San Andreas," a satirical parody of California, and takes place in and around the city of "Los Santos," a satirical

parody of Los Angeles. *Id.* ¶ 6 (R. 91). The game includes a wide range of creative content, including animated sequences, still images, music, a complex plot, and numerous subplots.¹

The story of GTAV is experienced essentially like an interactive movie. The player controls one of three main characters, changing characters at various times to experience different parts of the story. *See id.* ¶ 9 (R. 92). The characters all are complicated men: Michael is an affluent retired bank robber in witness protection; Trevor is Michael’s violent former partner; and Franklin is a small-time hood looking to get out of the gang life, who becomes like a second son to Michael.

The player navigates his or her chosen character through various missions in the Los Santos area as the story unfolds. GTAV is an “open world” video game, meaning that players can explore Los Santos and San Andreas as they wish, or they may follow the main story missions. *Id.* ¶ 6 (R. 91). As the GTAV guide explains,

¹ Exhibit 4 to the Rosa Affidavit (R. 130) is a book-length guide to GTAV, which makes it possible to review the game content without electronic means. The guide “provides a detailed written description of various aspects of GTAV [and] accurately describes the content of GTAV.” Rosa Aff. ¶ 5 (R. 91). The record also contains the actual video game on a disk, *id.* Ex. 1 (R. 94), and a DVD of the gameplay sequence at issue here. *Id.* Ex. 3 (R. 129). Take-Two is loaning a gaming console to the Clerk’s Office, to facilitate the Court’s review of the game disk exhibit. A promotional trailer giving an overview of the game’s features also is available online at this link: <https://www.youtube.com/watch?v=N-xHcvug3WI&t=204s>. A trailer introducing the main character Michael is available online at this link: <https://www.youtube.com/watch?v=HqZXw5M6qQY>. Both of these trailers are made up of content captured from the game.

[a]t many points in the game multiple mission contact points appear on the map, sometimes even for the same protagonist. In these situations, you can play the missions in any order without missing out on any other missions by doing so.

Id. Ex. 4 (R. 130) at 57. There are approximately 80 main story missions, over 60 optional “random events,” and other on-screen activities totaling over 100 hours of gameplay. *Id.* ¶ 7 (R. 91-92).

Nothing in GTAV is a literal representation of the real world. Rather, virtually everything in the game is a parody. No real place names are used. No real celebrities or other real people are named. No real brands or logos are used. There are parody equivalents of Apple, Twitter, and other businesses, and a parody version of “50 Shades of Grey.”² The characters drink “Sprunk,” not Sprite; eat at “Taco Bomb,” not Taco Bell; watch “Weasel News,” not Fox News; and use a social media site called “LifeInvader,” not Facebook.³

The game also has its own complex geography. Los Santos is made up of fictional neighborhoods that evoke real-life counterparts. For example, “Pillbox

² Chris Suellentrop, *Grand Theft Auto V Is a Return to the Comedy of Violence*, N.Y. TIMES (Sep. 16, 2013), available at <http://www.nytimes.com/2013/09/17/arts/video-games/grand-theft-auto-v-is-a-return-to-the-comedy-of-violence.html?mcubz=1>.

³ Wendy Parish, *GTA V parodies real-life brands, including KFC, Sprite*, MARKETING DIVE (Oct. 15, 2013), available at <http://www.marketingdive.com/news/gta-v-parodies-real-life-brands-including-kfc-sprite/181822/>.

Hill” in the game evokes the Bunker Hill area of Los Angeles, while “Vinewood” in the game evokes Hollywood. Familiar California landmarks are evoked by in-game versions. For example, the “Los Santos Tower” evokes Los Angeles’ iconic U.S. Bank Tower, “Del Perro Pier” evokes the famous Santa Monica pier, and “Maze Bank Arena” evokes the famous Los Angeles Coliseum where the 1932 and 1984 Summer Olympics were held. *See Rosa Aff. Ex. 4 (R. 130) at 18-19.*

B. The Plot Of The “Burial” Random Event

Ms. Gravano is suing over the fictional character “Antonia Bottino,” who appears in a “random event” within GTAV called “Burial.” “Random events” are brief optional missions, with plots, animated action, dialogue, and sound and visual effects, that players can choose to engage in or ignore. The “Burial” random event is triggered if the player comes upon two men by the side of the road preparing to bury a woman alive. The player can choose to engage in the “Burial” random event by killing the two men and rescuing the woman – “Antonia Bottino” – who then asks the player’s character drive her to a safe place in “Vinewood Hills.” *Id.* ¶ 8 (R. 92). While they are driving, the “Bottino” character tells her rescuer about her life. She says she is the daughter of a mobster named “Sammy ‘Sonny’ Bottino,” who was active in the “Gambetti” crime family. *Id.*; *Am. Compl.* ¶ 16 (R. 17). The player’s character drops “Bottino” at a highway overlook in

Vinewood Hills, drives off, and there the random event ends. “Burial” lasts approximately seven minutes. Rosa Aff. ¶ 8 (R. 92).⁴

The screenshot below at left shows the player’s character as he rescues “Antonia Bottino” from the kidnappers. The screenshot below at right shows the player’s character untying Ms. “Bottino” and helping her to her feet.



(Rosa Aff. Ex. 3) (R. 129)



(Rosa Aff. Ex. 3) (R. 129)

The “Burial” random event is one of many experiences in the GTAV parody world. As one critic has put it, GTAV

⁴ “[T]he player can experience ‘Burial’ in four different ways, depending on which character the player is controlling when the ‘random event’ occurs. The dialogue for ‘Antonia Bottino’ is the same in all four versions but the dialogue for the player characters is slightly different, reflecting their different personalities.” Rosa Aff. ¶ 10 (R. 92).

both gives you tremendous freedom to explore an astonishingly well-realised world and tells a story that's gripping, thrilling, and darkly comic. . . . [GTAV] is not only a preposterously enjoyable video game, but also an intelligent and sharp-tongued satire of contemporary America.⁵

The Amended Complaint alleges in purely conclusory terms that GTAV uses Ms. Gravano's "portrait," "voice," and "life story." Am. Compl. ¶¶ 9, 10, 14 (R. 16, 17). The thrust of the allegations, to be clear, is *not* that the "Bottino" character is a literal depiction of Ms. Gravano. Nor is there, or could there be, any claim that GTAV uses Ms. Gravano's actual name, portrait, picture, or voice. Indeed, GTAV does not include any portrait or picture of Ms. Gravano. Rosa Aff. ¶ 11 (R. 93). Rather, Ms. Gravano complains that she and the fictional "Bottino" character have certain things in common: both of their fathers were Mafia lieutenants who then testified for the government, and they both use the phrase "the life," a common euphemism for being in the Mafia. Am. Compl. ¶¶ 17, 22 (R. 17); Gravano Aff. ¶¶ 11-14 (R.133).

The core plotline of "Burial" has no resemblance to anything that Ms. Gravano alleges about her own life. For example, unlike the "Bottino" character, Ms. Gravano never was kidnapped, threatened with being buried alive, or rescued

⁵ Keza MacDonald, *Grand Theft Auto V Review: Grand in Every Sense*, IGN (Sept. 16, 2013) (hereinafter "MacDonald"), *available at* <http://www.ign.com/articles/2013/09/16/grand-theft-auto-v-review>.

in the process by a passing stranger. Also unlike the “Bottino” character, Ms. Gravano appeared on a reality television show called “Mob Wives”; the Bottino character, in contrast, tells her rescuer that she was offered a place on a (fictional) reality show called “Wise Bitches” but did *not* participate. Rosa Aff. Ex. 3 (R. 129).

II. SECTION 51 OF THE NEW YORK CIVIL RIGHTS LAW

Section 51 provides in relevant part:

Any person whose name, portrait, picture or voice is used within this state for advertising purposes or for the purposes of trade without the written consent first obtained as above provided [in Section 50] may maintain an equitable action in the supreme court of this state against the person, firm or corporation so using his name, portrait, picture or voice, to prevent and restrain the use thereof; and may also sue and recover damages for any injuries sustained by reason of such use[.]

N.Y. Civil Rights Law § 51 (emphasis added).

The Legislature enacted Section 51 in direct response to *Roberson v. Rochester Folding Box Co.*, 171 N.Y. 538 (1902) – a case in which the defendant used the plaintiff’s picture, without authorization, in traditional commercial advertising. The defendant in *Roberson* created 25,000 copies of lithographic print advertisements for flour. These advertisements included photographs of the plaintiff without her permission. This Court reluctantly concluded that Ms. Roberson had no claim under New York law as it then stood. *Id.* at 556.

“The Legislature responded [to *Roberson*] by enacting the Nation’s first statutory right to privacy, now codified as sections 50 and 51 of the Civil Rights Law.” *Howell v. N.Y. Post Co., Inc.*, 81 N.Y.2d 115, 123 (1993); *Foster v. Svenson*, 128 A.D.3d 150, 155, (1st Dep’t 2015) (“Public outcry over the perceived unfairness of *Roberson* led to a rapid response by the New York State Legislature.”).

Given that Section 51 has its roots in a case about traditional advertising, and the plain language limits the statute’s scope to purposes of “advertising” or “trade,” courts in New York always have interpreted Section 51 narrowly to apply to such traditional commercial purposes – but not to works that have broader social purposes, such as expressive works and journalistic works. As this Court put it in *Arrington v. N.Y. Times Co.*, 55 N.Y.2d 433 (1982), Section 51

was drafted narrowly to encompass only the commercial use of an individual’s name or likeness and no more. Put another way, the Legislature confined its measured departure from existing case law to circumstances akin to those presented in *Roberson*.

Id. at 439 (emphasis added); *Messenger v. Gruner + Jahr Print. & Publ’g*, 94 N.Y.2d 436, 441 (2000) (“recognizing the Legislature’s pointed objective in enacting Sections 50 and 51, we have underscored that the statute is to be narrowly construed and strictly limited to nonconsensual commercial appropriations of the

name, portrait or picture of a living person” (citation and quotation marks omitted)).

III. THE APPELLATE DIVISION’S DISMISSAL OF THIS CASE

In dismissing the Amended Complaint, the Appellate Division, First Department reversed a cursory decision by the Supreme Court (Kenney, J.) that sustained the complaint. Mar. 11, 2016 Order (R. 6-7). That decision did not even mention or discuss the New York rule that expressive works and their creative content are absolutely protected against Section 51 claims. Instead, the Supreme Court mistakenly held that the degree of resemblance between Ms. Gravano and the fictional “Bottino” character was an issue of fact. *Id.*⁶

The five-justice panel of the Appellate Division unanimously held that Ms. Gravano’s Section 51 claim failed for two independent statutory reasons. *Gravano v. Take-Two Interactive Software, Inc.*, 142 A.D.3d 776 (1st Dep’t 2016).

First, the panel held that Ms. Gravano’s claim “must fail because defendants did not use [plaintiff’s] ‘name, portrait, or picture,’” as Section 51 requires. *Id.* at 777 (quoting *Costanza v. Seinfeld*, 279 A.D.2d 255, 255 (1st Dep’t 2001)) (alteration in original). The panel further held: “Despite Gravano’s contention

⁶ Justice Kenney recently was reassigned from the Supreme Court to the Civil Court. *See* Stephen Rex Brown, *Manhattan judge who called Newser ‘wiseass’ hit with demotion*, N.Y. DAILY NEWS (May 15, 2017), *available at* <http://www.nydailynews.com/new-york/manhattan/manhattan-judge-called-newser-wiseass-hit-demotion-article-1.3168855>.

that the video game depicts her, defendants never referred to Gravano by name or used her actual name in the video game, never used Gravano herself as an actor for the video game, and never used a photograph of her.” *Id.*

Second, the panel held:

Even if we accept plaintiffs’ contentions that the video game depictions are close enough to be considered representations of the respective plaintiffs, plaintiffs’ claims should be dismissed because this video game does not fall under the statutory definitions of “advertising” or “trade.”

Id. (emphasis added).⁷ The panel noted that GTAV’s “unique story, characters, dialogue, and environment, combined with the player’s ability to choose how to proceed in the game, render[ed] it a work of fiction and satire,” and thus GTAV and its creative content were absolutely protected against Ms. Gravano’s Section 51 claim. *Id.*

⁷ The Appellate Division’s reference to “plaintiffs” in the plural reflects that the court considered and dismissed two Section 51 cases in the same opinion: both the *Gravano* case that is the subject of this appeal, and a similar case brought by Lindsay Lohan, which is the subject of a separate appeal currently pending before this Court. *Lohan v. Take-Two Interactive Software, Inc. et al.*, APL-2017-00028. Like the *Gravano* complaint, the *Lohan* complaint originally was sustained by Justice Kenney, then dismissed by the Appellate Division. Take-Two is today also submitting a separate brief in *Lohan*.

ARGUMENT

I. GTAV DOES NOT USE MS. GRAVANO’S “NAME, PORTRAIT, PICTURE OR VOICE” AS THE STATUTE REQUIRES

The Appellate Division correctly dismissed this case on the ground that, as a matter of law, Take-Two did not use Ms. Gravano’s “name, portrait, picture or voice” as the plain language of Section 51 requires. 142 A.D.3d at 777. This is confirmed by a simple review of the game content. This Court can and should affirm on the same basis.

Whatever elements of commonality Ms. Gravano may see between herself and the fictional “Bottino” character are legally irrelevant. As a matter of law, Take-Two simply did not use any of the statutorily protected elements: “name, portrait, picture or voice.” “Antonia Bottino” is an animated fictional character; the character is not named Karen Gravano, nor is it a “portrait” or “picture” of Ms. Gravano. As for voice, the “Antonia Bottino” character undisputedly does not use Ms. Gravano’s voice. *See Rosa Aff.* ¶ 11 (R. 93).⁸

In short, the complaint here simply does not describe a statutory violation. Even when generously read, all the complaint alleged was that the fictional “Bottino” character evoked Ms. Gravano. But it has long been the law of this State that evocation or suggestion is not enough, as this Court and others have made

⁸ The Amended Complaint included nothing more than conclusory allegations that Take-Two used Ms. Gravano’s “voice.” Am. Compl. ¶¶ 9, 10, 26 (R. 16, 18). This is self-evidently not a literal reference to Ms. Gravano’s actual voice.

clear. There can be no Section 51 claim absent an actual use of “name, portrait, picture or voice.” See *Wojtowicz v. Delacorte Press*, 58 A.D.2d 45, 47 (1st Dep’t 1977) (fictional characters in the movie *Dog Day Afternoon*, a popular movie inspired by a real-life bank robbery, could not give rise to a cause of action under Section 51 where statutory elements not used in movie), *aff’d*, 43 N.Y.2d 858 (1978).

This is so even if the Court assumes that audiences, in their minds, draw a straight line from the fictional characters to the real-world plaintiffs on whom the characters allegedly are based. *Id.* (dismissing Section 51 claim where statutory elements were not used, even if it were “clear that the plaintiffs were actually being depicted therein”); *Toscani v. Hersey*, 271 A.D. 445, 448 (1st Dep’t 1946) (Section 51 “was not intended to give a living person a cause of action for damages based on the mere portrayal of acts and events concerning a person designated fictitiously in a novel or play merely because the actual experiences of the living person had been similar to the acts and events so narrated”).

In *Wojtowicz*, this Court credited the allegations that the book and movie at issue

do not purport to be historical or documentary accounts of newsworthy interest but which are nonetheless represented as true and accurate stories [and that] defendants for commercial advantage have portrayed plaintiffs in sufficiently detailed accuracy of physical characteristics and activities as to result in their effective identification.

43 N.Y.2d at 860. The Court still affirmed dismissal of the complaint because none of the statutorily protected elements were used.

Ms. Gravano's contention that GTAV tells her "life story" (Gravano Br. at 4; Am. Compl. ¶¶ 9, 10, 14 (R. 16, 17)) is both incorrect and, even if accepted, irrelevant under the law. Ms. Gravano does not allege that she ever was kidnapped, threatened with being buried alive, or rescued in the process by a passing stranger – the central events that happen to the "Bottino" character in GTAV. In any event, life stories simply are not covered by Section 51 – only, as the words of the statute say, the use of "name, portrait, picture or voice." *Toscani*, 271 A.D. at 448; *Mother v. The Walt Disney Co.*, No. 103662/2012, 2013 WL 497173, at *2 (Sup. Ct. N.Y. Cnty. Feb. 6, 2013) (quoting *Toscani* and dismissing, at the pleading stage, a Section 51 claim that alleged "a veritable similitude of plaintiff's actual life experiences" between the plaintiff and the character played by Whoopi Goldberg character in *Sister Act*).

A bill recently introduced in the New York Senate to amend Section 51 confirms just how narrow the current statute is. *See* S05857, Reg. Sess. 2017-2018

(N.Y. 2017). The proposed amendment is backed by the actors' union and would extend Section 51 protection to "persona," "image," "likeness," "distinctive appearance," "gestures," and "mannerisms." These are the very elements Ms. Gravano alleges Take-Two used here. There could be no plainer recognition that these elements are not protected under the current statute.

Because Ms. Gravano's name, portrait, picture, or voice as a matter of law are not found in GTAV, the unanimous dismissal should be affirmed.

II. CREATIVE CONTENT IN EXPRESSIVE WORKS LIKE GTAV IS ABSOLUTELY PROTECTED BECAUSE IT IS NOT FOR PURPOSES OF "ADVERTISING" OR "TRADE" AS THE STATUTE REQUIRES

The Appellate Division also correctly dismissed Ms. Gravano's complaint because GTAV is an expressive work and its creative content is not "advertising" or "trade." Works such as GTAV simply are not covered by the statute, as a matter of law. The highly creative character of GTAV's world of satire, parody, action, and adventure is beyond question. *See* pp. 4-7, *supra* (describing game content as a whole). The "Burial" gameplay sequence exemplifies the game's creative character. *See* pp. 7-10, *supra* (describing "Burial"). The determination of the game content's creative character is an entirely proper function for the Court, as a matter of law, at the pleading stage.

A. Expressive Works Like GTAV Are Absolutely Protected Even When The Works Allegedly Depict Or Evoke Real People

This case is part of a genre of Section 51 cases that might be called the “hey, that’s me” claim: plaintiffs point to fictional characters in creative works and claim to see an undue resemblance. Such complaints long have failed as a matter of law at the motion to dismiss stage. This one properly has failed too.

For example, in *Univ. of Notre Dame Du Lac v. Twentieth Century-Fox Film Corp.*, 22 A.D.2d 452 (1st Dep’t 1965), *aff’d*, 15 N.Y.2d 940 (1965), the plaintiffs – the University of Notre Dame and its then-president, Father Theodore Hesburgh – challenged a novel and a motion picture that they claimed fictionalized them without their authorization. The Father Hesburgh character in the movie was named “Father Ryan.” The Appellate Division rejected the Section 51 claim as a matter of law, at the motion to dismiss stage, noting that creative works, unlike “trade” or “advertising,” are “no ordinary subject of commerce.” *Id.* at 457 (citations and quotation marks omitted)). This Court summarily affirmed. 15 N.Y.2d 940.

Likewise, in *Hampton v. Guare*, 195 A.D.2d 366, 366 (1st Dep’t 1993), the plaintiff sued the author of the award-winning play “Six Degrees of Separation.” The play was inspired by a real-life criminal scam where the plaintiff Hampton had fooled wealthy Manhattanites by pretending to be the son of actor Sidney Poitier. The main character in the play plainly was a fictionalized version of plaintiff

Hampton. The claim failed on a motion to dismiss, with the court holding that “works of fiction and satire do not fall within the narrow scope of the statutory phrases ‘advertising’ and ‘trade.’” This Court denied leave to appeal. 82 N.Y.2d 659 (1993); *see also* W. Page Keeton et al., PROSSER AND KEETON ON THE LAW OF TORTS § 117 at 853 (5th ed. 1984) (“Nor is there any liability [under the right of publicity] when the plaintiff’s character, occupation and the general outline of his career, with many incidents in his life, are used as the basis for a figure in a novel who is still clearly a fictional one.”).

Another notable “hey, that’s me” claim failed at the motion to dismiss stage in *Costanza v. Seinfeld*, 279 A.D.2d 255, 255 (1st Dep’t 2001). The plaintiff claimed that the character of “George Costanza” in the television show “Seinfeld” was based on him. The plaintiff and the fictional character were both named Costanza, and the plaintiff’s personal travails were alleged to resemble those of the fictional “George Costanza” character. The complaint was dismissed at the pleading stage, and the Appellate Division affirmed. As the court stated flatly, “works of fiction do not fall within the narrow scope of the statutory definitions of ‘advertising’ or ‘trade.’” *Id.* (emphasis added). That proposition correctly states the law, and it controls here.

Toscani v. Hersey, 271 A.D. 445, 448 (1st Dep’t 1946) further illustrates just how well settled is the New York rule that exempts creative works from right of

publicity claims. Plaintiff contended that he was the real-world basis for the main character in author John Hersey's World War II novel "A Bell for Adano," and in Hersey's play of the same name. The Appellate Division rejected the claim at the motion to dismiss stage. As the court explained,

Section 51 was not intended to give a living person a cause of action for damages based on the mere portrayal of acts and events concerning a person designated fictitiously in a novel or play merely because the actual experiences of the living person had been similar to the acts and events so narrated.

Id. (emphasis added).

This body of precedent is remarkably consistent and long-running. The rule is crystal clear: a plaintiff's allegation that fictional characters resemble or evoke her simply does not state a claim in New York. The fundamental issue is not the degree of factual resemblance, or the lack thereof, between the appearances or life stories of the fictional characters as compared to the real-life plaintiffs. Rather, the issue simply is whether the plaintiff is complaining about a character in an expressive work. GTAV plainly is such a work. Even accepting Ms. Gravano's strained suggestion that the fictional "Bottino" character at issue here somehow evokes her – no matter how close the similarities – her Section 51 claim still fails as a matter of law.

B. The Content of GTAV Fits Squarely Within The New York Rule Of Absolute Protection

As forms of media have evolved over the years, the absolute legal protection for expressive works and their creative content against Section 51 claims has been consistent. Video games simply take their place in line as the latest form of creative content to come under New York's umbrella of absolute legal protection.

Movie content has been protected. *See Univ. of Notre Dame*, 22 A.D.2d 452; *Krupnik v. NBC Universal, Inc.*, No. 103249/10, 2010 WL 9013658 (Sup. Ct., N.Y. Cnty. Jun. 29, 2010) (dismissing Section 51 claim challenging use of actual photograph of plaintiff in the movie "Couples Retreat"). Content in novels likewise has been protected (*Toscani*); as have plays (*Toscani, Hampton*), television shows (*Costanza*); songs (*Lohan v. Perez*, 924 F. Supp. 2d 447 (E.D.N.Y. 2013)), paintings (*Altbach v. Kulon*, 302 A.D.2d 655, 657 (3d Dep't 2003) (affirming dismissal of Section 51 challenge to an oil painting)), and photographs (*Foster; Hoepker v. Kruger*, 200 F. Supp. 2d 340 (S.D.N.Y. 2002) (granting motion to dismiss)). Both artistic images of a plaintiff (the painting in *Altbach*) and literal images (the photographs in *Hoepker, Foster*, and *Krupnik*) have been deemed equally protected.

Regardless of medium, the common denominator is this: if the plaintiff is suing over creative content in an expressive work, then the Section 51 claim fails on a motion to dismiss. The Appellate Division here thus appropriately concluded

that the video game GTAV merits the same absolute protection as the forms of media that came before it. 142 A.D.3d at 777 (citing *Brown v. Entm't Merchants Ass'n*, 564 U.S. 786, 790 (2011)).

In *Brown*, the U.S. Supreme Court squarely held that video games are entitled to the same First Amendment protected status as older cultural formats: “Like the protected books, plays, and movies that preceded them, video games communicate ideas – and even social messages – through many familiar literary devices (such as characters, dialogue, plot, and music) and through features distinctive to the medium (such as the player’s interaction with the virtual world).” *Brown*, 564 U.S. at 790. The Supreme Court applied First Amendment protection even to video games that might be considered “offensively violent,” noting that “parental oversight” is appropriate, but governmental restrictions on such content are not. *Id.* at 794, 804. This Court likewise can easily conclude that video games fit comfortably within New York’s tradition of absolute protection for expressive works and their creative content.

C. The Protection Of Creative Content Applies At The Motion To Dismiss Stage, Sparing Content Creators From Costly Discovery

New York courts for decades have dismissed Section 51 claims on motions to dismiss, based on the court’s own review of the creative work at issue. That is exactly what the Appellate Division did here.

For example, in *Notre Dame*, a case involving a challenge to a novel and a film, the Appellate Division dismissed the plaintiff's Section 51 claim after it "read the book, which [was] incorporated as an exhibit to the complaint, and at the request of the parties viewed a special showing of the moving picture." 22 A.D.2d at 455 (emphasis added). Courts review the content of challenged works as a matter of course at the motion to dismiss stage, and they readily conclude based on their own review that the challenged content is creative and thus the work is fully protected. *See, e.g., Lohan*, 924 F. Supp. 2d at 454 (granting motion to dismiss Section 51 case based on a song, because music is "a form of expression and communication"); *Altbach*, 302 A.D.2d 655 (oil painting); *Costanza*, 279 A.D.2d 255 (television show *Seinfeld*); *Hampton*, 195 A.D.2d 366 (play "Six Degrees of Separation"); *Krupnik*, 2010 WL 9013658 (movie "Couples Retreat").

The Appellate Division's order thus was procedurally and legally correct: it determined as a matter of law that the content of GTAV was creative and not "advertising" or "trade," and dismissed Ms. Gravano's complaint. As the Appellate Division in *Notre Dame* explained in an opinion affirmed by this Court, the judiciary's job is not to pass judgment on the artistic merit of the particular creative work, but simply to determine whether the work is creative in nature.

It is fundamental that courts may not muffle expression by passing judgment on its skill or clumsiness, its sensitivity or coarseness; nor on whether it pains or pleases. It is enough that the work is a form of expression deserving of substantial freedom—both as entertainment and as a form of social and literary criticism.

22 A.D. 2d. at 458 (citation and quotation marks omitted), *aff'd*, 15 N.Y.2d 940 (1965). Once the determination is made in a Section 51 case that the challenged work is a form of creative expression, dismissal follows.

The content of GTAV properly was considered below on two separate procedural grounds – (i) because the game content was incorporated by reference into the Amended Complaint, and (ii) because it was placed into the record by Take-Two via affidavit. *See Bello v. Cablevision Sys. Corp.*, 185 A.D.2d 262, 263 (2d Dep’t 1992) (“We assess the complaint in light of the evidentiary material submitted in conjunction with the CPLR § 3211 motion, as well as that appended to the complaint itself.”); *Deer Consumer Prods., Inc. v. Little*, No. 650823/2011, 2011 WL 4346674, at *4 (Sup. Ct., N.Y. Cnty. Aug. 31, 2011) (“[I]t is undisputed that the Court, on a CPLR § 3211(a)(1) or (a)(7) dismissal motion, may consider documents referred to in a Complaint”); 6A CARMODY-WAIT 2D, CYCOLPEDIA OF NEW YORK PRACTICE WITH FORMS, § 38:161 (2016) (“[O]n a motion to dismiss the complaint for failure to state a cause of action, the court is not limited to a

consideration of the pleading itself, but may consider extrinsic matters submitted by the parties in disposing of the motion.”).

The New York rule compelling dismissal of these types of claims at the pleading stage is not just mandated by the plain language and history of Section 51 and by the ample body of precedent. Dismissal also is sound policy, protecting the rich tradition of cultural works that use real people for the creative purpose of inspiring fictional characters. To cite just one current example of this rich tradition, “Six Degrees of Separation” – the play held protected against a Section 51 claim in *Hampton* – has been nominated for a 2017 Tony Award for Best Revival of a Play. It is promoted by the producers as being “[i]nspired by a true story.”⁹ The examples of cultural works that use real-world figures for creative purposes are legion.¹⁰

⁹ <http://www.sixdegreesbroadway.com/> (last visited May 30, 2017); *see also* Alex Witchel, *The Life of Fakery and Delusion In John Guare's 'Six Degrees'*, N.Y. TIMES (Jun. 21, 1990) (“[a]udiences leave wondering where the facts stop and Mr. Guare’s imagination begins”), *available at* <http://www.nytimes.com/1990/06/21/theater/the-life-of-fakery-and-delusion-in-john-guare-s-six-degrees.html>.

¹⁰ *See, e.g.*, Erin Blakemore, *How Hearst Tried to Stop 'Citizen Kane'*, SMITHSONIAN (Mar. 30, 2016) (legendary movie a “thinly veiled portrait” of William Randolph Hearst), *available at* <http://www.smithsonianmag.com/smart-news/how-hearst-tried-stop-citizen-kane-180958602/#kCkzicqu9rSYp9q5.99>; Jason Hughes, *'The Good Wife' Creators Explain Inspiration Behind Pilot Slap on 'The Writers' Room'*, The Wrap (May 25, 2014) (popular television show inspired by multiple cases of male politicians who brought their wives to press conferences where they

Dismissal at the pleading stage not only protects these creative works, and incentivizes their creation – it also spares content creators from costly and unnecessary discovery. *See* CPLR § 3214(b) (automatic stay of discovery while motion to dismiss under CPLR § 3211 is pending). New York’s absolute protection for creative works controls here, and rightly so.

III. CONSTITUTIONAL FREE SPEECH VALUES SUPPORT THE STATUTORY GROUNDS FOR DISMISSAL

Affirmance of the dismissal is fully supported on purely statutory grounds, for the reasons discussed in sections I and II above. Constitutional free speech concerns provide strong additional support for this result.

The Legislature drafted Section 51 “with the First Amendment in mind,” (*Foster*, 128 A.D.3d at 156), and courts have relied on this when granting motions to dismiss claims against creative content in expressive works. *Lohan*, 924 F. Supp. 2d at 454 (“Courts interpreting [Section 51] have concluded that ‘pure First Amendment speech in the form of artistic expression . . . deserves full protection, even against [another individual’s] statutorily-protected privacy interests” (citation

discussed their own personal misconduct), *available at* <http://www.thewrap.com/the-good-wife-creators-explain-inspiration-behind-pilot-slap-on-the-writers-room-video/>; Jeanie Riess, *Ten Famed Literary Figures Based on Real-Life People*, SMITHSONIAN (Sep. 12, 2012) (noting real-life referents for fictional characters including Robinson Crusoe and Dorian Gray), *available at* <http://www.smithsonianmag.com/arts-culture/ten-famed-literary-figures-based-on-real-life-people-35379298/#i8sVPDhpMJ5m8PZR.99>.

omitted)); *see also Altbach*, 302 A.D.2d at 657 (affirming dismissal of a Section 51 claim because the works at issue were “artistic expressions – specifically a caricature and parody of plaintiff in his public role as a town justice – that are entitled to protection under the First Amendment and excepted from New York’s privacy protections”); *Hoepker*, 200 F. Supp. 2d at 349 (“New York courts have taken the position in the right of privacy context that art is speech, and, accordingly, that art is entitled to First Amendment protection vis-à-vis the right of privacy.”). This Court should do the same here.

These are the same First Amendment principles that long have underpinned this Court’s jurisprudence on the “newsworthiness” exception to Section 51, which recognizes that publications concerning newsworthy events or matters of public interest are not for purposes of “advertising” or “trade.” As this Court has explained, “[t]he exception reflects Federal and State constitutional concerns for free dissemination of news and other matters of interest to the public.” *Stephano v. News Publ’n*, 64 N.Y.2d 174, 184 (1984). The principles behind the “newsworthiness” exception are not meant literally to protect works of journalism (although those have indeed been held exempt). *See Howell v. New York Post Co., Inc.*, 81 N.Y.2d 115 (N.Y. 1993). Rather, these principles extend to “many other forms of First Amendment speech, protecting literary and artistic expression from

the reach of the statutory tort of invasion of privacy.” *Foster*, 128 A.D. 3d at 156 (citing *Notre Dame*, 22 A.D.2d at 456).

First Amendment considerations thus strongly support affirmance of the dismissal here. The GTAV creative content is part of an expressive work of fiction – filled with dialogue, character, plot, music and other classic elements of protected expression. As the U.S. Supreme Court has made clear, video games generally fall within First Amendment protections because they communicate ideas “[l]ike the protected books, plays, and movies that preceded them.” *Brown*, 564 U.S. at 790. The interactive character of the gameplay adds to its constitutionally protected character. *Id.* (“features distinctive to the [video game] medium (such as the player’s interaction with the virtual world)” add to video games’ First Amendment protected status).

As *Brown* aptly further held, “whatever the challenges of applying the Constitution to ever-advancing technology, the basic principles of freedom of speech and the press, like the First Amendment’s command, do not vary when a new and different medium for communication appears.” *Id.* (internal citation and quotation marks omitted). These First Amendment factors support dismissal whether one agrees with the video game critics who have embraced GTAV, MacDonald, *supra* 9 n.5, or one has other cultural preferences. *Id.* (“Under our Constitution, esthetic and moral judgments about art and literature . . . are for the

individual to make, not for the Government to decree, even with the mandate or approval of a majority.”) (internal citation and quotation marks omitted).

The New York State Constitution supports affirmance here at least as strongly as the First Amendment. N.Y. Const. Art. I, § 8 (“Every citizen may freely speak, write and publish his or her sentiments on all subjects, being responsible for the abuse of that right; and no law shall be passed to restrain or abridge the liberty of speech or of the press.”). New York, as

a cultural center for the Nation, has long provided a hospitable climate for the free exchange of ideas. That tradition is embodied in the free speech guarantee of the New York State Constitution . . . [which] reflect[s] the deliberate choice of the New York State Constitutional Convention not to follow the language of the First Amendment.

Immuno, A.G. v. Moor-Jankowski, 77 N.Y.2d 235, 249 (1991) (holding, in defamation context, that the protections of Article I, Section 8 of New York State’s constitution can exceed federal First Amendment protections).

To be clear, the Appellate Division here did not hold that the First Amendment “bar[s] all right of privacy claims involving video games,” as Ms. Gravano mistakenly contends (Gravano Br. at 21), and the Court need not reach this issue to affirm. The record and the law, however, would fully support this Court in relying on First Amendment considerations to confirm why the plain language of Section 51 requires dismissal.

For these reasons, constitutional free speech concerns provide powerful support for the Appellate Division’s interpretation of Section 51 in this case. Both the First Amendment and the New York Constitution support the statutory limitation of “advertising purposes” and “trade” purposes to exclude expressive works and their creative content, as well as the construction of “name, portrait, picture or voice” to exclude digital “avatars” like the fictional character “Antonia Bottino.”

IV. MS. GRAVANO CONCEDES THE LAW DOES NOT SUPPORT HER CLAIM

Eliminating all doubt that settled New York law compels affirmance, Ms. Gravano explicitly requests “a change in the law.” Gravano Br. at 29, 31. To support this request Ms. Gravano cites the U.S. Supreme Court’s progress from *Plessy v. Ferguson*, 163 U.S. 537 (1896), to *Brown v. Board of Education*, 347 U.S. 483 (1954). No response to these citations seems necessary.

Ms. Gravano also cites the dissent in *Toscani*, ignoring that the *majority* opinion in *Toscani* – protecting a creative work against a “hey, that’s me” Section 51 claim just like Ms. Gravano’s – has been cited with approval for more than 70 years. *See Hampton v. Guare*, No. 17869, 1992 WL 117448, at *3 (N.Y. Sup. Ct. Apr. 29, 1992), *aff’d*, 195 A.D.2d 366 (1st Dep’t 1993); *Wojtowicz*, 58 A.D.2d at 47, *aff’d*, 43 N.Y.2d 858 (1978); *Notre Dame*, 22 A.D. 2d. at 455, *aff’d*, 15 N.Y.2d 940; *Mother*, 2013 WL 497173, at *2; *People ex rel. Maggio v. Charles*

Scribner's Sons, 205 Misc. 818, 821 (N.Y. City Ct. 1954). *Toscani* plainly and accurately states the controlling law of this State.

This Court has declined past invitations similar to Ms. Gravano's to change the law. *See, e.g., Hampton*, 82 N.Y.2d 659 (1993) (denying motion for leave to appeal). Simply put, "New York courts have repeatedly ruled that use of a person's likeness in movies or other entertainment media [. . .] does not constitute use for advertising or purposes of trade, and [is] not actionable under section 51[.]" *Krupnick*, 2010 WL 9013658, at *6 (emphasis added) (quoting *Costanza*, 279 A.D.2d 255, 255; *Hampton*, 195 A.D.2d 366). This Court should stay the course.

Ms. Gravano's remaining arguments are to no avail. No New York court ever has applied a "predominance [sic] purpose test" (Gravano Br. at 18) to determine whether the creative content of an expressive work constitutes an "advertising" or "trade" purpose under Section 51. Even if there were some test of predominance, GTAV would pass with flying colors as it is *only* a creative work and has no advertising component.

Ms. Gravano cites *Mastrovincenzo v. City of N.Y.*, 435 F.3d 78 (2d Cir. 2006) (Gravano Br. at 15), but that case involved a motion for a preliminary injunction concerning the enforcement of a city ordinance against street vendors. It had nothing to do with Section 51.

The cases involving “invented biographies” to which Ms. Gravano cites in passing are not relevant here. *See* Gravano Br. at 33-34, citing *Binns v. Vitagraph Co.*, 210 N.Y. 51 (1913); *Spahn v. Messner, Inc.*, 18 N.Y.2d 324, 327 (1966); *Porco v. Lifetime Entm’t Servs., LLC*, 147 A.D.3d 1253 (3d Dep’t 2017). Those cases occupy a seldom-visited corner of right of publicity law involving the use of the plaintiff’s real name in what are held out to be recitations of true events, but are substantially fictionalized. Here, there is neither any use of Ms. Gravano’s name, nor is there any suggestion to the public that real events are being depicted. GTAV obviously is not a biography, nor does it claim to be.

The cases Ms. Gravano cites from the Third, Seventh, or Ninth Federal Circuits (Gravano Br. at 25-31) arise under other states’ laws. Ms. Gravano concedes that they carry no weight in New York. *Id.* at 31. These cases simply reflect that other courts have adopted different tests than New York for assessing right of publicity claims under very different facts (*i.e.*, sports simulation games that use real athletes playing their sports). *See, e.g., Hart v. Electronic Arts, Inc.*, 717 F.3d 141 (3d Cir. 2013) (applying the transformative use test under New Jersey law to a sports simulation game without an expressive story); *In re NCAA Student-Athlete Name & Likeness Licensing Litig.*, 724 F.3d 1268 (9th Cir. 2013) (applying the transformative use test under California law to a sports simulation game without an expressive story); *Parks v. LaFace Records*, 329 F.3d 437 (6th

Cir. 2003) (applying *Rogers* test under Michigan law to a song using Rosa Parks' name). They provide no reason for New York to revisit its own rule.


CONCLUSION

For the foregoing reasons, this Court should affirm the dismissal of the Amended Complaint, in its entirety and with prejudice.

Dated: May 31, 2017
New York, New York

Respectfully submitted,

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**NEW YORK STATE COURT OF APPEALS
CERTIFICATE OF COMPLIANCE**

I hereby certify pursuant to 22 NYCRR PART 500.1(j) that the foregoing brief was prepared on a computer using Microsoft Word.

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Dated: May 31, 2017

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State of New York Court of Appeals

OPINION

This opinion is uncorrected and subject to revision
before publication in the New York Reports.

No. 24
Lindsay Lohan,
Appellant,
v.
Take-Two Interactive Software,
Inc., et al.,
Respondents.

Frank A. Delle Donne, for appellant.
Jeremy Feigelson, for respondents.
Jarryd Huntley; Motion Picture Association of America, Inc. et al.; Entertainment
Software Association; American Booksellers Association, et al.; Eric M. Freedman, et al.,
amici curiae.

FAHEY, J.:

The primary questions on this appeal are whether an avatar (that is, a graphical representation of a person, in a video game or like media) may constitute a “portrait” within the meaning of Civil Rights Law §§ 50 and 51 and, if so, whether the images in question

in the video game central to this matter are recognizable as plaintiff. We conclude a computer generated image may constitute a portrait within the meaning of that law. We also conclude, however, that the subject images are not recognizable as plaintiff, and that the amended complaint, which contains four causes of action for violation of privacy pursuant to Civil Rights Law §§ 50 and 51, was properly dismissed.

Facts¹

Defendants develop, sell, market, and distribute video games, including the commercially successful “Grand Theft Auto V” (GTAV) game. GTAV is an action-adventure game that is set in a fictional state called “San Andreas” that, according to the vice president for quality assurance of defendant Rockstar Games, Inc. (Rockstar), is intended to evoke Southern California. GTAV’s plot occurs in and around a fictional city called “Los Santos,” which in turn is intended to evoke Los Angeles. In addition to a 50-hour principal storyline, GTAV contains approximately 100 hours of supplementary game play containing “random events” that a player may choose to explore as he or she proceeds through the game’s main plot.

One of those random events is relevant to this appeal. In what defendants characterize as the “Escape Paparazzi” scene in GTAV, the player encounters a character named “Lacey Jonas” hiding from paparazzi in an alley. To the extent the player chooses

¹ Inasmuch as this appeal arises from defendants’ motion to dismiss the amended complaint, we must, among other things, “accept as true the facts alleged in the [amended] complaint and any submissions in opposition to the dismissal [application]” (511 W. 232nd Owners Corp. v Jennifer Realty Co., 98 NY2d 144, 151-152 [2002]).

to help her escape those photographers, Jonas enters the player's automobile before describing herself as an "actress slash singer" and the "voice of a generation." Jonas also characterizes herself as "really famous," and the player's character recognizes "that Jonas has starred in romantic comedies and in a dance-off movie."

Before the GTAV storyline may proceed to any random events, including the "Escape Paparazzi" scene, the player must view what defendants refer to as "transition screens," which "contain artwork that appears briefly on the user's screen while the game content [loads] into the game console's memory." Two "screens" from GTAV are relevant to this appeal. One such screen contains an image (the "Stop and Frisk" image) of a blonde woman who is clad in denim shorts, a fedora, necklaces, large sunglasses, and a white t-shirt while being frisked by a female police officer. The second such screen contains an image (the "Beach Weather" image) wherein the same blonde woman is depicted wearing a red bikini and bracelets, taking a "selfie" with her cell phone, and displaying the peace sign with one of her hands.

Defendants purportedly released GTAV for the PlayStation and Xbox 360 video game consoles on or about September 17, 2013. Through that release, copies of GTAV were distributed to and sold by numerous domestic and foreign retailers, including retailers within New York State. To advertise the game prior to its release, defendants allegedly used the "Stop and Frisk" and "Beach Weather" images on various promotional materials, including billboards. Defendants also used the "Beach Weather" image on the packaging for the GTAV, and both the "Beach Weather" and "Stop and Frisk" images on video game discs.

According to plaintiff, who describes herself as a figure “recognized in social media” and as “a celebrity actor[] who has been regularly depicted in television, tabloids, blogs, movies, fashion related magazines, talk shows, and theatre for the past 15 . . . years,” the Jonas character is her “look-a-like” and misappropriates her “portrait[] and voice.” Plaintiff also believes that the “Stop and Frisk” and “Beach Weather” images each cumulatively evoke her “images, portrait[,], and persona.”

Inasmuch as she did not provide written consent for the use of what she characterizes as her portrait and her voice in GTAV, plaintiff commenced this action seeking, among other things, compensatory and punitive damages for invasion of privacy in violation of Civil Rights Law §§ 50 and 51. In lieu of answering, defendants moved to dismiss the amended complaint for failure to state a cause of action (see CPLR 3211 [a] [7]) and based on, among other things, documentary evidence (see CPLR 3211 [a] [1]). Supreme Court denied the part of the motion seeking dismissal of the amended complaint but, on appeal, the Appellate Division modified that order and granted that application to the extent it sought dismissal of the operative pleading (142 AD3d 776, 777 [1st Dept 2016]). We subsequently granted plaintiff leave to appeal to this Court (28 NY3d 915 [2017]), and we now affirm the Appellate Division order insofar as appealed from.

The Statutory Right of Privacy

“Historically, New York common law did not recognize a cause of action for invasion of privacy” (Shields v Gross, 58 NY2d 338, 344 [1983]). That point was articulated in Roberson v Rochester Folding Box Co. (171 NY 538 [1902]), which arose from the unauthorized use of approximately 25,000 reproductions of a photograph of the

infant plaintiff to promote the defendant's flour (see id. at 542). In dismissing the complaint in that matter, which sounded in the breach of a "so-called right of privacy" (id. at 544), we "broadly denied the existence of such a cause of action under New York common law" (Arrington v New York Times Co., 55 NY2d 433, 439 [1982]; see Roberson, 171 NY at 556).

In response to Roberson (171 NY 538), the legislature codified "a limited statutory right of privacy" in article 5 of the Civil Rights Law (Messenger v Gruner + Jahr Print. & Publ., 94 NY2d 436, 441 [2000], cert denied 531 US 818 [2000]). Civil Rights Law § 50 "makes it a misdemeanor to use a living person's 'name, portrait or picture' for advertising or trade purposes 'without having first obtained the written consent of such person, or if a minor of his or her parent or guardian' " (Messenger, 94 NY2d at 441, quoting Civil Rights Law § 50). Civil Rights Law § 51, as amended last in 1921 (L 1921, ch 501), "adds the civil damages teeth" (Messenger, 94 NY2d at 449 [Bellacosa, J., dissenting]) and "makes a violation of section 50 actionable in a civil suit" (Arrington, 55 NY2d at 438 n 1). As relevant here, Civil Rights Law § 51 specifically provides that

"[a]ny person whose name, portrait, picture or voice is used within this state for advertising purposes or for the purposes of trade without the written consent first obtained as [provided in Civil Rights Law § 50] may maintain an equitable action . . . to prevent and restrain the use thereof; and may also sue and recover damages for any injuries sustained by reason of such use"

In point of fact, Civil Rights Law §§ 50 and 51 "were drafted narrowly to encompass only the commercial use of an individual's name or likeness and no more" (Arrington, 55 NY2d at 439). Based on that slender legislative intent, courts determining questions of the

application of Civil Rights Law § 51 have limited the remedial use of that statute. By way of example, we have deemed non-commercial -- and therefore non-actionable -- the use of a person's likeness with respect to "newsworthy events or matters of public interest" (Howell v New York Post Co., 81 NY2d 115, 123 [1993]; see Finger v Omni Publs. Intl., 77 NY2d 138, 141-142 [1990]; Stephano v New Group Publs., 64 NY2d 174, 184 [1984]), and other courts have explicitly concluded that works of humor (see Onassis v Christian Dior-New York, Inc., 122 Misc 3d 603, 614 [Sup Ct, New York County 1984], affd 110 AD2d 1095 [1st Dept 1985]), art (see Altbach v Kulon, 302 AD2d 655, 658 [2d Dept 2003]), fiction, and satire (see Hampton v Guare, 195 AD2d 366, 366 [1st Dept 1993], lv denied 82 NY2d 659 [1993]; see also University of Notre Dame Du Lac v Twentieth Century-Fox Film Corp., 22 AD2d 452 [1st Dept 1965], affd on opn below 15 NY2d 940 [1965]) do not come within the ambit of section 51 (see generally Messenger, 94 NY2d at 446). Indeed, at bottom, courts have cabined section 51 "to avoid any conflict with the free dissemination of thoughts, ideas, newsworthy events, and matters of public interest' guaranteed by the First Amendment" (Ann-Margret v High Soc. Magazine, Inc., 498 F Supp 401, 404 [SD NY 1980], quoting Time, Inc. v Hill, 385 US 374, 382 [1967]; see Howell, 81 NY2d at 123) because "freedom of speech and the press . . . transcends the right to privacy" (Namath v Sports Illustrated, 80 Misc 3d 531, 535 [Sup Ct, New York County 1975], affd 48 AD2d 487 [1st Dept 1975], affd 39 NY2d 897 [1976]).

Analysis

Turning to the merits, based on the language of the statute, "[t]o prevail on a . . . right to privacy claim pursuant to [Civil Rights Law § 51], a plaintiff must prove: (1) use

of plaintiff's name, portrait, picture or voice (2) for advertising purposes or for the purposes of trade (3) without consent and (4) within the state of New York" (Lohan v Perez, 924 F Supp 2d 447, 454 [ED NY 2013] [internal quotation marks omitted]). Our review turns on the "portrait" element of that statute and, as an initial matter, we conclude that an avatar (that is, a graphical representation of a person, in a video game or like media) may constitute a "portrait" within the meaning of article 5 of the Civil Rights Law.

The affirmative answer to that "avatar" inquiry requires us to proceed to the issue whether the images in question in GTAV are recognizable as plaintiff. Applying the settled rules applicable to this motion to dismiss (see Leon v Martinez, 84 NY2d 83, 87-88 [1994]), we conclude that the amended complaint was properly dismissed because the artistic renderings are indistinct, satirical representations of the style, look, and persona of a modern, beach-going young woman that are not reasonably identifiable as plaintiff (see Cohen v Herbal Concepts, 63 NY2d 379, 384 [1984]). We address each of those controversies separately for ease of review.

The Avatar Question

To be sure, " '[t]he language of a statute is generally construed according to its natural and most obvious sense . . . in accordance with its ordinary and accepted meaning, unless the Legislature by definition or from the rest of the context of the statute provides a special meaning' " (Samiento v World Yacht Inc., 10 NY3d 70, 77-78 [2008], quoting McKinney's Cons Law of NY, Book 1, Statutes § 94, at 191-194 [1971 ed]). Civil Rights Law § 51 was enacted in 1903 (see L 1903, ch 132 § 2), at which time digital technology was uninvented. To that end, a reasonable mind could question how the term "portrait,"

as incorporated in the original and present forms of Civil Rights Law § 51, could embrace the imagery in question.

The appropriate course, however, is to employ the theory of statutory construction that general terms encompass future developments and technological advancements. In the context of statutory construction, this Court has observed that “general legislative enactments are mindful of the growth and increasing needs of society, and they should be construed to encourage, rather than to embarrass, the inventive and progressive tendency of the people” (Hudson Riv. Tel. Co. v Watervliet Turnpike & R. Co., 135 NY 393, 403-404 [1892]; see McKinney’s Cons Laws of NY, Book 1, Statutes, § 93 [“statutes framed in general terms ordinarily apply to cases and subjects within their terms subsequently arising”]).

Operating under that standard, we conclude that an avatar may constitute a “portrait” within the meaning of Civil Rights Law article 5. We have held that the term “portrait” embraces both photographic and artistic reproductions of a person’s likeness (see Cohen, 63 NY2d at 384; see also Binns v Vitagraph Co. of Am., 210 NY 51, 57 [1913] [“A picture within the meaning of (Civil Rights Law article 5) is not necessarily a photograph of the living person, but includes any representation of such person”]; see generally Young v Greneker Studios, 175 Misc 1027, 1028 [Sup Ct, New York County 1941] [“The words ‘picture’ and ‘portrait’ are broad enough to include any representation, whether by photograph, painting or sculpture”]). Federal courts share the view that “any recognizable likeness, not just an actual photograph, may qualify as a ‘portrait or picture’ ” (Burck v Mars, Inc., 571 F Supp 2d 446, 451 [SD NY 2008], quoting Allen v National Video, Inc.,

610 F Supp 612, 622 [SD NY 1985]), having ruled that a composite photograph and drawing (Ali v Playgirl, Inc., 447 F Supp 723, 726 [SD NY 1978]) and a cartoon (Allen, 610 F Supp at 622) may trigger the protections of Civil Rights Law article 5. In view of the proliferation of information technology and digital communication, we conclude that a graphical representation in a video game or like media may constitute a “portrait” within the meaning of the Civil Rights Law.

The Portrait Question

Even applying the deferential rules germane to a motion to dismiss, we nevertheless conclude that the images in question do not constitute a “portrait” of plaintiff, and that the amended complaint therefore was properly dismissed (see generally Leon, 84 NY2d at 87-88).

“Manifestly, there can be no appropriation of [a] plaintiff’s [likeness] for commercial purposes if he or she is not recognizable from the [image in question]” (Cohen, 63 NY2d at 384). It follows that “a privacy action [cannot] be sustained . . . because of the nonconsensual use of a [representation] without identifying features” (id.). Whether an image or avatar is a “portrait” because it presents a “recognizable likeness” typically is question for a trier of fact (id.). Nevertheless, before a factfinder can decide that question, there must be a basis for it to conclude that the person depicted “is capable of being identified from the advertisement alone” as plaintiff (id.). That legal determination will depend on the court’s evaluation of the “quality and quantity of the identifiable characteristics” present in the purported portrait (id.).

Here, the Jonas character simply is not recognizable as plaintiff inasmuch as it merely is a generic artistic depiction of a “twenty something” woman without any particular identifying physical characteristics. The analysis with respect to the Beach Weather and Stop and Frisk illustrations is the same. Those artistic renderings are indistinct, satirical representations of the style, look, and persona of a modern, beach-going young woman. It is undisputed that defendants did not refer to plaintiff in GTAV, did not use her name in GTAV, and did not use a photograph of her in that game (see 142 AD3d at 776, citing Costanza v Seinfeld, 279 AD2d 255, 255 [1st Dept 2001]). Moreover, the ambiguous representations in question are nothing more than cultural comment that is not recognizable as plaintiff and therefore is not actionable under Civil Rights Law article 5 (see generally Cohen, 63 NY2d at 384).²

In view of our determination, we do not address plaintiff’s remaining contention with respect to the “advertising” and “trade” elements of Civil Rights Law § 51. We also do not address the alternative contention of defendant Rockstar North in support of dismissal of the amended complaint as against it.

Accordingly, the order of the Appellate Division, insofar as appealed from, should be affirmed, with costs.

² As noted, plaintiff also alleges in the amended complaint that, through the dialogue of GTAV’s Jonas character, defendants have misappropriated her voice. Defendants submitted an affidavit asserting that her voice was not used in GTAV. In response, plaintiff did not dispute this fact but, rather, claimed that GTAV incorporated her “voice resemblance and accent.” Before this Court, plaintiff again implicitly concedes that GTAV did not use her “voice.” Accordingly, the amended complaint was also properly dismissed with respect to that claim.

* * * * *

Order, insofar as appealed from, affirmed, with costs. Opinion by Judge Fahey. Chief Judge DiFiore and Judges Rivera, Stein, Garcia and Feinman concur. Judge Wilson took no part.

Decided March 29, 2018

TO BE ARGUED BY:
FRANK A. DELLE DONNE, ESQ.
TIME REQUESTED: 20 MINUTES

APL-2017-00028

State of New York
Court of Appeals



LINDSAY LOHAN,

Plaintiff-Appellant,

-against-

TAKE-TWO INTERACTIVE SOFTWARE, INC., ROCKSTAR GAMES,
ROCKSTAR GAMES, INC. and ROCKSTAR NORTH,
Defendants-Respondents.

BRIEF FOR PLAINTIFF-APPELLANT

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Date Completed: April 13, 2017

Supreme Court, New York County, Index No. 156443/14

TABLE OF CONTENTS

QUESTIONS FOR REVIEW	1
JURISDICTIONAL STATEMENT	1
STATEMENT OF THE CASE.....	2
ARGUMENT	7
POINT I. THE AMENDED COMPLAINT ALLEGES A SUSTAINABLE CAUSE OF ACTION THAT GTAV'S UNAUTHORIZED DELIBERATE USE OF MS. LOHAN'S RECOGNIZABLE IMAGE ON BILLBOARDS AND DISC PACKAGING SOLELY TO ADVERTISE AND PROMOTE THEIR VIDEO GAME VIOLATES NEW YORK CIVIL RIGHTS LAW § 51.....	8
<i>Portrait, Picture or Voice</i>	11
<i>Advertising or Trade</i>	16
A. The First Department Erred in Holding that "Portrait" or "Picture" Does Not Include A Reasonably Recognizable Digital Image	26
B. The First Department Erred in Holding that the Depictions Do Not Fall Under the Statutory Definition of "Advertising" or "Trade"	29
C. The First Department Erred in Holding that the Player's Ability to Choose How to Proceed in the Game Is Relevant in Determining Whether GTAV is Fiction and Satire	33
CONCLUSION	38

TABLE OF AUTHORITIES

Cases

<u>Ali v. Playgirl</u> , 447 F. Supp. 723 (SDNY 1978).....	13, 28
<u>Allen v. National Video</u> , 610 F. Supp. 612 (SDNY 1985).....	13, 14, 28
<u>Arrington v. New York Times</u> , 55 N.Y.2d 433, 449 N.Y.S.2d 941(1982)	<i>passim</i>
<u>Binns v. Vitagraph Co.</u> , 210 N.Y. 51 (1913).....	<i>passim</i>
<u>Bolger v. Youngs Drug Products</u> , 463 U.S. 60, 103 S. Ct. 2875 (1983).....	26
<u>Campbell v. Acuff-Rose Music, Inc.</u> , 510 U.S. 569, 114 S. Ct. 1164 (1994)	6, 10, 22, 23, 31, 32
<u>Cohen v. Herbal Concepts</u> , 62 N.Y.2d 379, 482 N.Y.S.2d 457 (1984).....	14, 15, 16, 27, 28
<u>Florida Bar v. Went For It</u> , 515 U.S. 618, 115 S. Ct. 2371 (1995)	25
<u>Foster v. Svenson</u> , 128 A.D.3d 150, 7 N.Y.S.3d 96 (1 st Dept. 2015).....	23, 26
<u>Hampton v. Guare</u> , 195 A.D.2d 366, 600 N.Y.S.2d 57 (1 st Dept. 1993).....	20, 30
<u>Hart v. Electronic Arts</u> , 717 F.3d 141 (3 rd Cir. 2013).....	34
<u>Kennedy Onassis v. Christian Dior N.Y.</u> , 122 Misc. 2d 603, 472 N.Y.S.2d 254 (Sup. NY 1984)	13, 14, 28
<u>Loftus v. Greenwich Lithographing Co.</u> , 192 A.D. 251, 182 N.Y.S. 428 (1 st Dept. 1920)	14, 28
<u>Maxwell v. N.W. Ayer</u> , 159 Misc. 2d 454, 605 N.Y.S.2d 174 (Sup. NY 1993).....	15, 28, 36
<u>Messenger v. Gruner</u> , 94 N.Y.2d 436, 706 N.Y.S.2d 52 (2000)	<i>passim</i>

<u>People v. Golb</u> , 102 A.D.3d 601, 960 N.Y.S.2d 66 (1 st Dept. 2013) <i>affd</i> 23 N.Y.3d 455, 991 N.Y.S.2d 792 (2014) <i>cert denied</i> 135 S. Ct. 1009 (2015).....	23, 31
<u>Porco v. Lifetime Entertainment</u> , 147 A.D.3d 1253, 47 N.Y.S.3d 768 (3 rd Dept. 2017).....	7, 10, 32, 35
<u>Schoeman v. Agon Sports</u> , 816 N.Y.S.2d 701 (Sup. Nassau 2006).....	20
<u>Sokol v. Leader</u> , 74 A.D.3d 1180, 904 N.Y.S.2d 153 (2 nd Dept. 2010).....	7
<u>Spahn v. Messner, Inc.</u> , 18 N.Y.2d 324, 274 N.Y.S.2d 877 (1966) <i>vacated</i> 387 U.S. 239, 87 S. Ct. 1706 (1967) <i>adhered to on remand and rearg</i> 21 N.Y.2d 124, 286 N.Y.S.2d 832 (1967).....	<i>passim</i>
<u>Tin Pan Apple v. Miller Brewing Co.</u> , 737 F. Supp. 826 (SDNY 1990)	16, 29, 36
<u>University of Notre Dame v. Twentieth Century- Fox</u> , 22 A.D.2d 452, 256 N.Y.S.2d 301 (1 st Dept. 1965) <i>affd</i> 15 N.Y.2d 940, 259 N.Y.S.2d 832 (1965)	19, 20, 29, 30, 36
<u>Wojtowicz v. Delacorte Press</u> , 58 A.D.2d 45, 395 N.Y.S.2d 205 (1 st Dept. 1977) <i>affd</i> 43 N.Y.2d 858, 403 N.Y.S.2d 218 (1978)	11, 12, 26

Constitutions, Statutes and Rules

CPLR § 3025(a)	2
CPLR § 3026.....	7
CPLR § 3211(a)(1).....	3
CPLR § 3211 (a)(7).....	3, 32
CPLR § 5602(a)1(i)	1
New York Civil Rights Law § 50	<i>passim</i>
New York Civil Rights Law § 51	<i>passim</i>
U.S. CONST. amend. I	<i>passim</i>

QUESTIONS FOR REVIEW

Whether a celebrity plaintiff alleges a sustainable cause of action under New York Civil Rights Law sections 50 and 51 when a defendant without consent uses a reasonably recognizable still image digital drawing portrait within the video game as a transition screen still image between game sets not subject to player manipulation not to tell a fictional story but made intentionally and specifically for use on the game's packaging, promotional billboards and game transition screens wholly for advertising or trade purposes.¹

In reversing the Supreme Court, the First Department ruled in the negative which plaintiff-appellant contends was error.

JURISDICTIONAL STATEMENT

The Court of Appeals has jurisdiction over this appeal pursuant to CPLR § 5602(a)1(i). The March 11, 2016 Supreme Court New York County Order denying defendants' pre-Answer dismissal motion is at R 5-6. The September 1, 2016 Appellate Division Order reversing the Supreme Court is at R 3a-7a. The November 29, 2016 Appellate Division Order denying reargument and leave to appeal is attached as Exhibit C to plaintiff-appellant's Motion for Leave to Appeal

¹ This is the identical Question for Review submitted in plaintiff-appellant's Motion for Leave to Appeal to the Court of Appeals dated December 28, 2016 at pages 4-5, and is the basis for plaintiff-appellant's Opposition both in the Supreme Court (R 211-232) and in the First Department as demonstrated by the First Department's Order dated September 1, 2016 (R 3a-7a).

to the Court of Appeals dated December 28, 2016. The Court of Appeals granted leave to appeal on February 16, 2017. (R 2a).

STATEMENT OF THE CASE

This action was filed by plaintiff-appellant Lindsay Lohan for defendants-appellants' violation of her right of privacy under §§ 50 and 51 of the New York Civil Rights Law. Ms. Lohan filed a Summons and Verified Complaint on July 1, 2014 (R 7-15) alleging that defendants-respondents Take-Two Interactive Software, Inc., Rockstar Games, Inc. and Rockstar North are related entities releasing the video game Grand Theft Auto V (hereafter GTAV) using her recognizable celebrity image, portrait and persona (R 34-37, 38-46, 54-59) without her consent for improper advertising or trade purposes of their video game GTAV released to consumers on September 17, 2013. (R 38, 54). All the defendants-respondents (hereafter GTAV) were properly served in or about July 18, 2014 to July 22, 2014 and the Affidavits of Service are at R 239-246. An Amended Complaint (R 17-59) was filed on October 8, 2014 pursuant to CPLR 3025(a).

The Amended Complaint alleges that GTAV knowingly misappropriated Ms. Lohan's image, portrait, voice and persona without her consent on the game discs, websites, posters, and billboard advertising (R 17-18) purely for improper commercial purposes in violation of New York Civil Rights Law §§ 50 and 51 (R

25). The Amended Complaint alleges that GTAV used three portraits in violation of the statute. First is a still image arrest pose known as “Stop and Frisk” (R 23-24, 34-37). Second is a still image bikini shot known as “Beach Weather” (R 25-26, 38-43). Third is a video game avatar called “Lacey Jonas” in a game mission called “Escape Paparazzi” (R 27-28) using a replica of Ms. Lohan’s voice copying biographical references to actual events in Ms. Lohan’s life. “Stop and Frisk” appears on game disc 2 (R 34), the back cover of the Game Guide (R 250), on posters sold on GTAV’s website (R 248), and on a still transition screen while the actual game components are loading (R 65, 73, 99). “Beach Weather” appears on game disc 1 (R 38), billboards (R 54-58), the disc cover jacket (R 249), and on a still transition screen while the actual game components are loading (R 65, 73). The Amended Complaint also alleges that unrelated reputable media writers such as Sarah Miller and others have reached out to Ms. Lohan believing the game character images are her creating consumer confusion in the market place. (R 28, 44-47).

Rather than interpose an Answer, on November 12, 2014 GTAV moved to dismiss the Amended Complaint pursuant to CPLR §§ 3211(a)(1) and (a)(7). On March 11, 2016 the Supreme Court held in relevant part as follows. (R 5-6).

The application to dismiss, pursuant to CPLR 3211 (a)(1), is denied. The “documents” relied upon by movants, to assert that the images in question are not those of the plaintiff, is vehemently and factually contested by the plaintiff. These

factual disputes requires a determination by the trier of the facts and said documents cannot, at this juncture, support an application to dismiss based on the self-serving statements that the images are not those of the plaintiff's. (R 5).

The application seeking dismissal for failure to state a cause of action, pursuant to CPLR 3211(a)(7), is denied. When deciding whether or not a complaint should be dismissed pursuant to CPLR 3211(a)(7), the complaint must be construed in the light most favorable to the plaintiff, and all factual allegations must be accepted as true, limiting the inquiry to whether or not the complaint states, in some recognizable form, any cause of action known to our law (see, *World Wide Adjustment Bureau et al., v. Edward S. Gordon Company, Inc., et al.*, 111 AD2d 98 [1st Dept, 1985]). In assessing the sufficiency of the complaint, this court must also consider the allegations made in both the complaint and the accompanying affidavit, submitted in opposition to the motion, as true and resolve all inferences which reasonably flow therefrom, in favor of plaintiff (*Joel v. Weber*, 166 Ad2d 130, [1st Dept, 1991]). . . . (R 5).

In this case, plaintiff has alleged cause(s) of action alleging a violation of a right to privacy pursuant to New York Civil Rights Law section 50 and 51. . . . (R 6).

Accordingly, It is ORDERED that the within pre-answer motion to dismiss, including the application for sanctions, is denied; . . . (R 6).

On March 16, 2016, GTAV filed a Notice of Appeal quickly followed by its opening Brief and Record improperly leaving out their Reply filed in the Supreme Court which Ms. Lohan included in a Supplemental Record. Notably, in GTAV's Reply in the Supreme Court GTAV argued as follows. (R 267).

Similarly, there is no dispute that the Beach Weather and Stop and Frisk artworks were released a year and eight month before

the original complaint was filed. *Id.* There is also no dispute that they were widely used in many different formats related to publicizing GTAV, including posters and advertisements at least twelve months before the original complaint was filed. (R 267).

On September 1, 2016, the Appellate Division First Department reversed (R 3a-7a) the Supreme Court and dismissed the Amended Complaint holding as follows.

As to Lohan's claim that an avatar in the video game is she and that her image is used in various images, defendants also never referred to Lohan by name or used her actual name in the video game, never used Lohan herself as an actor for the video game, and never used a photograph of Lohan (*see Costanza* at 255).

Even if we accept plaintiffs' contentions that the video game depictions are close enough to be considered representations of the respective plaintiffs, plaintiffs' claims should be dismissed because this video game does not fall under the statutory definitions of "advertising" or "trade" (*see Costanza* at 255, citing *Hampton v Guare*, 195 AD2d 366, 366 [1st Dept 1993], *lv denied* 82 NY2d 659 [1993] [stating that "works of fiction and satire do not fall within the narrow scope of the statutory phrases 'advertising' and 'trade'"]; *see generally Brown v Entertainment Merchants Assn.*, 564 US 786, 790 [2011] ["(l)ike the protected books, plays, and movies that preceded them, video games communicate ideas . . ." and deserve First Amendment protection]). This video game's unique story, characters, dialogue, and environment, combined with the player's ability to choose how to proceed in the game, render it a work of fiction and satire.

Further, Lohan's claim that her image was used in advertising materials for the video game should also be dismissed. The images are not of Lohan herself, but merely the avatar in the game that Lohan claims is a depiction of her (*see Costanza* at 255 [the "use of the character in advertising was incidental or

ancillary to the permitted use[,]" and therefore was not commercial]).

The First Department erred in holding that this video game does not fall under the narrow scope of the statutory definitions of “advertising” and “trade” simply because it is fiction and satire in that (1) Ms. Lohan reasonably alleges it is her portrait and voice used without consent as an “advertisement in disguise” in violation of the statute which GTAV has not demonstrated otherwise, (2) the alleged celebrity portrait still image digital drawings (“Stop and Frisk” and “Beach Weather”) are used only as a transition screens between game sets not subject to player manipulation made intentionally and specifically for use on the game’s packaging and billboards wholly for advertising or trade purposes, (3) “invented fictional biographies that are nothing more than an attempt to trade on the persona” are proscribed by the statute as explained in Messenger v. Gruner, 94 N.Y.2d 436, 446, 706 N.Y.S.2d 52, 58 (2000), and (4) parody/satire by definition require comment on the original Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 580-581, 114 S. Ct. 1164, 1172 (1994) which GTAV specifically denies at R 104 that the images and voice resemble or mimic Ms. Lohan thereby waiving such a defense or exception.

ARGUMENT

On a motion to dismiss pursuant to CPLR 3211, the pleading is to be afforded a liberal construction under CPLR 3026 and the facts as alleged in the complaint must be accepted as true giving plaintiff the benefit of every possible favorable inference to determine only whether the facts as alleged fit within any cognizable legal theory. Sokol v. Leader, 74 A.D.3d 1180, 1181, 904 N.Y.S.2d 153, 155 (2nd Dept. 2010), Porco v. Lifetime Entertainment, 147 A.D.3d 1253, 47 N.Y.S.3d 768 (3rd Dept. 2017). A motion to dismiss pursuant to CPLR 3211(a)(7) must be denied unless it has been shown that a material fact as claimed by the pleader to be one is not a fact at all and unless it can be said that no significant dispute exists regarding it. Sokol v. Leader, 74 A.D.3d 1180, 1182, 904 N.Y.S.2d 153, 156 (2nd Dept. 2010), Porco v. Lifetime Entertainment, 147 A.D.3d 1253, 47 N.Y.S.3d 768 (3rd Dept. 2017). Because Ms. Lohan's Amended Complaint reasonably and properly alleges (R 21-32) with additional though unnecessary verification from independent third party sources (R 44-46) that the non-moving and non-speaking portrait digital drawings (R 34-37, 38-46, 54-59, 248, 250, 44-46) that GTAV uses for its internet (R 248) and billboard (R 54-57) "advertising" and on the product itself for "trade" (R 34, 38) is Lindsay Lohan's portrait (R 44-46) and because the "Lacey Jonas" avatar (R 122) is an "invented fictional biography nothing more than an attempt to trade on the persona" plainly proscribed

by the statute, the Supreme Court Order denying GTAV's motion to dismiss the Amended Complaint was correct and the First Department in reversing now conflicts with the established precedent of this Court and the other Appellate Division Departments.

POINT I

THE AMENDED COMPLAINT ALLEGES A SUSTAINABLE CAUSE OF ACTION THAT GTAV'S UNAUTHORIZED DELIBERATE USE OF MS. LOHAN'S RECOGNIZABLE IMAGE ON BILLBOARDS AND DISC PACKAGING SOLELY TO ADVERTISE AND PROMOTE THEIR VIDEO GAME VIOLATES NEW YORK CIVIL RIGHTS LAW § 51.

The First Department erred in reversing the Supreme Court and dismissing the Amended Complaint because a defendant's intent to use a celebrity still image on billboards, posters and on the game packaging solely to advertise and promote the video game violates New York Civil Rights Law §§ 50 and 51 because: (1) "Beach Weather" and "Stop and Frisk are simply an "advertisement in disguise having no "real relationship to the content" of playing the game as explained in Messenger v. Gruner, 94 N.Y.2d 436, 446, 706 N.Y.S.2d 52, 58 (2000) citing Arrington v. New York Times, 55 N.Y.2d 433, 440, 449 N.Y.S.2d 941, 944 (1982) as these still images appear only on transition screens and have nothing to do with playing the video game because these two still images are not subject to player manipulation (R 65, 73, 99); and (2) the digital avatar "Lacey Jonas", voice

reproduction and story is an “invented fictional biography that is nothing more than an attempt to trade on Ms. Lohan’s persona” specifically proscribed by the statute as explained in Messenger v. Gruner, 94 N.Y.2d 436, 446, 706 N.Y.S.2d 52, 58 (2000) citing Binns v. Vitagraph Co., 210 N.Y. 51 (1913) and Spahn v. Messner, Inc., 18 N.Y.2d 324, 274 N.Y.S.2d 877 (1966) *vacated* 387 U.S. 239, 87 S. Ct. 1706 (1967) *adhered to on remand and rearg* 21 N.Y.2d 124, 286 N.Y.S.2d 832 (1967).

Otherwise, anybody can produce a video game or a novel with a portrait drawing reasonably recognizable as Bill Gates on the cover and on billboards and title it “White Collar Computer Theft Online” even if the work does not tell a real biography story or make a satirical/parody comment. Portrait is defined in the dictionary as painting, drawing, photograph or engraving and has been consistently held since the statute’s enactment to include reasonable representations such as drawings or actor impersonators in pictures. Pictures include photographs, drawings and movies as picture is often used to describe movies- *i.e.* Oscar for Best Picture. The First Department applying its “fictional character” Costanza exception to this circumstance conflicts with Messenger v. Gruner, 94 N.Y.2d 436, 446, 706 N.Y.S.2d 52, 58 (2000) and its progeny because the two still images (R 65, 73, 99) cannot be manipulated by the player to have a “real relationship in

playing the game” and are an “advertisement in disguise”² and the “Lacey Jonas” avatar is an “invented fictional biography to trade on the persona” as explained in Messenger v. Gruner, 94 N.Y.2d 436, 446, 706 N.Y.S.2d 52, 58 (2000) citing Arrington and Binns/Spahn. The First Department’s decision broadly applying its “fiction and satire” exception to these very different facts also conflicts with the Third Department’s recent decision in Porco v. Lifetime Entertainment, 147 A.D.3d 1253, 47 N.Y.S.3d 768 (3rd Dept. 2017).

As properly and reasonably alleged, GTAV’s deliberate unauthorized appropriation of Ms. Lohan’s recognizable images on billboards, posters, buses, bus stops, buildings, game packaging and on websites was exclusively for “advertising or trade” to improperly promote the video game in violation of the statute (R 54-58, 248, 249-250). The First Amendment does not shield GTAV’s prohibited use of the recognizable celebrity images in this circumstance as the still images are not protected speech regarding matters of fiction, news, public interest or transformative parody/satire art, but rather are knowingly designed specifically for advertising or trade purposes in violation of New York Civil Rights Law §§ 50 and 51.

² GTAV has essentially waived any First Amendment defense under the newsworthy, public interest and parody/satire exception to the statute as parody/satire by definition require comment on the original Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 580-581, 114 S. Ct. 1164, 1172 (1994) which GTAV specifically denies at R 104 that the images, avatar and voice resemble or mimic Ms. Lohan or that she is at least in part a target of any expressive content the game may have.

New York Civil Rights Law §§ 50 and 51 provide in relevant part as follows.

§ 50. Right of privacy

A person, firm or corporation that uses for advertising purposes, or for the purposes of trade, the name, portrait or picture of any living person without having first obtained the written consent of such person, or if a minor of his or her parent or guardian, is guilty of a misdemeanor.

§ 51. Action for injunction and for damages

Any person whose name, portrait, picture or voice is used within this state for advertising purposes or for the purposes of trade without the written consent first obtained as above provided may maintain an equitable action in the supreme court of this state against the person, firm or corporation so using his name, portrait, picture or voice, to prevent and restrain the use thereof; and may also sue and recover damages for any injuries sustained by reason of such use and if the defendant shall have knowingly used such person's name, portrait, picture or voice in such manner as is forbidden or declared to be unlawful by section fifty of this article, the jury, in its discretion, may award exemplary damages.

Portrait, Picture or Voice

If defendant does not use plaintiff's "name, portrait, picture or voice", clearly there is no sustainable claim under the statute. Wojtowicz v. Delacorte Press, 58 A.D.2d 45, 46-47, 395 N.Y.S.2d 205, 206-207 (1st Dept. 1977) *affd* 43 N.Y.2d 858, 403 N.Y.S.2d 218 (1978). In Wojtowicz, defendant allegedly violated the statute when defendant's book and movie averred in a scene to the wife of the

Al Pacino bank robber character in “Dog Day Afternoon”. Though the plaintiff was identifiable as the character in the book through “sufficiently detailed accuracy of physical characteristics and activities as to result in her effective identification”, it was undisputed that plaintiff’s name, portrait or picture was not used in the book or movie and there is no right of publicity in New York. Wojtowicz v. Delacorte Press, 43 N.Y.2d 858, 860, 403 N.Y.S.2d 218, 219 (1978). In other words, though the actor may or may not have looked like plaintiff, the statutory requirement was not satisfied because defendant changed her name and plaintiff did not argue that the actor looked like her sufficient to be a “recognizable likeness” of plaintiff to satisfy the statutory requirement of “picture or portrait”.

It is well settled that the phrase “portrait or picture” as used in the statute is not restricted to actual photographs of the actual plaintiff, but generally comprise those representations which are a recognizable likeness of plaintiff. In Binns v. Vitagraph Co., 210 N.Y. 51 (1913), plaintiff was a telegraphy operator on a steamship that hit another steamship at sea where he used that then new technology to call ashore and to another ship for help which defendant used actors and scenery to replicate the events while photographs were taken of the actor impersonators to create a series of picture films to be exhibited for profit in the then new moving picture machines. All of the picture series taken of plaintiff’s impersonator were related to the actual news story except the last series which had no connection to

the actual news story, but were used to entertain by exaggerating plaintiff's movements which was no part of the actual news story. Binns v. Vitagraph Co., 210 N.Y. 51, 57-58 (1913). The Court of Appeals, in holding that the last series of pictures not relating to the actual news story violated the statute, specifically held as follows.

A picture within the meaning of the statute is not necessarily a photograph of the living person, but includes any representation of such person. The picture represented by the defendant to be a true picture of the plaintiff and exhibited to the public as such, was intended to be, and it was, a representation of the plaintiff. The defendant is in no position to say that the picture does not represent the plaintiff or that it was an actual picture of a person made up to look like and impersonate the plaintiff.

Similarly in Ali v. Playgirl, 447 F. Supp. 723, 726 (SDNY 1978) the statutory definition of "portrait" is satisfied by a cartoon titled "Mystery Man" depicting a nude black man seated in the corner of a boxing ring with the cartoon making further reference using the phrase "the Greatest" in the cartoon notes. Ali v. Playgirl, 447 F. Supp. 723, 726-727 (SDNY 1978). The Southern District citing well established case law held that in order for the statute to be displaced, the unauthorized use of the image must be in connection with an item of news or otherwise be newsworthy as a matter of public interest. Ali v. Playgirl, 447 F. Supp. 723, 727 (SDNY 1978).

Similarly, in Allen v. National Video, 610 F. Supp. 612, 617-618 (SDNY 1985) and Kennedy Onassis v. Christian Dior N.Y., 122 Misc. 2d 603, 604, 472

N.Y.S.2d 254, 256 (Sup. NY 1984) look-a-like models of Woody Allen and Jacqueline Kennedy Onassis were used to make photographs used for advertising or trade purposes in magazines without consent. Both cases held that an exact duplication of the subject is not required, but it is the overall impression that counts, and such use of the likeness and image even in a sketch, cartoon or drawing that serves no other purpose other than to represent the plaintiff must give rise to a cause of action under the statute because it amounts to an appropriation of another's likeness for commercial advantage without consent. Allen v. National Video, 610 F. Supp. 612, 622-623 (SDNY 1985), Kennedy Onassis v. Christian Dior N.Y., 122 Misc. 2d 603, 614, 472 N.Y.S.2d 254, 262 (Sup. NY 1984), see also Loftus v. Greenwich Lithographing Co., 192 A.D. 251, 182 N.Y.S. 428 (1st Dept. 1920). Whether a portrait or picture presents a recognizable likeness is ordinarily one for the jury, but may be decided as a matter of law if that conclusion is unavoidable. Allen v. National Video, 610 F. Supp. 612, 623-624 (SDNY 1985).

In Cohen v. Herbal Concepts, 62 N.Y.2d 379, 381-382, 482 N.Y.S.2d 457, 458 (1984), defendants in order to promote a cosmetic product in a magazine used a picture of a mother and her child depicting their backs while standing naked in a shallow stream in Woodstock where their faces and identities were not visible in the photograph. The Court of Appeals held that "portrait or picture" within the statute includes *reproductions of plaintiff either artistically or by photograph* used

without consent for commercial purposes so long as the image presents a recognizable likeness of the plaintiff. Cohen v. Herbal Concepts, 62 N.Y.2d 379, 384, 482 N.Y.S.2d 457, 459 (1984). Before a jury may be permitted to decide the issue regarding a summary judgment motion, plaintiff must satisfy the court that the person in the photograph is capable of being identified from the advertisement alone and that plaintiff has been so identified. Cohen v. Herbal Concepts, 62 N.Y.2d 379, 384, 482 N.Y.S.2d 457, 459 (1984). As the faces were not visible in the picture, the identifying features the Court of Appeals used were hair, bone structure, body contours, stature and posture as well as an affidavit from the mother's husband that he recognized plaintiffs in the photograph while leafing through a magazine. Cohen v. Herbal Concepts, 62 N.Y.2d 379, 385, 482 N.Y.S.2d 457, 460 (1984). The Cohen Court held that the photograph reveals sufficiently an identifiable likeness to withstand defendants' summary judgment motion as the question is generally a jury question. Cohen v. Herbal Concepts, 62 N.Y.2d 379, 384, 482 N.Y.S.2d 457, 459 (1984).³

Regarding artistic reproductions of voice, though older cases do in fact hold that voice imitation was not actionable under the statute (Maxwell v. N.W. Ayer, 159 Misc. 2d 454, 457, 605 N.Y.S.2d 174, 176 (Sup. NY 1993)), the statute was

³ To the extent the "Stop and Frisk" (R 34, 35, 65, 73, 79, 248, 250)" and "Beach Weather" (R 38, 39, 44-46, 65, 73, 75) digital drawing still images used only in the game in transition screens and the "Lacey Jonas" avatar (R 27-28) are reasonably recognizable as Ms. Lohan in looks or in voice respectively, they can be a "picture", "portrait" or "voice" under the statute as they are here as reasonably alleged in the Amended Complaint (R 17-60).

specifically amended in 1995 to include “voice”. As “artistic reproductions” of “portrait” or “picture” are actionable under the statute as held in all of the case law, “artistic reproductions” of “voice” should be actionable under the statute if the voice is a “recognizable likeness” under the Cohen and Binns analysis. Also, the now sustainable “voice” sound alike claim under the 1995 amendment are obviously probative on the other two still images and the avatar claims. Tin Pan Apple v. Miller Brewing Co., 737 F. Supp. 826, 838 (SDNY 1990).

Advertising or Trade

The statute is to be narrowly construed strictly limited to nonconsensual commercial appropriations as opposed to news, public interest matters and transformative art such as parody/satire which are excluded from the statute’s reach of prohibited “advertising” or “trade”. Messenger v. Gruner, 94 N.Y.2d 436, 441-442, 706 N.Y.S.2d 52, 55 (2000). In Arrington v. New York Times, 55 N.Y.2d 433, 449 N.Y.S.2d 941 (1982), defendant NY Times without plaintiff’s consent was allowed to publish his photograph depicting him as a young black male Wall Street financial analyst while walking down the street with an article entitled “The Black Middle Class: Making It” arguing that “this group has been growing more removed from its less fortunate brethren.” Arrington v. New York Times, 55 N.Y.2d 433, 437-438, 449 N.Y.S.2d 941, 942 (1982). The Arrington

Court in effectively outlining the history of the statute and describing it as “drafted narrowly to encompass only the commercial use of an individual’s name or likeness and no more” held as follows.

Moreover, this narrow reading of the statutory provisions has not been without sensitivity to the potentially competing nature of the values the Legislature, on the one hand, served by protecting against the invasion of privacy for purposes of "advertising" or "trade" and, on the other, the values our State and Federal Constitutions bespeak in the area of free speech and free press. Thus, we not too long ago reiterated that "[a] picture illustrating an article on a matter of public interest is not considered used for the purposes of trade or advertising within the prohibition of the statute unless it has no real relationship to the article or unless the article is an advertisement in disguise" (*Murray v New York Mag. Co.*, 27 NY2d 406, 409 [magazine cover photograph illustrating a feature story], quoting from *Dallesandro v Holt & Co.*, 4 AD2d 470, 471, app dsmd 7 NY2d 735). Arrington v. New York Times, 55 N.Y.2d 433, 440, 449 N.Y.S.2d 941, 944 (1982).

Because the article dealt with the circumstances and tensions regarding mobility of a certain societal group, clearly it relates to “public interest” and is a term to be “freely defined” and the author does not state that plaintiff adopted his editorial views which was plaintiff’s problem with the article. Accordingly, the Arrington Court held, “But this disagreement cannot extend the compass of sections 50 and 51 for, in such matters, it would be unwise for us to essay the dangerous task of passing on value judgments based on the subjective happenstance of whether there is agreement with views expressed on a social

issue.” Arrington v. New York Times, 55 N.Y.2d 433, 441, 449 N.Y.S.2d 941, 944-945 (1982). In other words, the article and the photograph are not used for purposes of advertisement or trade as prohibited by the statute because they are not an “advertisement in disguise”, but rather they are plainly opinion dealing with a matter of public interest. Interestingly, the Arrington Court did sustain a cause of action under the statute against both the defendant photographer Gorgoni snapping the picture and his agent defendant named Contact for selling it to defendant NY Times because both that sale was not connected with the article’s publishing removing the “public interest” Free Speech immunity, and it commercialized the photograph in furtherance of trade in violation of the statute. Arrington v. New York Times, 55 N.Y.2d 433, 442-443, 449 N.Y.S.2d 941, 945-946 (1982). The key distinction to determine whether it is Free Speech news, public interest or transformative art such as parody is whether the work is meant to express something or whether it is an “*advertisement in disguise*” having “*no real relationship*” to expression used solely for the purposes of “advertising” or “trade” in violation of the statute. It is worth noting that a recognizable celebrity image on a billboard promoting a game product then printing the image on the discs and momentarily flashing the still image on a transition screen having nothing to do with actually playing the video game must heavily weigh in favor of “advertising or trade purpose” in violation of the statute as opposed to the newsworthy and

public interest exception. The key phrase in Arrington is “advertisement in disguise” having “no real relationship”.

In addition to the newsworthy/public interest exception to the statute, New York Courts have consistently held there is an exception for parody and satire sometimes also called the fiction exception by the First Department. University of Notre Dame v. Twentieth Century- Fox, 22 A.D.2d 452, 455, 256 N.Y.S.2d 301, 304-305 (1st Dept. 1965) *affd* 15 N.Y.2d 940, 259 N.Y.S.2d 832 (1965). In Notre Dame the burlesque style novel and movie involved the mythical king of the Moslem faith and ruler of the Arab country Fawzia who had a son that was denied a roster spot on the football team and was determined to get even so he demanded that the United States arrange a game between Notre Dame and his team in Fawzia in exchange for the lease of an air base which game was eventually won by a female player entering the game at the last minute carried across the goal line by an oil gusher erupting on the field. University of Notre Dame v. Twentieth Century-Fox, 22 A.D.2d 452, 454-455, 256 N.Y.S.2d 301, 303-305 (1st Dept. 1965) *affd* 15 N.Y.2d 940, 259 N.Y.S.2d 832 (1965). Because University president plaintiff Father Hesburg’s name was only mentioned for a fleeting moment on 3 pages in the book and not on its covers and because nobody could possibly be intended to be deceived by the circumstances in which the names were used, the First Department held this use to be parody and satire outside the reach of improper

“advertising” or “trade”. University of Notre Dame v. Twentieth Century- Fox, 22 A.D.2d 452, 455-456, 256 N.Y.S.2d 301, 304-305 (1st Dept. 1965) *affd* 15 N.Y.2d 940, 259 N.Y.S.2d 832 (1965). This parody and satire exception to the statute has later been called the “fiction and satire” exception by the First Department in Hampton v. Guare, 195 A.D.2d 366, 600 N.Y.S.2d 57, 58 (1st Dept. 1993). Isolated or fleeting and incidental uses of a person’s name or image in a work of fiction even if unauthorized, are insufficient to establish an invasion of privacy claim under University of Notre Dame v. Twentieth Century- Fox, 22 A.D.2d 452, 454, 256 N.Y.S.2d 301, 304 (1st Dept. 1965), but if defendant’s use of the image is directly related to defendant’s primary purpose of commercialization, the incidental or isolated exception does not apply. Schoeman v. Agon Sports, 816 N.Y.S.2d 701 (Sup. Nassau 2006).

Though fiction and satire are ordinarily not improper “advertising” or “trade” under the statute, it is well settled that when “the substantially fictional works at issue are nothing more than attempts to trade on the persona” of plaintiff, such “invented biographies” do not fulfill the purposes of the newsworthy exception. Messenger v. Gruner, 94 N.Y.2d 436, 446, 706 N.Y.S.2d 52, 58 (2000) citing Binns v. Vitagraph Co., 210 N.Y. 51 (1913) and Spahn v. Messner, Inc., 18 N.Y.2d 324, 274 N.Y.S.2d 877 (1966) *vacated* 387 U.S. 239, 87 S. Ct. 1706 (1967) *adhered to on remand and rearg* 21 N.Y.2d 124, 286 N.Y.S.2d 832 (1967). The

Messenger Court explained the differences between the Arrington line of cases where the image used is connected to newsworthiness⁴, as opposed to cases such as Spahn and Binns where use of the image is nothing more than an attempt to trade on plaintiff's persona. Messenger v. Gruner, 94 N.Y.2d 436, 446, 706 N.Y.S.2d 52, 58 (2000). In Spahn v. Messner, Inc., 18 N.Y.2d 324, 328-329, 274 N.Y.S.2d 877, 879-880 (1966) *vacated* 387 U.S. 239, 87 S. Ct. 1706 (1967) *adhered to on remand and rearg* 21 N.Y.2d 124, 286 N.Y.S.2d 832 (1967), the defendant's publication used a famous baseball player's "persona" with dramatization, imagined dialogue, manipulated chronologies and fictionalized events. This Court⁵ held as follows.

That is not to say, however, that his "personality" may be fictionalized and that, as fictionalized, it may be exploited for the defendants' commercial benefit through the medium of an unauthorized biography.

In other words, though a novel or work of fiction may contain a fleeting reference to an actual person and not violate the statute, if defendant's primary purpose in using plaintiff's image is for commercial exploitation, the statute is violated. For example, if manipulated facts about a celebrity like Madonna were made that she was a Notre Dame graduate on those 3 pages in the book with nothing further and her portrait drawing was put on that book cover, the fleeting

⁴ The Arrington test of the newsworthiness/public interest exception is having a "having a real relationship" and not "an advertisement in disguise".

⁵ Spahn v. Messner, Inc., 18 N.Y.2d 324, 328-329, 274 N.Y.S.2d 877, 879-880 (1966) *vacated* 387 U.S. 239, 87 S. Ct. 1706 (1967) *adhered to on remand and rearg* 21 N.Y.2d 124, 286 N.Y.S.2d 832 (1967).

use, newsworthy or fiction/parody exceptions do not apply and the statute is violated even though the entire book is a parody or satire as long as Madonna is not a target of the parody or satire. In other words, use of her portrait on the book cover is an advertisement in disguise having no real relationship to whatever point the author is trying to make because it is Madonna- nothing more- and is just an attempt to trade on her persona.⁶

When the courts define parody and satire, the underlying principal is that plaintiff must be the target of the parody or satire in whole or in part such that the image is not plaintiff any more, but is transformed into something else. In the copyright infringement case Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 580-581, 114 S. Ct. 1164, 1172 (1994), 2 Live Crew's song "Pretty Woman" using literary and musical techniques is alleged to have infringed on the song "Oh, Pretty Woman" sung by Roy Orbison. The Supreme Court held that parody needs to mimic an original to make its point having some claim to use the creation of its victim's imagination, whereas satire can stand on its own and so it requires justification for the very act of borrowing. In other words, to be a fair use the parody must conjure up the original Campbell v. Acuff-Rose Music, Inc., 510 U.S. at 588, 114 S. Ct. at 1176, and in the case of satire the original must at least be

⁶ Messenger v. Gruner, 94 N.Y.2d 436, 446, 706 N.Y.S.2d 52, 58 (2000) citing Binns v. Vitagraph Co., 210 N.Y. 51 (1913) and Spahn v. Messner, Inc., 18 N.Y.2d 324, 274 N.Y.S.2d 877 (1966) *vacated* 387 U.S. 239, 87 S. Ct. 1706 (1967) *adhered to on remand and rearg* 21 N.Y.2d 124, 286 N.Y.S.2d 832 (1967).

partly the target of the satire. Campbell v. Acuff-Rose Music, Inc., 510 U.S. at 597, 114 S. Ct. at 1180, see also People v. Golb, 102 A.D.3d 601, 602, 960 N.Y.S.2d 66, 67 (1st Dept. 2013) *affd* 23 N.Y.3d 455, 991 N.Y.S.2d 792 (2014) *cert denied* 135 S. Ct. 1009 (2015). Either way, the original is needed.⁷

The statutory exceptions for newsworthiness and matters of public interest have developed in the lower courts to include artistic expression including parody and satire. In Foster v. Svenson, 128 A.D.3d 150, 153-154, 7 N.Y.S.3d 96, 98-99 (1st Dept. 2015) a critically acclaimed photographer secretly took photographs of non-famous people living without drapes in a glass facade NYC apartment building creating a photographic exhibit called “The Neighbors” one of which was an unknown topless little girl’s back dancing in her tiara looking like a cherub which through media coverage the subjects learned that they were the people in the photographs as the address in the building was revealed on the “Today Show” and despite defendant’s professed efforts to obscure his subject’s identity the little girl was identifiable in one of the photographs. Because the photographs conveyed more than just an advertising or trade purpose the First Department affirmed that the prohibitions of §§ 50 and 51 of the privacy statute do not apply to newsworthy matters, public concern matters and matters of artistic expression because

⁷ GTAV specifically denies at R 104 that the two still images and the avatar and voice resemble, mimic or target Ms. Lohan thereby waiving a parody and satire defense as a permissible use outside the reach of the statute.

“dissemination or publication is not deemed strictly for the purpose of advertising or trade within the meaning of the privacy statute” and such “exemption has been applied to many types of artistic expressions, including literature, movies and theater, it logically follows that it should be applied equally to other modes of artistic expression.” Foster v. Svenson, 128 A.D.3d 150, 156-157, 7 N.Y.S.3d 96, 100-101 (1st Dept. 2015). In other words, Foster says the photographs of ordinary people made by a renowned photographer for an art exhibition were behind the reach of the statute because they were connected to an art exhibition and a public interest newsworthy event as such matters of news, public interest and artistic expression (including parody/satire and fiction that is not a disguised attempt to trade on a persona) are not “strictly for the purpose of advertising or trade within the meaning of the statute.” However, if the defendant in Foster also owned a flour company and now put Foster’s picture on mass produced flour boxes, clearly the statute is violated as improper use for the purposes of “advertising” or “trade”. The distinction between a photograph made by a renowned photographer for an art exhibition and a video game mass produced with a massive marketing plan to do nothing other than make money is obvious.

The rules established from these cases are that (1) a *portrait, picture* or *voice* under the New York statute include a digital drawing or other moving video avatar image including a voice reproduction that don’t have to be exact depictions as long

as they are a recognizable likeness of plaintiff, (2) whether the image is a recognizable likeness of plaintiff is generally a jury question, and (3) the statutory exceptions for news, public interest or artistic expression such as parody or satire that are not considered “advertising” or “trade” do not apply when the alleged use is an advertisement in disguise or merely an attempt to trade on a plaintiff’s persona.⁸

It is worth noting that the starting point is considering whether a recognizable celebrity image reasonably alleged to be plaintiff on billboards and other advertising wholly promoting a video game product weighs in favor of “advertising or trade purpose” in violation of the statute as opposed to Free Speech news, public interest matters or transformative art such as parody or satire beyond the reach of the statute.⁹ The key phrase in Arrington is “advertisement in

⁸ Messenger v. Gruner, 94 N.Y.2d 436, 446, 706 N.Y.S.2d 52, 58 (2000) citing Binns v. Vitagraph Co., 210 N.Y. 51 (1913) and Spahn v. Messner, Inc., 18 N.Y.2d 324, 274 N.Y.S.2d 877 (1966) *vacated* 387 U.S. 239, 87 S. Ct. 1706 (1967) *adhered to on remand and rearg* 21 N.Y.2d 124, 286 N.Y.S.2d 832 (1967). The Messenger Court explained the differences between the Arrington line of cases where the image used is connected to newsworthiness, as opposed to cases such as Spahn and Binns where use of the image is nothing more than an attempt to trade on plaintiff’s persona. Messenger v. Gruner, 94 N.Y.2d 436, 446, 706 N.Y.S.2d 52, 58 (2000).

⁹ GTAV argued below that because a video game is media like a book it is absolutely protected by the First Amendment to print whatever it wants. That is not the standard as the Supreme Court has held, “Such First Amendment protection, of course, is not absolute. We have always been careful to distinguish commercial speech from speech at the First Amendment’s core. “Commercial speech [enjoys] a limited measure of protection, commensurate with its subordinate position in the scale of First Amendment values,’ and is subject to ‘modes of regulation that might be impermissible in the realm of noncommercial expression’”. Florida Bar v. Went For It, 515 U.S. 618, 623, 115 S. Ct. 2371, 2375 (1995). The Supreme Court has also held that advertisers cannot escape liability simply by including references to public issues

disguise” and in Messenger “invented biographies nothing more than attempts to trade on plaintiff’s persona.”

A. The First Department Erred in Holding that “Portrait” or “Picture” Does Not Include A Reasonably Recognizable Digital Image

The First Department erred as to what is a “portrait” or “picture” under the statute in holding as follows. (R 5a-6a).

Lohan’s respective causes of action under Civil Rights Law § 51 “must fail because defendants did not use [plaintiffs’] ‘name, portrait, or picture’” (see *Costanza v Seinfeld*, 279 AD2d 255, 255 [1st Dept 2001], citing *Wojtowicz v Delacorte Press*, 43 NY2d 858, 860 [1978]).

If defendant does not use plaintiff’s “name, portrait, picture or voice”, clearly there is no sustainable claim under the statute. Wojtowicz v. Delacorte Press, 58 A.D.2d 45, 46-47, 395 N.Y.S.2d 205, 206-207 (1st Dept. 1977) *affd* 43 N.Y.2d 858, 403 N.Y.S.2d 218 (1978). In Wojtowicz v. Delacorte Press, 43 N.Y.2d 858, 860, 403 N.Y.S.2d 218, 219 (1978), though the “Dog Day Afternoon” actress may or may not have looked like plaintiff, the statutory requirement was

because advertisements referencing a product with an economic motive is strong support that the speech is commercial speech notwithstanding the fact that the product is linked to a public debate. Bolger v. Youngs Drug Products, 463 U.S. 60, 65-68, 103 S. Ct. 2875, 2879-2881 (1983). That being said, the Messenger Court’s analysis passes muster regarding “advertisement in disguise” or “intentional fictional biography merely to trade on plaintiff’s persona” as the New York statute was drafted with the First Amendment in mind which the newsworthy, public interest and transformative art exceptions including parody and satire, keep the statute consistent with the First Amendment. Foster v. Svenson, 128 A.D.3d 150, 155-157, 7 N.Y.S.3d 96, 100-101 (1st Dept. 2015).

not satisfied because defendant changed her name and she did not argue that the actor looked like her sufficient to be a “recognizable likeness” of her to satisfy the statutory requirement of “picture or portrait”. It has been long well settled that the phrase “portrait or picture” as used in the statute is not restricted to actual photographs of the actual plaintiff, but generally comprise those representations which are a recognizable likeness of plaintiff. Remember in Binns v. Vitagraph Co., 210 N.Y. 51 (1913), defendant used actors and scenery to replicate the events while photographs were taken of the actor impersonators to create a series of picture films to be exhibited for profit in the then new moving picture machines. The Court of Appeals in holding that the last series of pictures not relating to the actual news story violated the statute specifically held as follows.

A picture within the meaning of the statute is not necessarily a photograph of the living person, but includes any representation of such person. The picture represented by the defendant to be a true picture of the plaintiff and exhibited to the public as such, was intended to be, and it was, a representation of the plaintiff. The defendant is in no position to say that the picture does not represent the plaintiff or that it was an actual picture of a person made up to look like and impersonate the plaintiff.

Similarly, in Cohen v. Herbal Concepts, 62 N.Y.2d 379, 381-382, 482 N.Y.S.2d 457, 458 (1984), the Court of Appeals held that “portrait or picture” within the statute includes *reproductions of plaintiff either artistically or by photograph* used without consent for commercial purposes so long as the image presents a recognizable likeness of the plaintiff which is generally a jury question.

Cohen v. Herbal Concepts, 62 N.Y.2d 379, 384, 482 N.Y.S.2d 457, 459 (1984). 1984). All of the case law is consistent that “portrait” or “picture” includes drawings and other artistic representations recognizable as plaintiff. Ali v. Playgirl, 447 F. Supp. 723, 726-727 (SDNY 1978), Allen v. National Video, 610 F. Supp. 612, 617-623 (SDNY 1985), Kennedy Onassis v. Christian Dior N.Y., 122 Misc. 2d 603, 604-614, 472 N.Y.S.2d 254, 256-262 (Sup. NY 1984), Loftus v. Greenwich Lithographing Co., 192 A.D. 251, 182 N.Y.S. 428 (1st Dept. 1920).

In the case at bar, the “Stop and Frisk” (R 34, 35, 65, 73, 79, 248, 250) and “Beach Weather” (R 38, 39, 44-46, 65, 73, 75) digital drawing still images used only in the game in transition screens and the “Lacey Jonas” avatar (R 27-28) are a “recognizable likeness” of Ms. Lohan in looks or in voice respectively, and are a “picture”, “portrait” or “voice” under the statute as alleged in the Amended Complaint (R 17-60, 44-46, 251-252). As the First Department applied the incorrect standard for “portrait” or “picture” and did not even address “voice” under the current version of the statute and Ms. Lohan demonstrates that the allegations in her Amended Complaint that GTAV knowingly used these images and voice¹⁰ reproductions intending them to be depictions of her, she alleges a

¹⁰ Regarding artistic reproductions of voice, though older cases do in fact hold that voice imitation was not actionable under the statute (Maxwell v. N.W. Ayer, 159 Misc. 2d 454, 457, 605 N.Y.S.2d 174, 176 (Sup. NY 1993)), the statute was specifically amended in 1995 to include “voice”. As “artistic reproductions” of “portrait” or “picture” are actionable under the statute as held in all of the case law, “artistic reproductions” of “voice” should be actionable under the statute if the voice is a “recognizable likeness” under the Cohen and Binns analysis. Also, the

sustainable cause of action under the statute regarding “portrait”, “picture” and “voice” as there is at the very least a question of fact as to whether the image and voice reproductions are a “recognizable likeness” of Ms. Lohan. Accordingly, the First Department erred as a matter of law in holding that the two digital drawings used on the discs and in advertising and the avatar in the video game cannot be a “portrait, picture or voice” under the statute.

B. The First Department Erred in Holding that the Depictions Do Not Fall Under the Statutory Definition of “Advertising” or “Trade”.

The First Department erred in applying its Notre Dame fiction and satire exception to the statute in this circumstance. The First Department held as follows. (R 6a).

Even if we accept plaintiffs' contentions that the video game depictions are close enough to be considered representations of the respective plaintiffs, plaintiffs' claims should be dismissed because this video game does not fall under the statutory definitions of "advertising" or "trade" (*see Costanza* at 255, citing *Hampton v Guare*, 195 AD2d 366, 366, 600 N.Y.S.2d 57 [1st Dept 1993], *lv denied* 82 NY2d 659, 625 N.E.2d 590, 605 N.Y.S.2d 5 [1993] [stating that "works of fiction and satire do not fall within the narrow scope of the statutory phrases advertising' and trade"]; *see generally Brown v Entertainment Merchants Assn.*, 564 U.S. 786, 790, 131 S. Ct. 2729, 180 L. Ed. 2d 708 [2011] ["(l)ike the protected books, plays, and movies that preceded them, video games communicate ideas . . ." and

now sustainable “voice” sound alike claim under the 1995 amendment are obviously probative on the other two still images and the avatar claims. Tin Pan Apple v. Miller Brewing Co., 737 F. Supp. 826, 838 (SDNY 1990).

deserve First Amendment protection])). This video game's unique story, characters, dialogue, and environment, combined with the player's ability to choose how to proceed in the game, render it a work of fiction and satire.

Remember, because University president plaintiff Father Hesburg's name was only mentioned for a fleeting moment on 3 pages and not on the book covers and because nobody could possibly be intended to be deceived by the circumstances in which the names were used in that case, the First Department held this use to be parody and satire outside the reach of improper "advertising" or "trade". University of Notre Dame v. Twentieth Century-Fox, 22 A.D.2d 452, 455-456, 256 N.Y.S.2d 301, 304-305 (1st Dept. 1965) *aff'd* 15 N.Y.2d 940, 259 N.Y.S.2d 832 (1965). This parody and satire exception to the statute has later been called the "fiction and satire" exception by the First Department in Hampton v. Guare, 195 A.D.2d 366, 600 N.Y.S.2d 57, 58 (1st Dept. 1993).

Though fiction and satire are ordinarily exempt from the statute, when "the substantially fictional works at issue are nothing more than attempts to trade on the persona" of plaintiff, such "invented biographies" do not fulfill the purposes of the newsworthy exception. Messenger v. Gruner, 94 N.Y.2d 436, 446, 706 N.Y.S.2d 52, 58 (2000) citing Binns v. Vitagraph Co., 210 N.Y. 51 (1913) and Spahn v. Messner, Inc., 18 N.Y.2d 324, 274 N.Y.S.2d 877 (1966) *vacated* 387 U.S. 239, 87 S. Ct. 1706 (1967) *adhered to on remand and rearg* 21 N.Y.2d 124, 286 N.Y.S.2d 832 (1967). There are important differences between the Arrington line of cases

where the image used is connected to a Free Speech exception such as newsworthiness, as opposed to cases such as Spahn and Binns where use of the image is nothing more than an attempt to trade on plaintiff's persona. Messenger v. Gruner, 94 N.Y.2d 436, 446, 706 N.Y.S.2d 52, 58 (2000). In Spahn v. Messner, Inc., 18 N.Y.2d 324, 328-329, 274 N.Y.S.2d 877, 879-880 (1966) *vacated* 387 U.S. 239, 87 S. Ct. 1706 (1967) *adhered to on remand and rearg* 21 N.Y.2d 124, 286 N.Y.S.2d 832 (1967), this Court held that a defendant's publication using a baseball player's "persona" with dramatization, imagined dialogue, manipulated chronologies and fictionalized events in that circumstance did not fit in either the newsworthy exception or the fiction exception to the statute. Spahn v. Messner, Inc., 18 N.Y.2d 324, 328-329, 274 N.Y.S.2d 877, 879-880 (1966) *vacated* 387 U.S. 239, 87 S. Ct. 1706 (1967) *adhered to on remand and rearg* 21 N.Y.2d 124, 286 N.Y.S.2d 832 (1967).

Regarding the parody/satire exception to the statute which the First Department also calls the "fiction and satire" exception, the Supreme Court has held that to be a fair use the parody must conjure up the original Campbell v. Acuff-Rose Music, Inc., 510 U.S. at 588, 114 S. Ct. at 1176, and in the case of satire the original must at least be partly the target of the satire. Campbell v. Acuff-Rose Music, Inc., 510 U.S. at 597, 114 S. Ct. at 1180, see also People v. Golb, 102 A.D.3d 601, 602, 960 N.Y.S.2d 66, 67 (1st Dept. 2013) *aff'd* 23 N.Y.3d 455, 991

N.Y.S.2d 792 (2014) *cert denied* 135 S. Ct. 1009 (2015) Either way, the original is needed.

In the case at bar, GTAV specifically denies at R 104 that the two still images (“Beach Weather and “Stop and Frisk”) and the avatar (“Lacey Jonas”) and voice resemble, mimic or target Ms. Lohan thereby waiving a parody and satire defense. Because GTAV has argued the images and voice are not meant to be Ms. Lohan impersonations as there is “no resemblance” (R 104), GTAV has waived or has at least not met their burden on any parody or satire exemption because they argued Ms. Lohan was not the target of the images negating a required element for a parody or satire under Campbell. As Ms. Lohan must be given the benefit of every reasonable inference that can be drawn on this pre-Answer 3211(a)(7) motion to dismiss (Porco v. Lifetime Entertainment, 147 A.D.3d 1253, 47 N.Y.S.3d 768 (3rd Dept. 2017)), the Amended Complaint alleges a sustainable cause of action under the statute that GTAV is an “invented biography to trade on plaintiff’s persona” or “an advertisement in disguise” outside the statutory exceptions as articulated in the case law. Messenger v. Gruner, 94 N.Y.2d 436, 446, 706 N.Y.S.2d 52, 58 (2000) citing Binns v. Vitagraph Co., 210 N.Y. 51 (1913) and Spahn v. Messner, Inc., 18 N.Y.2d 324, 274 N.Y.S.2d 877 (1966) *vacated* 387 U.S. 239, 87 S. Ct. 1706 (1967) *adhered to on remand and rearg* 21 N.Y.2d 124, 286 N.Y.S.2d 832 (1967). Because Ms. Lohan has reasonably alleged

that these images were “knowingly used for advertising and trade and in violation of the statute”, because GTAV cannot make a parody and satire of something they argue is not meant to be Ms. Lohan, and because GTAV has submitted nothing let alone met their burden in demonstrating that the game makers did not “knowingly use these images only for the purposes of advertising or trade”, the First Department erred in holding as a matter of law that the depictions do not fall under the statutory definition of “advertising” or “trade”.

C. The First Department Erred in Holding that the Player's Ability to Choose How to Proceed in the Game Is Relevant in Determining Whether GTAV is Fiction and Satire.

The First Department’s reliance on the player's ability to choose how to proceed in the game as a factor of whether the game fits within the First Department’s work of “fiction and satire” exception to the statute is error as a matter of law because what the consumer does with the game when it is taken home is irrelevant as to whether the “portrait, picture or voice” is improper “advertising” or “trade” in violation of the statute. In other words, any form of media such as a book or digital video in any format can be changed at home by the consumer. For example, a consumer can take a book home, draw or color on the cover, take pages out and add new ones in changing the story, and if the book is in a digital format Adobe Pro can edit text and pictures can be “Photo Shopped” to

something else. There is no end to what a consumer can do with any media in their homes including “to choose how to proceed in the game” (R 7a) and it is simply irrelevant to determine whether a defendant has violated the New York statute as improper “advertising” or “trade”. The courts that have considered this issue in terms of video games agree that the video game in its original form as purchased should be controlling because when a consumer makes major changes to an item to a point where it no longer is a “recognizable likeness” of plaintiff, plaintiff’s likeness is not transformed into something else, it simply ceases to be no longer qualifying as a use of plaintiff’s identity as it relates to how the defendant uses plaintiff’s identity in producing and marketing its video game. Hart v. Electronic Arts, 717 F.3d 141, 168-169 (3rd Cir. 2013).

In the case at bar, the First Department’s reliance on the player’s ability to choose how to proceed in the game as a factor of whether the game fits within the First Department’s work of “fiction and satire” exception to the statute is error as a matter of law because what the consumer does with the game when it is taken home is irrelevant as to whether defendant uses the “portrait, picture or voice” for improper “advertising” or “trade” in violation of the statute. Both “Stop and Frisk” and “Beach Weather” are still images which cannot be manipulated by the game player and they have nothing to do with playing the video game as they appear only as a still image transition screen while the game components are loading on

the computer. “Beach Weather” (R 25-26, 38-39) appears on game disc 1 (R 38), billboards (R 54-58), the disc cover jacket (R 249), and on a still transition screen (R 65, 73, 99). “Stop and Frisk” (R 23-24, 34-37) appears on game disc 2 (R 34), the back cover of the Game Guide (R 250), on posters sold on GTAV’s website (R 248), and on a still transition screen (R 65, 73, 99). The First Department using the player’s ability to manipulate these two images is plain error in determining “fiction and satire” as a matter of law because the player does not have an “ability to choose how to proceed in the game” (R 7a) with “Stop and Frisk” and “Beach Weather” because these are both still images and should be considered separately from the avatar “Lacey Jonas”. In other words, “Beach Weather” and “Stop and Frisk” are an “advertisement in disguise having no real relationship” to playing the game because they have nothing to do with playing the game. As it is alleged that both of these still images have in fact been recognized as Ms. Lohan and that GTAV knowingly used them in violation of the statute, GTAV’s pre-Answer motion to dismiss the Amended Complaint regarding these two still images must be denied as in Porco v. Lifetime Entertainment, 147 A.D.3d 1253, 47 N.Y.S.3d 768 (3rd Dept. 2017) because Ms. Lohan must be given the benefit of every reasonable inference.

Regarding the “Lacey Jonas” avatar which can be manipulated by the video game player and is part of playing the video game, whether the player can tell the

cab driver to make a left or a right or to go down a different street does nothing to change the Binns/Spahn “invented biography to trade on plaintiff’s persona” to force fit it into the First Department’s interpretation of the “fiction and satire” exception. Messenger v. Gruner, 94 N.Y.2d 436, 446, 706 N.Y.S.2d 52, 58 (2000) citing Binns v. Vitagraph Co., 210 N.Y. 51 (1913) and Spahn v. Messner, Inc., 18 N.Y.2d 324, 274 N.Y.S.2d 877 (1966) *vacated* 387 U.S. 239, 87 S. Ct. 1706 (1967) *adhered to on remand and rearg* 21 N.Y.2d 124, 286 N.Y.S.2d 832 (1967). It is irrelevant as to what the consumer does with GTAV in their home in determining whether defendants’ use of the images in producing and marketing the product violates the statute as improper “advertising” or “trade”. Moreover, the First Department did not even consider the avatar’s voice which further demonstrates error as the statute was amended in 1995 to include “voice” and “voice” is probative on the other claims. Maxwell v. N.W. Ayer, 159 Misc. 2d 454, 457, 605 N.Y.S.2d 174, 176 (Sup. NY 1993), Tin Pan Apple v. Miller Brewing Co., 737 F. Supp. 826, 838 (SDNY 1990). Finally, if there is no permitted use as argued *supra*, the advertising using the images cannot be incidental or ancillary to a permitted as the First Department erred in holding (R 7a).

It violates the statute to use Madonna’s portrait on the cover of the Notre Dame book, it violates the statute to use a Bill Gates’ portrait on the cover of a novel titled “White Collar Theft Online”, and it violates the statute to use Ms.

Lohan's digital portrait and voice in the two still images and in the avatar, respectively. As it is reasonably alleged that this is nothing more than an "advertisement in disguise" "attempting to trade on Ms. Lohan's persona" under Messenger and giving Ms. Lohan the benefit of every reasonable inference as in Porco, GTAV's pre-Answer motion to dismiss the Amended Complaint is meritless.

To be Argued by:
JEREMY FEIGELSON
(Time Requested: 30 Minutes)

APL-2017-00028
New York County Clerk's Index No. 156443/14

Court of Appeals
of the
State of New York

LINDSAY LOHAN,

Plaintiff-Appellant,

– against –

TAKE-TWO INTERACTIVE SOFTWARE, INC., ROCKSTAR GAMES,
ROCKSTAR GAMES, INC. and ROCKSTAR NORTH,

Defendants-Respondents.

BRIEF FOR DEFENDANTS-RESPONDENTS

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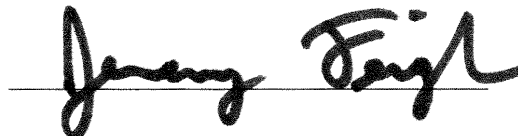
Date Completed: May 31, 2017

CORPORATE DISCLOSURE STATEMENT

Defendant-Respondent Take-Two Interactive Software, Inc. is the parent company of Defendant-Respondents Rockstar Games, Inc. and Rockstar North Limited. The following companies also are subsidiaries of Defendant-Respondent Take-Two Interactive Software, Inc.: 2K Australia Pty. Ltd.; 2K Czech, s.r.o.; 2K Games (Chengdu) Co., Ltd.; 2K Games (Hangzhou) Co. Ltd.; 2K Games (Shanghai) Co., Ltd.; 2K Games, Inc.; 2K, Inc.; 2K Marin, Inc.; 2K Play, Inc.; 2K Games Songs LLC; 2K Games Sounds LLC; 2K Games Tunes LLC; 2K Vegas, Inc.; 2KSports, Inc.; A.C.N. 617 406 550 Pty Ltd.; Cat Daddy Games, L.L.C.; Digital Productions S.A.; DMA Design Holdings Limited; Double Take LLC; Firaxis Games, Inc.; Frog City Software, Inc.; Gathering of Developers, Inc.; Gearhead Entertainment, Inc.; Indie Built, Inc.; Inventory Management Systems, Inc.; Irrational Games, LLC; Jack of All Games Norge A.S.; Jack of All Games Scandinavia A.S.; Joytech Europe Limited; Joytech Ltd.; Kush Games, Inc.; Maxcorp Ltd.; Parrot Games, S.L.U.; Rockstar Events Inc.; Rockstar Games Songs LLC; Rockstar Games Sounds LLC; Rockstar Games Toronto ULC; Rockstar Games Tunes LLC; Rockstar Games Vancouver ULC; Rockstar Interactive India LLP; Rockstar International Limited; Rockstar Leeds Limited; Rockstar Lincoln Limited; Rockstar London Limited; Rockstar New England, Inc.; Rockstar San Diego, Inc.; Social Point, K.K.; Social Point, S.L.; T2 Developer, Inc.; Take 2

Interactive Software Pty. Ltd.; Take 2 Productions, Inc.; Take-Two Asia Pte. Ltd.; Take-Two Chile SpA; Take-Two Europe (Holdings) Limited; Take-Two GB Limited; Take-Two Holdings III LLC; Take-Two Holdings II LLC; Take-Two Holdings LLC; Take-Two Interactive Austria GmbH; Take-Two Interactive Benelux B.V.; Take-Two Interactive Canada Holdings, Inc.; Take-Two Interactive Canada, Inc.; Take-Two Interactive Espana S.L.; Take-Two Interactive France SAS; Take-Two Interactive GmbH; Take-Two Interactive Japan G.K.; Take-Two Interactive Korea Ltd.; Take-Two Interactive Software Europe Limited; Take-Two Interactive Software UK Limited; Take-Two International B.V.; Take-Two International Holdings L.P.; Take-Two International GmbH; Take-Two Invest Espana, S.L.; Take-Two UK Holdings Limited; Talonsoft, Inc.; Techcorp Ltd.; Venom Games Limited; Visual Concepts China Co., Ltd.; Visual Concepts Entertainment; VLM Entertainment Group, Inc.; Weazel Studios Incorporated; and WC Holdco, Inc.

Dated: May 31, 2017
New York, New York

A handwritten signature in black ink, appearing to read "Jeremy Feigelson", written over a horizontal line.

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TABLE OF CONTENTS

Preliminary Statement.....	2
Questions Presented	4
Background	5
I. The Creative Work At Issue: Grand Theft Auto V	5
A. The Plot Of The “Escape Paparazzi” Random Event	5
B. The “Beach Weather” and “Stop and Frisk” Artworks.....	9
II. The Appellate Division’s Dismissal Of This Case	15
A. The Supreme Court’s Order	15
B. The Appellate Division’s Order	16
Argument.....	18
I. Ms. Lohan’s Claim Regarding The Transition Screen Artworks Is Time-Barred	18
II. GTAV Does Not Use Ms. Lohan’s “Name, Portrait, Picture Or Voice” As The Statute Requires	21
III. Creative Content in Expressive Works Like GTAV Is Absolutely Protected, Because It Is Not For Purposes Of “Advertising” Or “Trade” As The Statute Requires.....	25
A. Expressive Works Like GTAV Are Absolutely Protected, Even When the Works Allegedly Depict Or Evoke Real People	26
B. The Content of GTAV Fits Squarely Within The New York Rule Of Absolute Protection	28
C. The Use Of GTAV’s Creative Content To Promote The Work Itself Also Is Absolutely Protected.....	29
IV. Constitutional Free Speech Values Support The Statutory Grounds For Dismissal	33
V. Rockstar North Is Not Subject To Personal Jurisdiction	34
Conclusion	36

TABLE OF AUTHORITIES

CASES

<i>Ali v. Playgirl, Inc.</i> , 447 F. Supp. 723 (S.D.N.Y. 1978)	24
<i>Allen v. Nat’l Video, Inc.</i> , 610 F. Supp. 612 (S.D.N.Y. 1985)	24
<i>Altbach v. Kulon</i> , 302 A.D.2d 655 (3d. Dep’t. 2003).....	28
<i>Benefits by Design Corp. v. Contractor Mgmt. Servs.</i> , 75A.D.3d 826 (3d Dep’t 2010).....	35
<i>Binns v. Vitagraph Co.</i> , 210 N.Y. 51 (1913).....	32
<i>Bondar v. LASplash Cosmetics</i> , No. 12 Civ. 1417(SAS), 2012 WL 6150859 (S.D.N.Y. 2012).....	19
<i>Campbell v. Acuff-Rose Music, Inc.</i> , 510 U.S. 569 (1994).....	33
<i>Cohen v. Herbal Concepts, Inc.</i> , 63 N.Y.2d 379 (1984)	23
<i>Costanza v. Seinfeld</i> , 279 A.D.2d 255 (1st Dep’t 2001)	17, 21, 30, 31
<i>Ehrenfeld v. Bin Mahfouz</i> , 9 N.Y.3d 501 (2007)	34
<i>Foster v. Svenson</i> , 128 A.D.3d 150 (2015)	28, 29
<i>Hoepker v. Kruger</i> , 200 F. Supp. 2d 340 (S.D.N.Y. 2013)	28, 30
<i>Hoosac Valley Farmers Exch., Inc. v. AG Assets, Inc.</i> , 168 A.D.2d 822 (3d Dep’t 1990).....	19

<i>Leonard v. Gateway II, LLC</i> , 68 A.D.3d 408 (1st Dept. 2009)	35, 36
<i>Loftus v. Greenwich Lithographing Co.</i> , 192 A.D. 251 (1st Dep’t 1920)	24
<i>Lohan v. Perez</i> , 924 F. Supp. 2d 447 (E.D.N.Y. 2013)	26, 27
<i>Lohan v. Take-Two Interactive Software, Inc.</i> , 142 A.D.3d 776 (1st Dep’t 2016)	17, 21
<i>McGowan v. Smith</i> , 52 N.Y.2d 268 (1981)	34
<i>Messenger v. Gruner + Jahr Print. & Publ’g</i> , 94 N.Y.2d 436 (2000)	32
<i>Nussenzweig v. diCorcia</i> , 9 N.Y.3d 184 (2007)	19
<i>Onassis v. Christian Dior-NY Inc.</i> , 122 Misc. 2d 603 (Sup. Ct. N.Y. Cnty. 1984)	24
<i>Porco v. Lifetime Entm’t Servs., LLC</i> , 147 A.D.3d 1253 (3d Dep’t 2017)	33
<i>Ryan v. Feeney & Sheehan Bldg. Co.</i> , 238 N.Y. 43 (1924)	20
<i>Spahn v. Messner, Inc.</i> , 18 N.Y.2d 324 (1966)	32
<i>Stephano v. News Publ’n</i> , 64 N.Y.2d 174 (1984)	31
<i>Toscani v. Hersey</i> , 271 A.D. 445 (1st Dep’t 1946)	23
<i>Wojtowicz v. Delacorte Press</i> , 58 A.D.2d 45 (1st Dep’t 1977), <i>aff’d</i> , 43 N.Y.2d 858 (1978)	22, 23

STATUTES

N.Y. Civil Rights Law § 51	<i>passim</i>
N.Y. CPLR § 215(3)	3, 18
N.Y. CPLR § 302(a)(1)	34
N.Y. CPLR § 3211(a)(1)	1
N.Y. CPLR § 3211(a)(5)	21
N.Y. CPLR § 3211(a)(7)	1
S05857, Reg. Sess. 2017-2018 (N.Y. 2017)	25

OTHER AUTHORITIES

5 N.Y. JUR. 2D Appellate Review § 791	20
3 SMOLLA & NIMMER ON FREEDOM OF SPEECH § 24:4 (2009)	25, 31
David K. Li, <i>Seinfeld rakes in \$2.7 bil</i> , N.Y POST (June 7, 2010)	31
Josh Grossberg, <i>Lindsay Lohan: A Timeline of All Her Arrests (and Boy, There Are a Lot of ‘Em)</i> , E! NEWS (Nov. 29, 2012)	27
Keza MacDonald, <i>Grand Theft Auto V Review: Grand in Every Sense</i> , IGN (Sept. 6, 2013)	8
Stephen Rex Brown, <i>Manhattan judge who called Newser ‘wiseass’ hit with demotion</i> , N.Y. DAILY NEWS (May 15, 2017)	16

Defendants-Respondents Take-Two Interactive Software, Inc. and its subsidiaries, Rockstar Games, Inc. and Rockstar North Limited (together, “Take-Two”), respectfully request that the Court affirm the decision below dismissing this case. Plaintiff-Appellant Lindsay Lohan has sued for the purported violation of her right of publicity under Section 51 of the New York Civil Rights Law (“Section 51”). The claim is based on Take-Two’s celebrated video game Grand Theft Auto V (“GTAV”); Ms. Lohan claims that three distinct fictional characters in GTAV are all “recognizable” as her. *See, e.g.*, Lohan Br. at 1. The Appellate Division properly dismissed the complaint for failure to state a cause of action pursuant to CPLR § 3211(a)(7), and based on documentary evidence, pursuant to CPLR § 3211(a)(1).

This case comes before the Court in parallel with *Gravano v. Take-Two Interactive Software, Inc. et al.*, APL-2017-00027. *Gravano* raises nearly identical issues regarding GTAV. To minimize the burden on the Court, Take-Two is addressing the common issues principally in its separate brief in *Gravano* (“Take-Two *Gravano* Br.”). This brief assumes familiarity with Take-Two’s arguments in *Gravano*, includes cross-references to the arguments in *Gravano* that are applicable here, and focuses on the issues unique to Ms. Lohan’s claim.¹

¹ As a courtesy, Take-Two is serving on Ms. Lohan’s counsel a copy of its brief in *Gravano*, a copy of the *Gravano* record, and a copy of Ms. Gravano’s brief.

PRELIMINARY STATEMENT

Ms. Lohan's claim failed below for the same core reasons that the claim in *Gravano* failed:

- *The statutory test is not “recognizability,” but whether a plaintiff’s actual “name, portrait, picture or voice” have been used – which plainly did not happen here.* The fictional characters at issue are “Lacey Jonas,” who appears in a gameplay sequence called “Escape Paparazzi,” and two unnamed characters in a pair of visual artworks called “Beach Weather” and “Stop and Frisk.” These characters simply are not Ms. Lohan – that is, they do not use her “name, portrait, picture or voice” as the plain language of Section 51 requires.
- *Section 51 only reaches “advertising purposes” or “trade” purposes – not creative content in expressive works such as novels, books, movies, television shows, songs, or, here, video games.* Even if Ms. Lohan's name, portrait, picture or voice had been used in GTAV (which they were not), such use in the creative content of an expressive work is not “advertising” or “trade.” That is the plain meaning of the statute. It also is the clear rule followed for decades by the courts of New York in dismissing claims just like this one.
- *Constitutional free speech considerations strongly support affirming the dismissal.* The New York rule protecting creative content in expressive works against right of publicity claims flows not just from the words and purpose of Section 51, but from the First Amendment and from New York's own constitutional principles.

This case also presents three issues – and three grounds for dismissal – that are not found in *Gravano*.

First, the claim regarding the artworks “Beach Weather” and “Stop and Frisk” is untimely. These artworks originally were released separate and apart from GTAV itself – 20 months before suit was filed – as a form of early promotion for the game. The statute of limitations, however, is one year. CPLR § 215(3).

Second, the promotional use of “Beach Weather” and “Stop and Frisk” is fully protected against Ms. Lohan’s Section 51 claim. It is well-settled that the use of artistic content from a creative work to advertise that work enjoys full protection against Section 51 claims, just like the work itself.

Third, with respect to Defendant-Respondent Rockstar North, dismissal also should be affirmed based on the lack of personal jurisdiction. Rockstar North is a company incorporated in the United Kingdom. It has its sole place of business in Edinburgh, Scotland. It is not alleged to have any ties to New York or to the facts of this case.

The unanimous decision below should be affirmed in full, and this case should be dismissed with prejudice.

QUESTIONS PRESENTED

1. Should the Appellate Division's order dismissing the Amended Complaint for failure to state a cause of action be affirmed because Take-Two did not use Ms. Lohan's "name, portrait, picture or voice" as is required by Section 51 of the Civil Rights Law?

This Court should answer in the affirmative.

2. Should the Appellate Division's order dismissing the Amended Complaint for failure to state a cause of action be affirmed because creative content in an expressive work, like the content in GTAV, is not as a matter of law a use for purposes of "advertising" or "trade" under Section 51 of the Civil Rights Law?

This Court should answer in the affirmative.

3. Should the Appellate Division's order dismissing the Amended Complaint for failure to state a cause of action also be affirmed on constitutional free speech grounds?

The Appellate Division did not reach this question. This Court should answer in the affirmative.

4. Should the Appellate Division's order dismissing the Amended Complaint be affirmed on the alternate ground that Ms. Lohan's claim regarding the

advertising use of the “Beach Weather” and “Stop and Frisk” artworks is time-barred?

The Appellate Division did not reach this question. This Court should answer in the affirmative.

5. Should the Appellate Division’s order dismissing the Amended Complaint be affirmed with respect to Defendant-Respondent Rockstar North on the ground that the court lacked personal jurisdiction given that Rockstar North is a foreign corporation incorporated under the laws of the United Kingdom with its principal place of business in Edinburgh, Scotland and given that Rockstar North has no alleged ties to New York or to this case?

The Appellate Division did not reach this question. This Court should answer in the affirmative.

BACKGROUND

I. THE CREATIVE WORK AT ISSUE: GRAND THEFT AUTO V

A. The Plot Of The “Escape Paparazzi” Random Event

GTAV allows players to experience over 100 hours of on-screen gameplay in and around “Los Santos,” a fictionalized version of Los Angeles and Southern California. In addition to 80 main story missions, the game includes over 60 “random events” – brief optional missions, with plots, animated action, dialogue, sound and visual effects, that players can choose to engage in or ignore. *Take-Two Gravano Br.* at 4-7.

Ms. Lohan is suing over the animated character “Lacey Jonas,” a fictional actress and singer who appears in a “random event” in GTAV called “Escape Paparazzi.”² If the player drives through a particular alleyway in “Los Santos,” he or she may come across a spot where the animated character of a young woman is hiding. The woman – “Lacey Jonas” – will ask the player to drive to her home while evading a group of chasing paparazzi that are trying to take a picture of her. Rosa Aff. ¶ 8 (R. 64).

If the player chooses to drive “Lacey Jonas,” she gets in the car and makes a string of comments that satirize both the cultural cliché of the self-absorbed Hollywood celebrity and the media that celebrates them. She tells her rescuer that the paparazzi are following her because she is “really famous” – the “third most bankable actress slash singer in Vinewood,” which is the “Los Santos” version of Hollywood. *Id.* & Ex. 2 (R. 69) (video captures of “Escape Paparazzi”). The “Jonas” character frets about being photographed because she is not wearing

² Exhibit 3 to the Affidavit of Jeff Rosa (Nov. 11, 2014) (“Rosa Aff.”) (R. 70) is a book-length guide to GTAV, which makes it possible to review the game content without electronic means. The guide “provides a detailed written description of various aspects of GTAV [and] accurately describes the content of GTAV.” Rosa Aff. ¶ 4 (R. 63). The record also contains the actual video game on a disk, *id.* Ex. 1 (R. 68) and a DVD of the “Escape Paparazzi” gameplay sequence at issue here. *Id.* Ex. 2 (R. 69). Take-Two is loaning a gaming console to the Clerk’s Office, to facilitate the Court’s review of the game disk exhibit.

makeup and has gained weight. She expresses surprise that the driver does not recognize her: “Come on, are you serious? I’m Lacey Jonas! How out of touch are you?” *Id.* Ex. 2 (R. 69). If the player is controlling Franklin, for example, he will respond: “Oh! Oh [expletive], I heard of you. Romantic comedies and cheerleading dance-off movies. Right?” *Id.*³

If the player successfully evades the paparazzi, the drive ends with “Lacey Jonas” being dropped off safely at her house in the “Vinewood Hills” section of Los Santos. *See id.* Ex. 3 (R. 70) at 282. “Escape Paparazzi” lasts approximately five minutes. *Id.* ¶ 8 (R. 64).

The screenshot on the next page at left shows the player’s character being asked by “Lacey Jonas” to drive her home at the start of the random event. Subtitles in the screenshots reproduce dialogue from the game. At left “Lacey Jonas” greets the driver by saying: “Can you give me a ride past them? I’m hardly wearing any make-up!” The screenshot at right shows the paparazzi in pursuit on a motorcycle calling out “Just one picture!”

³ “There are four different version of the “Escape Paparazzi” random event depending on whether the player is controlling Michael, Franklin, or Trevor, but the content of the random event is essentially the same in all four.” Rosa Aff. ¶ 7 (R. 64).



(Rosa Aff. Ex. 2) (R. 69)



(Rosa Aff. Ex. 2) (R. 69)

The “Escape Paparazzi” random event is one of many experiences in the GTAV parody world. As one critic has put it, GTAV

both gives you tremendous freedom to explore an astonishingly well-realised world and tells a story that’s gripping, thrilling, and darkly comic. [. . . GTAV] is not only a preposterously enjoyable video game, but also an intelligent and sharp-tongued satire of contemporary America.⁴

The Amended Complaint alleged, in purely conclusory terms, that the Escape Paparazzi random event uses “a Lindsay Lohan avatar” and uses Ms. Lohan’s “portraits” and “voice and accent.” Am. Compl. ¶ 58 (R. 27). The Amended Complaint also alleged, again in conclusory terms, that GTAV uses “identical events to [Ms. Lohan’s] life.” *Id.* ¶ 65 (R. 28).

⁴ Keza MacDonald, *Grand Theft Auto V Review: Grand in Every Sense*, IGN (Sept. 6, 2013), available at <http://www.ign.com/articles/2013/09/16/grand-theft-auto-v-review>.

B. The “Beach Weather” and “Stop and Frisk” Artworks

Ms. Lohan claims that her publicity rights also were violated by two visual artworks entitled “Beach Weather” and “Stop and Frisk.” These artworks originally were released well ahead of GTAV itself to promote the game; just as a movie studio releases posters and trailers with movie imagery before releasing the movie, Take-Two did that for GTAV. Both of the artworks first were published on or about November 1, 2012 – a year and eight months before this lawsuit was filed. *See Rosa Aff. Ex. 8 (R. 75); Affirmation of Jared I. Kagan (Nov. 12, 2014) (“Kagan Aff.”) Ex. 9 (R. 124-126).*

“Beach Weather” and “Stop and Frisk” (shown on the next page) are digitally created paintings. Each one depicts a different, unnamed fictional blond woman:

- In “Beach Weather,” an unnamed woman in a bikini holds up her index and middle fingers in the familiar “V” sign (here, a reference to this being Grand Theft Auto V, the fifth edition in a series, as noted in the logo at lower left). She is taking a selfie with her cell phone, with the logo of GTAV’s Apple parody brand “iFruit” logo visible on the back of the phone. The Los Santos skyline appears in the background, along with Del Perro Pier, where many events in the game take place. *See, e.g., Rosa Aff. Ex. 3 (R. 70) at 294 (“Hotel Assassination” Mission).*
- In “Stop and Frisk,” an unnamed woman – wearing a concert t-shirt for the fictional in-game band Love Fist, aviator sunglasses, shorts and a fedora – is frisked by a severe-looking female police officer. Artwork depicting the city of Los Santos makes up the background, and the game’s Cognoscenti Cabrio car (*id.* (R. 70) at 33) is in the foreground.



(Rosa Aff. Ex. 7) (R. 74)



(Rosa Aff. Ex. 9) (R. 79)

Within the game, “Beach Weather” and “Stop and Frisk” are displayed to players as transition screen artworks, which are the first thing that a player experiences when loading the game disk into a game console. Approximately ten transition screen artworks – including “Beach Weather” and “Stop and Frisk” – float across the screen like a movie title sequence while the game code is loading into the console’s memory. *See Rosa Aff.* ¶ 10 & Ex. 5 (R. 65, 72). The transition screens introduce players to the visual world of GTAV, much like the scenes that unfold behind the opening credits of a movie. *See id.* Exs. 1, 5 (R. 68, 72).

Both “Beach Weather” and “Stop and Frisk” bear the hallmarks of GTAV’s distinctive visual style: they use color and detail to create an immersive satirical world and they portray images from Los Santos that “evoke[] and satirize[] the anxieties of 21st-century life” – in these cases, selfie culture and the trope of the reckless party-girl. *See Kagan Aff.* Ex. 5 (R. 113-16).

These transition screen artworks are not displayed in isolation but are displayed to users along with a variety of gameplay information. For example, the image below shows the “Stop and Frisk” transition screen with a note on the left side that informs players to “[g]o to any ATM [in Los Santos] to check your bank balance” – a feature that is vital to success in the game. The image on the next page shows the “Beach Weather” transition screen, in this instance including information on how players can change the appearance of their character’s bullet-proof vest. The transition screen artworks thus are part and parcel of the interactive GTAV gameplay experience.

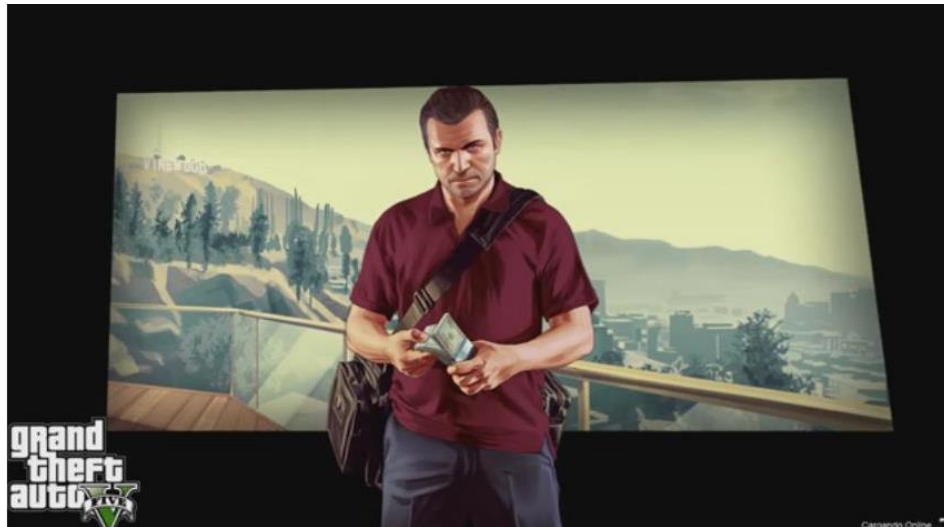


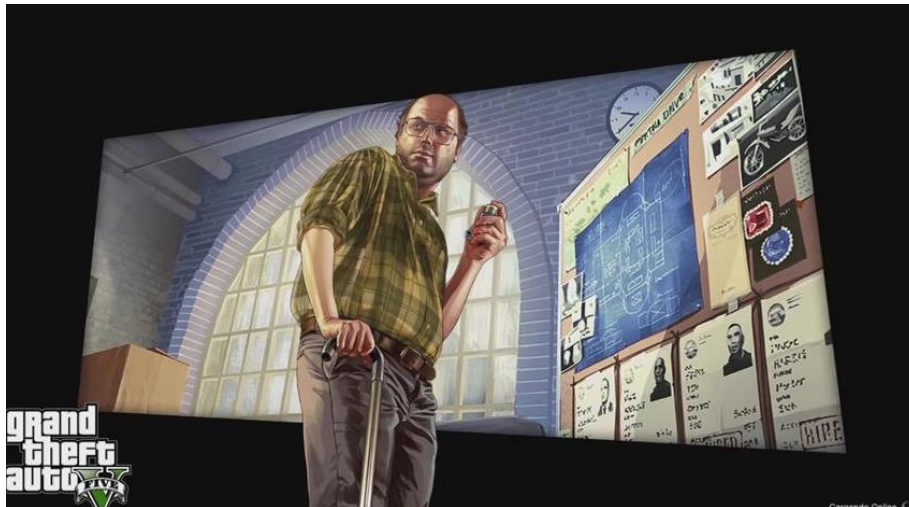
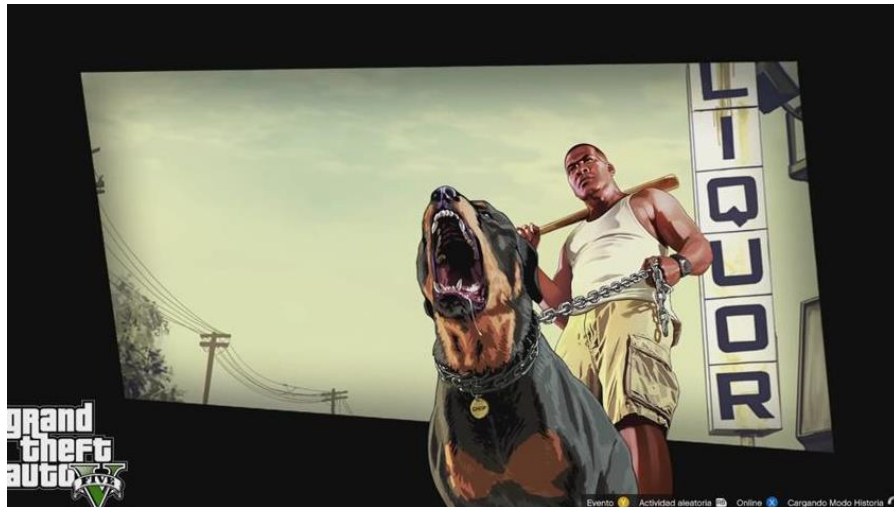
(Rosa Aff. Ex. 5) (R. 72)



(Rosa Aff. Ex. 5) (R. 72)

In addition to “Beach Weather” and “Stop and Frisk,” GTAV includes numerous other transition screen artworks. These include images of various GTAV characters and their homes or places of business, city streets, beach and desert landscapes, and other notable locations in Los Santos. *Id.* Examples of additional transition screen artworks from the game are shown below. *See Rosa Aff. Ex. 1 (R. 68).*





The Amended Complaint alleged in conclusory terms that “Beach Weather” and “Stop and Frisk” incorporated Ms. Lohan’s “likeness, image and portrait by using Plaintiff’s Fedora, Sunglasses, Jeans, White Shirt, and Jewelry” and by using “suggestive references” to Ms. Lohan, *i.e.*, “by prominently displaying the letter ‘L’ and a skull-shaped letter ‘O’, on the White T-shirt of the image in the foreground of the shirt overtly and subliminally suggesting ‘LO’ for Ms. Lohan.” Am. Compl. ¶¶ 30-31 (R. 23). Ms. Lohan also alleged that the “Beach Weather”

and “Stop and Frisk” artworks were used on the physical game discs, on the packaging for the game (like a DVD case) and in advertising and promotion for GTAV. *Id.* ¶¶ 28, 74, 82-83 (R. 23, 29, 30). Ms. Lohan further alleged, but later withdrew the allegation, that Take-Two used these two artworks on certain merchandise. *Id.* ¶ 82 (R. 30).⁵

II. THE APPELLATE DIVISION’S DISMISSAL OF THIS CASE

A. The Supreme Court’s Order

The procedural history of this case parallels the *Gravano* case. Both cases were assigned to the Supreme Court, New York County (Kenney, J.). Take-Two moved to dismiss both cases on essentially the same grounds – *i.e.*, that creative content in expressive works is not an “advertising” or “trade” purpose, and that GTAV did not use either plaintiffs’ “name, portrait, picture or voice.” In its motion in *Lohan*, Take-Two also raised the statute of limitations and personal jurisdiction points that are unique to this case.

In a pair of cursory orders issued on the same day, the Supreme Court denied the motions in both cases. *See* Mar. 11, 2016 Order (R. 5-6) (*Lohan*); Mar. 11,

⁵ Take-Two did not sell such merchandise (*Rosa Aff.* ¶ 14 (R. 66)), and Ms. Lohan conceded in her brief to the Appellate Division that the merchandise referenced in the Amended Complaint “is pirated un-authentic merchandise from unrelated sources” that was not produced by Take-Two. *Br. for Plaintiff-Appellant to App. Div.* at 38 (Apr. 26, 2016). Ms. Lohan’s present appeal is not directed to any merchandise.

2016 Order (Gravano R. 6-7). The orders did not even mention or discuss the New York rule that expressive works and their creative content are absolutely protected against Section 51 claims. Instead, the Supreme Court mistakenly held that the degree of resemblance between the plaintiffs and the fictional characters was an issue of fact. *Id.*

The Supreme Court acknowledged that Ms. Lohan’s claims were filed outside of the limitations period, but refused to dismiss them – holding that Take-Two did not “prove” that a limited exception to the statute of limitations known as the “republishing exception” was “not applicable to this case.” Order at 2 (R. 6). The Supreme Court also denied Take-Two’s motion for lack of personal jurisdiction with respect to Rockstar North, because Ms. Lohan provided a webpage that listed offices “located in the United Kingdom, Canada, and the United States, including New York.” *Id.*⁶

B. The Appellate Division’s Order

The Appellate Division heard argument in *Lohan* and *Gravano* on the same day and disposed of both cases in a single, unanimous order. The five-justice

⁶ Justice Kenney recently was reassigned from the Supreme Court to the Civil Court. See Stephen Rex Brown, *Manhattan judge who called Newser ‘wiseass’ hit with demotion*, N.Y. DAILY NEWS (May 15, 2017), available at <http://www.nydailynews.com/new-york/manhattan/manhattan-judge-called-newser-wiseass-hit-demotion-article-1.3168855>.

panel held that both Ms. Lohan's and Ms. Gravano's Section 51 claims failed for two independent statutory reasons. *Lohan v. Take-Two Interactive Software, Inc.*, 142 A.D.3d 776 (1st Dep't 2016).

First, the panel held that Ms. Lohan's claim "must fail because defendants did not use [plaintiff's] 'name, portrait, or picture,'" as Section 51 requires. *Id.* at 777 (quoting *Costanza v. Seinfeld*, 279 A.D.2d 255, 255 (1st Dep't 2001)) (alteration in original). The panel further held that, "[a]s to Lohan's claim that an avatar in the video game is she and that her image is used in various images [i.e., the transition screen artworks], defendants also never referred to Lohan by name or used her actual name in the video game, never used Lohan herself as an actor for the video game, and never used a photograph of Lohan." *Id.*

Second, the panel held:

Even if we accept plaintiffs' contentions that the video game depictions are close enough to be considered representations of the respective plaintiffs, plaintiffs' claims should be dismissed because this video game does not fall under the statutory definitions of "advertising" or "trade."

Id. at 777 (emphasis added). The panel noted that GTAV's "unique story, characters, dialogue, and environment, combined with the player's ability to choose how to proceed in the game, render[ed] it a work of fiction and satire," and thus GTAV was absolutely protected against Ms. Lohan's Section 51 claim. *Id.* The panel also held that the use of GTAV content (*i.e.*, the "Beach Weather" and

“Stop and Frisk” artworks) in advertising or promotion of GTAV is protected against Section 51 claims, just as the game itself is protected. *Id.* at 778.

The panel did not reach the limitations or jurisdiction issues, stating that “[i]n view of the foregoing, it is unnecessary to address defendants’ remaining grounds for dismissal.” *Id.*

ARGUMENT

I. MS. LOHAN’S CLAIM REGARDING THE TRANSITION SCREEN ARTWORKS IS TIME-BARRED

As an initial matter, the Court need not even reach the merits of Ms. Lohan’s claim regarding the transition screen artworks because the claim is untimely. The applicable statute of limitations is one year. *See* CPLR § 215(3). The transition screen artworks first were published, and extensively distributed, ahead of GTAV itself to promote the game “Beach Weather” was published on or about October 30, 2012, and “Stop and Frisk” was published on or about November 1, 2012. *See* Rosa Aff. Ex. 8 (R. 75); Kagan Aff. Ex. 9 (R. 124). The original complaint in this matter, however, was not filed until July 1, 2014 – over one year later. Summons & Compl. (R. 7-15).

There is no merit to Ms. Lohan’s theory that the limitations clock re-started when the two artworks later were “re-published,” as part of the GTAV game itself, on September 17, 2013. *See* Am. Compl. ¶ 74-75 (R. 29).

Initially, it should be noted that the Supreme Court incorrectly shifted to Take-Two the burden to prove that the republication exception does *not* apply. Given that Take-Two made a proper evidentiary submission showing the claim to be untimely (R. 6), the burden sits with Ms. Lohan:

[A defendant's] burden does not include an obligation . . . to negate any or all exceptions that might apply to the statutory period. Instead, the burden shifts to [the plaintiff] to aver evidentiary facts establishing that the case at hand falls within such exceptions.

Hoosac Valley Farmers Exch., Inc. v. AG Assets, Inc., 168 A.D.2d 822, 823 (3d Dep't 1990).

In any event, the grounds for the republication exception clearly are not satisfied here. New York follows the “single publication” rule for right of publicity claims. *See Nussenzweig v. diCorcia*, 9 N.Y.3d 184, 188 (2007). This means that a right of publicity claim accrues on the date the challenged material is first published – in this case, October 30, 2012 for “Beach Weather” and November 1, 2012 for “Stop and Frisk”. Under the republication exception, a subsequent publication of the challenged material only re-starts the limitations clock if it “(1) is intended for and reaches a new audience, or (2) materially changes or modifies the original.” *Bondar v. LASplash Cosmetics*, No. 12 Civ. 1417(SAS), 2012 WL 6150859, at *8 (S.D.N.Y. 2012) (Section 51 claim dismissed

as time-barred when only “minor alterations” were made; granting judgment on the pleadings) (internal quotations and citation omitted).

The Amended Complaint includes no allegations that could support either prong of the republication exception. As for the “new audience” prong, the entire thrust of the complaint is that “Beach Weather” and “Stop and Frisk” were originally released for the express purpose of promoting GTAV to the very same people who would later play it. *See, e.g.*, Am. Compl. ¶ 83 (R. 30). As for the “material change” prong, there undisputedly were no material changes to the content of “Beach Weather” or “Stop and Frisk” from their first release as stand-alone artworks through their release as part of GTAV. *See Rosa Aff. Exs. 5-9 (R.72-79); Kagan Aff. Ex. 9 (R. 124).* The Amended Complaint did not allege otherwise.

Accordingly, dismissal of the Amended Complaint as to “Beach Weather” and “Stop and Frisk” should be affirmed on the additional grounds that Ms. Lohan’s claims are time-barred. Dismissal on limitations grounds is appropriate even though the Appellate Division chose not to reach this issue. *See 5 N.Y. JUR. 2D Appellate Review § 791* (“The court of appeals, like any appellate court in New York is not confined to the grounds stated by the court below for its decision but may sustain a judgment or order on grounds other than those assigned by the lower court.”); *see, e.g., Ryan v. Feeney & Sheehan Bldg. Co.*, 238 N.Y. 43, 44 (1924)

(“While the judgment in this case must be affirmed, we prefer to place our decision on other grounds than those stated by the Appellate Division.”). Dismissal on limitations grounds thus is expressly permitted at this stage without discovery. CPLR § 3211(a)(5); *Costanza*, 255-56 (dismissing Section 51 claim as time-barred at the pleading stage).

II. GTAV DOES NOT USE MS. LOHAN’S “NAME, PORTRAIT, PICTURE OR VOICE” AS THE STATUTE REQUIRES

The Appellate Division correctly dismissed this case on the ground that, as a matter of law, Take-Two did not use Ms. Lohan’s “name, portrait, picture or voice” as the plain language of Section 51 requires. *Lohan*, 142 A.D.2d at 777; *see also* *Lohan Br.* at 11 (“If defendant does not use plaintiff’s ‘name, portrait, picture or voice’, clearly there is no sustainable claim under the statute.”). This is confirmed by a simple review of the game content. This Court can and should affirm on the same basis.

Ms. Lohan herself concedes that these three distinct characters are not literal depictions of her. *Lohan Br.* at 24. In any event, whatever elements of commonality Ms. Lohan may see between herself and the fictional characters are legally irrelevant. As a matter of law, Take-Two simply did not use any of the statutorily protected elements: “name, portrait, picture or voice.” “Lacey Jonas” is an animated fictional character; the character is not named Lindsay Lohan, nor is it

a “portrait” or “picture” of Ms. Lohan. The same is true of the two different women in “Beach Weather” and “Stop and Frisk.” As for “voice,” the characters in “Beach Weather” and “Stop and Frisk” do not speak at all. The “Lacey Jonas” character does speak, but undisputedly does not use Ms. Lohan’s voice. *See Rosa Aff.* ¶ 15 (R. 66).⁷

In short, the complaint here simply does not describe a statutory violation. Even when generously read, all the complaint alleged was that the fictional GTAV characters evoked Ms. Lohan. But it has long been the law of this State that evocation or suggestion is not enough, as this Court and others have made clear. There can be no Section 51 claim absent an actual use of “name, portrait, picture or voice.” *See Wojtowicz v. Delacorte Press*, 58 A.D.2d 45, 47 (1st Dep’t 1977) (fictional characters in the movie *Dog Day Afternoon*, a popular movie inspired by a real-life bank robbery, could not give rise to a cause of action under Section 51 where statutory elements not used in movie), *aff’d*, 43 N.Y.2d 858 (1978).

This is so even if the Court assumes that audiences, in their minds, draw a straight line from the fictional characters to the real-world plaintiffs on whom the characters allegedly are based. *Id.* (dismissing Section 51 claim where statutory

⁷ The conclusory allegation of the complaint is that the character uses Ms. Lohan’s “voice and accent,” Am. Compl. ¶ 38 (R. 24) – *i.e.*, that “Lacey Jonas” sounds like Ms. Lohan, not that Ms. Lohan literally spoke the character’s dialogue.

elements were not used, even if it were “clear that the plaintiffs were actually being depicted therein”); *Toscani v. Hersey*, 271 A.D. 445, 448 (1st Dep’t 1946) (Section 51 “was not intended to give a living person a cause of action for damages based on the mere portrayal of acts and events concerning a person designated fictitiously in a novel or play merely because the actual experiences of the living person had been similar to the acts and events so narrated”).

In *Wojtowicz*, this Court credited the allegations that the book and movie at issue

do not purport to be historical or documentary accounts of newsworthy interest but which are nonetheless represented as true and accurate stories [and that] defendants for commercial advantage have portrayed plaintiffs in sufficiently detailed accuracy of physical characteristics and activities as to result in their effective identification.

43 N.Y.2d at 860. The Court still affirmed dismissal of the complaint because none of the statutorily protected elements were used.

Ms. Lohan’s claim similarly fails, and it cannot be saved by allegations that these fictional characters act, look, dress or sound like her. Many Hollywood figures do. Take-Two is legally entitled to poke fun at them all.

The New York state cases on which Ms. Lohan relies have no application here. She relies on cases that upheld Section 51 claims against advertisements that were simply that – *i.e.*, commercial promotions unrelated to an expressive work.

Those cases also confirm that reproduction of a plaintiff's actual identity, not an evocation or suggestion, is the correct legal test. *See Cohen v. Herbal Concepts, Inc.*, 63 N.Y.2d 379 (1984) (magazine advertisement for Au Naturel – a product used to fight cellulite – used actual photographs of the plaintiffs); *Onassis v. Christian Dior-NY Inc.*, 122 Misc. 2d 603, 612-13 (Sup. Ct. N.Y. Cnty. 1984) (magazine advertising campaign for Christian Dior clothing line used a look-alike model to create the “illusion” that the plaintiff had actually posed for, and agreed to appear in, the challenged ad); *Loftus v. Greenwich Lithographing Co.*, 192 A.D. 251 (1st Dep’t 1920) (defendant advertised a movie with an actual photograph of the plaintiff that was unrelated to the film being advertised).

The federal district court decisions in *Allen v. Nat’l Video, Inc.*, 610 F. Supp. 612 (S.D.N.Y. 1985) and *Ali v. Playgirl, Inc.*, 447 F. Supp. 723 (S.D.N.Y. 1978) also do not support Ms. Lohan’s position. In *Allen*, actor Woody Allen asserted a Section 51 claim based on the use of a look-alike actor in what was undisputedly an advertisement rather than a creative work. The court ultimately did not rule on the Section 51 claim and resolved the case on Lanham Act grounds. In *Ali*, the court sustained a Section 51 claim based on a pornographic magazine’s publication of a realistic, “full frontal nude drawing” of boxer Muhammad Ali with exaggerated genitalia. 447 F. Supp. at 729. The court did not even consider the threshold question of whether the drawing was an expressive work. *Id.* at 727. *Ali*

is recognized as an “aberration” that was wrongly decided. 3 SMOLLA & NIMMER ON FREEDOM OF SPEECH § 24:4 n.23 and accompanying text (2009). *Ali* never has been cited by any New York court to uphold a Section 51 claim against a creative work of fiction and satire.

A bill recently introduced in the New York Senate to amend Section 51 confirms just how narrow the current statute is. *See* S05857, Reg. Sess. 2017-2018 (N.Y. 2017). The proposed amendment is backed by the actors’ union and would extend Section 51 protection to “persona,” “image,” “likeness,” “distinctive appearance,” “gestures,” and “mannerisms.” These are the very elements Ms. Lohan alleged Take-Two used here. There could be no plainer recognition that the elements on which Ms. Lohan relies are not protected under the current statute.

Because Ms. Lohan’s name, portrait, picture or voice are not found in GTAV, dismissal should be affirmed.

III. CREATIVE CONTENT IN EXPRESSIVE WORKS LIKE GTAV IS ABSOLUTELY PROTECTED, BECAUSE IT IS NOT FOR PURPOSES OF “ADVERTISING” OR “TRADE” AS THE STATUTE REQUIRES

The Appellate Division also correctly dismissed Ms. Lohan’s complaint because GTAV is an expressive work and its creative content is not “advertising” or “trade.” Works such as GTAV simply are not covered by the statute, as a matter of law. Take-Two’s *Gravano* brief describes the history of Section 51 and how narrowly courts have construed it for decades. Take-Two *Gravano* Br. at 10-12.

The highly creative character of GTAV's world of satire, parody, action and adventure is beyond question. *See* Take-Two *Gravano* Br. at 4-7 (describing game content as a whole). The "Escape Paparazzi" gameplay sequence exemplifies the game's creative character. *See* pp. 5-8, *supra* (describing Escape Paparazzi). So too do the "Beach Weather" and "Stop and Frisk" transition screen artworks. *See* pp. 9-12, *supra* (describing same). The determination of the game content's creative character is an entirely proper function for the Court, as a matter of law, at the pleading stage.

A. Expressive Works Like GTAV Are Absolutely Protected, Even When the Works Allegedly Depict Or Evoke Real People

As described in Take-Two's *Gravano* brief, complaints like Ms. Lohan's long have failed as a matter of law at the motion to dismiss stage. *See* Take-Two *Gravano* Br. at 17-20. This one properly was dismissed too.

In addition to the cases cited in Take-Two's *Gravano* brief at pp. 18-20, another illustrative decision rejecting a Section 51 claim against an expressive work arose from a case brought by Ms. Lohan herself. *See Lohan v. Perez*, 924 F. Supp. 2d 447 (E.D.N.Y. 2013). Ms. Lohan sued the rapper Pitbull over a song lyric that used her actual name: "So I'm tiptoe'n', to keep flowin'/I got it locked up

like Lindsay Lohan.” *Id.* at 451.⁸ The song, “Give Me Everything,” was a “popular song of an international reputation and exert[ed] a great influence throughout [the] United States, and other countries, and in the television, entertainment business and field of communication as well.” *Id.* The court took it as a given that the song was “created and distributed for the purpose of making a profit[.]” Yet the court dismissed Ms. Lohan’s claim at the pleading stage for the same reason that the Appellate Division dismissed her claim here: because creative content in expressive works simply does not fall within the statutory definitions of “advertising purposes” or “trade” purposes. *Id.* at 455.

As described in Take-Two’s *Gravano* brief, the New York rule is clear: a plaintiff’s allegation that fictional characters resemble or evoke her simply does not state a claim in New York. *See Take-Two Gravano Br.* at 20. Even accepting Ms. Lohan’s strained suggestion that each of the three very different fictional characters at issue here somehow evoke her, her claim still fails as a matter of law, no matter how close the similarities.

⁸ The lyric referred to multiple incidents in which Ms. Lohan has been arrested. *See* Josh Grossberg, *Lindsay Lohan: A Timeline of All Her Arrests (and Boy, There Are a Lot of ‘Em)*, E! NEWS (Nov. 29, 2012), *available at* <http://www.eonline.com/news/367020/lindsay-lohan-a-timeline-of-all-her-arrests-and-boy-there-are-a-lot-of-em>.

B. The Content of GTAV Fits Squarely Within The New York Rule Of Absolute Protection

The absolute legal protection for expressive works and their creative content against Section 51 claims has been consistent from movies to novels, plays, television shows, songs, paintings and photographs. *See Take-Two Gravano Br.* at 21-22. Video games simply take their place in line as the latest form of expressive content to come under New York’s umbrella of absolute legal protection.

All but admitting that the creative content in “Escape Paparazzi” is absolutely protected, Ms. Lohan tries to carve out the transition screen artworks by suggesting that the applicable test is whether a character or image is “subject to player manipulation.” *Lohan Br.* at 8. That proposed test is made from whole cloth; nothing in the case law supports it. It also ignores that the transition screen artworks are an essential part of the overall creative experience of playing GTAV. *See pp. 11-14, supra* (describing how transition screens introduce the player to the visual world of Los Santos and provide important gameplay information).

Moreover, the transition screen artworks are creative works in and of themselves and fully protected on that separate basis. *See pp. 9-10, supra*. Visual artworks that were not subject to manipulation by their audiences have been protected without hesitation by New York courts. *See Foster v. Svenson*, 128 A.D.3d 150 (2015); *Altbach v. Kulon*, 302 A.D.2d 655 (3d. Dep’t. 2003); *Hoepker v. Kruger*, 200 F. Supp. 2d 340 (S.D.N.Y. 2013) (each granting a motion to

dismiss a Section 51 claim against a visual artwork). “Beach Weather” and “Stop and Frisk” thus would be exempt from Section 51 claims as independent works of art even if they had no connection to GTAV.

For all these reasons, “Beach Weather” and “Stop and Frisk” are fully protected, just as “Escape Paparazzi” is fully protected.

C. The Use Of GTAV’s Creative Content To Promote The Work Itself Also Is Absolutely Protected

Ms. Lohan concedes that creative works of fiction are not “advertising” or “trade” under Section 51. *See* Lohan Br. at 20 (“fiction and satire are ordinarily not improper ‘advertising’ or ‘trade’ under the statute”); *id.* at 30 (“fiction and satire are ordinarily exempt from the statute”). Moreover, Ms. Lohan cannot credibly deny that the content about which she complains is creative and is part of an expressive work, and she does not do so. Instead, she argues that the commercial promotion of GTAV falls outside the exemption. *Id.* at 18, 25. The argument lacks any merit, and should be rejected.

The alleged use of “Beach Weather” and “Stop and Frisk” outside of the gameplay context, whether on game packaging, on billboards, or even on the game disk itself, also is entirely protected. It is well-settled that the use of creative content from an expressive work to promote that work is itself fully protected. *See Foster*, 128 A.D.3d at 160 (affirming dismissal of Section 51 claim: “Since the

images themselves constitute the work of art, and art work is protected by the First Amendment, any advertising undertaken in connection with the promotion of the art work was permitted.”); *Costanza*, 279 A.D. 2d at 255 (affirming dismissal of Section 51 claim where “[t]he alleged ‘commercial’ use of the [fictional] character in advertising was incidental or ancillary to the permitted use [in the creative work being advertised]” (internal citations omitted)).

Hoepker, 200 F. Supp. at 340, confirms that the advertising usage of the transition screen artworks here cannot support a Section 51 claim. In *Hoepker*, the defendant used images of the plaintiff without his consent in an art exhibit and also used those images to advertise the exhibit in brochures, newsletters and billboards – some of the same forms of advertising usage alleged here. The court held that all uses of the plaintiff’s images, including the advertisements, were protected from Section 51 claims. Even though the purpose of the advertisements was “to increase patronage of the museum and the exhibit,” those uses were fully protected because they were “related to the protected exhibition of [the artwork] itself.” *Id.* at 351. That principle is equally applicable here and protects the alleged uses of GTAV content for promotional purposes.

The protection for advertising uses of creative content is not just settled law but good sense. Advertising is central to business success, and for-profit works

come squarely within New York’s rule of protection for expressive works under Section 51. As this Court has explained,

[a] contrary rule [i.e., excluding for-profit creative works from the rule that creative works are protected] would unreasonably and unrealistically limit the exception to nonprofit or purely altruistic organizations.

Stephano v. News Publ’n, 64 N.Y.2d 174, 185 (1984); *see also* 3 SMOLLA & NIMMER ON FREEDOM OF SPEECH § 24:4 (2009) (“courts generally acknowledge that commercial exploitation [in violation of the right of publicity] means something other than the mere gain that comes from selling more issues of the publication”). New York courts have not hesitated to protect creative works that have enjoyed enormous commercial success such as the *Seinfeld* television show, against Section 51 claims. *See Costanza*, 279 A.D.2d 255; David K. Li, *Seinfeld rakes in \$2.7 bil*, N.Y POST (June 7, 2010) (show earned \$2.7 billion in its first 12 years of reruns, making it “the most profitable 30 minutes in TV history”).⁹

Ms. Lohan further argues that the concept of an “advertisement in disguise” somehow saves her claim (Lohan Br. at 32), but the argument fails for two reasons.

First and foremost, nothing here was disguised or is alleged to have been disguised. There is no allegation that GTAV actually is a promotion for something else. The game as a whole is plainly an actual creative work; each of “Escape

⁹ Available at <http://nypost.com/2010/06/07/einfeld-rakes-in-2-7-bil/>.

Paparazzi,” “Beach Weather” and “Stop and Frisk” plainly are creative elements of the game. *See* pp. 5-11, *supra* (describing creative character of game and of these elements).

Second, the cases that address “advertisements in disguise” involved, as Ms. Lohan herself admits, “invented biographies” of the plaintiffs (*id.* at 20) – that is, works that held themselves out as realistic factual depictions, not as creative works of fiction. These cases – *Spahn v. Messner, Inc.*, 18 N.Y.2d 324, 327 (1966) and *Binns v. Vitagraph Co.*, 210 N.Y. 51 (1913) – occupy a seldom-visited corner of right of publicity law. Since *Binns* and *Spahn* were decided, this Court never has cited them to uphold a Section 51 claim against an expressive work.

There is no basis for extending *Binns* and *Spahn* to this very different case. Each case involved the use of the plaintiff’s real name in apparent factual recitations of true events. As this Court confirmed in *Messenger v. Gruner + Jahr Print. & Publ’g*, 94 N.Y.2d 436, 446 (2000), *Spahn* and *Binns* applied where “defendants invented biographies of plaintiffs’ lives,” so that “the substantially fictional works at issue were nothing more than attempts to trade on the persona of Warren Spahn or John Binns.” *Id.* Here, there was no use of Ms. Lohan’s name,

nor was there any suggestion to the public that real events are being depicted.

GTAV obviously is not a biography, nor does it claim to be.¹⁰

Ms. Lohan’s invocation of *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569 (1994) – a copyright case that addressed the affirmative defense of fair use – is entirely irrelevant to Section 51. It has never been relied upon by a New York court in a Section 51 case, and Ms. Lohan’s argument that GTAV cannot be defended as parody based on *Campbell* (Lohan Br. at 10 n.2, 32) makes little sense. A simple review of GTAV’s overall content confirms that both the game as a whole and the particular elements challenged here are a form of commentary poking fun at many aspects of modern life and popular culture. *See* Kagan Aff. Ex. 4 (R. 112) (quoting a review of GTAV stating that GTAV is “a game that is able to make a sublime parody of today’s society, taking advantage of all the excesses and insanities to which the world is slowly getting used.”).

IV. CONSTITUTIONAL FREE SPEECH VALUES SUPPORT THE STATUTORY GROUNDS FOR DISMISSAL

For the same reasons discussed in Take-Two’s *Gravano* brief, constitutional free speech concerns provide strong additional support for this result. *See* Take-Two *Gravano* Br. at 26-30. Although the Appellate Division here did not reach

¹⁰ Likewise, the recent decision in *Porco v. Lifetime Entm’t Servs., LLC*, 147 A.D.3d 1253, 1253, 1255 (3d Dep’t 2017), involving an allegedly fictionalized biographical film, falls into the same inapplicable corner of the law.

any holding with respect to the First Amendment, constitutional free speech concerns provide powerful support for the Appellate Division’s interpretation of Section 51 in this case. Both the First Amendment of the Federal Constitution and Article I, Section 8 of the New York Constitution apply. *Id.* Both support the statutory limitation of “advertising purposes” and “trade” purposes to exclude expressive works and their creative content, as well as the construction of “name, portrait, picture or voice” to exclude digital avatars like the fictional character “Lacey Jonas” and the “Beach Weather” and “Stop and Frisk” artworks.

V. ROCKSTAR NORTH IS NOT SUBJECT TO PERSONAL JURISDICTION

Defendant-Respondent Rockstar North is a foreign corporation incorporated under the laws of the United Kingdom with its principal place of business in Edinburgh, Scotland. Rosa Aff. ¶ 16 (R. 66). It is not authorized to do business in New York, does not do business in New York and does not have an office in New York. *Id.* Rockstar North has not “purposefully avail[ed] itself of the privilege of conducting activities within [New York],” and the claims in this case do not arise from any such activities by it. *Ehrenfeld v. Bin Mahfouz*, 9 N.Y.3d 501, 508 (2007) (alteration in original) (internal quotation and citations omitted); *McGowan v. Smith*, 52 N.Y.2d 268, 272 (1981). Accordingly, the claims against Rockstar North independently may be dismissed for lack of *in personam* jurisdiction. *See* CPLR § 302(a)(1).

The Amended Complaint does not include a single non-conclusory factual allegation that Rockstar North conducts business in New York or that Rockstar North has any connection to this case. In the courts below, Ms. Lohan submitted a corporate webpage that refers to offices in the United Kingdom, Canada and the United States. Opp. Aff. Ex. G (R. 253). It is evident, however, from even a cursory review of the webpage that those offices belong to separate and distinct entities in the Rockstar Games corporate family (*e.g.*, Rockstar NYC in New York City, Rockstar San Diego in San Diego, California, etc.), while Rockstar North’s own presence is limited to Scotland. *Id.* (Rockstar North is “[p]art of the Rockstar family since 1999 and [is] based out of modern, spacious, purpose-built studios in the heart of Edinburgh [. . .].”). There are no factual allegations or evidence in the record to the contrary.

Ms. Lohan’s suggestion below that jurisdictional discovery should be granted is baseless. She provides no reason to believe that discovery will yield any evidence to support jurisdiction. *See Benefits by Design Corp. v. Contractor Mgmt. Servs.*, 75 A.D.3d 826, 830 (3d Dep’t 2010) (“to obtain [jurisdictional discovery] plaintiffs are required to demonstrate that they have made a sufficient start, and shown their position not to be frivolous” (citation and quotation marks omitted)); *see also Leonard v. Gateway II, LLC*, 68 A.D.3d 408, 410 (1st Dept. 2009) (“Plaintiff’s assertion that discovery is necessary in order to oppose

defendants' motion is based on nothing more than unsubstantiated hope of discovering something relevant to her claims, and is an insufficient reason to deny the motion.""). Fishing expeditions to support jurisdiction are disfavored, *id.*, and none is justified here.

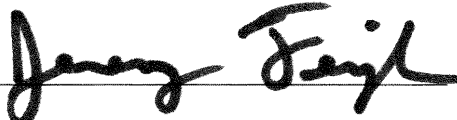
CONCLUSION

For the foregoing reasons, this Court should affirm the Appellate Division, First Department's dismissal of the Amended Complaint in its entirety, with prejudice.

Dated: May 31, 2017
New York, New York

Respectfully submitted,

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**NEW YORK STATE COURT OF APPEALS
CERTIFICATE OF COMPLIANCE**

I hereby certify pursuant to 22 NYCRR PART 500.1(j) that the foregoing brief was prepared on a computer using Microsoft Word.

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Dated: May 31, 2017

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and Rockstar North*

State of New York
Supreme Court, Appellate Division
Third Judicial Department

Decided and Entered: February 23, 2017

522707

CHRISTOPHER PORCO,

Appellant,

v

MEMORANDUM AND ORDER

LIFETIME ENTERTAINMENT

SERVICES, LLC,

Respondent.

Calendar Date: January 18, 2017

Before: McCarthy, J.P., Garry, Lynch, Devine and Mulvey, JJ.

Christopher Porco, Dannemora, appellant pro se.

David A. Schulz, New York City, for respondent.

Davis Wright Tremaine, LLP, New York City (Robert Balin of counsel), for The Reporters Committee for Freedom of the Press and others, amici curiae.

McCarthy, J.P.

Appeal from an order of the Supreme Court (Muller, J.), entered April 20, 2015 in Clinton County, which granted defendant's motion to dismiss the complaint.

In 2006, plaintiff was convicted of the murder of his father and the attempted murder of his mother (see generally People v Porco, 71 AD3d 791, 792 [2010], affd 17 NY3d 877 [2011]). In December 2012, plaintiff discovered that defendant intended to broadcast a film entitled "Romeo Killer: The Christopher Porco Story" (hereinafter the film). On January 29, 2013, plaintiff commenced this action pursuant to Civil Rights

Law §§ 50 and 51, seeking a preliminary injunction to prevent the airing of the film. Plaintiff's subsequent motion for a temporary restraining order to prevent the film's broadcast pending a decision on his motion for a preliminary injunction was granted by Supreme Court. Defendant appealed and this Court granted emergency relief to defendant by vacating the temporary restraining order pending an appeal on the merits and, as planned, the film was nationally televised on March 23, 2013. Supreme Court's order was ultimately reversed and vacated by this Court (116 AD3d 1264 [2014]). Thereafter, Supreme Court granted defendant's motion to dismiss the complaint for failure to state a cause of action. Plaintiff now appeals, and we reverse.

On a motion pursuant to CPLR 3211 (a) (7) to dismiss a complaint for failure to state a cause of action, this Court "must afford the complaint a liberal construction, accept as true the allegations contained therein, accord the plaintiff the benefit of every favorable inference and determine only whether the facts alleged fit within any cognizable legal theory" (He v Realty USA, 121 AD3d 1336, 1339 [2014] [internal quotation marks and citations omitted], lv dismissed and denied 25 NY3d 1018 [2015]). New York provides a limited statutory right of privacy. Pursuant to Civil Rights Law § 50, it is a misdemeanor when a firm or corporation "uses for advertising purposes, or for the purposes of trade, the name, portrait or picture of any living person without having first obtained the written consent of such a person" (Civil Rights Law § 50). Similarly, Civil Rights Law § 51 allows a plaintiff to "maintain an equitable action in the supreme court of this state against the [firm or corporation] so using his [or her] name, portrait, picture or voice, to prevent and restrain the use thereof; and may also sue and recover damages for any injuries sustained by reason of such use" (Civil Rights Law § 51). The Legislature intended for this statutory protection of privacy to be "strictly limited to nonconsensual commercial appropriations of the name, portrait or picture of a living person" (Finger v Omni Publs. Intl., 77 NY2d 138, 141 [1990]), and these statutory provisions "do not apply to reports of newsworthy events or matters of public interest" (Messenger v Gruner + Jahr Print. & Publ., 94 NY2d 436, 441 [2000], cert denied 531 US 818 [2000]).

The scope of the newsworthiness exception to liability, however, must be construed in accordance with binding Court of Appeals precedent. The Court of Appeals has held that statutory liability applies to a materially and "substantially fictitious biography" (Spahn v Julian Messner, Inc., 18 NY2d 324, 329 [1966], vacated 387 US 239 [1967], adhered to on remand and rearg 21 NY2d 124 [1967], appeal dismissed 393 US 1046 [1969]) where a "knowing fictionalization" amounts to an "all-pervasive" use of imaginary incidents (Spahn v Julian Messner, Inc., 21 NY2d 124 127-129 [1967], appeal dismissed 393 US 1046 [1969]) and a biography that is "nothing more than [an] attempt[] to trade on the persona" of the plaintiff (Messenger v Gruner + Jahr Print. & Publ., 94 NY2d at 446; see generally Lerman v Flynt Distributing Co., Inc., 745 F2d 123, 131-132 [2d Cir 1984]). When it most recently addressed the aforementioned principles, the Court of Appeals explained that a work "may be so infected with fiction, dramatization or embellishment that it cannot be said to fulfill the purpose of the newsworthiness exception" (Messenger v Gruner + Jahr Print. & Publ., 94 NY2d at 446). As further binding Court of Appeals precedent makes clear, the fact that a film revolves around a "true occurrence" (id. at 445), such as a rescue of passengers from a shipwreck, does not invoke the newsworthiness exception in the event that the entire account remains "mainly a product of the imagination" (Binns v Vitagraph Co. of Am., 210 NY 51, 56 [1913]). Finally, the Court of Appeals has directly passed on the issue of whether extending liability in the aforementioned manner violated constitutional protections of freedom of speech and has found no such violation (see Spahn v Julian Messner, Inc., 21 NY2d at 129).

Thus, the issue before this Court is whether plaintiff's complaint, when given the benefit of every favorable inference, alleges facts suggesting that defendant knowingly produced a materially and substantially fictitious biography that violates the statutory right of privacy.¹ Turning to the record,

¹ The Court of Appeals has made clear that the aforementioned line of cases dealing with "invented biographies of plaintiffs' lives" relate to "strikingly different" scenarios from those cases where the Court has addressed "the unauthorized,

plaintiff alleges that the film is a "knowing and substantially fictionalized account" about plaintiff "and the events that led to his incarceration," and that it appropriates his name without his consent "for purposes of profit." In support of this claim, plaintiff offered a letter written by a producer associated with the film to his mother before the film's release. The producer indicated that she was involved in the production of a documentary intended to accompany the film that the producer "hope[d] . . . [would] provide the platform for [the mother's] family to state their position in a non-fictional program after the [film] airs." Viewing the producer's correspondence in the light most favorable to plaintiff and according plaintiff the benefit of every favorable inference, it is reasonable to infer that the producer indicated that the film was considered to be a fictitious program. Considering the foregoing and the standard of review on a motion to dismiss, we cannot say that plaintiff has failed to sufficiently allege the same degree of fictionalization or the same degree of defendant's knowledge of such fictionalization as that which has been found to violate the statutory right to privacy without running afoul of constitutional protections of speech (see Spahn v Julian Messner, Inc., 21 NY2d at 129; see also Binns v Vitagraph Co. of Am., 210 NY at 56).² Accordingly, defendant's motion to dismiss for

and allegedly false and damaging, use of plaintiffs' photographs to illustrate newsworthy articles" (Messenger v Gruner + Jahr Print. & Publ., 94 NY2d at 446). The Court of Appeals has also offered the guidance that courts, in addressing alleged violations of the statutory right of privacy, ought to resort to precedent "directly on point" for the governing rules, which, here, are cases such as Spahn v Julian Messner, Inc. (21 NY2d 124 [1967], supra) and Binns v Vitagraph Co. of Am. (supra) that regard biographies (Messenger v Gruner + Jahr Print. & Publ., 94 NY2d at 446).

² We emphasize that, at this procedural stage, the film is not before this Court, and "[w]hether an item is newsworthy depends solely on [its] content" (Messenger v Gruner + Jahr Print. & Publ., 94 NY2d at 442 [internal quotation marks and citation omitted]).

failure to state a cause of action should have been denied.

Garry, Lynch, Devine and Mulvey, JJ., concur.

ORDERED that the order is reversed, on the law, with costs,
and motion denied.

ENTER:

A handwritten signature in black ink, reading "Robert D. Mayberger". The signature is written in a cursive, flowing style with a large, prominent "R" and "M".

Robert D. Mayberger
Clerk of the Court


[LAWYER LOGIN](#)
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NO DOUBT v. ACTIVISION PUBLISHING, INC.

No. B223996.

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192 Cal.App.4th 1018 (2011)

NO DOUBT, Plaintiff and Respondent, v. ACTIVISION PUBLISHING, INC., Defendant and Appellant.

Court of Appeals of California, Second District, Division Four.

February 15, 2011.

Attorney(s) appearing for the Case

Quinn Emanuel Urquhart & Sullivan, [Susan R. Estrich](#), [Stan Karas](#) and [Michael T. Zeller](#) for Defendant and Appellant.[Proskauer Rose](#), [Gil N. Peles](#) and [Bert H. Deixler](#) for Plaintiff and Respondent.

OPINION

WILLHITE, J.—

INTRODUCTION

The rock band No Doubt brought suit against the video game publisher Activision Publishing, Inc. (Activision), based on Activision's release of the Band Hero video game featuring computer-generated images of the members of No Doubt. No Doubt licensed the likenesses of its members for use in Band Hero, but contends that Activision used them in objectionable ways outside the scope of the parties' licensing agreement. Activision filed a special motion to strike under Code of Civil Procedure section 425.16, contending that No Doubt cannot demonstrate a probability of prevailing on its claims for violation of the right of publicity (Civ. Code, § 3344 and common law) and unfair competition (Bus. & Prof. Code, § 17200) because its use of the No Doubt likenesses is protected by the First Amendment. Activision appeals from the trial court's denial of its motion. Applying the transformative use test first adopted in *Comedy III Productions, Inc. v. Gary Saderup, Inc.* (2001) [25 Cal.4th 387](#) [[106 Cal.Rptr.2d 126](#), [21 P.3d 797](#)], we conclude that the creative elements of the Band Hero video game do not transform the images of No Doubt's band members into anything more than literal, fungible reproductions of their likenesses. Therefore, we reject Activision's contention that No Doubt's right of publicity claim is barred by the First Amendment. In addition, we disagree with Activision's contention that No Doubt must demonstrate that Activision used the likenesses of the band members in an "explicitly misleading" way in order to prevail on its unfair competition claim. Accordingly, we affirm the trial court's judgment.

FACTUAL AND PROCEDURAL BACKGROUND

Band Hero Dispute

Defendant Activision is a leading international video game distributor and the creator and owner of the interactive Band Hero video game. Band Hero is a version of Activision's Guitar Hero franchise that has sold over 40 million units.¹ The game allows players to simulate performing in a rock band in time with popular songs. By choosing from a number of playable characters, known as "avatars," players can "be" a guitarist, a singer, or a drummer. Some of the available avatars are fictional characters created and designed by Activision while others are digital representations of real-life rock stars. Players can also design their own unique fictional avatars. Represented by the avatars of their choosing, players "perform" in various settings, such as

[192 Cal.App.4th 1023]

Players can also design their own unique fictional avatars. Represented by the avatars of their choosing, players perform in various settings, such as venues in Paris and Madrid, a rock show at a shopping mall, and even outer space.

In addition to allowing players to perform over 60 popular songs, Band Hero permits players to create their own music and then play their compositions using an avatar. As with all the Guitar Hero video games, as players advance in the Band Hero game, they can "unlock" characters and use them to play songs of the players' choosing, including songs the players have composed as well as songs made famous by other artists.

Plaintiff No Doubt is an internationally recognized rock band featuring Gwen Stefani as its lead singer. No Doubt entered into a professional services and character licensing agreement (Agreement) with Activision permitting Activision to include No Doubt as one of the rock bands featured in Band Hero.

The pertinent language of the Agreement is as follows: "This Agreement sets out the terms upon which Artist [(No Doubt)] has agreed to grant to Activision certain rights to utilize Artist's name(s), likeness(es), logo(s), and associated trademark(s) and other related intellectual property rights (the 'Licensed Property') and to provide Activision certain production and marketing services in connection with Activision's 'Band Hero' video game (the 'Game')." The Agreement specifically provides that "Artists grant to Activision the non-exclusive, worldwide right and license to use the Licensed Property (including Artist's likeness as provided by or approved by Artist) solely in the one (1) Game for all gaming platforms and formats, on the packaging for the Game, and in advertising, marketing, promotional and PR materials for the Game." In a section entitled "Approval Rights," the Agreement states that "Artist's likeness as implemented in the Game (the 'Character Likeness'), any use of Artist's name and/or likeness other than in a 'billing block' fashion on the back of the packaging for the Game, and the b-roll and photography or other representation of the Services or of Artist, shall be subject to Artist's prior written approval. [¶] Activision shall submit each of the above (i.e., the Character Likeness, name uses, and b-roll and photography or other representation) to Artist for review and Artist shall have

[192 Cal.App.4th 1024]

ten (10) business days to either approve or disapprove. . . . [¶] Activision shall not be required to submit for approval uses of previously approved assets, provided such uses fall within the rights granted herein (e.g., using a previously approved Character Likeness depiction in multiple advertising materials)."

As part of the Agreement, Activision agreed to license no more than three No Doubt songs for use in Band Hero, subject to No Doubt's approval over the song choice. (Ultimately, the game included two No Doubt songs.) No Doubt agreed to participate in one day of game production services "for the purposes of photographing and scanning Artist's likeness, and capturing Artist's motion-capture data."

Pursuant to the Agreement, the members of No Doubt participated in a full-day motion capture photography session at Activision's studios so that the band members' Band Hero avatars would accurately reflect their appearances, movements, and sounds. No Doubt then closely reviewed the motion capture photography and the details related to the appearance and features of their avatars to ensure the representations would meet their approval. The end results are avatars that closely match the appearance of each of the No Doubt band members.

Approximately two weeks prior to the release of Band Hero, No Doubt became aware of the "unlocking" feature of the game that would permit players to use No Doubt's avatars to perform any of the songs included in the game, including songs that No Doubt maintains it never would have performed. Two of No Doubt's members could be unlocked at the seventh level of the game, and the remaining members could be unlocked at level nine. The band also learned that female lead singer Gwen Stefani's avatar could be made to sing in a male voice, and the male band members' avatars could be manipulated to sing songs in female voices. The individual band member avatars could be made to perform solo, without their band members, as well as with members of other groups. No Doubt contends that in the numerous communications with No Doubt, Activision never communicated its intention to permit such manipulations of the No Doubt avatars. Rather, No Doubt insists, Activision represented that No Doubt's likenesses within Band Hero would be used only in conjunction with the selected No Doubt songs.

When No Doubt complained about the additional exploitation of their likenesses, Activision admitted that it had hired actors to impersonate No Doubt in order to create the representations of the band members' performances of the additional musical works other than the No Doubt songs licensed for the game. No Doubt demanded that Activision remove the "unlocking" feature for No Doubt's avatars, but Activision refused. Activision

[192 Cal.App.4th 1025]

contends that No Doubt's request came only after the programming had been finalized and the manufacturers had approved the game for manufacture.

Procedural History

No Doubt filed a complaint against Activision in superior court, seeking injunctive relief and damages for Activision's allegedly unauthorized exploitation of No Doubt's name, performances and likenesses. No Doubt alleged six causes of action: (1) fraudulent inducement; (2) violation of statutory and common law right of publicity; (3) breach of contract; (4) unfair business practices in violation of Business and Professions Code section 17200; (5) injunctive relief; and (6) rescission.²

Activision filed a special motion to strike pursuant to Code of Civil Procedure section 425.16 (section 425.16) specifically with respect to No Doubt's claims for violation of the right of publicity and unfair competition. The superior court denied the anti-SLAPP (strategic lawsuit against public participation) motion, holding that Activision failed to meet the required threshold showing that the challenged causes of action arose from protected activity in furtherance of free speech rights, and that Activision's literal reproductions of the images of the No Doubt members did not constitute a "transformative" use sufficient to bring them within the protection of the First Amendment. The court found that even if Activision had satisfied its initial burden, No Doubt had demonstrated a probability of prevailing on its claims because it convincingly argued that Activision had contracted away any First Amendment right to exploit the images of the No Doubt members except as provided by the agreement between the parties. As such, the court held, Activision had "waived the anti-SLAPP protections."

This timely appeal followed.

DISCUSSION

I. Anti-SLAPP Motion Procedure

(1) Section 425.16 provides, in pertinent part, that "[a] cause of action against a person arising from any act of that person in furtherance of the person's right of petition or free speech under the United States Constitution or the California Constitution in connection with a public issue shall be subject to a special motion to strike, unless the court determines that the plaintiff has established that there is a probability that the plaintiff will prevail on the claim." (§ 425.16, subd. (b)(1)). The purpose of the statute is "to provide a procedural remedy to dispose of lawsuits that are brought to chill the valid exercise of constitutional rights." (*Rusheen v. Cohen* (2006) [37 Cal.4th 1048](#), 1055–1056 [[39 Cal.Rptr.3d 516](#), [128 P.3d 713](#)]; see § 425.16, subd. (a)). The provisions of section 425.16 must be "construed broadly" to effectuate the statute's purpose. (§ 425.16, subd. (a)).

(2) A special motion to strike under section 425.16 entails a two-step process. (*Navellier v. Sletten* (2002) [29 Cal.4th 82](#), 88 [[124 Cal.Rptr.2d 530](#), [52 P.3d 703](#)] (*Navellier*)). First, the defendant must make a threshold showing that the challenged cause of action arises from protected activity. (*Rusheen v. Cohen*, *supra*, 37 Cal.4th at p. 1056.) If the defendant makes this showing, the burden shifts to the plaintiff to demonstrate a probability of prevailing on the merits of the claim. (*Ibid.*) The plaintiff must state and substantiate a legally sufficient claim: "[p]ut another way, the plaintiff 'must demonstrate that the complaint is both legally sufficient and supported by a sufficient prima facie showing of facts to sustain a favorable judgment if the evidence submitted by the plaintiff is credited.' [Citations.]" (*Ibid.*) For purposes of this inquiry, "the trial court considers the pleadings and evidentiary submissions of both the plaintiff and the defendant [citation] . . ." (*Wilson v. Parker, Covert & Chidester* (2002) [28 Cal.4th 811](#), 821 [[123 Cal.Rptr.2d 19](#), [50 P.3d 733](#)]; see § 425.16 subd. (b)(2)). However, "the court does not weigh the evidence or make credibility determinations. [Citations.]" (*Ross v. Kish* (2006) [145 Cal.App.4th 188](#), 197 [[51 Cal.Rptr.3d 484](#)]). In addition to considering the substantive merits of the plaintiff's claims, the trial court must also consider all available defenses to the claims, including constitutional defenses. (*Traditional Cat Assn., Inc. v. Gilbreath* (2004) [118 Cal.App.4th 392](#), 398 [[13 Cal.Rptr.3d 353](#)]).

"Only a cause of action that satisfies *both* prongs of the anti-SLAPP statute—i.e., that arises from protected speech or petitioning *and* lacks even minimal merit—is a SLAPP, subject to being stricken under the statute." (*Navellier*, *supra*, 29 Cal.4th at p. 89.) We review *de novo* whether the trial court should have granted Activision's special motion to strike, conducting an independent review of the entire record. (*Soukup v. Law Offices of Herbert Hafif* (2006) [39 Cal.4th 260](#), 269, fn. 3 [[46 Cal.Rptr.3d 638](#), [139 P.3d 30](#)]).

II. No Doubt's Claims Arose from Protected Activity

(3) A defendant satisfies its initial burden under section 425.16 by demonstrating that the act underlying the challenged claims fits one of the categories described in section 425.16, subdivision (e). (*Navellier*, *supra*, 29 Cal.4th at p. 88.) One of these categories is "conduct in furtherance of the exercise of the constitutional right of petition or the constitutional right of free speech in connection with a public issue or an issue of public interest." (§ 425.16, subd. (e)(4)).

(4) Video games generally are considered "expressive works" subject to First Amendment protections. (*Kirby v. Sega of America, Inc.* (2006) [144 Cal.App.4th 47](#), 58 [[50 Cal.Rptr.3d 607](#)] (*Kirby*); see *Video Software Dealers Ass'n v. Schwarzenegger* (9th Cir. 2009) [556 F.3d 950](#), 958, cert. granted *sub nom. Schwarzenegger v. Entertainment Merchants Ass'n.* (2010) ____ U.S. ____ [176 L.Ed.2d 784, [130 S.Ct. 2398](#)]; *Romantics v. Activision Publishing, Inc.* (E.D.Mich. 2008) [574 F.Supp.2d 758](#), 765–766 [finding that Activision's Guitar Hero video game is "an expressive artistic work that is entitled to First Amendment protection"]). Further, Activision's use of No Doubt's likenesses in Band Hero is a matter of public interest because of the widespread fame No Doubt has achieved; "there is a public interest which attaches to people who, by their accomplishments, mode of living, professional standing or calling, create a legitimate and widespread attention to their activities . . ." [Citation.] [Citation.]" (*Stewart v. Rolling Stone LLC* (2010) [181 Cal.App.4th 664](#), 677–678 [105 Cal.Rptr.3d 98] [magazine's publication of "indie rock" bands' names was matter of public interest]). Accordingly, the use of No Doubt's likenesses in the Band Hero video game meets the first requirement of the anti-SLAPP statute.³

(5) No Doubt contends that Activision cannot satisfy the threshold showing under section 425.16 because a contract issue, not Activision's right to free speech, is at the heart of the parties' dispute. However, in *Navellier*, our Supreme Court responded to a similar argument from the plaintiffs who were suing based on the defendants' alleged breach of an agreement to release claims. The court held that the plaintiffs had set up a "false dichotomy" between actions that target the performance of contractual obligations and those that target the exercise of free speech and petition rights, because "conduct alleged to constitute breach of contract may also come within

constitutionally protected speech or petitioning." (*Navellier*, *supra*, 29 Cal.4th at p. 92.) Thus, contrary to No Doubt's contention, cases that center on a contractual dispute are not categorically excluded from the protection of the anti-SLAPP statute.

No Doubt relies on *Duncan v. Cohen* (N.D.Cal., July 22, 2008, No. C 08–2243 BZ) 2008 WL 2891065, but that case is distinguishable. There, the plaintiff brought numerous claims against the defendants based on the defendants' attempt to make a film based on the plaintiff's novel, *The River Why*. The district court denied the defendants' anti-SLAPP motion, finding that the claims did not arise out of protected activity: "The [defendants] are not claiming their rights to use material from *The River Why* are based on free speech. Rather they contend their rights are based on a contract. . . . This action centers on copyright and contract claims, not protected activity, and the anti-SLAPP statute does not apply." (*Id.* at p. *2.) By contrast, Activision asserts that it has a First Amendment right to exploit the likenesses of No Doubt in Band Hero, separate and apart from its argument that the license from No Doubt permitted Activision's use.

Having concluded that Activision met its burden to show that the challenged claims arose out of protected activity, we discuss below the second prong of section 425.16.

III. No Doubt's Probability of Success on the Merits of the Claims

A. Right of Publicity Claim

(6) No Doubt has alleged a claim for violation of the right of publicity under Civil Code section 3344 (section 3344) as well as under common law. Section 3344 provides in pertinent part: "Any person who knowingly uses another's name, voice, signature, photograph, or likeness, in any manner, on or in products, merchandise, or goods, or for purposes of advertising or selling, or soliciting purchases of, products, merchandise, goods or services, without such person's prior consent . . . shall be liable for any damages sustained by the person or persons injured as a result thereof." (§ 3344, subd. (a).) The common law claim for misappropriation of the right of publicity is similar, except there is no requirement that the misappropriation have been done knowingly. (*Kirby, supra*, 144 Cal.App.4th at p. 55.)

(7) Generally, "plaintiffs' burden in opposing an anti-SLAPP motion [is] to substantiate *each* element of their cause of action, and not merely to counter defendant's affirmative defenses." (*Balzaga v. Fox News Network, LLC* (2009) 173 Cal.App.4th 1325, 1337 [93 Cal.Rptr.3d 782].) Because one of the elements of both the statutory and common law claim for violation of

[192 Cal.App.4th 1029]

the right of publicity is a lack of prior consent on No Doubt's part, No Doubt's claim would fail if Activision were found to hold a valid license to use No Doubt's likenesses in the manner in which they are used in Band Hero. (*Neal v. Electronic Arts, Inc.* (W.D.Mich. 2005) 374 F.Supp.2d 574, 579 [dismissing plaintiff's claims of misappropriation "because the use in question was clearly licensed"].) However, Activision argued below that for purposes of ruling on the anti-SLAPP motion, the trial court did not need to resolve the issue whether the challenged use of the No Doubt avatars was outside the parties' license agreement. Rather than contesting No Doubt's ability to support the "lack of consent" element or any other substantive element of its right of publicity claim, for purposes of its section 425.16 motion Activision asserted below, and contends here, only that the First Amendment provides a complete defense to the claim. Thus, we limit our analysis to the strength of that First Amendment defense.⁴

1. "Transformative Use" Defense

Activision contends that its use of No Doubt's likenesses in Band Hero constitutes "protected First Amendment activity involving an artistic work," and thus No Doubt's right of publicity claim is completely barred. As discussed above, "[v]ideo games are expressive works entitled to as much First Amendment protection as the most profound literature." (*Kirby, supra*, 144 Cal.App.4th at p. 58.) However, Activision's First Amendment right of free expression is in tension with the rights of No Doubt to control the commercial exploitation of its members' likenesses.

In *Comedy III Productions, Inc. v. Gary Saderup, Inc.*, *supra*, 25 Cal.4th 387, 391 (*Comedy III*), our Supreme Court directly confronted this tension. The court recognized that the right of publicity has a "potential for frustrating

[192 Cal.App.4th 1030]

the fulfillment" of both purposes of the First Amendment: "First, 'to preserve an uninhibited marketplace of ideas' and to repel efforts to limit the 'uninhibited, robust and wide-open' debate on public issues.'" [Citation.] Second, to foster a 'fundamental respect for individual development and self-realization. . . .' [Citations.]" (*Comedy III, supra*, 25 Cal.4th at pp. 396-397.) "Because celebrities take on public meaning, the appropriation of their likenesses may have important uses in uninhibited debate on public issues, particularly debates about culture and values. And because celebrities take on personal meanings to many individuals in the society, the creative appropriation of celebrity images can be an important avenue of individual expression. . . . [¶] . . . [T]he very importance of celebrities in society means that the right of publicity has the potential of censoring significant expression by suppressing alternative versions of celebrity images that are iconoclastic, irreverent, or otherwise attempt to redefine the celebrity's meaning." (*Id.* at p. 397.)

(8) But, the court concluded, not all expression with respect to celebrities is insulated by the First Amendment. "The right of publicity, like copyright, protects a form of intellectual property that society deems to have some social utility. 'Often considerable money, time and energy are needed to develop one's prominence in a particular field. Years of labor may be required before one's skill, reputation, notoriety or virtues are sufficiently developed to permit an economic return through some medium of commercial promotion. [Citations.] For some, the investment may eventually create considerable commercial value in one's identity.' [Citation.]" (*Comedy III, supra*, 25 Cal.4th at p. 399.) "[T]he state's interest in preventing the outright misappropriation of such intellectual property by others is not automatically trumped by the interest in free expression or dissemination of information . . ." (*Id.* at p. 401.)

(9) The court in *Comedy III* articulated "what is essentially a balancing test between the First Amendment and the right of publicity based on whether the work in question adds significant creative elements so as to be transformed into something more than a mere celebrity likeness or imitation." (*Comedy III, supra*, 25 Cal.4th at p. 391.) Thus, "[w]hen artistic expression takes the form of a literal depiction or imitation of a celebrity for commercial gain, directly trespassing on the right of publicity without adding significant expression beyond that trespass, the state law interest in protecting the fruits of artistic labor outweighs the expressive interests of the imitative artist." (*Id.* at p. 405, fn. omitted.) A celebrity may enforce "the right to monopolize the production of conventional, more or less fungible, images" of that celebrity. (*Ibid.*) On the other hand, a work claimed to violate a celebrity's right of publicity is entitled to First Amendment protection where "added creative elements significantly transform the celebrity depiction . . ." (25 Cal.4th at p. 405, fn. 10.) "Another way of stating the inquiry is whether the celebrity

[192 Cal.App.4th 1031]

likeness is one of the 'raw materials' from which an original work is synthesized, or whether the depiction or imitation of the celebrity is the very sum and substance of the work in question. We ask, in other words, 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." (*Id.* at p. 406.) The inquiry boils down to "whether the literal and imitative or the creative elements predominate in the work." (*Id.* at p. 407.)

The court then applied its newly minted "transformative use" test to the facts before it. The plaintiff was the owner of the rights to the comedy act known as The Three Stooges. The defendant was an artist who sold lithographs and T-shirts bearing a likeness of The Three Stooges reproduced from a charcoal drawing the artist had created. (*Comedy III, supra*, 25 Cal.4th at p. 393.) The owner sued for violation of the right of publicity under Civil Code section 3344.1, the companion statute to section 3344 that extends the right of publicity to the heirs and assignees of deceased personalities.⁵

The court rejected the artist's contention that the plaintiff's claim was barred by the First Amendment. The court could "discern no significant transformative or creative contribution" in the artist's literal reproduction of the likenesses of The Three Stooges in its charcoal drawing. (*Comedy III, supra*, 25 Cal.4th at p. 409.) The artist's "undeniable skill is manifestly subordinated to the overall goal of creating literal, conventional depictions of The Three Stooges so as to exploit their fame." (*Ibid.*)

The court was careful to note that, in some circumstances, literal reproductions of celebrity portraits may be protected by the First Amendment. The

court used the example of silk screens created by artist Andy Warhol using images of celebrities such as Marilyn Monroe, Elizabeth Taylor, and Elvis Presley. "Through distortion and the careful manipulation of context, Warhol was able to convey a message that went beyond the commercial exploitation of celebrity images and became a form of ironic social comment on the dehumanization of celebrity itself." (*Comedy III, supra*, 25 Cal.4th at pp. 408-409.)

The Supreme Court again addressed the balance between the First Amendment and celebrities' rights of publicity in *Winter*, in which the defendant was sued for misappropriation under section 3344 after publishing a series of comic books featuring two villainous half-worm, half-human characters named the "Autumn brothers." (*Winter, supra*, 30 Cal.4th at p. 886.) The characters were quite obviously based on the musician brothers Edgar and Johnny Winter, sharing their same long white hair and albino features. (*Ibid.*)

[192 Cal.App.4th 1032]

Applying the "transformative use" test set forth in *Comedy III*, the court held that the Winter brothers' claim was barred by the First Amendment as a matter of law. The court found that the comic depictions at issue were "not just conventional depictions of plaintiffs but contain significant expressive content other than plaintiffs' mere likenesses. Although the fictional characters Johnny and Edgar Autumn are less-than-subtle evocations of Johnny and Edgar Winter, the books do not depict plaintiffs literally. Instead, plaintiffs are merely part of the raw materials from which the comic books were synthesized. To the extent the drawings of the Autumn brothers resemble plaintiffs at all, they are distorted for purposes of lampoon, parody, or caricature. And the Autumn brothers are but cartoon characters—half-human and half-worm—in a larger story, which is itself quite expressive." (*Winter, supra*, 30 Cal.4th at p. 890.) The comic books featured "fanciful, creative characters, not pictures of the Winter brothers," in stark contrast to *Comedy III*, where the artist "essentially sold, and devoted fans bought, pictures of The Three Stooges, not transformed expressive works by the artist." (*Id.* at p. 892.)

In *Kirby*, the Court of Appeal applied the "transformative use" test in a case involving the alleged use of a celebrity's likeness in a video game. The plaintiff, Kierin Kirby, achieved fame as the lead singer of the musical group Deee-Lite which was popular in the early 1990's. Kirby alleged that video game distributor Sega violated her common law and statutory rights of publicity when it released the video game Space Channel 5 (SC5) that included as its main character a computer-generated woman named "Ulala" allegedly based on Kirby. (*Kirby, supra*, 144 Cal.App.4th at p. 51.)

SC5 is set in outer space, in the 25th century, and Ulala is a reporter who is sent to "investigate an invasion of Earth by dance-loving aliens who shoot earthlings with ray guns, causing them to dance uncontrollably." (*Kirby, supra*, 144 Cal.App.4th at p. 52.) To advance in the game, players attempt to have Ulala match the dance moves of various aliens and competitor reporters. (*Ibid.*) A Japanese choreographer and dancer created Ulala's six main dance moves. (*Id.* at p. 51.)

Kirby contended that Sega misappropriated her likeness by giving Ulala similar facial features to her own as well as by borrowing her distinctive look that combines retro and futuristic elements, including red or pink hair, platform shoes, brightly colored formfitting clothes, and short skirts. (*Kirby, supra*, 144 Cal.App.4th at pp. 51, 55-56.) In addition, Ulala's name is a phonetic variation of "ooh la la," which Kirby alleged was her "signature" lyrical expression included in three of her songs. (*Ibid.*)

The Court of Appeal concluded that there was a question of fact as to whether Sega had misappropriated Kirby's likeness in creating the character

[192 Cal.App.4th 1033]

Ulala. (*Kirby, supra*, 144 Cal.App.4th at pp. 55-56.) However, the court found that even assuming Sega used Kirby's likeness, the First Amendment provided a complete defense. "[N]otwithstanding certain similarities, Ulala is more than a mere likeness or literal depiction of Kirby," as Ulala's physique, primary hairstyle and costumes, and dance moves differed from Kirby's. (144 Cal.App.4th at p. 59.) "Moreover, the setting for the game that features Ulala—as a space-age reporter in the 25th century—is unlike any public depiction of Kirby. . . . Taken together, these differences demonstrate Ulala is 'transformative,' and respondents added creative elements to create a new expression" such that the First Amendment barred Kirby's claim. (144 Cal.App.4th at p. 59.) Ulala was not merely "an imitative character contrived of 'minor digital enhancements and manipulations'" (*id.* at p. 60), and unlike the use of the likenesses of The Three Stooges in *Comedy III*, any imitation of Kirby's likeness was not "the sum and substance" of Ulala's character (*id.* at p. 61). Rather, like the "Autumn brothers" comic book characters in *Winter*, "Ulala is a 'fanciful, creative character' who exists in the context of a unique and expressive video game." (*Ibid.*)

With these cases as a backdrop, we now turn to Activision's use of No Doubt's likenesses in Band Hero.

2. Use of No Doubt's Likenesses in Band Hero Is Not "Transformative"

Activision does not dispute that the avatars of No Doubt are computer-generated recreations of the real band members, painstakingly designed to mimic their likenesses. Indeed, as part of the licensing agreement between Activision and No Doubt, No Doubt posed for motion-capture photography to enable Activision to reproduce their likenesses, movements, and sounds with precision. Activision intentionally used these literal reproductions so that players could choose to "be" the No Doubt rock stars. The game does not permit players to alter the No Doubt avatars in any respect; they remain at all times immutable images of the real celebrity musicians, in stark contrast to the "fanciful, creative characters" in *Winter* and *Kirby*. (*Winter, supra*, 30 Cal.4th at p. 892; see *Kirby, supra*, 144 Cal.App.4th at p. 61.)

(10) No Doubt asserts that such realistic depictions categorically disqualify their Band Hero avatars from First Amendment protection. However, as *Comedy III* held, even literal reproductions of celebrities can be "transformed" into expressive works based on the context into which the celebrity image is placed. (*Comedy III, supra*, 25 Cal.4th at p. 409 [noting, for instance, the Warhol silk screens featuring celebrity portraits, through "careful manipulation of context," convey an ironic message about the "dehumanization of celebrity" through reproductions of celebrity images]; see also *ETW*

[192 Cal.App.4th 1034]

Corp. v. Jireh Publishing, Inc. (6th Cir. 2003) 332 F.3d 915, 918, 936, 938 (*ETW*) [a painting featuring three literal likenesses of Tiger Woods in different poses in the foreground, with the Augusta National Clubhouse behind him and the likenesses of other famous golfing champions looking down on him, found worthy of First Amendment protection because it was a "panorama" of Woods's historic 1997 victory at the world-famous Masters Tournament and conveyed a message about the significance of Woods's achievement through images suggesting that Woods would eventually join the ranks of the world's best golfers.] Thus, when the context into which a literal celebrity depiction is placed creates "'something new, with a further purpose or different character, altering the first [likeness] with new expression, meaning, or message,'" the depiction is protected by the First Amendment. (*Comedy III, supra*, 25 Cal.4th at p. 404; see also *id.* at p. 405, fn. 10 [work is insulated by 1st Amend. only where "added creative elements significantly

transform *the celebrity depiction* . . ." (italics added)].)

Nonetheless, although context may create protected expression in the use of a celebrity's literal likeness, the context in which Activision uses the literal likenesses of No Doubt's members does not qualify the use of the likenesses for First Amendment protection. Activision contends that as in *Kirby*, where Sega used Kirby's likeness in a unique and expressive video game, Activision's use of No Doubt's likenesses in Band Hero is transformative because the video game shows the No Doubt avatars "surrounded by unique, creative elements, including in fanciful venues such as outer space . . . and performing songs that No Doubt avowedly would never perform in real life." Indeed, according to Activision, No Doubt's objection that the band can be made to perform songs it would never perform demonstrates that the use of the No Doubt avatars is transformative.

However, that the members of No Doubt object to being shown performing certain songs is irrelevant to whether that element of Band Hero combined with others transforms the literal depictions of No Doubt's members into expression that is more Activision's than pure mimicry. In that inquiry, it is the differences between *Kirby* and the instant case, not the similarities, which are determinative. In *Kirby*, the pop singer was portrayed as an entirely new character—the space-age news reporter Ulala. In Band Hero, by contrast, no matter what else occurs in the game during the depiction of the No Doubt avatars, the avatars perform rock songs, the same activity by which the band achieved and maintains its fame. Moreover, the avatars perform those songs as literal recreations of the band members. That the avatars can be manipulated to perform at fanciful venues including outer space or to sing songs the real band would object to singing, or that the avatars appear in the context of a video game that contains many other creative elements, does not transform the avatars into anything other than exact depictions of No Doubt's members doing exactly what they do as celebrities. (*Hilton v. Hallmark Cards* (9th Cir.

[192 Cal.App.4th 1035]

2010) [599 F.3d 894](#), 911 (*Hilton*) [Hallmark card featuring Paris Hilton's head on a cartoon waitress's body was not a "transformative use" as in *Kirby* because, despite some differences, the "basic setting" was the same as an episode of Hilton's television show in which she is depicted as "born to privilege, working as a waitress"]; ⁶ *Keller v. Elec. Arts, Inc.* (N.D.Cal., Feb. 8, 2010, No. C 09-1967 CW) 2010 U.S.Dist. Lexis 10719, app. pending [NCAA Football video game literally depicting college football player held not "transformative" where player was represented as exactly what he was—the starting quarterback for Arizona State University—and game's setting—a football field—was "identical to where the public found [plaintiff] during his collegiate career"].)

Moreover, Activision's use of lifelike depictions of No Doubt performing songs is motivated by the commercial interest in using the band's fame to market Band Hero, because it encourages the band's sizeable fan base to purchase the game so as to perform as, or alongside, the members of No Doubt. Thus, insofar as the depiction of No Doubt is concerned, the graphics and other background content of the game are secondary, and the expressive elements of the game remain "manifestly subordinated to the overall goal of creating a conventional portrait of [No Doubt] so as to commercially exploit [its] fame." (*Comedy III, supra*, 25 Cal.4th at p. 408.) In other words, nothing in the creative elements of Band Hero elevates the depictions of No Doubt to something more than "conventional, more or less fungible, images" of its members that No Doubt should have the right to control and exploit. (*Comedy III, supra*, 25 Cal.4th at p. 405.) Thus, the trial court did not err in denying Activision's motion to strike the right of publicity claim based on Activision's assertion of a First Amendment defense. ⁷

[192 Cal.App.4th 1036]

B. Unfair Competition Claim

(11) To state a claim for unfair competition under Business and Professions Code section 17200 (section 17200), a plaintiff must show that "members of the public are likely to be deceived" by a particular business practice. (*Bank of the West v. Superior Court* (1992) [2 Cal.4th 1254](#), 1267 [[10 Cal.Rptr.2d 538](#), [833 P.2d 545](#)]; see *In re Tobacco II Cases* (2009) [46 Cal.4th 298](#), 324 [93 Cal.Rptr.3d 559, 207 P.3d 20] [California's unfair competition law protects the public from fraud, deceit and unlawful conduct].) No Doubt alleges that Activision violated section 17200 by deceiving the public into believing that No Doubt authorized the use of its name and likeness for the unlocking feature of Band Hero and that "No Doubt approves and endorses the appearance of its members individually performing songs that are wholly inappropriate and out of character for No Doubt."

Activision makes the novel argument that we should construe section 17200 to require No Doubt to prove that Activision's challenged use of No Doubt's avatars "explicitly misleads the public," i.e., that Activision *overtly represented* that No Doubt approved the unlocking feature as well as all the songs their avatars can be made to sing. Activision derives this heightened standard from federal cases construing the Lanham Act (15 U.S.C. § 1051 et seq.) in

[192 Cal.App.4th 1037]

the context of alleged trademark infringement by artistic works deserving of First Amendment protection. For the reasons discussed below, we hold that No Doubt is not obligated to prove that the use of its avatars in Band Hero is "explicitly misleading" in order to prevail on its section 17200 claim.

(12) To provide context for Activision's argument, we begin with a brief discussion of how federal courts have applied the Lanham Act to artistic works alleged to infringe trademarks. The purpose of the Lanham Act, 15 United States Code section 1051 et seq., "is to 'avoid confusion in the marketplace' by allowing a trademark owner to 'prevent[] others from duping consumers into buying a product they mistakenly believe is sponsored by the trademark owner.'" [Citation.] Trademark law aims to protect trademark owners from a false perception that they are associated with or endorse a product. [Citation.] Generally, to assess whether a defendant has infringed on a plaintiff's trademark, we apply a "likelihood of confusion" test that asks whether use of the plaintiff's trademark by the defendant is "likely to cause confusion or to cause mistake, or to deceive as to the affiliation, connection, or association" of the two products. [Citation.] (*Mattel, Inc. v. Walking Mountain Productions* (9th Cir. 2003) [353 F.3d 792](#), 806–807; see *Franklin Mint Co. v. Manatt, Phelps & Phillips, LLP* (2010) [184 Cal.App.4th 313](#), 342 [109 Cal.Rptr.3d 143].)

When the challenged use of a trademark appears in an artistic work that implicates First Amendment protections, some courts have concluded that the standard "likelihood of confusion" test under the Lanham Act is inadequate to address First Amendment concerns. The seminal case is *Rogers v. Grimaldi* (2d Cir. 1989) [875 F.2d 994](#) (*Rogers*), in which the Second Circuit developed an alternative to the "likelihood of confusion" test to be used for titles of artistic works that borrow names protected by trademark.

In *Rogers*, the actress Ginger Rogers sued under the Lanham Act, contending that the title of a movie, *Ginger and Fred* (Metro-Goldwyn-Mayer 1986), which told the story of two fictional Italian cabaret performers who imitated Rogers and Fred Astaire in their cabaret act, created the false impression that Rogers was associated with the film or that the film was about her. The trial court held that the Lanham Act did not apply to any movie title "within the realm of artistic expression." (*Rogers, supra*, 875 F.2d at p. 997.) The Second Circuit found that while the trial court's approach correctly took into

account First Amendment concerns, it "unduly narrows the scope of the [Lanham] Act," because it would insulate from liability titles that were truly deceptive about their source or sponsorship. (875 F.2d at p. 997.)

The Second Circuit struck a different balance, holding that "in general the Act should be construed to apply to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression. In the context of allegedly misleading titles using a celebrity's name, that balance will normally not support application of the Act unless the title has no artistic relevance to the underlying work whatsoever, or, if it has some artistic relevance, unless the title explicitly misleads as to the source or the content of the work." (*Rogers, supra*, 875 F.2d at p. 999.) Under this test, for instance, a defendant is liable under the Lanham Act if he uses a celebrity name in a book title when the name bears no relation at all to the content of the book, thereby confusing the public into thinking otherwise—a situation in which the use of the name has no artistic relevance to the work. (875 F.2d at p. 999.) And even if the celebrity name *does* bear some relevance to the content of the book (that is, has some artistic relevance to the work), the title cannot explicitly deceive the public as to its source or content, such as by claiming that it is an "authorized biography" of the celebrity when it is not (an explicit misrepresentation as to the source or content). (*Ibid.*)

Applying this test in *Rogers*, the Second Circuit concluded that the Lanham Act claim failed. The title, *Ginger and Fred*, had genuine relevance to the film's story—the characters in the film imitated Rogers and Astaire in the characters' cabaret act. Further, nothing about the film title overtly suggested that Rogers was involved with or was the subject of the film, and the risk that some members of the public would reach either of these erroneous conclusions was outweighed by the interests in the film's artistic expression, which contrasted the "elegance and class" Rogers and Astaire embodied with the "gaudiness and banality of contemporary television." (*Rogers, supra*, 875 F.2d at p. 1001.)

In *Mattel, Inc. v. MCA Records, Inc.* (9th Cir. 2002) [296 F.3d 894](#), (MCA), the Ninth Circuit adopted the *Rogers* test and found that it barred the Barbie trademark holder's Lanham Act claim over a song entitled *Barbie Girl*, an expressive work poking fun at the values Barbie represented. (*Id.* at p. 902.) The Ninth Circuit, along with several other federal circuit courts, has since extended the *Rogers* test beyond titles of artistic works to artistic works in general. (See, e.g., *E.S.S. Entertainment 2000 v. Rock Star Videos* (9th Cir. 2008) [547 F.3d 1095](#), 1099 (*E.S.S.*) [finding *Rogers* test could be applied to the use of a trademark in the body of the work]; *ETW, supra*, 332 F.3d at p. 928, fn. 11 [holding the rule of *Rogers* is generally applicable to all Lanham Act cases involving artistic works where the defendant "has articulated a colorable claim" that the work is protected by the 1st Amend.]; *Cliffs Notes v. Bantam Doubleday Dell Publishing Group* (2d Cir. 1989) [886 F.2d 490](#), 495.)

Activision contends that we should construe section 17200 to incorporate the *Rogers* standard as an element of No Doubt's unfair competition claim, because the claim is "substantially congruent" to a trademark infringement

claim under the Lanham Act, given that for both "the "ultimate test" is "whether the public is likely to be deceived or confused by the similarity of the marks." [Citations.]" (*Academy of Motion Picture Arts v. Creative House* (9th Cir. 1991) [944 F.2d 1446](#), 1457; see also *MCA, supra*, 296 F.3d at p. 902 [same likelihood of confusion test applies to Lanham Act claim and state law claim for unfair competition].) In other words, just as a defendant's artistic expression that infringes upon a trademark generally will only be actionable under the Lanham Act if it is "explicitly misleading," Activision contends its use of No Doubt's likenesses should not be actionable under section 17200 unless that use was "explicitly misleading."

Even if the *Rogers* "explicitly misleading" test might be applied to some section 17200 claims involving the unauthorized use of a celebrity's likeness (a conclusion we do not reach),⁸ the test does not apply to No Doubt's section 17200 claim. Activision overlooks the overarching conclusion in *Rogers* that the public interest in avoiding consumer confusion must be balanced against the public interest in free expression. (*Rogers, supra*, 875 F.2d at p. 999.) The "explicitly misleading" standard comes into play only after a determination has been made that a challenged use of a trademark is worthy of heightened First Amendment protection. (*ETW, supra*, 332 F.3d at p. 926 [*Rogers* test applies to Lanham Act "false endorsement" claim only where the defendant "has articulated a colorable claim that the use of a celebrity's identity is protected by the First Amendment"]; *Facenda v. N.F.L. Films, Inc.* (3d Cir. 2008) [542 F.3d 1007](#), 1015 [before considering whether *Rogers* test applies,

court must determine whether allegedly infringing work is a work of artistic expression entitled to heightened 1st Amend. protection].)

(13) Here, we have already concluded that Activision's use of No Doubt's avatars is not "transformative" because the avatars are simply precise computer-generated reproductions of the band members that do not meld with the other elements of Band Hero to become, in essence, Activision's own artistic expression. In the case of such a "nontransformative" use of celebrity likenesses, "the public interest in avoiding consumer confusion outweighs the public interest in free expression" (*Rogers, supra*, 875 F.2d at p. 999), and it would make little sense to require No Doubt to make the almost impossible showing that Activision's nontransformative use of the No Doubt avatars was "explicitly misleading." Of course, to prevail on its section 17200 claim, No Doubt will still have to demonstrate that members of the public are likely to be deceived by Activision's use of the likenesses.

In sum, the trial court did not err in denying Activision's motion to strike No Doubt's section 17200 claim based on Activision's contention that its challenged use of the No Doubt avatars was not explicitly misleading.

DISPOSITION

The judgment is affirmed. No Doubt shall recover its costs and attorneys fees on appeal.

Suzukawa, J., concurred.

EPSTEIN, P. J., Concurring in part and concurring in the judgment.—

The majority opinion in this case affirms the decision of the trial court, which denied Activision's special motion to strike under Code of Civil Procedure section 425.16 (the anti-SLAPP (strategic lawsuit against public participation) law). I agree with that result, and concur in the judgment. In its analysis, the majority decides, first, that appellant's claims arose from First Amendment-protected activity, and hence satisfy the first prong of the test for motions under the anti-SLAPP statute. I agree with the majority's reasoning and conclusion on that issue. (See *Navellier v. Sletten* (2002) [29 Cal.4th 82](#), 88 [[124 Cal.Rptr.2d 530](#), [52 P.3d 703](#)].)

The majority then discusses the second prong of the test: whether No Doubt made a prima facie showing of probability that it would prevail on the

merits of its lawsuit. It does so on a First Amendment basis, finding that the challenge to Activision Publishing, Inc.'s use of No Doubt characters and likenesses in its video game does not satisfy the "transformative use" doctrine of *Comedy III Productions, Inc. v. Gary Saderup, Inc.* (2001) [25 Cal.4th 387](#),

[192 Cal.App.4th 1041]

391 [106 Cal.Rptr.2d 126, 21 P.3d 797] (*Comedy III*). Because of that conclusion, it does not reach No Doubt's claim that Activision had no such right in light of its contract with No Doubt. (Maj. opn., ante, at pp. 1035-1036, fn. 7.)

I would decide the case the other way around: I would conclude that, under the facts of this case, the contract between the parties precludes Activision's First Amendment claim, making it unnecessary to reach the "transformative use" issue. (See *Teachers' Retirement Bd. v. Genest* (2007) [154 Cal.App.4th 1012](#), 1043 [65 Cal.Rptr.3d 326] [a fundamental principle of constitutional adjudication is that court will not decide constitutional questions unless absolutely required to do so in order to dispose of matter before it], and authority cited.) That said, I do not dispute the majority's reasoning on that issue.

The majority opinion fairly and accurately sets out the factual and procedural history of the case, as well as the principal authorities for reviewing trial court decisions under the anti-SLAPP law. There is no need to reprise that discussion here.

What is central in this case (and not involved in *Comedy III* and other cases cited) is that Activision's entire right to formulate avatars taken from No Doubt performers is based on its license agreement with No Doubt. In that document (written on Activision letterhead) No Doubt licensed the use by Activision of "certain rights" as to the No Doubt name, likenesses, logos and associated trademarks, and related intellectual property (the "Licensed Property") in a Band Hero video game. No Doubt (styled "Artist" in the agreement) agreed to participate in a performance session which Activision could photograph and scan for the creation of avatars based on the No Doubt characters and performance. The agreement subordinated Activision's right to use avatars based on No Doubt "Licensed Property" upon approval by No Doubt "over the songs to be used," which approval was not to be unreasonably withheld. The "Approval Rights" section of the contract reserved to No Doubt (with exceptions not germane here) the right of prior approval of any use of the character likenesses (and set out a system for obtaining such approval, including a provision that a failure by No Doubt to approve or disapprove after specified notification may be deemed approval), and of "the songs to be used," which approval was not to be "unreasonably withheld."

In sum, this was a commercial agreement that granted a limited license to Activision for use of No Doubt's character likenesses in songs, all subject to No Doubt's prior approval. Activision's exploitation of the intellectual property was subject to the terms of the agreement. Having agreed to its terms, Activision cannot be heard to claim that its use of the property in ways expressly prohibited by the agreement is protected by the First Amendment.

[192 Cal.App.4th 1042]

Activision was not acting as a lampooner or commentator, nor in any context other than as a licensee of No Doubt's intellectual property. It proceeded to include in its Band Hero game No Doubt intellectual property, avatars, and sound depictions in a manner which No Doubt did not approve, had no opportunity to approve, and would not have approved. Since its rights to use this property in a video game were governed by the license agreement, Activision is precluded from relying on the "transformative use" doctrine to defend this breach of the agreement. Stated another way, the license agreement is antithetical to a First Amendment claim that it had a right to exploit No Doubt's intellectual property in breach of the license agreement.

I would affirm the trial court's ruling on this basis.

FootNotes

1. The parties submitted DVD's depicting the game, which we have reviewed.

2. Activision initially removed the case to federal court, contending that No Doubt's claims were preempted by the federal Digital Millennium Copyright Act (Pub.L. No. 105-304 (Oct. 28, 1998) 112 Stat. 2860). Activision then answered the complaint and filed cross-claims for breach of contract and unjust enrichment based on No Doubt's alleged failure to provide marketing and promotional services as the band had contracted to do. The federal district court remanded the case to state court, finding that No Doubt's claims as alleged were not preempted by the copyright act. (*No Doubt v. Activision Publishing, Inc.* (C.D.Cal. 2010) [702 F.Supp.2d 1139](#).)

3. As Activision observes, in concluding that the challenged claims did not satisfy the first prong, the trial court erred in focusing on whether the First Amendment provided a complete bar to No Doubt's claim. "'The Legislature did not intend that in order to invoke the special motion to strike the defendant must first establish her actions are constitutionally protected under the First Amendment as a matter of law. . . .'" [Citations.]" (*Navellier, supra*, 29 Cal.4th at pp. 94-95.) "Instead, under the statutory scheme, a court must generally presume the validity of the claimed constitutional right in the first step of the anti-SLAPP analysis, and then permit the parties to address the issue in the second step of the analysis, if necessary. [Citation.] Otherwise, the second step would become superfluous in almost every case, resulting in an improper shifting of the burdens." [Citations.]" (*City of Los Angeles v. Animal Defense League* (2006) [135 Cal.App.4th 606](#), 621 [37 Cal.Rptr.3d 632].)

4. We have previously held that "[a]lthough section 425.16 places on the plaintiff the burden of substantiating its claims, a defendant that advances an affirmative defense to such claims properly bears the burden of proof on the defense. [Citation.]" [Citation.]" (*Premier Medical Management Systems, Inc. v. California Ins. Guarantee Assn.* (2006) [136 Cal.App.4th 464](#), 477 [39 Cal.Rptr.3d 43]; see also *Seltzer v. Barnes* (2010) [182 Cal.App.4th 953](#), 969 [106 Cal.Rptr.3d 290].) Other courts have suggested, however, that the burden remains on the plaintiff to overcome the affirmative defenses by demonstrating that the "'defenses are not applicable to the case as a matter of law or by a prima facie showing of facts which, if accepted by the trier of fact, would negate such defenses.'" (*Birkner v. Lam* (2007) [156 Cal.App.4th 275](#), 285 [67 Cal.Rptr.3d 190], quoting *Paul for Council v. Hanyecz* (2001) [85 Cal.App.4th 1356](#), 1367 [102 Cal.Rptr.2d 864], disapproved on another ground in *Equilon Enterprises v. Consumer Cause, Inc.* (2002) [29 Cal.4th 53](#), 68, fn. 5 [124 Cal.Rptr.2d 507, 52 P.3d 685].) It makes no difference here which party bears the burden on the affirmative defenses, because, as discussed further below, we conclude that Activision's First Amendment defense fails as a matter of law. (See *Winter v. DC Comics* (2003) [30 Cal.4th 881](#), 888 [134 Cal.Rptr.2d 634, 69 P.3d 473] (*Winter*) [holding that courts can often resolve as a matter of law whether a claim is barred by the 1st Amend.].)

5. The first defense is the "transformative use" doctrine. (*Comedy III Productions, Inc. v. Gary Saderup, Inc.* (2001) [25 Cal.4th 387](#), 391 [106 Cal.Rptr.2d 126, 21 P.3d 797].)

5. The test developed in *Comedy III* "applies equally" to claims under section 3344. (*Winter, supra*, 30 Cal.4th at p. 888.)

6. An earlier Ninth Circuit decision, *Hoffman v. Capital Cities/ABC, Inc.* (9th Cir. 2001) [255 F.3d 1180](#), arguably reached a different conclusion on facts somewhat similar to those in *Hilton*. In *Hoffman*, the court found that the First Amendment barred Dustin Hoffman's claim that Los Angeles Magazine (LAM) had violated his right of publicity when it published an article that included a photographic image of the head of Hoffman in his "Tootsie" character superimposed on the body of a cartoon male who was wearing an evening gown and high heels. (*Hoffman, supra*, 255 F.3d at p. 1183.) The court only briefly addressed the transformative use defense, finding that "[e]ven if we were to consider LAM an 'artist' and the altered 'Tootsie' photograph 'artistic expression' subject to the *Comedy III* decision, there is no question that LAM's publication of the 'Tootsie' photograph contained 'significant transformative elements'" because "Hoffman's body was eliminated and a new, differently clothed body was substituted in its place." (*Id.* at p. 1184, fn. 2.) In *Hilton*, the Ninth Circuit noted that *Hoffman* had not addressed the transformative use defense in great depth because the Supreme Court decided *Comedy III* only after oral argument in the *Hoffman* case had taken place. Thus, *Hilton* concluded that *Hoffman* was not controlling Ninth Circuit authority on the issue of the transformative use defense. (*Hilton, supra*, 599 F.3d at p. 912, fn. 15.) We similarly do not find *Hoffman*'s brief discussion or application of the transformative use defense compelling.

7. Because we hold that Activision's use of No Doubt's likenesses is not protected by the First Amendment, we need not consider No Doubt's argument that Activision waived its First Amendment rights by entering a licensing agreement that allegedly limits its rights to use the likenesses. The concurring opinion would affirm the trial court's judgment on the basis of the licensing agreement, interpreting it as a waiver by Activision of any First Amendment rights it may have had. The concurrence suggests that we should not reach the question of the validity of Activision's First Amendment defense because of the principle of judicial restraint that counsels against unnecessarily addressing constitutional questions. (*Department of Alcoholic Beverage Control v. Alcoholic Beverage Control Appeals Bd.* (2006) 40 Cal.4th 1, 17, fn. 13 [[50 Cal.Rptr.3d 585](#), 145 P.3d 462].) This principle of constitutional adjudication is most often relied upon as the justification for refraining from deciding the constitutionality of a statute when the matter can be decided on statutory or other grounds. (E.g., *Thompson v. Department of Corrections* (2001) [25 Cal.4th 117](#), 128-129 [[105 Cal.Rptr.2d 46](#), [18 P.3d 1198](#)] [where plaintiff's complaint asserted both statutory and constitutional grounds for invalidating prison regulation, court would address the statutory issue first]; *Santa Clara County Local Transportation Authority v. Guardino* (1995) [11 Cal.4th 220](#), 230-231 [[45 Cal.Rptr.2d 207](#), [902 P.2d 225](#)] [where tax was challenged under state statute and state Constitution, it was proper to begin with statutory challenge].) Here, however, we are not being called upon to pass on the constitutionality of legislation, but rather to consider a First Amendment defense to a right of publicity claim in the context of a suit between private citizens. Moreover, while the principle of restraint in deciding constitutional issues has broader application, we are also mindful that courts must ""closely scrutinize waivers of constitutional rights"" and ""indulge every reasonable presumption against a waiver"" of First Amendment rights, which ""may only be made by a 'clear and compelling' relinquishment of them."" (*Sanchez v. County of San Bernardino* (2009) [176 Cal.App.4th 516](#), 528 [98 Cal.Rptr.3d 96]; see *Ferlauto v. Hamsher* (1999) [74 Cal.App.4th 1394](#), 1400 [[88 Cal.Rptr.2d 843](#)].) Given these circumstances, we believe the best path is to decide this case based upon what we view as a relatively straightforward application of the "transformative use" doctrine, and not on an interpretation of the licensing agreement, an issue on which we express no opinion.

8. Although the "explicitly misleading" requirement of the *Rogers* test makes obvious sense when the title of an artistic work is at issue, and thus conventional "speech" is involved, we question whether it should apply when the actionable wrong is the misappropriation of a celebrity's likeness in a video game. In any event, no California court has interpreted section 17200 to require a showing that the defendant's actionable conduct was "explicitly misleading" when the First Amendment is implicated. In arguing that such a showing is required under California law, Activision relies solely on *E.S.S.*, in which the Ninth Circuit concluded that the First Amendment defense based on the *Rogers* test "applies equally to ESS's state law claims," which necessarily included its section 17200 claim. (*E.S.S., supra*, 547 F.3d at p. 1101.) Of course, we are not bound by the Ninth Circuit's interpretation that the *Rogers* test applies to section 17200 claims. (*Myers Building Industries, Ltd. v. Interface Technology, Inc.* (1993) [13 Cal.App.4th 949](#), 971, fn. 19 [[17 Cal.Rptr.2d 242](#)].) Moreover, *E.S.S.* contains no analysis supporting its conclusion that the *Rogers* test should apply to section 17200 claims, because the plaintiff conceded that the *Rogers* test applied, and the Ninth Circuit thus had no cause to discuss the issue. (*E.S.S., supra*, 547 F.3d at pp. 1099-1100.) Further, *E.S.S.* did not concern the literal reproduction of a celebrity's likeness, but rather alleged trademark and trade dress infringement by a virtual depiction of a strip club that shared certain characteristics with a real strip club. (*Id.* at pp. 1097-1098.)

We note that in *Kirby*, in considering a section 17200 claim based on Sega's use of Kirby's likeness, the Court of Appeal did not apply the *Rogers* test. Rather, the court used the transformative use test of *Comedy III*. The court found under that test that the First Amendment barred both the plaintiff's right of publicity claim and her section 17200 claim. (*Kirby, supra*, 144 Cal.App.4th at p. 61.)

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FOR PUBLICATION

**UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT**

MICHAEL E. DAVIS, AKA Tony
Davis; VINCE FERRAGAMO; BILLY
JOE DUPREE; SAMUEL MICHAEL
KELLER,

Plaintiffs-Appellees,

v.

ELECTRONIC ARTS INC.,

Defendant-Appellant.

No. 12-15737

D.C. No.
3:10-cv-03328-
RS

OPINION

Appeal from the United States District Court
for the Northern District of California
Richard Seeborg, District Judge, Presiding

Argued and Submitted
September 11, 2014—San Francisco, California

Filed January 6, 2015

Before: Stephen Reinhardt, Raymond C. Fisher
and Marsha S. Berzon, Circuit Judges.

Opinion by Judge Fisher

SUMMARY*

First Amendment / California Anti-SLAPP Statute

The panel affirmed the district court’s denial of Electronic Arts Inc.’s motion to strike a complaint, brought by former professional football players alleging unauthorized use of their likenesses in the video game series *Madden NFL*, as a strategic lawsuit against public participation (SLAPP) under California’s anti-SLAPP statute.

The panel rejected Electronic Arts’s argument that its use of former players’ likenesses was protected under the First Amendment as “incidental use.” The panel held that Electronic Arts’s use of the former players’ likenesses was not incidental because it was central to Electronic Arts’s main commercial purpose: to create a realistic virtual simulation of football games involving current and former National Football League teams.

The panel held that the district court properly denied Electronic Arts’s motion to strike under the anti-SLAPP statute because it had not shown a probability of prevailing on its incidental use defense, and its other defenses (the transformative use defense, the public interest defense, and the test formulated by *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989)) were effectively precluded by the court’s prior decision in *Keller v. Elec. Arts (In re NCAA Student-Athlete Name & Likeness Licensing Litig.)*, 724 F.3d 1268 (9th Cir. 2013).

* This summary constitutes no part of the opinion of the court. It has been prepared by court staff for the convenience of the reader.

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OPINION

FISHER, Circuit Judge:

We are called upon to balance the right of publicity of former professional football players against Electronic Arts' (EA) First Amendment right to use their likenesses in its *Madden NFL* series of video games. We previously held EA's unauthorized use of a former college football player's likeness in the *NCAA Football* series of video games was not, as a matter of law, protected by the First Amendment. See *Keller v. Elec. Arts (In re NCAA Student-Athlete Name & Likeness Licensing Litig.)*, 724 F.3d 1268 (9th Cir. 2013). In *Keller*, we rejected several of the First Amendment defenses EA raises here on materially indistinguishable grounds. EA advances one additional argument in this appeal – its use of

former players' likenesses is protected under the First Amendment as "incidental use." We disagree. We hold EA's use of the former players' likenesses is not incidental, because it is central to EA's main commercial purpose – to create a realistic virtual simulation of football games involving current and former NFL teams.

I. Background

EA is a developer and publisher of video games, including *Madden NFL*, which EA publishes annually. *Madden NFL* allows users to play virtual football games between National Football League (NFL) teams by controlling virtual players, or avatars. EA's graphic artists and programmers create the avatars, as well as virtual stadiums, coaches, referees, fans and other audio and visual elements that allow users to experience a realistic simulation of an NFL game. Users control the movements of the avatars and the outcome of the game through the users' inputs to the game system.

Each annual version of *Madden NFL* includes all current players for all 32 NFL teams, along with accurate player names, team logos, colors and uniforms. EA has paid National Football Players Inc. – the licensing arm of the National Football League Players Association – annual licensing fees in the millions of dollars to use current players' likenesses.

From 2001 through 2009, *Madden NFL* also included certain particularly successful or popular "historic teams." EA did not obtain a license to use the likenesses of the former players on these historic teams. Although the players on the historic teams are not identified by name or photograph, each

is described by his position, years in the NFL, height, weight, skin tone and relative skill level in different aspects of the sport.¹ For example, *Madden NFL* includes as a historic team the 1979 Los Angeles Rams that played in that year's Super Bowl. Vince Ferragamo, a plaintiff in this action, was a quarterback on the 1979 Rams. He is Caucasian and was listed in the 1979 Rams media guide as a 26 year-old, six-foot three-inch, 207-pound third-year NFL player. *Madden NFL* depicts an avatar who is a quarterback for the 1979 Rams and has identical physical characteristics. *Madden NFL* also includes the 1984 Los Angeles Rams, for which Ferragamo was again a quarterback. The 1984 Rams media guide lists Ferragamo as a 30-year-old, six-foot three-inch, 212-pound seventh-year NFL player. *Madden NFL* depicts an avatar on the 1984 Rams with identical physical characteristics.

The plaintiffs alleged that *Madden NFL* similarly includes, without authorization, accurate likenesses of plaintiffs Michael Davis and Billy Joe Dupree, as well as roughly 6,000 other former NFL players who appear on more than 100 historic teams in various editions of *Madden NFL*. The plaintiffs asserted claims for right of publicity under California Civil Code § 3344 and California common law, conversion, trespass to chattels and unjust enrichment on behalf of themselves and all former NFL players depicted in *Madden NFL*. EA moved to strike the complaint as a strategic lawsuit against public participation (SLAPP) under California's anti-SLAPP statute, California Code of Civil Procedure § 425.16. The district court denied the motion. We have jurisdiction over EA's appeal pursuant to 28 U.S.C. § 1291. We affirm.

¹ For purposes of this appeal, EA concedes the *Madden NFL* series uses the plaintiffs' likenesses.

II. Standard of Review

We review de novo the denial of a motion to strike under California’s anti-SLAPP statute. *See Keller*, 724 F.3d at 1272 n.3.

III. Discussion

A. Anti-SLAPP motion

California’s anti-SLAPP statute is “designed to allow courts ‘to promptly expose and dismiss meritless and harassing claims seeking to chill protected expression.’” *Mindys Cosmetics, Inc. v. Dakar*, 611 F.3d 590, 595 (9th Cir. 2010) (quoting *Bosley Med. Inst., Inc. v. Kremer*, 403 F.3d 672, 682 (9th Cir. 2005)). Under the statute, “a party may file a motion to strike a cause of action against it if the complaint ‘aris[es] from any act of that person in furtherance of the person’s right of petition or free speech under the United States Constitution or the California Constitution in connection with a public issue.’” *Id.* (alteration in original) (quoting Cal. Civ. Proc. Code § 425.16(b)(1)). To defeat a motion to strike, a plaintiff must “establish[] that there is a probability that the plaintiff will prevail on the claim.” Cal. Civ. Proc. Code § 425.16(b)(1).

The plaintiffs concede that their suit arises from an act by EA in furtherance of its right of free speech under the First Amendment. Indeed, “[v]ideo games are entitled to the full protections of the First Amendment, because ‘[l]ike the protected books, plays, and movies that preceded them, video games communicate ideas – and even social messages.’” *Keller*, 724 F.3d at 1270–71 (quoting *Brown v. Entm’t Merchs. Ass’n*, 131 S. Ct. 2729, 2733 (2011)).

The district court denied EA's motion, however, concluding that the plaintiffs established a reasonable probability they will prevail on their claims. "Reasonable probability' . . . requires only a 'minimum level of legal sufficiency and triability.'" *Mindys Cosmetics*, 611 F.3d at 598 (quoting *Linder v. Thrifty Oil Co.*, 2 P.3d 27, 33 n.5 (Cal. 2000)). A plaintiff must "state and substantiate a legally sufficient claim," *id.* at 598–99, based on "the pleadings, and supporting and opposing affidavits stating the facts upon which the liability or defense is based," Cal. Civ. Proc. Code § 425.16(b)(2). "Put another way, the plaintiff must demonstrate that the complaint is both legally sufficient and supported by a sufficient prima facie showing of facts to sustain a favorable judgment if the evidence submitted by the plaintiff is credited.'" *Mindys Cosmetics*, 611 F.3d at 599 (quoting *Wilson v. Parker, Covert & Chidester*, 50 P.3d 733, 739 (Cal. 2002)). "[T]he required probability that [the plaintiffs] will prevail need not be high." *Hilton v. Hallmark Cards*, 599 F.3d 894, 908 (9th Cir. 2010).

EA does not challenge the plaintiffs' ability to state or support any substantive element of their claims. Instead, EA argues it is not reasonably probable the plaintiffs will prevail, because their claims are barred by five affirmative defenses under the First Amendment – the transformative use defense, the public interest defense, the public affairs exemption of California Civil Code § 3344(d), the *Rogers* test and the incidental use defense. Although the anti-SLAPP statute "places on the plaintiff the burden of substantiating its claims, a defendant that advances an affirmative defense to such claims properly bears the burden of proof on the defense." *Peregrine Funding, Inc. v. Sheppard Mullin Richter & Hampton LLP*, 35 Cal. Rptr. 3d 31, 44 (Ct. App. 2005). EA has the burden of establishing the transformative use defense

as a matter of law. *See Keller*, 724 F.3d at 1274. On its other affirmative defenses, EA has the burden of establishing “a probability of prevailing.” *Premier Med. Mgmt. Sys., Inc. v. Cal. Ins. Guarantee Ass’n*, 39 Cal. Rptr. 3d 43, 53 (Ct. App. 2006). For the reasons set forth below, EA has not shown a probability of prevailing on its incidental use defense, and its other defenses are effectively precluded by our decision in *Keller*.² Because EA has not met its burden as to any of its affirmative defenses, the district court properly denied EA’s motion to strike.

B. Transformative use

EA contends the plaintiffs’ claims are barred by the transformative use defense formulated by the California Supreme Court in *Comedy III Productions, Inc. v. Gary Saderup, Inc.*, 21 P.3d 797 (Cal. 2001). “The defense is ‘a balancing test between the First Amendment and the right of publicity based on whether the work in question adds significant creative elements so as to be transformed into something more than a mere celebrity likeness or imitation.’” *Keller*, 724 F.3d at 1273 (quoting *Comedy III*, 21 P.3d at 799).

In *Keller*, we rejected EA’s transformative use defense. We held the use of college athletes’ likenesses in the *NCAA Football* video game series was not, as a matter of law, transformative use. *See id.* at 1277–79. We relied primarily on *No Doubt v. Activision Publishing, Inc.*, 122 Cal. Rptr. 3d. 397, 411 (Ct. App. 2011), in which the California Court of

² EA does not seek to distinguish this case from *Keller*. Instead, EA states it “raises these arguments here to preserve them for *en banc* review in this Circuit and/or United States Supreme Court review.”

Appeal rejected a video game maker's transformative use defense because its video game contained "literal recreations" of members of the band "No Doubt" doing "the same activity by which the band achieved and maintains its fame." In *No Doubt*, the court of appeal held, "that the avatars appear in the context of a videogame that contains many other creative elements[] does not transform the avatars into anything other than exact depictions of No Doubt's members doing exactly what they do as celebrities." *Id.* The court concluded the "graphics and other background content of the game are secondary, and the expressive elements of the game remain manifestly subordinated to the overall goal of creating a conventional portrait of No Doubt so as to commercially exploit its fame." *Id.* (alterations and internal quotation marks omitted).

Keller concluded *No Doubt* "offers a persuasive precedent that cannot be materially distinguished from Keller's case." 724 F.3d at 1277. As in *No Doubt*, the *NCAA Football* game "replicated Keller's physical characteristics" and allowed "users [to] manipulate [him] in the performance of the same activity for which [he is] known in real life" in "[t]he context in which the activity occurs." *Id.* at 1276. Consequently, "[g]iven that *NCAA Football* realistically portrays college football players in the context of college football games, the district court was correct in concluding that EA cannot prevail as a matter of law based on the transformative use defense at the anti-SLAPP stage." *Id.* at 1279.

The same is true here. Like *NCAA Football*, *Madden NFL* replicates players' physical characteristics and allows users to manipulate them in the performance of the same activity for which they are known in real life – playing football for an NFL team. Neither the individual players'

likenesses nor the graphics and other background content are transformed more in *Madden NFL* than they were in *NCAA Football*. Indeed, EA does not attempt to distinguish *Madden NFL* from *NCAA Football*. Instead, EA contends the court erred in *Keller* by focusing on whether the individual avatars were transformed, rather than whether the work as a whole was transformative. Absent “intervening higher authority,” however, we are bound by the factually indistinguishable holding in *Keller*. *Miller v. Gammie*, 335 F.3d 889, 893 (9th Cir. 2003) (en banc).³ Thus, EA has not shown that the transformative use defense applies to the plaintiffs’ claims.⁴

C. The public interest defense

EA next contends the plaintiffs’ common law right of publicity claim is barred by the public interest defense, and their statutory right of publicity claim is barred by the “public affairs” exemption of California Civil Code § 3344(d). Under the common law public interest defense, “no cause of action will lie for the publication of matters in the public interest, which rests on the right of the public to know and the freedom of the press to tell it.” *Hilton*, 599 F.3d at 912 (quoting *Montana v. San Jose Mercury News, Inc.*, 40 Cal. Rptr. 2d 639, 640 (Ct. App. 1995)). Under the statutory “public affairs” exemption, the right of publicity recognized in California Civil Code § 3344(a) does not apply to the “use

³ Further, the court expressly stated in *Keller* that, like the Third Circuit in *Hart v. Electronic Arts, Inc.*, 717 F.3d 141 (3d Cir. 2013), it “considered the potentially transformative nature of the game as a whole.” 724 F.3d at 1278.

⁴ Because we are bound by *Keller*, we do not reach EA’s argument that *Keller* improperly failed to apply strict constitutional scrutiny to the plaintiffs’ right-of-publicity claims.

of a name, voice, signature, photograph, or likeness in connection with any news, public affairs, or sports broadcast or account.” Cal. Civ. Code § 3344(d).

Although California courts typically analyze the statutory and common law defenses separately, both defenses “protect only the act of publishing or reporting.” *Keller*, 724 F.3d at 1282. In *Keller*, we rejected EA’s reliance on these defenses, explaining that, unlike the cases on which EA relied, involving a documentary, a newspaper photograph and a game program, EA was “not publishing or reporting factual data.” *Id.* at 1283. See *Dora v. Frontline Video, Inc.*, 18 Cal. Rptr. 2d 790, 791–92 (Ct. App. 1993) (holding a documentary on surfing featuring a well-known surfer was “a fair comment on real life events”); *Montana*, 40 Cal. Rptr. 2d at 640–41 (holding posters containing previously published newspaper images portraying Joe Montana’s football victories were “a form of public interest presentation to which [First Amendment] protection must be extended”); *Gionfriddo v. Major League Baseball*, 114 Cal. Rptr. 2d 307, 314–15 (Ct. App. 2001) (holding “factual data concerning the players, their performance statistics . . . and video depictions” were a “recitation and discussion of factual data” protected by the First Amendment). “Put simply, EA’s interactive game is not a publication of facts about college football; it is a game, not a reference source.” *Keller*, 724 F.3d at 1283. It “is a means by which users can play their own virtual football games, not a means for obtaining information about real-world football games.” *Id.*

Madden NFL is indistinguishable in this regard from *NCAA Football*. Like *NCAA Football*, although *Madden NFL* contains some factual data about current and former NFL teams and players, it is “a game, not a reference source”

or a “publication of facts” about professional football. *Id.* Again, in the absence of intervening higher authority, our holding in *Keller* controls. *See Miller*, 335 F.3d at 899. Thus, EA has not established a probability of prevailing on either the common law public interest defense or the “public affairs” exemption of California Civil Code § 3344(d).

D. The *Rogers* test

EA next contends *Madden NFL* is entitled to First Amendment protection under the test formulated by the Second Circuit in *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989). *Rogers* held that a literary title does not violate the Lanham Act “unless the title has no artistic relevance to the underlying work whatsoever, or, if it has some artistic relevance, unless the title explicitly misleads as to the source or the content of the work.” *Id.* at 999. In *Keller*, we rejected EA’s argument that the *Rogers* test should be extended to right-of-publicity claims. *See* 724 F.3d at 1279–82. We explained that the *Rogers* test “was designed to protect consumers from the risk of consumer confusion – the hallmark element of a Lanham Act claim.” *Id.* at 1280. In contrast, the right of publicity “does not primarily seek to prevent consumer confusion.” *Id.* “Rather, it primarily ‘protects a form of intellectual property [in one’s person] that society deems to have some social utility.’” *Id.* (alteration in original) (quoting *Comedy III*, 21 P.3d at 804). Thus, the *Rogers* test does not apply to the plaintiffs’ right-of-publicity claims.

E. The incidental use defense

Finally, EA contends the plaintiffs’ claims are barred by the incidental use defense. EA did not assert this defense in

the district court. “We apply a general rule against entertaining arguments on appeal that were not presented or developed before the district court.” *In re Mercury Interactive Corp. Sec. Litig.*, 618 F.3d 988, 992 (9th Cir. 2010) (internal quotation marks omitted). That rule, however, is “discretionary, not jurisdictional.” *Id.* We have recognized three circumstances in which we have discretion to reach waived issues, including “‘when the issue presented is purely one of law and either does not depend on the factual record developed below, or the pertinent record has been fully developed.’” *Id.* (quoting *Bolker v. Comm’r*, 760 F.2d 1039, 1042 (9th Cir. 1985)). Under the circumstances of this case, whether EA has established a probability of prevailing on its incidental use defense is a question of law that we can address on the existing record. We therefore exercise our discretion to address the issue.

The parties agree that the incidental use defense exists under California law. We therefore assume, for purposes of this opinion, that it does.⁵ The parties also rely on the same cases and treatises to define the scope of the defense. Under

⁵ Although California courts have not yet held that the incidental use defense applies to right-of-publicity claims, the defense is widely recognized. See 1 J. Thomas McCarthy, *Rights of Publicity and Privacy* § 6:31 (2d ed. 2014) (citing “the general rule that an insignificant or fleeting use of plaintiff’s identity is not an infringement”); *Stayart v. Google Inc.*, 710 F.3d 719, 723 (7th Cir. 2013) (recognizing the incidental use as a defense to right-of-publicity claims under Wisconsin common law and statute); *Lohan v. Perez*, 924 F. Supp. 2d 447, 455 (E.D.N.Y. 2013) (applying the incidental use defense to a right-of-publicity claim under New York law); *Hill v. Nat’l Collegiate Athletic Ass’n*, 865 P.2d 633, 648 n.6 (Cal. 1994) (en banc) (citing favorably the Restatement Second of Torts for the proposition that “mere incidental use [is] not actionable” as “appropriation of [the] commercial or other value of [a] name or likeness”).

those authorities, “[a] number of factors are relevant,” such as “(1) whether the use has a unique quality or value that would result in commercial profit to the defendant; (2) whether the use contributes something of significance; (3) the relationship between the reference to the plaintiff and the purpose and subject of the work; and (4) the duration, prominence or repetition of the name or likeness relative to the rest of the publication.” *Aligo v. Time-Life Books, Inc.*, No. C 94-20707 JW, 1994 WL 715605, at *3 (N.D. Cal. Dec. 19, 1994) (internal citations omitted). *See also* 5 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 28:7.50 (4th ed. 2014) (“The mere trivial or fleeting use of a person’s name or image in an advertisement will not trigger liability when such a usage will have only a de minimis commercial implication.”); *Stayart*, 710 F.3d at 723 (“For use of a person’s name for advertising or trade purposes to be actionable . . . there must be a substantial rather than an incidental connection between the use and the defendant’s commercial purpose.” (internal quotation marks omitted)); *Yeager v. Cingular Wireless, LLC*, 673 F. Supp. 2d 1089, 1100 (E.D. Cal. 2009) (“The rationale underlying this doctrine is that an incidental use has no commercial value.”); *Preston v. Martin Bregman Prods., Inc.*, 765 F. Supp. 116, 119 (S.D.N.Y. 1991) (“Whether a use falls within this exception to liability is determined by the role that the use of the plaintiff’s name or likeness plays in the main purpose and subject of the work at issue.”). These factors support the plaintiffs’ position here.

Under the first and second factors, the former players’ likenesses have unique value and contribute to the commercial value of *Madden NFL*. EA goes to substantial lengths to incorporate accurate likenesses of current and former players, including paying millions of dollars to license

the likenesses of current players. EA has acknowledged, “[t]he Madden titles are successful in part because they allow consumers to simulate play involving any of the 32 NFL teams, using real NFL players.”

Having acknowledged the likenesses of current NFL players carry substantial commercial value, EA does not offer a persuasive reason to conclude otherwise as to the former players. EA argues that, because there are several thousand players depicted in *Madden NFL*, any individual player’s likeness has only a de minimis commercial value. There is no basis for such a sweeping statement. EA includes only a small number of particularly successful or popular historic teams. EA also advertises the inclusion of those historic teams in its promotional materials.⁶ Indeed, we rejected EA’s similar reasoning in *Keller*: “If EA did not think there was value in having an avatar designed to mimic each individual player, it would not go to the lengths it does to achieve realism in this regard. Having chosen to use the players’ likenesses, EA cannot now hide behind the numerosity of its potential offenses or the alleged unimportance of any one individual player.” 724 F.3d at 1276 n.7.

Under the third and fourth factors, the former players’ likenesses are featured prominently in a manner that is substantially related to the main purpose and subject of *Madden NFL* – to create an accurate virtual simulation of an

⁶ For example, the Official Game Guide for the 2006 edition of *Madden NFL* states: “Historic Rosters are back again. They allow you to play ‘what if’-type games. For instance, you can replay the ’78 Dallas Cowboys vs the ’78 Steelers in Super Bowl XIII. Just select the teams and away you go back in time to play the game. The players do not have their actual names, but you can edit them if you want optimum realism.”

NFL game. *See Preston*, 765 F. Supp. at 119; *Ladany v. William Morrow & Co., Inc.*, 465 F. Supp. 870, 881 (S.D.N.Y. 1978). EA has stated publicly it is dedicated to “creating the most true-to life NFL simulation experience as possible . . . We want to accurately deliver an amazing NFL experience in our game.” Accurate depictions of the players on the field are central to the creation of an accurate virtual simulation of an NFL game. *Cf. Lohan*, 924 F. Supp. 2d at 455–56 (holding the incidental use defense applied when the plaintiff’s name was mentioned once in 104 lines of a song and the mention was “entirely incidental to the theme of the Song”). Therefore, EA has not established a probability of prevailing on its incidental use defense.

IV. Conclusion

EA has not shown that its unauthorized use of former players’ likenesses in the *Madden NFL* video game series qualifies for First Amendment protection under the transformative use defense, the public interest defense, the *Rogers* test or the incidental use defense. Accordingly, we affirm the district court’s denial of EA’s motion to strike.⁷

AFFIRMED.

⁷ Because EA may preserve issues for en banc or Supreme Court review, *see Singh v. Gonzalez*, 502 F.3d 1128, 1129 (9th Cir. 2007), its appeal of issues foreclosed by *Keller* was not frivolous, and we deny the plaintiffs’ request for costs and attorneys’ fees pursuant to California’s anti-SLAPP statute and Federal Rule of Appellate Procedure 38.

PRECEDENTIAL

UNITED STATES COURT OF APPEALS
FOR THE THIRD CIRCUIT

No. 11-3750

RYAN HART, individually and on
behalf of all others similarly situated

v.

ELECTRONIC ARTS, INC.,
a Delaware Corporation; DOES 1-50

Ryan Hart,
Appellant

APPEAL FROM THE UNITED STATES DISTRICT
COURT FOR THE DISTRICT OF NEW JERSEY
(D.C. Civ. Action Number 3-09-cv-05990)
District Judge: Honorable Freda L. Wolfson

Argued: September 19, 2012

Before: AMBRO, GREENAWAY, JR., and
TASHIMA^{*}, *Circuit Judges*.

(Opinion Filed: May 21, 2013)

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OPINION

GREENAWAY, JR., *Circuit Judge.*

In 2009, Appellant Ryan Hart (“Appellant” or “Hart”)¹ brought suit against Appellee Electronic Arts, Inc. (“Appellee” or “EA”) for allegedly violating his right of publicity as recognized under New Jersey law. Specifically, Appellant’s claims stemmed from Appellee’s alleged use of his likeness and biographical information in its *NCAA Football* series of videogames. The District Court granted summary judgment in favor of Appellee on the ground that its

¹ Appellant’s action purports to be a class action on behalf of similarly situated individuals. Because the putative class members all face the same issues with regard to the First Amendment we will focus our attention and analysis on Appellant in particular.

use of Appellant's likeness was protected by the First Amendment. For the reasons set forth below, we will reverse the grant of summary judgment and remand the case back to the District Court for further proceedings.

I. Facts

Hart was a quarterback, player number 13, with the Rutgers University NCAA Men's Division I Football team for the 2002 through 2005 seasons. As a condition of participating in college-level sports, Hart was required to adhere to the National Collegiate Athletic Association's ("NCAA") amateurism rules as set out in Article 12 of the NCAA bylaws. *See, e.g., NCAA, 2011-12 NCAA Division I Manual* § 12.01.1 (2011) ("Only an amateur student-athlete is eligible for inter-collegiate athletics participation in a particular sport."). In relevant part, these rules state that a collegiate athlete loses his or her "amateur" status if (1) the athlete "[u]ses his or her athletics skill (directly or indirectly) for pay in any form in that sport," *id.* § 12.1.2, or (2) the athlete "[a]ccepts any remuneration or permits the use of his or her name or picture to advertise, recommend or promote directly the sale or use of a commercial product or service of any kind," *id.* § 12.5.2.1.² In comporting with these bylaws,

² The NCAA Manual also states that where a collegiate athlete's

name or picture appears on commercial items . . . or is used to promote a commercial product sold by an individual or agency without the student-athlete's knowledge or permission, the student athlete (or the institution acting on behalf of the student-athlete) is required to take

Hart purportedly refrained from seizing on various commercial opportunities.³ On the field, Hart excelled. At 6'2", weighing 197 pounds, and typically wearing a visor and armband on his left wrist, Hart amassed an impressive list of achievements as the Scarlet Knights' starting quarterback. As of this writing, Hart still holds the Scarlet Knights' records for career attempts, completions, and interceptions.⁴ Hart's skill brought success to the team and during his senior year the Knights were invited to the Insight Bowl, their first Bowl game since 1978.

Hart's participation in college football also ensured his inclusion in EA's successful *NCAA Football* videogame franchise. EA, founded in 1982, is "one of the world's leading interactive entertainment software companies," and "develops, publishes, and distributes interactive software worldwide" for consoles, cell phones, and PCs. (App. at 529-30.) EA's catalogue includes *NCAA Football*, the videogame series at issue in the instant case. The first edition of the

steps to stop such an activity in order to retain his or her eligibility for intercollegiate athletics.

NCAA, *2011-12 NCAA Division I Manual* § 12.5.2.2 (2011).

³ NCAA bylaws limit college athletes like Hart to receiving only non-athletic financial aid, either through academic scholarships or need-based aid, or athletic scholarships, which cover only tuition and various school-related expenses. See NCAA, *2011-12 NCAA Division I Manual* § 15 (2011).

⁴ Until his recent displacement by Mike Teel, Hart also held the team records for career yards and touchdowns.

game was released in 1993 as *Bill Walsh College Football*. EA subsequently changed the name first to *College Football USA* (in 1995), and then to the current *NCAA Football* (in 1997). New editions in the series are released annually, and “allow[] users to experience the excitement and challenge of college football” by interacting with “over 100 virtual teams and thousands of virtual players.” (*Id.* at 530.)

A typical play session allows users the choice of two teams. “Once a user chooses two college teams to compete against each other, the video game assigns a stadium for the match-up and populates it with players, coaches, referees, mascots, cheerleaders and fans.”⁵ (*Id.*) In addition to this “basic single-game format,” EA has introduced a number of additional game modes that allow for “multi-game” play. (*Id.* at 530-31.) Thus, with the release of *NCAA Football 98*, EA introduced the “Dynasty Mode,” which allows users to “control[] a college program for up to thirty seasons,” including “year-round responsibilities of a college coach such as recruiting virtual high school players out of a random-generated pool of athletes.” (*Id.* at 531.) Later, in *NCAA Football 2006*, EA introduced the “Race for the Heisman” (later renamed “Campus Legend”), which allows users to “control a single [user-made] virtual player from high school through his collegiate career, making his or her own choices

⁵ Appellee licenses, from the Collegiate Licensing Company (the NCAA’s licensing agent), “the right to use member school names, team names, uniforms, logos, stadium fight songs, and other game elements.” (App. at 532.) Unlike certain of its other videogame franchises, EA does not license the likeness and identity rights for intercollegiate players.

regarding practices, academics and social activities.” (*Id.* at 531-32.)

In no small part, the *NCAA Football* franchise’s success owes to its focus on realism and detail — from realistic sounds, to game mechanics, to team mascots.⁶ This focus on realism also ensures that the “over 100 virtual teams” in the game are populated by digital avatars that resemble their real-life counterparts and share their vital and biographical information. Thus, for example, in *NCAA Football 2006*, Rutgers’ quarterback, player number 13, is 6’2” tall, weighs 197 pounds and resembles Hart. Moreover, while users can change the digital avatar’s appearance and most of the vital statistics (height, weight, throwing distance, etc.), certain details remain immutable: the player’s home state, home town, team, and class year.

Appellant filed suit against EA in state court for, among other things, violation of his right of publicity. Appellant’s first amended complaint, filed in October 2009, alleged that Appellee violated his right of publicity by appropriating his likeness for use in the *NCAA Football* series of videogames. Appellee subsequently removed the action to federal court, and the District Court subsequently dismissed

⁶ For example, an article on the EA Sports blog explained that “[e]ach year, *NCAA Football* playbook designer Anthony White strives to make each team’s playbook accurately represent their system and play style. . . . [E]ach year, Anthony adds in actual plays run by teams that can only be found in specific playbooks.” (App. at 663.)

all but one of the claims.⁷ Thereafter, on October 12, 2010, Appellant filed his second amended complaint, again alleging a claim pursuant to the right of publicity based on Appellee's purported misappropriation of Appellant's identity and likeness to enhance the commercial value of *NCAA Football*. Specifically, Appellant alleges that (1) Appellee replicated his likeness in *NCAA Football 2004*, *2005*, and *2006* (complete with biographical and career statistics)⁸ and that (2) Appellee used Appellant's image "in the promotion for [*NCAA Football*] wherein [Appellant] was throwing a pass with actual footage from Rutgers University's Bowl Game against Arizona State University."⁹ (App. at 370.)

On November 12, 2010, Appellee filed a motion to dismiss the claim pursuant to Federal Rule of Civil Procedure

⁷ The District Court had diversity jurisdiction over the case pursuant to 28 U.S.C. § 1332(a)(1).

⁸ Appellant alleges that the physical attributes exhibited by the virtual avatar in *NCAA Football* are his own (i.e., he attended high school in Florida, measures 6'2" tall, weighs 197 pounds, wears number 13, and has the same left wrist band and helmet visor) and that the avatar's speed, agility, and passer rating reflected actual footage of Appellant during his tenure at Rutgers. (App. at 369-71.)

⁹ It is unclear from the complaint what exactly this allegation covers. However, Appellee concedes that "[a] photograph of [Appellant] is included in a photo montage of actual players within *NCAA Football 09* which is visible only when the game is played on certain game platforms by those users who select Rutgers as their team." (App. at 475.)

12(b)(6) or, in the alternative, summary judgment pursuant to Federal Rule of Civil Procedure 56(c). While conceding, for purposes of the motion only, that it had violated Appellant's right of publicity, Appellee argued that it was entitled to dismissal or summary judgment on First Amendment grounds. *Hart v. Elec. Arts, Inc.*, 808 F. Supp. 2d 757, 766 (D.N.J. 2011). The motion was accompanied by a Statement of Undisputed Fact and various supporting materials, including declarations. Appellant opposed the motion, arguing that "discovery [was] still in it's [sic] infancy." (App. at 9.) The court below rejected this argument, noting that Appellant had "fail[ed] to identify how discovery would assist the Court in deciding this speech-based tort case." *Hart*, 808 F. Supp. 2d at 764. The District Court then construed the motion as one for summary judgment, citing its intent to "rely on the affidavits and exhibits submitted by the parties," *id.*, and ruled in favor of Appellee, holding that *NCAA Football* was entitled to protection under the First Amendment. Appellant timely appealed, arguing that the District Court erred in granting summary judgment prematurely and, in the alternative, erred in holding that *NCAA Football* was shielded from right of publicity claims by the First Amendment. The matter is now before us for review.

II. Jurisdiction and Standard of Review

We have jurisdiction to hear this appeal pursuant to 28 U.S.C. § 1291. Our review of the District Court's order granting summary judgment is plenary. *Azur v. Chase Bank, USA, Nat'l Ass'n*, 601 F.3d 212, 216 (3d Cir. 2010). "To that end, we are 'required to apply the same test the district court should have utilized initially.'" *Chambers ex rel. Chambers v. Sch. Dist. of Phila. Bd. of Educ.*, 587 F.3d 176, 181 (3d Cir.

2009) (quoting *Oritani Sav. & Loan Ass'n v. Fidelity & Deposit Co. of Md.*, 989 F.2d 635, 637 (3d Cir. 1993)).

Summary judgment is appropriate “where the pleadings, depositions, answers to interrogatories, admissions, and affidavits show there is no genuine issue of material fact and that the moving party is entitled to judgment as a matter of law.” *Azur*, 601 F.3d at 216 (quoting *Nicini v. Morra*, 212 F.3d 798, 805-06 (3d Cir. 2000) (en banc) (citing Fed. R. Civ. P. 56(c))).¹⁰ To be material, a fact must have the potential to alter the outcome of the case. *See Kaucher v. Cnty. of Bucks*, 455 F.3d 418, 423 (3d Cir. 2006). “Once the moving party points to evidence demonstrating no issue of material fact exists, the non-moving party has the duty to set forth specific facts showing that a genuine issue of material fact exists and that a reasonable factfinder could rule in its favor.” *Azur*, 601 F.3d at 216. In determining whether summary judgment is warranted “[t]he evidence of the nonmovant is to be believed, and all justifiable inferences are to be drawn in his favor.” *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 255 (1986); *see also Chambers ex rel. Chambers*, 587 F.3d at 181. “Further, [w]e may affirm the District Court on any grounds supported by the record.” *Kossler v. Cristani*, 564 F.3d 181,

¹⁰ Fed. R. Civ. P. 56 was revised in 2010. The standard previously set forth in subsection (c) is now codified as subsection (a). The language of this subsection is unchanged, except for “one word — genuine ‘issue’ bec[ame] genuine ‘dispute.’” Fed. R. Civ. P. 56 advisory committee’s note, 2010 amend.

186 (3d Cir. 2009) (en banc) (internal quotation marks omitted).

In connection with Appellant’s request for additional discovery, we review “[w]hether a district court prematurely grant[ed] summary judgment . . . for abuse of discretion.” *Radich v. Goode*, 886 F.2d 1391, 1393 (3d Cir. 1989) (citing *Dowling v. City of Phila.*, 855 F.2d 136 (3d Cir. 1988)). “To demonstrate an abuse of discretion, [an appellant] must show that the District Court’s decision was arbitrary, fanciful or clearly unreasonable.” *Moyer v. United Dominion Indus., Inc.*, 473 F.3d 532, 542 (3d Cir. 2007) (internal quotation marks omitted); *see also Hanover Potato Prods., Inc. v. Shalala*, 989 F.2d 123, 127 (3d Cir. 1993) (“An abuse of discretion arises when ‘the district court’s decision rests upon a clearly erroneous finding of fact, an errant conclusion of law or an improper application of law to fact.’” (internal quotation marks omitted)).

III. Discussion

We begin our analysis by noting the self-evident: video games are protected as expressive speech under the First Amendment. *Brown v. Entm’t Merchs. Ass’n*, 131 S. Ct. 2729, 2733 (2011). As the Supreme Court has noted, “video games communicate ideas — and even social messages — through many familiar literary devices (such as characters, dialogue, plot, and music) and through features distinctive to the medium (such as the player’s interaction with the virtual world).” *Id.* As a result, games enjoy the full force of First Amendment protections. As with other types of expressive conduct, the protection afforded to games can be limited in situations where the right of free expression necessarily conflicts with other protected rights.

The instant case presents one such situation. Here, Appellee concedes, for purposes of the motion and appeal, that it violated Appellant's right of publicity; in essence, misappropriating his identity for commercial exploitation. (Appellant's Br. at 8, 34; Tr. at 50:12-:16.) However, Appellee contends that the First Amendment shields it from liability for this violation because *NCAA Football* is a protected work. To resolve the tension between the First Amendment and the right of publicity, we must balance the interests underlying the right to free expression against the interests in protecting the right of publicity. *See Zacchini v. Scripps-Howard Broad. Co.*, 433 U.S. 562, 574-75 (1977).¹¹

Courts have taken varying approaches in attempting to strike a balance between the competing interests in right of publicity cases, some more appealing than others. In our discussion below, we first consider the nature of the interests we must balance and then analyze the different approaches courts have taken to resolving the tension between the First Amendment and the right of publicity.

A. The Relevant Interests at Issue

Before engaging with the different analytical schemes, we first examine the relevant interests underlying the rights of free expression and publicity.

¹¹ While it is true that the right of publicity is a creature of state law and precedent, its intersection with the First Amendment presents a federal issue, and, thus, permits us to engage in the sort of balancing inquiry at issue here. *See, e.g., Zacchini*, 433 U.S. at 566-68.

1. Freedom of Expression

Freedom of expression is paramount in a democratic society, for “[i]t is the function of speech to free men from the bondage of irrational fears.” *Whitney v. California*, 274 U.S. 357, 376 (1927) (Brandeis, J., concurring). As Justice Louis Brandeis wrote nearly a century ago:

Those who won our independence believed that the final end of the state was to make men free to develop their faculties They valued liberty both as an end and as a means. They believed liberty to [be] the secret of happiness and courage to be the secret of liberty. They believed that freedom to think as you will and to speak as you think are means indispensable to the discovery and spread of political truth; that without free speech and assembly discussion would be futile; that with them, discussion affords ordinarily adequate protection against the dissemination of noxious doctrine; that the greatest menace to freedom is an inert people; that public discussion is a political duty; and that this should be a fundamental principle of the American government.

Id. at 375.

In keeping with Justice Brandeis’ eloquent analysis, the great legal minds of generations past and present have recognized that free speech benefits both the individual and society. The Supreme Court in *Procunier v. Martinez* noted that the protection of free speech serves the needs “of the

human spirit — a spirit that demands self-expression,” adding that “[s]uch expression is an integral part of the development of ideas and a sense of identity.” 416 U.S. 396, 427 (1974), *overruled on other grounds by Thornburgh v. Abbott*, 490 U.S. 401 (1989). Suppressing such expression, therefore, is tantamount to rejecting “the basic human desire for recognition and [would] affront the individual’s worth and dignity.” *Id.* Indeed, First Amendment protections have been held applicable to not only political speech, but to “entertainment [including, but certainly not limited to,] motion pictures, programs broadcast by radio and television, and live entertainment, such as musical and dramatic works.” *Tacynec v. City of Phila.*, 687 F.2d 793, 796 (3d Cir. 1982). Thus, “[t]he breadth of this protection evinces recognition that freedom of expression is not only essential to check tyranny and foster self-government but also intrinsic to individual liberty and dignity and instrumental in society’s search for truth.” *Dun & Bradstreet, Inc. v. Greenmoss Builders, Inc.*, 472 U.S. 749, 787 (1985) (Brennan, J., dissenting).

The interest in safeguarding the integrity of these protections therefore weighs heavily in any balancing inquiry. Still, instances can and do arise where First Amendment protections yield in the face of competing interests. *See, e.g., Eldred v. Ashcroft*, 537 U.S. 186, 219-20 (2003) (discussing the interplay between copyright law and First Amendment protections); *Dun & Bradstreet, Inc.*, 472 U.S. at 757-61 (determining that a state may allow recovery of damages in certain defamation cases after balancing “the State’s interest in compensating private individuals for injury to their reputation against the First Amendment interest in protecting this type of expression”). Ultimately, we must determine

whether the interest in safeguarding the right of publicity overpowers the interest in safeguarding free expression.

2. The Right of Publicity¹²

The right of publicity grew out of the right to privacy torts, specifically, from the tort of “invasion of privacy by appropriation.” J. THOMAS MCCARTHY, *THE RIGHTS OF PUBLICITY AND PRIVACY* §1:23 (2d ed. 2012). Thus, when New Jersey first recognized the concept in 1907, its analysis looked to the “so-called right of privacy” and the limits on that concept. *Edison v. Edison Polyform Mfg. Co.*, 67 A. 392, 394 (N.J. Ch. 1907) (enjoining a company from using the name or likeness of Thomas Edison to promote its products). Additionally, we note that, even at this early stage the New Jersey court recognized that an individual enjoyed a property interest in his or her identity. *Id.* (“[I]t is difficult to understand why the peculiar cast of one’s features is not . . . one’s property, and why its pecuniary value, if it has one, does not belong to its owner, rather than to the person seeking to make an unauthorized use of it.”).

However, this early conceptualization had limitations, particularly when it came to protecting the property interests of celebrities and people already in the public eye. *See id.* (“It is certain that a man in public life may not claim the same

¹² As we have noted, Appellee concedes that *NCAA Football* infringes on the right of publicity as recognized in New Jersey. Our inquiry, therefore, does not concern the elements of the tort or whether Appellee’s actions satisfy this standard. Rather, we are concerned only with whether the right to freedom of expression overpowers the right of publicity.

immunity from publicity that a private citizen may.”); *see also* MCCARTHY, *supra*, at § 1:25. Faced with this limitation on the legal doctrine, courts began to recognize a “right of publicity,” which protected publicly known persons from the misappropriation of their identities. The first case to describe this protection as a “right of publicity” was *Haelan Labs., Inc. v. Topps Chewing Gum, Inc.*, 202 F.2d 866 (2d Cir. 1953) (concerning baseball cards in gum packages). There, the Second Circuit held that “in addition to and independent of that right of privacy . . . , a man has a right in the publicity value of his photograph This right might be called a ‘right of publicity.’” *Id.* at 868. New Jersey courts, which had long recognized a “right of privacy [and] a right of property,” were not far behind in voicing their support for this concept. *Ettore v. Philco Television Broad. Corp.*, 229 F.2d 481, 491 (3d Cir. 1956).

In the seminal case of *Palmer v. Schonhorn Enters., Inc.*, the Superior Court of New Jersey noted that

[p]erhaps the basic and underlying theory is that a person has the right to enjoy the fruits of his own industry free from unjustified interference. It is unfair that one should be permitted to commercialize or exploit or capitalize upon another’s name, reputation or accomplishments merely because the owner’s accomplishments have been highly publicized.

232 A.2d 458, 462 (N.J. Super. Ct. Ch. Div. 1967) (citations omitted) (finding an infringement of property rights where a golfer’s name was used in connection with a golf game); *see also Canessa v. J.I. Kislak, Inc.*, 235 A.2d 62, 76 (N.J. Super. Ct. Law Div. 1967) (“[T]he reality of a case such as we have

here is, in the court's opinion, simply this: plaintiffs' names and likenesses belong to them. As such they are property. They are things of value.").

The current incarnation of the right of publicity in New Jersey is that set forth in the RESTATEMENT (SECOND) OF TORTS (1977). *See, e.g., Bisbee v. John C. Conover Agency, Inc.*, 452 A.2d 689, 690-91 (N.J. Super. Ct. App. Div. 1982) (looking to the Restatement (Second) of Torts for the "four areas of invasion of privacy," including "appropriation of the other's name or likeness"); *see also G.D. v. Kenny*, 15 A.3d 300, 311 (N.J. 2011). According to the Restatement, "[o]ne who appropriates to his own use or benefit the name or likeness of another is subject to liability to the other for invasion of privacy." RESTATEMENT (SECOND) OF TORTS § 652C. The comments also make clear that "the right created by [the rule in §652C] is in the nature of a property right." *Id.* § 652C cmt a.¹³

New Jersey law therefore recognizes that "[t]he right to exploit the value of [an individual's] notoriety or fame

¹³ In 1995 the RESTATEMENT (THIRD) OF UNFAIR COMPETITION set forth the elements of a free-standing right of publicity claim, unconnected to the right of privacy torts. *See* RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 46-49 (1995). While we discuss this version of the tort further below, we decline to address it here because New Jersey has yet to adopt the Restatement (Third)'s version of the tort and the accompanying comments. *Accord Castro v. NYT Television*, 851 A.2d 88, 96-97 (N.J. Super. Ct. App. Div. 2004) (citing to RESTATEMENT (SECOND) OF TORTS § 652C (1977) in discussing a right of publicity claim).

belongs to the individual with whom it is associated,” for an individual’s “name, likeness, and endorsement carry value and an unauthorized use harms the person both by diluting the value of the name and depriving that individual of compensation.” *McFarland v. Miller*, 14 F.3d 912, 919, 923 (3d Cir. 1994). As such, the goal of maintaining a right of publicity is to protect the property interest that an individual gains and enjoys in his identity through his labor and effort. Additionally, as with protections for intellectual property, the right of publicity is designed to encourage further development of this property interest. *Accord Zacchini*, 433 U.S. at 573 (“[T]he State’s interest in permitting a ‘right of publicity’ . . . is closely analogous to the goals of patent and copyright law, focusing on the right of the individual to reap the reward of his endeavors . . .”).

Since neither the New Jersey courts nor our own circuit have set out a definitive methodology for balancing the tension between the First Amendment and the right of publicity, we are presented with a case of first impression. We must therefore consult the approaches of other courts in the first instance.

B. How Courts Balance the Interests

We begin our inquiry by looking at *Zacchini v. Scripps-Howard Broadcasting Co.*, the only Supreme Court case addressing the First Amendment in a right of publicity context. In this case, the Court called for a balancing test to weigh the interest underlying the First Amendment against those underpinning the right of publicity. 433 U.S. at 574-75. This decision sets the stage for our analysis of three systematized analytical frameworks that have emerged as

courts struggle with finding a standardized way for performing this balancing inquiry.

1. *Zacchini* and the Need for Balance

In *Zacchini*, an Ohio television news program recorded and subsequently broadcast Mr. Hugo Zacchini's entire "human cannonball" act from a local fair. The daredevil brought suit alleging a violation of his right of publicity as recognized by Ohio law. *Id.* at 563-66. The Ohio courts held that Zacchini's claim was barred on First Amendment grounds, and the case then came before the Supreme Court.

In setting out the interests at issue in the case, the Supreme Court noted (as we did above) that "the State's interest in permitting a 'right of publicity' is in protecting the proprietary interest of the individual in his act in part to encourage such entertainment." *Id.* at 573. This aspect of the right, the Court noted, was "analogous to the goals of patent and copyright law," given that they too serve to protect the individual's ability to "reap the reward of his endeavors." *Id.* In *Zacchini*, the performance was the "product of [Zacchini's] own talents and energy, the end result of much time, effort and expense." *Id.* at 575. Thus much of its economic value lay "in the right of exclusive control over the publicity given to his performance." *Id.* Indeed, while the Court noted that "[a]n entertainer such as petitioner usually has no objection to the widespread publication of his act as long as [he] gets the commercial benefit of such publication," *id.* at 573, the claim at issue in the *Zacchini* concerned "the strongest case for a 'right of publicity,'" because it did not involve the "appropriation of an entertainer's reputation to enhance the attractiveness of a commercial product," but instead involved "the appropriation of the very activity by which the

entertainer acquired his reputation in the first place,” *id.* at 576.

Ultimately, the Court ruled in favor of the human cannonball, and held that

[w]herever the line in particular situations is to be drawn between media reports that are protected and those that are not, we are quite sure that the First and Fourteenth Amendments do not immunize the media when they broadcast a performer’s entire act without his consent. The Constitution no more prevents a State from requiring respondent to compensate petitioner for broadcasting his act on television than it would privilege respondent to film and broadcast a copyrighted dramatic work without liability to the copyright owner.

Id. at 574-75. Thus, while the Court did not itself engage in an explicit balancing inquiry, it did suggest that the respective interests in a case should be balanced against each other.

In the wake of *Zacchini*, courts began applying a balancing inquiry to resolve cases where a right of publicity claim collided with First Amendment protections. While early cases approached the analysis from an ad hoc perspective, *see, e.g., Guglielmi v. Spelling-Goldberg Prods.*, 603 P.2d 454 (Cal. 1979) (en banc), courts eventually began developing standardized balancing frameworks. Consequently, we now turn our attention to more standardized balancing tests to see whether any of them offer

a particularly compelling methodology for resolving the case at hand and similar disputes.¹⁴

¹⁴ We reject as inapplicable in this case the suggestion that those who play organized sports are not significantly damaged by appropriation of their likeness because “players are rewarded, and handsomely, too, for their participation in games and can earn additional large sums from endorsement and sponsorship arrangements.” *C.B.C. Distrib. & Mktg., Inc. v. Major League Baseball Advanced Media, L.P.*, 505 F.3d 818, 824 (8th Cir. 2007) (discussing Major League Baseball players); *see also, e.g., Cardtoons, L.C. v. Major League Baseball Players Ass’n*, 95 F.3d 959, 974 (10th Cir. 1996) (“[T]he additional inducement for achievement produced by publicity rights are often inconsequential because most celebrities with valuable commercial identities are already handsomely compensated.”). If anything, the policy considerations in this case weigh in *favor* of Appellant. As we have already noted, intercollegiate athletes are forbidden from capitalizing on their fame while in school. Moreover, the NCAA most recently estimated that “[l]ess than one in 100, or 1.6 percent, of NCAA senior football players will get drafted by a National Football League (NFL) team.” NCAA, *Estimated Probability of Competing in Athletics Beyond the High School Interscholastic Level*, available at <http://www.ncaa.org/wps/wcm/connect/public/ncaa/pdfs/2012/estimated+probability+of+competing+in+athletics+beyond+the+high+school+interscholastic+level>. Despite all of his achievements, it should be noted that Ryan Hart was among the roughly ninety-nine percent who were not drafted after graduation.

2. The Modern Balancing Tests

Following *Zacchini*, courts began developing more systematized balancing tests for resolving conflicts between the right of publicity and the First Amendment. Of these, three tests are of particular note: the commercial-interest-based Predominant Use Test, the trademark-based *Rogers* Test, and the copyright-based Transformative Use Test. The *Rogers* and Transformative Use tests are the most well-established, while the Predominant Use Test is addressed below only because Appellant argues in favor of its adoption. We consider each test in turn, looking at its origins, scope of application, and possible limitations. For the reasons discussed below, we adopt the Transformative Use Test as being the most appropriate balancing test to be applied here.

a. Predominant Use Test

Appellant urges us to adopt the Predominant Use Test, which first appeared in *Doe v. TCI Cablevision*, 110 S.W.3d 363 (Mo. 2003) (en banc), a case that considered a hockey player's right of publicity claim against a comic book publishing company. In *TCI*, Anthony "Tony" Twist, a hockey player, brought suit against a number of individuals and entities involved in producing and publishing the *Spawn* comic book series after the introduction of a villainous character named Anthony "Tony Twist" Twistelli.

In balancing Twist's property interests in his own name and identity against the First Amendment interests of the comic book creators, the *TCI* court rejected both the Transformative Use and *Rogers* tests, noting that they gave "too little consideration to the fact that many uses of a person's name and identity have both expressive and

commercial components.” *Id.* at 374. The Supreme Court of Missouri considered both tests to be too rigid, noting that they operated “to preclude a cause of action whenever the use of the name and identity is in any way expressive, regardless of its commercial exploitation.” *Id.* The court instead applied what it called a “sort of predominant use test”:

If a product is being sold that predominantly exploits the commercial value of an individual’s identity, that product should be held to violate the right of publicity and not be protected by the First Amendment, even if there is some ‘expressive’ content in it that might qualify as ‘speech’ in other circumstances. If, on the other hand, the predominant purpose of the product is to make an expressive comment on or about a celebrity, the expressive values could be given greater weight.

Id. (quoting Mark S. Lee, *Agents of Chaos: Judicial Confusion in Defining the Right of Publicity-Free Speech Interface*, 23 LOY. L.A. ENT. L. REV. 471, 500 (2003)). The *TCI* court considered this to be a “more balanced balancing test [particularly for] cases where speech is both expressive and commercial.” *Id.* After applying the test, the court ruled for Twist, holding that “the metaphorical reference to Twist, though a literary device, has very little literary value compared to its commercial value.” *Id.*

We decline Appellant’s invitation to adopt this test. By our reading, the Predominant Use Test is subjective at best, arbitrary at worst, and in either case calls upon judges to act as both impartial jurists and discerning art critics. These two roles cannot co-exist. Indeed, Appellant suggests that

pursuant to this test we must evaluate “what value [Appellee is] adding to the First Amendment expressiveness [of *NCAA Football*] by appropriating the commercially valuable likeness?” (Tr. at 14:15-:18.) Since “[t]he game would have the exact same level of First Amendment expressiveness if [Appellee] didn’t appropriate Mr. Hart’s likeness,” Appellant urges us to find that *NCAA Football* fails the Predominant Use Test and therefore is not shielded by the First Amendment. (Tr. at 7:10-12.) Such reasoning, however, leads down a dangerous and rightly-shunned road: adopting Appellant’s suggested analysis would be tantamount to admitting that it is proper for courts to analyze select elements of a work to determine how much they contribute to the entire work’s expressiveness. Moreover, as a necessary (and insidious) consequence, the Appellant’s approach would suppose that there exists a broad range of seemingly expressive speech that has no First Amendment value.¹⁵

Appellee rightly argues that the Predominant Use Test is antithetical to our First Amendment precedent, (Tr. at 25:2-:9), and we likewise reject the Test.¹⁶ We instead turn our

¹⁵ This concept is almost wholly foreign to free expression save for *highly circumscribed* categories of speech: obscenity, incitement, and fighting words. See *Brown v. Entm’t Merchs. Ass’n*, 131 S. Ct. 2729, 2733 (2011).

¹⁶ We also agree with Chief Justice Bird’s rejection of an identical argument: “The right of publicity derived from public prominence does not confer a shield to ward off caricature, parody and satire. Rather, prominence invites creative comment.” *Guglielmi*, 603 P.2d at 460.

attention to the *Rogers* Test, which was proposed by Appellee and which draws its inspiration from trademark law.

b. The *Rogers* Test

The *Rogers* Test looks to the relationship between the celebrity image and the work as a whole.¹⁷ As the following discussion demonstrates, however, adopting this test would potentially immunize a broad swath of tortious activity. We therefore reject the *Rogers* Test as inapposite in the instant case.

i. Origins and Scope of the *Rogers* Test

Various commentators have noted that right of publicity claims — at least those that address the use of a person’s name or image in an advertisement — are akin to trademark claims because in both instances courts must balance the interests in protecting the relevant property right against the interest in free expression. *See, e.g., ETW Corp. v. Jireh Publ’g, Inc.*, 332 F.3d 915, 924 (6th Cir. 2003) (noting that “a Lanham Act false endorsement claim is the federal equivalent of the right of publicity” (citing Bruce P. Keller, *The Right of Publicity: Past, Present, and Future*, 1207 PLI CORP. LAW & PRAC. HANDBOOK 159, 170 (2000))).

¹⁷ The various cases and scholarly sources refer to this test in three different ways: the Relatedness Test, the Restatement Test, and the *Rogers* Test. The “Relatedness” moniker should be self-explanatory even at this early point in our discussion; the propriety of the other two names will become clear shortly. For our purposes, we will refer to the test as the *Rogers* Test.

It is little wonder, then, that the inquiry championed by Appellee originated in a case that also focused upon alleged violations of the trademark-specific Lanham Act. *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989).

In that case, Ginger Rogers brought suit against the producers and distributors of, *Ginger and Fred*, a film that was alleged to infringe on Rogers' right of publicity and confuse consumers in violation of the Act. (Despite its title, the film was not about either Ginger Rogers or Fred Astaire.) In analyzing the right of publicity claim under Oregon law, the Second Circuit noted Oregon's "concern for the protection of free expression," and held that Oregon would not "permit the right of publicity to bar the use of a celebrity's name in a movie title unless the title was wholly unrelated to the movie or was simply a disguised commercial advertisement for the sale of goods or services." *Id.* at 1004 (internal quotation marks omitted).¹⁸ After applying this test, the *Rogers* court concluded that the right of publicity claim merited dismissal because "the title 'Ginger and Fred' is

¹⁸ For support, the *Rogers* court looked to California and New York case law. *Frosch v. Grosset & Dunlap, Inc.*, 427 N.Y.S.2d 828, 829 (App. Div. 1980) ("It is enough that the book is a literary work and not simply a disguised commercial advertisement for the sale of goods or services."); *Guglielmi v. Spelling-Goldberg Prods.*, 603 P.2d 454, 457 n.6 (Cal. 1979) ("Such statements establish that this is not a case in which the use is wholly unrelated to the individual. . . . [T]his is not a case in which a celebrity's name is used to promote or endorse a collateral commercial product or is otherwise associated with a product or service in an advertisement.").

clearly related to the content of the movie and is not a disguised advertisement for the sale of goods and services or a collateral commercial product.” *Id.* at 1004-05.¹⁹

But while the test, as articulated in *Rogers*, arguably applied only to the use of celebrity identity in a work’s title, Appellee suggests that the test can — and should — be applied more broadly. For support, Appellee looks to the Restatement (Third) of Unfair Competition, released in 1995, which characterizes the tort as follows:

One who appropriates the commercial value of a person’s identity by using without consent the person’s name, likeness, or other indicia of identity for purposes of trade is subject to liability for [appropriate relief].

RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 46. In explaining the term “use for purposes of trade,” the Restatement notes that it does not “ordinarily include the use of a person’s identity in news reporting, commentary, entertainment, works of fiction or nonfiction, or in advertising that is incidental to such uses.” *Id.* § 47.

¹⁹ Still, it bears noting that while the *Rogers* Test was arguably forged in the crucible of trademark law — and the *Rogers* court appeared to consult trademark principles for inspiration — the court also pointed out that “the right of publicity, unlike the Lanham Act, has no likelihood of confusion requirement” and is therefore “potentially more expansive than the Lanham Act.” *Rogers v. Grimaldi*, 875 F.2d 994, 1004 (2d Cir. 1989).

Moreover, the comments to Section 47 of the Restatement also note that:

[t]he right of publicity as recognized by statute and common law is fundamentally constrained by *the public and constitutional interest in freedom of expression*. The use of a person's identity primarily for purpose of communicating information or expressing ideas is not generally actionable as a violation of the person's right of publicity. . . . Thus the use of a person's name or likeness in news reporting, whether in newspapers, magazines, or broadcast news, does not infringe the right of publicity. The interest in freedom of expression also extends to use in entertainment and other creative works, including both fiction and nonfiction. The use of a celebrity's name or photograph as part of an article published in a fan magazine or in a feature story broadcast on an entertainment program, for example, will not infringe the celebrity's right of publicity. Similarly, the right of publicity is not infringed by the dissemination of an unauthorized print or broadcast biography. Use of another's identity in a novel, play, or motion picture is also not ordinarily an infringement. . . . *However, if the name or likeness is used solely to attract attention to a work that is not related to the identified person, the user may be subject to liability for a use of the other's identity in advertising.*

Id. at § 47 cmt. c (emphasis added). Appellee argues that the above language adopts the *Rogers* Test and applies it to right of publicity claims dealing with any part of a work, not only its title. Appellee also cites to a number of cases purportedly supporting its position. See, e.g., *Parks v. LaFace Records*, 329 F.3d 437 (6th Cir. 2003); *Matthews v. Wozencraft*, 15 F.3d 432 (5th Cir. 1994). We do not find any of these cases particularly persuasive.

In *Matthews*, for example, the Fifth Circuit considered whether a fictional novel incorporating events from the life of an undercover narcotics officer violated the officer’s right of publicity. In setting out the legal standard for a right of publicity claim, the court noted that it made no difference “whether [the book] is viewed as an historical or a fictional work, so long as it is not simply a disguised commercial advertisement for the sale of goods or services.” *Matthews*, 15 F.3d at 440 (quotation marks and internal citations omitted). This single, cryptic quotation notwithstanding, the court ultimately held in favor of the book’s author after applying a wholly different — and seemingly inapposite — First Amendment analysis: actual malice.²⁰ See *id.* (“[A]bsent a showing of actual malice . . . [the book] is protected by the First Amendment.”).

²⁰ In *Hustler Magazine, Inc. v. Falwell*, 485 U.S. 46 (1988), the Supreme Court clarified its holding in *Zacchini v. Scripps-Howard Broadcasting Co.*, 433 U.S. 562 (1977), as standing for the proposition that “the ‘actual malice’ standard does not apply to the tort of appropriation of a right of publicity.” *Hustler*, 485 U.S. at 52.

But where *Matthews* took an ambivalent position, the Sixth Circuit seemed — at least for a short time — to embrace the *Rogers* Test. In *Parks v. LaFace Records*, the Sixth Circuit was asked to determine whether a rap song entitled *Rosa Parks* infringed on the Civil Rights icon’s right of publicity. *Parks*, 329 F.3d at 441-42. After noting that *Rogers* was decided in the context of a movie, the Sixth Circuit held that an expansion of the test to “the context of other expressive works [was supported] by comment c of § 47 of the Restatement (Third) of Unfair Competition.” *Id.* at 461. Consequently, the Sixth Circuit ruled that there was an issue of material fact as to whether the title of the song (“Rosa Parks”) was “wholly unrelated” to the lyrics. *Id.* We find *Parks* to be less than persuasive given that just over a month later another panel of the Sixth Circuit decided *ETW Corp. v. Jireh Publishing, Inc.*, a right of publicity case where the Circuit applied the Transformative Use Test. *See* 332 F.3d 915, 937 (6th Cir. 2003).²¹

Interestingly, this is not the first time that we have considered the proper scope of the *Rogers* Test. Indeed, we expressed doubt (albeit in dicta) over whether the Test could apply beyond the title of a work in *Facenda v. N.F.L. Films, Inc.*, 542 F.3d 1007 (3d Cir. 2008), a case centering on a suit

²¹ To be fair, the *ETW* court did briefly mention the *Rogers* decision before engaging in a lengthy discussion of the RESTATEMENT (THIRD) OF UNFAIR COMPETITION, ultimately concluding that the Restatement stood for the rather mundane principle that a right of publicity implicates a balancing test. *ETW Corp.*, 332 F.3d at 930-36. As we noted above, the balancing utilized by the *ETW* court was the Transformative Use Test.

by the estate of a well-known sports narrator against a sports film production company for Lanham Act violations and breach of the narrator's right of publicity. In analyzing the trademark claim, we expressed hesitation at extending the *Rogers* Test beyond the title of a work, adding that few other courts had done so at the time of our decision. *Id.* at 1018. Nothing in Appellee's argument has swayed us from this position and we thus remain skeptical that the *Rogers* Test applies to the general contents of a work when analyzing right of publicity claims.

ii. Analysis of the *Rogers* Test

Ultimately, we find that the *Rogers* Test does not present the proper analytical approach for cases such as the one at bar. While the Test may have a use in trademark-like right of publicity cases, it is inapposite here. We are concerned that this test is a blunt instrument, unfit for widespread application in cases that require a carefully calibrated balancing of two fundamental protections: the right of free expression and the right to control, manage, and profit from one's own identity.

The potential problem with applying the *Rogers* Test in this case is demonstrated by the following statement from Appellee's brief:

Because, as a former college football player, Hart's likeness is not 'wholly unrelated' to *NCAA Football* and the game is not a commercial advertisement for some unrelated product, Hart . . . does not try to meet the . . . test.

(Appellee's Br. at 24.) Effectively, Appellee argues that Appellant should be unable to assert a claim for appropriating his likeness as a football player precisely because his likeness was used for a game about football. Adopting this line of reasoning threatens to turn the right of publicity on its head.

Appellant's career as a college football player suggests that the target audience for his merchandise and performances (e.g., his actual matches) would be sports fans. It is only logical, then, that products appropriating and exploiting his identity would fare best — and thereby would provide ne'er-do-wells with the greatest incentive — when targeted at the sports-fan market segment. Given that Appellant played intercollegiate football, however, products targeting the sports-fan market would, as a matter of course, relate to him. Yet under Appellee's approach, all such uses would be protected. It cannot be that the very activity by which Appellant achieved his renown now prevents him from protecting his hard-won celebrity. We decline to endorse such a conclusion and therefore reject the *Rogers* test as inapplicable.²²

On the other hand, we do agree with the *Rogers* court in so far as it noted that the right of publicity does not implicate the potential for consumer confusion and is therefore potentially broader than the protections offered by

²² We recognize that in *Brown v. Elec. Arts*, No. 2:09-cv-01598-FMC-RZ, 2009 WL 8763151 (C.D. Cal. Sept. 23, 2009), the District Court applied the *Rogers* test in analyzing another EA sports game: *Madden NFL*. Note, however, that the case did not involve a right of publicity claim, but a claim under the Lanham Act. *Id.* at *1-2.

the Lanham Act. *Rogers*, 875 F.2d at 1004. Indeed, therein lies the weakness of comparing the right of publicity to trademark protections: the right of publicity is broader and, by extension, protects a greater swath of property interests. Thus, it would be unwise for us to adopt a test that hews so closely to traditional trademark principles. Instead, we need a broader, more nuanced test, which helps balance the interests at issue in cases such as the one at bar. The final test — the Transformative Use Test — provides just such an approach.

c. The Transformative Use Test

Looking to intellectual property law for guidance on how to balance property interests against the First Amendment has merit. We need only shift our gaze away from trademark, to the broader vista of copyright law. Thus, we come to the case of *Comedy III Prods., Inc. v. Gary Saderup, Inc.*, which imported the concept of “transformative” use from copyright law into the right of publicity context. 21 P.3d 797, 804-08 (Cal. 2001). This concept lies at the core of a test that both Appellant and Appellee agree is applicable to this case: the Transformative Use Test.²³

²³ Unlike in New Jersey, California’s right of publicity is a matter of both the state’s statutory law and its common law. *Laws v. Sony Music Entm’t, Inc.*, 448 F.3d 1134, 1138 (9th Cir. 2006) (discussing both the statutory and the common law cause of action); *see also* Cal. Civ. Code § 3344; *Eastwood v. Superior Court*, 198 Cal. Rptr. 342, 347 (Cal. Ct. App. 1983). This difference notwithstanding, the laws are strikingly similar — and protect similar interests. Under California law, “any person who knowingly uses another’s name . . . or

i. Genesis of the Transformative Use Test

The Transformative Use Test was first articulated by the Supreme Court of California in *Comedy III*. That case concerned an artist's production and sale of t-shirts and prints bearing a charcoal drawing of the Three Stooges. The California court determined that while "[t]he right of publicity is often invoked in the context of commercial speech," it could also apply in instances where the speech is merely expressive. *Id.* at 802-803. The court also noted, however, that when addressing expressive speech, "the very importance of celebrities in society means that the right of publicity has the potential of censoring significant expression by suppressing alternative versions of celebrity images that are iconoclastic, irreverent or otherwise attempt to redefine the celebrity's meaning." *Id.* at 803. Thus, while the "the right of publicity cannot, consistent with the First Amendment, be a right to control the celebrity's image by censoring disagreeable portrayals," *id.* at 807, the right, like

likeness, in any manner, or in any products, merchandise, or goods, or for the purposes of advertising or selling, or soliciting purchases of . . . shall be liable for any damages sustained by the person or persons injured as a result thereof." Cal. Civ. Code § 3344(a). In the words of the California Supreme Court, "the right of publicity is essentially an economic right. What the right of publicity holder possesses is not a right of censorship, but a right to prevent others from misappropriating the economic value generated by the celebrity's fame" *Comedy III*, 21 P.3d at 807. This is analogous to the conceptualization of the right of publicity in New Jersey, and we consequently see no issue in applying balancing tests developed in California to New Jersey.

copyright, nonetheless offers protection to a form of intellectual property that society deems to have social utility, *id.* at 804.

After briefly considering whether to import the “fair use” analysis from copyright, the *Comedy III* court decided that only the first fair use factor, “the purpose and character of the use,” was appropriate. *Id.* at 808. Specifically, the *Comedy III* court found persuasive the Supreme Court’s holding in *Campbell v. Acuff-Rose Music, Inc.* that

the central purpose of the inquiry into this fair use factor ‘is to see . . . whether the new work merely “supercede[s] the objects” of the original creation, or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message; it asks, in other words, whether and to what extent the new work is “transformative.”’

Id. (emphasis added) (citing *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579 (1994)).

Going further, the court explained that works containing “significant transformative elements” are less likely to interfere with the economic interests implicated by the right of publicity. For example, “works of parody or other distortions of the celebrity figure 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.” *Id.* The court was also careful to emphasize that “the transformative elements or creative

contributions” in a work may include — under the right circumstances — factual reporting, fictionalized portrayal, heavy-handed lampooning, and subtle social criticism. *Id.* at 809 (“The inquiry is in a sense more quantitative than qualitative, asking whether the literal and imitative or the creative elements predominate in the work.”).²⁴

Restating its newly-articulated test, the Supreme Court of California held that the balance between the right of publicity and First Amendment interests turns on

[w]hether the celebrity likeness is one of the “raw materials” from which an original work is synthesized, or whether the depiction or imitation of the celebrity is the very sum and substance of the work in question. We ask, in other words, *whether the 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.* And when we use the word “expression,” we mean expression of something other than the likeness of the celebrity.

²⁴ The court in *Comedy III* also added an ancillary question to its inquiry: “does the marketability and economic value of the challenged work derive primarily from the fame of the celebrity depicted?” *Comedy III*, 21 P.3d at 810. If not, then “there would generally be no actionable right of publicity.” *Id.* However, the inverse is not necessarily true: even if the work does derive its value principally from the celebrity’s depiction, “it may still be a transformative work.” *Id.*

Id. (emphasis added).

Applying this test, the court concluded that charcoal portraits of the Three Stooges did violate the Stooges' rights of publicity, holding that the court could "discern no significant transformative or creative contribution" and that "the marketability and economic value of [the work] derives primarily from the fame of the celebrities depicted." *Id.* at 811.

ii. Application of the Transformative Use Test

Given its relative recency, few courts have applied the Transformative Use Test, and consequently there is not a significant body of case law related to its application. Nonetheless, a handful of cases bear mention as they help frame our inquiry.

In 2003, the Supreme Court of California revisited the Transformative Use Test when two musicians, Johnny and Edgar Winter, who both possessed long white hair and albino features, brought suit against a comic book company over images of two villainous half-man, half-worm creatures, both with long white hair and albino features, named Johnny and Edgar Autumn. *Winter v. DC Comics*, 69 P.3d 473, 476 (Cal. 2003). As the brothers' right of publicity claims necessarily implicated DC Comics' First Amendment rights, the *Winter* court looked to the Transformative Use Test. In summarizing the test, the court explained that "[a]n artist depicting a celebrity must contribute something more than a 'merely trivial' variation, [but must create] something recognizably 'his own,' in order to qualify for legal protection." *Id.* at 478 (alteration in original) (quoting *Comedy III*, 21 P.3d at 810-11). Thus, in applying the test, the *Winter* court held that

[a]lthough the fictional characters Johnny and Edgar Autumn are less-than-subtle evocations of Johnny and Edgar Winter, the books do not depict plaintiffs literally. Instead, plaintiffs are merely part of the raw materials from which the comic books were synthesized. To the extent the drawings of the Autumn brothers resemble plaintiffs at all, they are distorted for purposes of lampoon, parody, or caricature. And the Autumn brothers are but cartoon characters — half-human and half-worm — in a larger story, which is itself quite expressive.

Id. at 479. The court therefore found that “fans who want to purchase pictures of [the Winter brothers] would find the drawing of the Autumn brothers unsatisfactory as a substitute for conventional depictions.” *Id.*²⁵ Consequently, the court rejected the brothers’ claims for a right of publicity violation.

Also in 2003, the Sixth Circuit decided *ETW*, a case focusing on a photograph of Tiger Woods set among a collage of other, golf-related photographs. As we previously noted, while *ETW* mentioned both the *Rogers* case and the Restatement (Third) of Unfair Competition, the test it ultimately applied was a combination of an ad-hoc approach

²⁵ The *Winter* court also found unpersuasive arguments that the comic books were marketed by “trading on [the brothers’] likenesses and reputations to generate interest in the comic book series.” *Winter v. DC Comics*, 69 P.3d 473, 479 (Cal. 2003). The court held that considerations of marketing strategy were “irrelevant” because the “question is whether the work is transformative, not how it is marketed.” *Id.*

and the Transformative Use Test. *See ETW*, 332 F.3d at 937-38. In holding that the collage “contain[ed] significant transformative elements,” *id.* at 938, the court compared it to the Three Stooges portraits from *Comedy III*, and noted that the collage “does not capitalize solely on a literal depiction of Woods.” *Id.* Instead, the “work consists of a collage of images in addition to Woods’s image which are combined to describe, in artistic form, a historic event in sports history and to convey a message about the significance of Woods’s achievement in that event.” *Id.*; *see also Comedy III*, 21 P.3d at 809 (noting that “transformative elements or creative contributions . . . can take many forms”).

ETW presents an archetypical example of a case falling somewhere in the middle of Transformative Use Test jurisprudence, given that it focuses on the use of photographs (literal depictions of celebrities), but adds a transformative aspect to the work, thereby altering the meaning behind the use of the celebrity’s likeness. Arguably, the *Comedy III* and *Winter* decisions bookend the spectrum of cases applying the Transformative Use Test. Where *Comedy III* presents a clear example of a non-transformative use (i.e., mere literal depictions of celebrities recreated in a different medium), *Winter* offers a use that is highly transformative (i.e., fanciful characters, placed amidst a fanciful setting, that draw inspiration from celebrities). As with *ETW*, however, most of the cases discussed below (along with the instant case), fall somewhere between these two decisions. This same analytical approach — focusing on whether and how the celebrity’s likeness is transformed — appears in decisions by courts applying the Transformative Use Test to video games, an area of law which we consider next.

iii. The Transformative Use Test and Video Games

In mid-2006, the California Court of Appeal decided *Kirby v. Sega of America, Inc.*, 50 Cal. Rptr. 3d 607 (Cal. Ct. App. 2006), which addressed a musician’s right of publicity claim against a video game company. Specifically, the musician (Kierin Kirby) had claimed that Sega misappropriated her likeness and signature phrases for purposes of creating the character of Ulala, a reporter in the far flung future. In applying the Transformative Use Test, the court noted that not only did Kirby’s signature phrases included “ooh la la” but that both she and the videogame character would often use phrases like “groove,” “meow,” “dee-lish,” and “I won’t give up.” *Id.* at 613. The court also found similarities in appearance between Kirby and Ulala, based on hair style and clothing choice. *Id.* At the same time, the court held that differences between the two did exist — both in appearance and movement — and that Ulala was not a mere digital recreation of Kirby. *Id.* Thus, the court concluded that Ulala passed the Transformative Use Test, rejecting Kirby’s argument that the differences between her and the character added no additional meaning or message to the work. *Id.* at 616-17 (“A work is transformative if it adds ‘new expression.’ That expression alone is sufficient; it need not convey any ‘meaning or message.’”); *see also id.* at 617 (“[A]ny imitation of Kirby’s likeness or identity in Ulala is not the sum and substance of that character.”).

Several years later, in early 2011, the California courts again confronted the right of publicity as it related to video games in *No Doubt v. Activision Publishing, Inc.*, 122 Cal. Rptr. 3d 397 (Cal. Ct. App. 2011). The case centered on *Band Hero*, a game that allows player to “simulate performing in a rock band in time with popular songs” by

selecting digital avatars to represent them in an in-game band. *Id.* at 401. Some of the avatars were digital recreations of real-life musicians, including members of the band No Doubt.²⁶ After a contract dispute broke off relations between the band and the company, No Doubt sued, claiming a violation of their rights of publicity. The California Court of Appeal applied the Transformative Use Test.

The *No Doubt* court began by noting that “in stark contrast to the ‘fanciful creative characters’ in *Winter* and *Kirby*,” the No Doubt avatars could not be altered by players and thus remained “at all times immutable images of the real celebrity musicians.” *Id.* at 410. But this fact, by itself, did not end the court’s inquiry since “even literal reproductions of celebrities can be ‘transformed’ into expressive works based on the context into which the celebrity image is placed.” *Id.*

²⁶ According to the decision,

members of No Doubt participated in a full-day motion capture photography session at Activision’s studios so that the band members’ Band Hero avatars would accurately reflect their appearances, movements, and sounds. No Doubt then closely reviewed the motion capture photography and the details related to the appearance and features of their avatars to ensure the representations would meet with approval. The end results are avatars that closely match the appearance of each of the No Doubt band members.

No Doubt, 122 Cal. Rptr. 3d at 402.

(citing *Comedy III*, 21 P.3d at 811). Looking to the context of the *Band Hero* game, the court found that “no matter what else occurs in the game *during the depiction of the No Doubt avatars*, the avatars perform rock songs, the same activity by which the band achieved and maintains its fame.” *Id.* at 410-11 (emphasis added). The court explained:

[T]he avatars perform [rock] songs as literal recreations of the band members. That the avatars can be manipulated to perform at fanciful venues including outer space or to sing songs the real band would object to singing, or that the avatars appear in the context of a videogame *that contains many other creative elements*, does not transform the avatars into anything other than the exact depictions of No Doubt’s members doing exactly what they do as celebrities.

Id. at 411 (emphasis added).²⁷ As a final step in its analysis, the court noted that Activision’s use of highly realistic digital

²⁷ For support, the *No Doubt* court relied on the Ninth Circuit’s decision in *Hilton v. Hallmark Cards*, where our sister court held that a greeting card depicting Paris Hilton’s head on a cartoon waitress accompanied by the line “that’s hot” was not transformative and thus infringed on Hilton’s right of publicity. 599 F.3d 894, 911 (9th Cir. 2010) (“While a work need not be phantasmagoric as in *Winter* or fanciful as in *Kirby* in order to be transformative, there is enough doubt as to whether Hallmark’s card is transformative under our case law that we cannot say Hallmark is entitled to the defense . . .”).

depictions of No Doubt was motivated by a desire to capitalize on the band's fan-base, "because it encourages [fans] to purchase the game so as to *perform as, or alongside, the members of No Doubt.*" *Id.* (emphasis added). Given all this, the court concluded that Activision's use of No Doubt's likenesses did infringe on the band's rights of publicity. *Id.* at 411-12.²⁸

iv. Analysis of the Transformative Use Test

Like the Predominant Use and *Rogers* tests, the Transformative Use Test aims to balance the interest protected by the right of publicity against those interests preserved by the First Amendment. In our view, the Transformative Use Test appears to strike the best balance because it provides courts with a flexible — yet uniformly

²⁸ Before moving on, it behooves us to mention a pair of cases decided in the Northern District of California: *Davis v. Elec. Arts Inc.*, No. 10-cv-03328, 2012 WL 3860819 (N.D. Cal. Mar. 29, 2012); *Keller v. Elec. Arts, Inc.*, No. 09-cv-01967, 2010 WL 530108 (N.D. Cal. Feb. 8, 2010). Both cases concern right of publicity claims asserted against EA for use of football players' likenesses in their game franchises. *Davis* related to EA's *Madden NFL* games while *Keller* is simply our own case incarnated in California. In both disputes the court applied the Transformative Use Test, and in both instances the court decided that EA's use of the players' likenesses failed the Test. *Davis*, 2012 WL 3860819, at *5-6; *Keller*, 2010 WL 530108, at *3-5. We note these cases in passing only because they are both currently on appeal before the Ninth Circuit and we feel it imprudent to rely too heavily on decisions that our sister court is still considering.

applicable — analytical framework. Specifically, the Transformative Use Test seems to excel precisely where the other two tests falter. Unlike the *Rogers* Test, the Transformative Use Test maintains a singular focus on whether the work sufficiently transforms the celebrity's identity or likeness, thereby allowing courts to account for the fact that misappropriation can occur in any market segment, including those related to the celebrity.

On the other hand, unlike the Predominant Use Test, applying the Transformative Use Test requires a more circumscribed inquiry, focusing on the specific aspects of a work that speak to whether it was merely created to exploit a celebrity's likeness. This test therefore recognizes that if First Amendment protections are to mean anything in right of publicity claims, courts must *begin* by considering the extent to which a work is the creator's own expression.²⁹

Additionally, the Transformative Use Test best comports with the cautionary language present in various right of publicity cases. Specifically, we believe that an initial focus on the creative aspects of a work helps address our own concern from *Facenda*, where we noted that “courts must circumscribe the right of publicity.” *Facenda*, 542 F.3d

²⁹ While we acknowledge that the test in *Comedy III* included a question as to whether the “marketability and economic value of [the work] derive primarily from the fame of the celebrities depicted,” *Comedy III*, 21 P.3d at 810, we note that this is a secondary question. The court in *Comedy III* rightly recognized that the balancing inquiry suggested by the Supreme Court in *Zacchini* cannot start and stop with commercial purpose or value.

at 1032. As our discussion below demonstrates, the Transformative Use Test effectively restricts right of publicity claims to a very narrow universe of expressive works. Moreover, we believe that the Transformative Use Test best exemplifies the methodology suggested by Justice Powell's dissent in *Zacchini*:

Rather than begin with a quantitative analysis of the performer's behavior — is this or is this not his entire act? — we should direct initial attention to the actions of the news media: what use did the station make of the film footage? When a film is used, as here, for a routine portion of a regular news program, I would hold that the First Amendment protects the station from a “right of publicity” or “appropriation” suit, absent a strong showing by the plaintiff that the news broadcast was a subterfuge or cover for private or commercial exploitation.

Zacchini, 433 U.S. at 581 (Powell, J., dissenting). Consistent with Justice Powell's argument, the Transformative Use Test begins by asking “what use did the [defendant] make of the [celebrity identity]?” *Id.*³⁰

Finally, we find that of the three tests, the Transformative Use Test is the most consistent with other courts' ad hoc approaches to right of publicity cases. For

³⁰ While the Predominant Use Test may appear to accomplish the same task, we think it does not. In point of fact, it merely looks to the expressive “value” of a celebrity's identity, not its use, vis-à-vis the challenged work.

example, a majority of the Supreme Court of California in *Guglielmi v. Spelling-Goldberg Productions* argued³¹ that the “fictionalized version” of a late actor’s life, “depicting the actor’s name, likeness and personality without obtaining . . . prior consent” was entitled to protection from a right of publicity claim. 603 P.2d at 455, 457-59.³² In

³¹ The Supreme Court of California affirmed the lower court’s decision to dismiss the case without engaging with the right of publicity claim beyond noting that the right “expires upon the death of the person so protected.” *Guglielmi*, 603 P.2d at 455. The Chief Justice’s concurring opinion, joined by a majority of the court, provided a full analysis of the issue, and in subsequent years has been treated as the Court’s majority opinion. *See Comedy III*, 21 P.3d at 803 (citing the *Guglielmi* concurrence while noting that “[a] majority of this court” had agreed to its reasoning); *see also Guglielmi*, 603 P.2d at 464 (Newman, J., concurring) (“I concur in the discussion in the Chief Justice’s opinion that sets forth principles for determining whether an action based on the invasion of an individual’s right of publicity may be maintained in the face of a claim that the challenged use is an exercise of freedom of expression.”).

³² After noting that the movie was protected despite being a work of fiction that was made for profit, *Guglielmi*, 603 P.2d at 458-59, Chief Justice Bird rejected the contention that defendants “could have expressed themselves without using [the actor’s] name and likeness,” arguing that “[n]o author should be forced into creating mythological worlds or characters wholly divorced from reality. The right of publicity derived from public prominence does not confer a

essence, the actor's identity was sufficiently transformed by the fictional elements in the book so as to tip the balance of interests in favor of the First Amendment. *See id.* at 457 (Bird, C.J., concurring). Likewise, in *Estate of Presley v. Russen*, 513 F. Supp. 1339 (D.N.J. 1981), the United States District Court for the District of New Jersey held that an Elvis impersonator's act was subject to right of publicity claims because "entertainment that is merely a copy or imitation, even if skillfully and accurately carried out, does not really have its *own creative component* and does not have a significant value as pure entertainment." *Id.* at 1359 (emphasis added). Seen through the lens of the Transformative Use Test, the *Russen* decision demonstrates that where no additional transformative elements are present — i.e., the work contains "merely a copy or imitation" of the celebrity's identity — then there can be no First Amendment impediment to a right of publicity claim.³³ Additionally, in *Cardtoons, L.C. v. Major League Baseball Players Ass'n*, 95 F.3d 959 (10th Cir. 1996), which focused on the use of baseball players' identities for parody trading cards, the

shield to ward off caricature, parody and satire. Rather, prominence invites creative comment." *Id.* at 459-60.

³³ The court's "recognition that defendant's production has some [First Amendment] value," did not diminish its conclusion that "the primary purpose of defendant's activity [was] to appropriate the commercial value of the likeness of Elvis Presley." *Russen*, 513 F. Supp. at 1360. In this regard the court analogized the case to *Zacchini*, holding that the Elvis impersonator had "appropriated the 'very activity [live stage show] by which [Presley initially] acquired his reputation.'" *Id.* at 1361 (alteration in original).

transformative nature of the caricatures on the cards (and the parodic text about the players' "statistics") was sufficient to quash any right of publicity claim. *Id.* at 972-73 ("Because celebrities are an important part of our public vocabulary, a parody of a celebrity does not merely lampoon the celebrity, but exposes the weakness of the idea or value that the celebrity symbolizes in society.").³⁴

It is little wonder, then, that the *Comedy III* decision looked to all three of these cases for guidance in defining the Transformative Use Test. *See Comedy III*, 21 P.3d at 806-09.³⁵ The fact that such prior holdings can be reconciled with the Test not only bolsters our views as to its propriety, but

³⁴ The Tenth Circuit also considered the economic incentives underlying the right of publicity. *See Cardtoons*, 95 F.3d at 973-74. After a close examination, the court recognized only one principal benefit for celebrities from having control over works of parody: "control over the potential effect the parody would have on the market for nonparodic use of one's identity." *Id.* at 974. However, the court quickly added that parody "*rarely acts as a market substitute for the original.*" *Id.* As a consequence, the court ruled in favor of the card manufacturer.

³⁵ We note here that, by our reading, the Transformative Use Test best comports with the language in RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 47 cmt. c. While we acknowledge that other courts have read the Restatement as adopting the *Rogers* Test, we believe that the various examples listed in Comment C all exemplify the sort of transformative uses that would generally pass the analysis set forth in *Comedy III*.

also ensures that adopting the Transformative Use Test does not result in the sort of backward-looking jurisprudential revision that might disturb prior protections for expressive speech.³⁶ Quite to the contrary, adopting the Test ensures that already-existing First Amendment protections in right of publicity cases apply to video games with the same force as to “biographies, documentaries, docudramas, and other expressive works depicting real-life figures.” (Dissent Op. at 6.)

In light of the above discussion, we find that the Transformative Use Test is the proper analytical framework to apply to cases such as the one at bar. Consequently, we now apply the test to the facts of the instance case.

C. Application

In applying the Transformative Use Test to the instant case, we must determine whether Appellant’s identity is sufficiently transformed in *NCAA Football*. As we mentioned earlier, we use the term “identity” to encompass not only Appellant’s likeness, but also his biographical information. It is the combination of these two parts — which, when

³⁶ Indeed, in compiling its non-exhaustive list of “transformative elements or creative components,” the *Comedy III* court looked for examples from previous decisions — including *Guglielmi*, *Cardtoons*, and even *Parks*. See *Comedy III*, 21 P.3d at 809-10.

combined, identify the digital avatar as an in-game recreation of Appellant — that must be sufficiently transformed.³⁷

Having thus cabined our inquiry to the appropriate form of Appellant’s identity, we note that — based on the combination of both the digital avatar’s appearance and the biographical and identifying information — the digital avatar does closely resemble the genuine article. Not only does the digital avatar match Appellant in terms of hair color, hair style and skin tone, but the avatar’s accessories mimic those worn by Appellant during his time as a Rutgers player. The information, as has already been noted, also accurately tracks Appellant’s vital and biographical details. And while the inexorable march of technological progress may make some of the graphics in earlier editions of *NCAA Football* look dated or overly-computerized, we do not believe that video game graphics must reach (let alone cross) the uncanny valley to support a right of publicity claim.³⁸ If we are to find some

³⁷ This joint focus on both likeness and identifying information avoids a conflict with *C.B.C. Distribution & Mktg., Inc. v. Major League Baseball Advanced Media, L.P.*, 505 F.3d 818 (8th Cir. 2007), which held that use of major league baseball players’ records in a fantasy baseball game was protected by the First Amendment even against right of publicity claims because such information was publicly available. *Id.* at 823-24. The presence of a digital avatar that recreates Appellant in a digital medium differentiates this matter from *C.B.C.*

³⁸ It remains an open question, however, whether right of publicity claims can extend into the bygone days of 8-bit graphics and pixilated representations.

transformative element, we must look somewhere other than just the in-game digital recreation of Appellant.³⁹ Cases such as *ETW* and *No Doubt*, both of which address realistic digital depictions of celebrities, point to the next step in our analysis: context.

Considering the context within which the digital avatar exists — effectively, looking at how Appellant’s identity is “incorporated into and transformed by” NCAA Football, (Dissent Op. at 6) — provides little support for Appellee’s arguments. The digital Ryan Hart does what the actual Ryan Hart did while at Rutgers: he plays college football, in digital recreations of college football stadiums, filled with all the trappings of a college football game. This is not transformative; the various digitized sights and sounds in the video game do not alter or transform the Appellant’s identity in a significant way. *See No Doubt*, 122 Cal. Rptr. 3d at 410-11 (“[N]o matter what else occurs in the game during the depiction of the No Doubt avatars, the avatars perform rock

³⁹ It is no answer to say that digitizing Appellant’s appearance in and of itself works a transformative use. Recreating a celebrity’s likeness or identity in some medium other than photographs or video cannot, without more, satisfy the test; this would turn the inquiry on its head — and would contradict the very basis for the Transformative Use Test. *See, e.g., Comedy III*, 21 P.3d at 809 (applying the Transformative Use Test to charcoal drawings of the Three Stooges); *see also Estate of Presley v. Russen*, 513 F. Supp. 1339, 1359 (D.N.J. 1981) (“[E]ntertainment that is merely a copy or imitation, even if skillfully and accurately carried out, does not really have its own creative component and does not have a significant value as pure entertainment.”).

songs, the same activity by which the band achieved and maintains its fame.”). Indeed, the lack of transformative context is even more pronounced here than in *No Doubt*, where members of the band could perform and sing in outer space.

Even here, however, our inquiry is not at an end. For as much as the digital representation and context evince no meaningful transformative element in *NCAA Football*, a third avatar-specific element is also present: the users’ ability to alter the avatar’s appearance. This distinguishing factor ensures that we cannot dispose of this case as simply as the court in *No Doubt*. See *No Doubt*, 122 Cal. Rptr. 3d at 410 (noting that the digital avatars representing No Doubt were “at all times immutable images of the real celebrity musicians”). Indeed, the ability for users to change the avatar accounted, in large part, for the District Court’s deciding that *NCAA Football* satisfied the Transformative Use Test. See *Hart*, 808 F. Supp. 2d at 785.⁴⁰ We must therefore consider

⁴⁰ To be clear, the District Court focused specifically on the *ability* to alter the digital avatars, not on the alterations themselves:

[I]t is not the user's alteration of Hart's image that is critical. What matters for my analysis of EA's First Amendment right is that EA created the mechanism by which the virtual player may be altered, as well as the multiple permutations available for each virtual player image.

Hart, 808 F. Supp. 2d at 785. That is, the court below did not look to the users’ creations as proxies for Appellee’s expression. While we disagree with its final decision, we

to what extent the ability to alter a digital avatar represents a transformative use of Appellant's identity.

At the outset, we note that the mere presence of this feature, without more, cannot satisfy the Transformative Use Test. True, interactivity is the basis upon which First Amendment protection is granted to video games in the first instance.⁴¹ See *Brown*, 131 S. Ct. at 2733. However, the balancing test in right of publicity cases does not look to whether a particular work *loses* First Amendment protection. Rather, the balancing inquiry looks to see whether the interests protected by the right of publicity are sufficient to *surmount* the already-existing First Amendment protections. See, e.g., *Guglielmi*, 603 P.2d at 458 (considering whether right of publicity protections “outweigh[] any protection [the] expression would otherwise enjoy under the [First Amendment]”). As *Zacchini* demonstrated, the right of publicity can triumph even when an essential element for First Amendment protection is present. In that case, the human cannonball act was broadcast *as part of the newscast*. See *Zacchini*, 433 U.S. at 563. To hold, therefore, that a video game should satisfy the Transformative Use Test simply because it includes a particular interactive feature

agree with the District Court's careful navigation of this point.

⁴¹ We note, too, that all games are interactive — that is a product of the medium. Identifying an interactive feature that acts upon the celebrity's likeness, therefore, is only the *first step* in the analysis.

would lead to improper results. Interactivity cannot be an end onto itself.⁴²

Moreover, we are wary of converting the ability to alter a digital avatar from mere feature to talisman, thereby opening the door to cynical abuse. If the mere presence of the feature were enough, video game companies could commit the most blatant acts of misappropriation only to absolve themselves by including a feature that allows users to modify the digital likenesses. We cannot accept that such an outcome would adequately balance the interests in right of publicity cases. As one amicus brief noted:

[U]nder [Appellee's] application of the transformative test [sic], presumably no infringement would be found if individuals such as the Dalai Lama and the Pope were placed within a violent "shoot-em-up" game, so long as the game include[d] a "mechanism" by which the user could manipulate their characteristics.

(Screen Actors Guild, Inc. et al., Amicus Br. at 21.⁴³) With this concern in mind, therefore, we consider whether the type

⁴² The other side of this coin is equally true: interactivity is not the sine qua non of transformative use. Works involving video games may still be transformative even where no specific interactive features affect the celebrity likeness. *See, e.g., Kirby v. Sega of Am., Inc.*, 50 Cal. Rptr. 3d 607 (Cal. Ct. App. 2006).

⁴³ We do not discount the possibility that such a game — given the juxtaposition of spiritual leaders and the hyper

and extent of interactivity permitted is sufficient to transform the Appellant's likeness into the Appellee's own expression. We hold that it does not.

In *NCAA Football*, Appellee seeks to create a realistic depiction of college football for the users. Part of this realism involves generating realistic representations of the various college teams — which includes the realistic representations of the players. Like Activision in *No Doubt*, therefore, Appellee seeks to capitalize on the respective fan bases for the various teams and players. Indeed, as the District Court recognized, “it seems ludicrous to question whether video game consumers enjoy and, as a result, purchase more EA-produced video games as a result of the heightened realism associated with actual players.” *Hart*, 808 F. Supp. 2d at 783 (quoting James J.S. Holmes & Kanika D. Corley, *Defining Liability for Likeness of Athlete Avatars in Video Games*, L.A. LAW., May 2011, at 17, 20). Moreover, the realism of the games — including the depictions and recreations of the players — appeals not just to home-team fans, but to bitter rivals as well. Games such as *NCAA Football* permit users to recreate the setting of a bitter defeat and, in effect, achieve some cathartic readjustment of history; realistic depictions of the players are a necessary element to this.⁴⁴ That

violence of certain modern video games — could still pass the Transformative Use Test on other grounds.

⁴⁴ We set aside the “Dynasty” and “Campus Legends” game modes in this inquiry. We see no legally significant difference between these modes and the ability in *Band Hero* to select alternative avatars to represent the players or to allow members of *No Doubt* to play with other bands or sing

Appellant's likeness is the *default* position only serves to support our conclusion that realistic depictions of the players are the "sum and substance" of these digital facsimiles.⁴⁵ See *Kirby*, 50 Cal. Rptr. 3d at 617-18. Given that Appellant's unaltered likeness is central to the core of the game experience, we are disinclined to credit users' ability to alter the digital avatars in our application of the Transformative Use Test to this case.

We are likewise unconvinced that *NCAA Football* satisfies the Transformative Use Test because Appellee created various in-game assets to support the altered avatars (e.g., additional hair styles, faces, accessories, et al.). In the first instance, the relationship between these assets and the digital avatar is predicated on the users' desire to alter the avatar's appearance, which, as we have already noted, is insufficient to satisfy the Test. The ability to make minor alterations — which substantially maintain the avatar's resemblance to Appellant (e.g., modifying only the basic biographical information, playing statistics, or uniform accessories) — is likewise insufficient, for "[a]n artist depicting a celebrity must contribute something more than a 'merely trivial' variation." *Winter*, 69 P.3d at 478-79. Indeed, the ability to modify the avatar counts for little where

other musicians' songs. See *No Doubt*, 122 Cal. Rptr. 3d at 401.

⁴⁵ Admittedly, just as the presence of a photorealistic depiction of a celebrity cannot be the end of the inquiry, the mere fact that Appellant's likeness is the default appearance of the avatar cannot, without more, end our analysis. It is merely another factor to consider in the balancing exercise.

the appeal of the game lies in users' ability to play "as, or alongside" their preferred players or team. *See No Doubt*, 122 Cal. Rptr. 3d at 411. Thus, even avatars with superficial modifications to their appearance can count as a suitable proxy or market "substitute" for the original. *See Comedy III*, 21 P.3d at 808; *Winter*, 69 P.3d at 479; *Cardtoons*, 95 F.3d at 974. For larger potential changes, such as a different body type, skin tone, or face, Appellant's likeness is not transformed; it simply ceases to be. Therefore, once a user has made major changes to the avatar, it no longer represents Appellant, and thus it no longer qualifies as a "use" of the Appellant's identity for purposes of our inquiry. Such possibilities therefore fall beyond our inquiry into how *Appellant's likeness* is used in *NCAA Football*. That the game may lend itself to uses wholly divorced from the appropriation of Appellant's identity is insufficient to satisfy the Transformative Use Test. *See No Doubt*, 122 Cal. Rptr. 3d 397 (focusing on the use of the No Doubt avatars, not alternative avatars or custom-made characters).

In an attempt to salvage its argument, Appellee suggests that *other* creative elements of *NCAA Football*, which do not affect Appellant's digital avatar, are so numerous that the videogames should be considered transformative. We believe this to be an improper inquiry. Decisions applying the Transformative Use Test invariably look to how the *celebrity's identity* is used in or is altered by other aspects of a work. Wholly unrelated elements do not bear on this inquiry. Even *Comedy III*, in listing potentially "transformative or creative contributions" focused on elements or techniques that affect the celebrity identity. *See Comedy III*, 21 P.3d at 809 (discussing factual reporting, fictionalized portrayal, heavy-handed lampooning, and subtle

social criticism); *see also Winter*, 69 P.3d at 478-79 (noting that “[a]n artist depicting a celebrity must contribute something more than a ‘merely trivial’ variation” before proceeding to discuss how the Winter brothers’ likenesses were altered directly and through context); *Kirby*, 50 Cal. Rptr. 3d at 616-18. To the extent that any of these cases considered the broader context of the work (e.g., whether events took place in a “fanciful setting”), this inquiry was aimed at determining whether this context acted upon the celebrity identity in a way that transformed it or imbued it with some added creativity beyond providing a “merely trivial variation.”⁴⁶ Thus, while we recognize the creative energies necessary for crafting the various elements of *NCAA Football* that are not tied directly to reality, we hold that they have no legal significance in our instant decision.

To hold otherwise could have deleterious consequences for the state of the law. Acts of blatant misappropriation would count for nothing so long as the larger work, on balance, contained highly creative elements in great abundance. This concern is particularly acute in the case of media that lend themselves to easy partition such as video games. It cannot be that content creators escape liability for a work that uses a celebrity’s unaltered identity in one section but that contains a wholly fanciful creation in the other, larger section.

⁴⁶ As we have already discussed, the broader context of *NCAA Football* does not transform Appellant’s likeness into anything other than a digital representation of Appellant playing the sport for which he is known, while surrounded by the trappings of real-world competition.

For these reasons, we hold that the broad application of the Transformative Use Test represents an inappropriate application of the standard. Consequently, we shall not credit elements of *NCAA Football* that do not, in some way, affect the use or meaning of Appellant's identity.

As a final point, we note that the photograph of Appellant that appears in *NCAA Football 2009* does not bear on our analysis above. On that subject, we agree with the District Court that the photograph is "but a fleeting component part of the montage" and therefore does not render the entire work nontransformative. *Hart*, 808 F. Supp. 2d at 786. The reasoning from *ETW* is sufficiently applicable: the context of Appellant's photograph — the montage — imbues the image with additional meaning beyond simply being a representation of the player. *See ETW*, 332 F.3d at 938 (holding that the photographs in a collage were "combined to describe, in artistic form, a historic event in sports history and to convey a message about the significance of [Tiger] Woods's achievement in that event"). Consequently, this particular use of Appellant's likeness *is* shielded by the First Amendment and therefore can contribute nothing to Appellant's claim for violation of his right of publicity.

IV. Conclusion

We therefore hold that the *NCAA Football 2004*, *2005* and *2006* games at issue in this case do not sufficiently transform Appellant's identity to escape the right of publicity claim and hold that the District Court erred in granted summary judgment in favor of Appellee.⁴⁷ While we do hold

⁴⁷ There can be no doubt that video games such as *NCAA Football* are the product of great effort, skill, and creative and

that the only apparent use of Appellant's likeness in *NCAA Football 2009* (the photograph) is protected by the First Amendment, Appellant's overall claim for violation of his right of publicity should have survived Appellee's motion for summary judgment. Consequently, we need not address Appellant's desire for additional discovery. We shall reverse the District Court's grant of summary judgment and remand this case back to the court below for further proceedings consistent with this opinion.

technical prowess. As the Supreme Court noted in *Brown*, video games convey messages and expressive content in a way that is similar to prior media for expression. *Brown v. Entm't Merchs. Ass'n*, 131 S. Ct. 2729, 2733 (2011). At the same time, games open new avenues through which artists and speakers can express their opinions and observations — by playing the game, a user is integrated into the expressive work in a way that has never before been achieved. Surely, then, the First Amendment protects video games in the first instance, and nothing in our decision today should be read to diminish this fact. Rather, our inquiry looked to whether other interests may surmount the First Amendment protection — as they can surmount protections for other modes of expression. In finding that *NCAA Football* failed to satisfy the Transformative Use Test, we do not hold that the game loses First Amendment protection. We merely hold that the interest protected by the right of publicity in this case outweighs the Constitutional shield.

AMBRO, Circuit Judge, dissenting

My colleagues and I take the same road but read the signs differently. Hence we stop at different places. I wish I was with them; I am not. I recognize that Electronic Arts, Inc. (“EA”) has taken for the 2005 version of *NCAA Football* what most good Rutgers fans during Ryan Hart’s playing days know—the Rutgers quarterback is Hart—and parlayed that recognition into commercial success.¹ A key to the profitability of *NCAA Football* is consumers’ desire to experience a realistic football playing experience with their favorite teams. EA’s use of actual college athletes’ likenesses motivates buyers to purchase a new edition each year to keep up with their teams’ changing rosters. The burn to Hart and other amateur athletes is that, unlike their active professional counterparts, they are not compensated for EA’s use of their likenesses in its video games. Were this case viewed strictly on the public’s perception of fairness, I have no doubt Hart’s position would prevail.²

¹ That said, most outside Rutgers do not know that quarterback #13 is Ryan Hart. They did not know that in 2005, and even today many, if not most, Rutgers fans no longer connect #13 with Hart. Fame fades so quickly we call it fleeting. Even nostalgic memories nod off. For example, name the BYU quarterback when it was college football’s national champion in 1984. (Hint: it wasn’t Ty Detmer.)

² See generally Taylor Branch, *The Shame of College Sports*, *The Atlantic*, Oct. 2011, at 80–110 (lambasting NCAA “amateurism” and “student-athlete” policies as “legalistic confections propagated by the universities so they can exploit the skills and fame of young athletes,” and discussing

Hart claims that he has under New Jersey law a right of publicity to prevent others from unfairly appropriating the value of his likeness for their commercial benefit, and that the First Amendment does not shield EA's infringement of this right. This claim requires us to balance the competing interests implicated by the right of publicity and the First Amendment. I agree with my colleagues that the Transformative Use Test is the preferred approach for balancing these interests, but we part ways on its interpretation and application. The result is that they side with Hart, and I with EA.

The Transformative Use Test gives First Amendment immunity where, in an expressive work, an individual's likeness has been creatively adapted in some way. Correctly applied, this test strikes an appropriate balance between countervailing rights—the publicity interest in protecting an individual's right to benefit financially when others use his identifiable persona for their own commercial benefit versus the First Amendment interest in insulating from liability a creator's decision to interweave real-life figures into its expressive work.

My colleagues limit effectively their transformative inquiry to Hart's identity alone, disregarding other features of the work. This approach, I believe, does not find support in the cases on which they rely. Further, my colleagues penalize EA for the realism and financial success of *NCAA Football*, a

lawsuits challenging these policies); *see also* Alexander Wolff, *When Worlds Collide*, Sports Illustrated, Feb. 11, 2013, at 18; Joe Nocera, *Pay Up Now*, N.Y. Times Mag., Jan. 1, 2012, at 30–35 (advocating payment of college athletes to alleviate “[t]he hypocrisy that permeates big-money college sports” arising from amateurism rules).

position I find difficult to reconcile with First Amendment protections traditionally afforded to true-to-life depictions of real figures and works produced for profit. Because I conclude that the Transformative Use Test protects EA's use of Hart's likeness in *NCAA Football*, I respectfully dissent.

I. Formulation of the Transformative Inquiry

To determine whether an individual's identity has been "transformed" for purposes of the Transformative Use Test, I believe it is necessary to review the likeness in the context of the work in its entirety, rather than focusing only on the individual's likeness. This interpretation is in line with the approach taken in *Comedy III Productions, Inc. v. Gary Saderup, Inc.*, 21 P.3d 797 (Cal. 2001), in which the Supreme Court of California first put in play the Transformative Use Test. Per *Comedy III*, the right of publicity prevails over competing First Amendment interests "[w]hen artistic expression takes the form of a literal depiction or imitation of a celebrity for commercial gain." *Id.* at 808 (citing *Zacchini v. Scripps-Howard Broad. Co.*, 433 U.S. 562, 575–76 (1977)). To determine whether a work qualifies as "transformative" and not simply "literal," the *Comedy III* Court explained that "the inquiry is whether the celebrity likeness is one of the 'raw materials' from which *an original work* is synthesized, or whether the depiction or imitation of the celebrity is the very sum and substance of *the work in question*." *Id.* at 809 (emphases added).

Likewise, when applying the Transformative Use Test two years later in *Winter v. DC Comics*, 69 P.3d 473 (Cal. 2003), the California Supreme Court explained that the defendant's use was transformative because it could "readily ascertain that [the portrayals] are not just conventional depictions of plaintiffs but contain *significant expressive content other than plaintiffs' mere likenesses*." *Id.* at 479

(emphasis added). The Court also observed that the characters were placed in a “larger story, which is itself quite expressive.” *Id.*³ The repeated focus on the use of an individual’s likeness in the context of the work as a whole leaves me little doubt that we must examine the creative work in the aggregate to determine whether it satisfies the Transformative Use Test and merits First Amendment protection.

My colleagues correctly recite the Transformative Use Test set out in *Comedy III* and *Winter* [Majority Op. at 35–40], but later disregard that recitation. When addressing Hart’s claim, their analysis proceeds by analyzing, on a step-by-step basis, the digital avatar based on Hart, the context in which that avatar is set in *NCAA Football*, and the users’ ability to alter the avatar’s appearance, concluding at each step that Hart’s likeness is not sufficiently changed to qualify as “transformative.” In the last instance, my colleagues reject as immaterial the myriad other creative elements of the video game on the ground that “[d]ecisions applying the Transformative Use Test invariably look to how the *celebrity’s identity* is used,” and that “[w]holly unrelated elements do not bear on this inquiry.” [Majority Op. at 59 (emphasis in original).] But by cabinining their inquest to

³ While the *Winter* decision makes several references to the physical differences between the plaintiffs and their likenesses, these statements were made with respect to the Court’s conclusion that “the portrayals do not greatly threaten plaintiffs’ right of publicity” insofar as they were unlikely to decrease their commercial value. 69 P.3d at 479. Similarly, there is no real contention that *NCAA Football* is harming ticket sales of college football games or decreasing Hart’s commercial value; if anything, it seems more likely that both have been augmented by the popularity of EA’s video games.

Hart's likeness alone, their approach is at odds with California Supreme Court decisions on the Transformative Use Test.⁴

The infirmity of this approach is highlighted by *ETW Corp. v. Jireh Publishing, Inc.*, 332 F.3d 915 (6th Cir. 2003), in which the Sixth Circuit Court of Appeals concluded that an artist's use of several photographs of Tiger Woods in a commemorative collage was "transformative," and thus shielded from Woods' right-of-publicity suit. My colleagues do not—and, in my view, cannot—explain how the photographic images of Woods were transformed if they limit their analysis to "how the *celebrity's identity* is used." [Majority Op. at 59 (emphasis in original).] Instead, their discussion of *ETW* recognizes that the Sixth Circuit held that the artist's use qualified for First Amendment protection under the Transformative Use Test because "*the collage* 'contain[ed] significant transformative elements,'" and the *combination of images* "'describe[d], in artistic form, a historic event in sports history[—the 1997 Masters golf tournament—]and . . . convey[ed] a message about the significance of Woods' achievement in that event.'"

⁴ The majority opinion relies heavily on two lower court decisions in California considering the right of publicity in the video game context, *No Doubt v. Activision Publishing, Inc.*, 122 Cal. Rptr. 3d 397 (Ct. App. 2011), and *Kirby v. Sega of America, Inc.*, 50 Cal. Rptr. 3d 607 (Ct. App. 2006). I do not consider these cases particularly instructive, as they were not decided by the architect of the Transformative Use Test, the Supreme Court of California. Thus, I do not attempt to explain or distinguish their holdings except to note that I believe *No Doubt*, which focused on individual depictions rather than the work in its entirety, was wrongly decided in light of the prior precedent in *Comedy III* and *Winter*.

[Majority Op. at 41 (first alteration in original) (emphasis added) (quoting *ETW*, 332 F.3d at 938; citing *Comedy III*, 21 P.3d at 809).] No doubt the use at issue here—creating digital avatars of football teams and placing them in an interactive medium designed for user interaction and manipulation—is significantly more “transformative” than the use in *ETW*, which simply combined several photographs into a photomontage.

To me, a narrow focus on an individual’s likeness, rather than how that likeness is incorporated into and transformed by the work as a whole, is a flawed formulation of the transformative inquiry. The whole—the aggregate of many parts (including, here, many individuals)—is the better baseline for that inquiry.

II. Harmonization of the Transformative Use Test with First Amendment Precedent

Transformative use must mesh with existing constitutional protections for works of expression. The First Amendment extends protection to biographies, documentaries, docudramas, and other expressive works depicting real-life figures, whether the accounts are factual or fictional. See, e.g., *Matthews v. Wozencraft*, 15 F.3d 432, 439–40 (5th Cir. 1994) (biographical novel); *Ruffin-Steinback v. dePasse*, 82 F. Supp. 2d 723, 730–31 (E.D. Mich. 2000) (television miniseries), *aff’d*, 267 F.3d 457, 461–62 (6th Cir. 2001); *Seale v. Gramercy Pictures*, 949 F. Supp. 331, 337 (E.D. Pa. 1996); *Hicks v. Casablanca Records*, 464 F. Supp. 426, 433 (S.D.N.Y. 1978) (docudrama and novel); *Guglielmi v. Spelling-Goldberg Prods.*, 603 P.2d 454, 458–59 (Cal. 1979) (docudrama).⁵ “That books, newspapers, and

⁵ While my colleagues acknowledge the need for uniform First Amendment treatment of different mediums in the

magazines are published and sold for profit does not prevent them from being a form of expression whose liberty is safeguarded by the First Amendment.” *Joseph Burstyn, Inc. v. Wilson*, 343 U.S. 495, 501 (1952). Accordingly, courts have rejected as counter to free expression the claim that constitutional protection is diminished because a celebrity’s name or likeness was used to increase a product’s value and marketability. *See Guglielmi*, 603 P.2d at 460–62 (Bird, C.J., concurring).⁶

The protection afforded by the First Amendment to those who weave celebrities into their creative works and sell those works for profit applies equally to video games. *See Brown v. Entm’t Merchs. Ass’n*, 131 S. Ct. 2729, 2733 (2011). Thus EA’s use of real-life likenesses as “characters” in its *NCAA Football* video game should be as protected as portrayals (fictional or nonfictional) of individuals in movies and books. I do not suggest that all digital portrayals of an individual are entitled to First Amendment protection. Rather, the work should be protected if that likeness, as included in the creative composition, has been transformed into something more or different than what it was before. And in any event the profit that flows from EA’s realistic depiction of Hart (and the myriad other college football players portrayed in *NCAA Football*) is not constitutionally

abstract [Majority Op. at 51], it is difficult to reconcile their actual application of the Transformative Use Test to the video game here with the above-cited cases.

⁶ As recognized by my colleagues, then-Chief Justice Bird’s views in *Guglielmi* commanded the support of the majority of the California Supreme Court, and were relied on by the *Comedy III* Court to guide its definition of the Transformative Use Test. [Majority Op. at 48 n.31.]

significant, nor even an appropriate consideration, when applying the Transformative Use Test.⁷

My colleagues' understanding of the Transformative Use Test underplays the creative elements of *NCAA Football* by equating its inclusion of realistic player likenesses to increase profits with the wrongful appropriation of Hart's commercial value. This approach is at odds with the First Amendment protection afforded to expressive works incorporating real-life figures. That protection does not depend on whether the characters are depicted realistically or whether their inclusion increases profits. *See Guglielmi*, 603 P.2d at 460–62 (Bird, C.J., concurring) (concluding that

⁷ In devising the Transformative Use Test, the California Supreme Court borrowed from “the purpose and character of the use” factor relevant to a copyright fair use defense, *see* 17 U.S.C. § 107(1), yet it rejected “a wholesale importation of the fair use doctrine into right of publicity law,” *Comedy III*, 21 P.3d at 807. Nonetheless, it appears my colleagues permit another fair use factor to creep into their transformative analysis. Namely, their focus on the marketability of *NCAA Football* seems colored by the factor considering “the effect of the use upon the potential market for or value of the copyrighted work,” *see* 17 U.S.C. § 107(4), notwithstanding that this element was expressly excluded from *Comedy III*'s articulation of the Transformative Use Test, *see* 21 P.3d at 808 n.10. Further, even if consideration of “market effect” were appropriate in a transformative analysis, I do not believe this factor would weigh in favor of finding an infringing use here because, as pointed out *supra* note 3, there is no contention that EA's inclusion of Hart's likeness in *NCAA Football* has caused a decline in the commercial value of his identity or persona.

acceptance of this argument would chill free expression and mean “the creation of historical novels and other works inspired by actual events and people would be off limits to the fictional author”).

In sum, applying the Transformative Use Test in the manner done by my colleagues creates a medium-specific metric that provides less protection to video games than other expressive works. Because the Supreme Court’s decision in *Brown* forecloses just such a distinction, *see* 131 S. Ct. at 2740, my colleagues’ treatment of realism and profitability in their transformative use analysis puts us on a different course.

III. Application to Hart’s Claim

With this understanding of the Transformative Use Test, I conclude EA’s use of avatars resembling actual players is entitled to First Amendment protection. *NCAA Football* transforms Hart’s mere likeness into an avatar that, along with the rest of a digitally created college football team, users can direct and manipulate in fictional football games. With the many other creative features incorporated throughout the games, sufficient expressive transformation takes place to merit First Amendment protection.

NCAA Football involves myriad original graphics, videos, sound effects, and game scenarios. These artistic aspects permit a user to direct the play of a college football team whose players may be based on a current roster, a past roster, or an entirely imaginary roster comprised of made-up players. Users are not reenacting real games, but rather are directing the avatars in invented games and seasons. Further, the “Campus Legend” and “Dynasty Mode” features permit users to control virtual players and teams for multiple seasons, creating the means by which they can generate their own narratives. Such modes of interactive play are, I submit,

imaginative transformations of the games played by real players.

As noted by the District Court, it is not only the user that contributes to the interactivity; EA has created “multiple permutations available for each virtual player image.” *Hart v. Elec. Arts, Inc.*, 808 F. Supp. 2d 757, 785 (D.N.J. 2011). This furthers the game’s transformative interactivity. In fact, the majority opinion expressly approves the District Court’s analysis on this point. [Majority Op. at 54–55 n.40.]

By limiting their inquiry to the realistic rendering of Hart’s individual image, my colleagues misapply the Transformative Use Test. Contrary to their assertion that the other creative elements of *NCAA Football* are “[w]holly unrelated” [Majority Op. at 59], those elements are, in fact, related to its use of Hart’s likeness. If and when a user decides to select the virtual 2005 Rutgers’ football team as a competitor in a game, and to the extent that user does not alter the characteristics of the avatar based on Hart’s likeness, the numerous creative elements of the video games discussed above are part of every fictional play a user calls. Any attempt to separate these elements from the use of Hart’s likeness disregards *NCAA Football*’s many expressive features beyond an avatar having characteristics similar to Hart. His likeness is transformed by the artistry necessary to create a digitally rendered avatar within the imaginative and interactive world EA has placed that avatar.

I am thus convinced that, as used in *NCAA Football*, Hart’s “likeness is one of the ‘raw materials’ from which [the] original work is synthesized . . . [rather than] the very sum and substance of the work in question.” *Comedy III*, 21 P.3d at 809. EA bases its *NCAA Football* characters on countless real-life college football players, and it certainly seeks to depict their physical and biographical characteristics

realistically. Yet these “are not just conventional depictions of [Hart] but contain significant expressive content other than [his] mere likeness[.]” *Winter*, 69 P.3d at 479. *NCAA Football* uses creative means to achieve its overall goal of realistically replicating a college football experience in which users may interact, direct, and control the players’ avatars, including the one based on Hart’s likeness. I find this use transformative.

* * * * *

The Transformative Use Test I support would prevent commercial exploitation of an individual’s likeness where the work at issue lacks creative contribution that transforms that likeness in a meaningful way. I sympathize with the position of Hart and other similarly situated college football players, and understand why they feel it is fair to share in the significant profits produced by including their avatar likenesses into EA’s commercially successful video game franchise. I nonetheless remain convinced that the creative components of *NCAA Football* contain sufficient expressive transformation to merit First Amendment protection. Thus I respectfully dissent, and would affirm the District Court’s grant of summary judgment in favor of EA.

FOR PUBLICATION

**UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT**

IN RE: NCAA STUDENT-ATHLETE
NAME & LIKENESS LICENSING
LITIGATION,

No. 10-15387

D.C. No.
4:09-cv-01967-
CW

SAMUEL MICHAEL KELLER; EDWARD
C. O'BANNON, JR.; BYRON BISHOP;
MICHAEL ANDERSON; DANNY
WIMPRINE; ISHMAEL THROWER;
CRAIG NEWSOME; DAMIEN RHODES;
SAMUEL JACOBSON,

OPINION

Plaintiffs-Appellees,

v.

ELECTRONIC ARTS INC.,

Defendant-Appellant,

and

NATIONAL COLLEGIATE ATHLETIC
ASSOCIATION; COLLEGIATE
LICENSING COMPANY,

Defendants.

Appeal from the United States District Court
for the Northern District of California
Claudia A. Wilken, District Judge, Presiding

Argued and Submitted
February 15, 2011—Pasadena, California
Submission Vacated February 18, 2011
Argued and Resubmitted
July 13, 2012—San Francisco, California

Filed July 31, 2013

Before: Sidney R. Thomas and Jay S. Bybee, Circuit
Judges, and Gordon J. Quist, Senior District Judge.*

Opinion by Judge Bybee;
Dissent by Judge Thomas

SUMMARY**

Anti-SLAPP/Video Games

The panel affirmed the district court's denial of a motion to strike a complaint as a strategic lawsuit against public participation under California's anti-SLAPP statute, Cal. Civ. Proc. Code § 425.16, and held that video game developer Electronic Arts had no First Amendment defense against the right-of-publicity claims of former college football player, Samuel Keller.

* The Honorable Gordon J. Quist, Senior District Judge for the U.S. District Court for the Western District of Michigan, sitting by designation.

** This summary constitutes no part of the opinion of the court. It has been prepared by court staff for the convenience of the reader.

Keller filed a putative class-action complaint asserting that Electronic Arts (EA) violated his right of publicity under California Civil Code § 3344 and California common law by using his likeness as part of the *NCAA Football* video series. The panel held that under the “transformative use” test developed by the California Supreme Court, EA’s use did not qualify for First Amendment protection as a matter of law because it literally recreated Keller in the very setting in which he had achieved renown. The panel rejected EA’s suggestion to import the balancing test set forth by the Second Circuit in *Rogers v. Grimaldi*, 875 F.2d 994 (2nd Cir. 1989), which had been created to evaluate Lanham Act claims, into the right-of-publicity arena. The panel further held that the state-law defenses for the reporting of factual information did not protect EA’s use.

Dissenting, Judge Thomas stated that because the creative and transformative elements of EA’s *NCAA Football* video game series predominated over the commercial use of the athletes’ likenesses, the First Amendment protects EA from liability.

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OPINION

BYBEE, Circuit Judge:

Video games are entitled to the full protections of the First Amendment, because “[l]ike the protected books, plays, and movies that preceded them, video games communicate ideas—and even social messages—through many familiar literary devices (such as characters, dialogue, plot, and music) and through features distinctive to the medium (such as the player’s interaction with the virtual world).” *Brown v. Entm’t Merchs. Ass’n*, 131 S. Ct. 2729, 2733 (2011).¹ Such rights are

*** The NCAA’s motion to file its amicus brief is GRANTED.

¹ In *Brown v. Electronic Arts, Inc.*, No. 09-56675, slip op. at 9–10 (9th Cir. July 31, 2013), we noted that “there may be some work referred to as a ‘video game’ (or referred to as a ‘book,’ ‘play,’ or ‘movie’ for that

not absolute, and states may recognize the right of publicity to a degree consistent with the First Amendment. *Zacchini v. Scripps-Howard Broad. Co.*, 433 U.S. 562, 574–75 (1977). In this case, we must balance the right of publicity of a former college football player against the asserted First Amendment right of a video game developer to use his likeness in its expressive works.

The district court concluded that the game developer, Electronic Arts (“EA”), had no First Amendment defense against the right-of-publicity claims of the football player, Samuel Keller. We affirm. Under the “transformative use” test developed by the California Supreme Court, EA’s use does not qualify for First Amendment protection as a matter of law because it literally recreates Keller in the very setting in which he has achieved renown. The other First Amendment defenses asserted by EA do not defeat Keller’s claims either.

I

Samuel Keller was the starting quarterback for Arizona State University in 2005 before he transferred to the University of Nebraska, where he played during the 2007 season. EA is the producer of the *NCAA Football* series of video games, which allow users to control avatars representing college football players as those avatars

matter) that does not contain enough of the elements contemplated by the Supreme Court [in *Brown v. Entertainment Merchants Association*] to warrant First Amendment protection as an expressive work,” but asserted that “[e]ven if there is a line to be drawn between expressive video games and non-expressive video games, and even if courts should at some point be drawing that line, we have no need to draw that line here.” The same holds true in this case.

participate in simulated games. In *NCAA Football*, EA seeks to replicate each school's entire team as accurately as possible. Every real football player on each team included in the game has a corresponding avatar in the game with the player's actual jersey number and virtually identical height, weight, build, skin tone, hair color, and home state. EA attempts to match any unique, highly identifiable playing behaviors by sending detailed questionnaires to team equipment managers. Additionally, EA creates realistic virtual versions of actual stadiums; populates them with the virtual athletes, coaches, cheerleaders, and fans realistically rendered by EA's graphic artists; and incorporates realistic sounds such as the crunch of the players' pads and the roar of the crowd.

EA's game differs from reality in that EA omits the players' names on their jerseys and assigns each player a home town that is different from the actual player's home town. However, users of the video game may upload rosters of names obtained from third parties so that the names do appear on the jerseys. In such cases, EA allows images from the game containing athletes' real names to be posted on its website by users. Users can further alter reality by entering "Dynasty" mode, where the user assumes a head coach's responsibilities for a college program for up to thirty seasons, including recruiting players from a randomly generated pool of high school athletes, or "Campus Legend" mode, where the user controls a virtual player from high school through college, making choices relating to practices, academics, and social life.

In the 2005 edition of the game, the virtual starting quarterback for Arizona State wears number 9, as did Keller, and has the same height, weight, skin tone, hair color, hair

style, handedness, home state, play style (pocket passer), visor preference, facial features, and school year as Keller. In the 2008 edition, the virtual quarterback for Nebraska has these same characteristics, though the jersey number does not match, presumably because Keller changed his number right before the season started.

Objecting to this use of his likeness, Keller filed a putative class-action complaint in the Northern District of California asserting, as relevant on appeal, that EA violated his right of publicity under California Civil Code § 3344 and California common law.² EA moved to strike the complaint as a strategic lawsuit against public participation (“SLAPP”) under California’s anti-SLAPP statute, Cal. Civ. Proc. Code § 425.16, and the district court denied the motion. We have jurisdiction over EA’s appeal pursuant to 28 U.S.C. § 1291. *See Batzel v. Smith*, 333 F.3d 1018, 1024–26 (9th Cir. 2003).³

² There are actually nine named plaintiffs, all former National Collegiate Athletic Association (“NCAA”) football or basketball players: Keller, Edward O’Bannon, Jr. (UCLA), Byron Bishop (University of North Carolina), Michael Anderson (University of Memphis), Danny Wimprine (University of Memphis), Ishmael Thrower (Arizona State University), Craig Newsome (Arizona State University), Damien Rhodes (Syracuse University), and Samuel Jacobson (University of Minnesota). EA’s NCAA basketball games are also implicated in this appeal. Because the issues are the same for each plaintiff, all of the claims are addressed through our discussion of Keller and *NCAA Football*.

³ We review *de novo* the district court’s denial of a motion to strike under California’s anti-SLAPP statute. *Mindys Cosmetics, Inc. v. Dakar*, 611 F.3d 590, 595 (9th Cir. 2010).

II

California's anti-SLAPP statute is designed to discourage suits that "masquerade as ordinary lawsuits but are brought to deter common citizens from exercising their political or legal rights or to punish them for doing so." *Batzel*, 333 F.3d at 1024 (internal quotation marks omitted). The statute provides:

A cause of action against a person arising from any act of that person in furtherance of the person's right of petition or free speech under the United States Constitution or the California Constitution in connection with a public issue shall be subject to a special motion to strike, unless the court determines that the plaintiff has established that there is a probability that the plaintiff will prevail on the claim.

Cal. Civ. Proc. Code § 425.16(b)(1). We have determined that the anti-SLAPP statute is available in federal court. *Thomas v. Fry's Elecs., Inc.*, 400 F.3d 1206 (9th Cir. 2005) (per curiam).

We evaluate an anti-SLAPP motion in two steps. First, the defendant must "make a prima facie showing that the plaintiff's suit arises from an act by the defendant made in connection with a public issue in furtherance of the defendant's right to free speech under the United States or California Constitution." *Batzel*, 333 F.3d at 1024. Keller does not contest that EA has made this threshold showing. Indeed, there is no question that "video games qualify for First Amendment protection," *Entm't Merchs. Ass'n*,

131 S. Ct. at 2733, or that Keller’s suit arises from EA’s production and distribution of *NCAA Football* in furtherance of EA’s protected right to express itself through video games.

Second, we must evaluate whether the plaintiff has “establish[ed] a reasonable probability that the plaintiff will prevail on his or her . . . claim.” *Batzel*, 333 F.3d at 1024. “The plaintiff must demonstrate that the complaint is legally sufficient and supported by a prima facie showing of facts to sustain a favorable judgment if the evidence submitted by plaintiff is credited.” *Metabolife Int’l, Inc. v. Wornick*, 264 F.3d 832, 840 (9th Cir. 2001) (internal quotation marks omitted). The statute “subjects to potential dismissal only those actions in which the plaintiff cannot state and substantiate a legally sufficient claim.” *Navellier v. Sletten*, 52 P.3d 703, 711 (Cal. 2002) (internal quotation marks omitted). EA did not contest before the district court and does not contest here that Keller has stated a right-of-publicity claim under California common and statutory law.⁴ Instead, EA raises four affirmative defenses derived from the First Amendment: the “transformative use” test, the *Rogers* test, the “public interest” test, and the “public affairs” exemption. EA argues that, in light of these defenses, it is not reasonably probable that Keller will prevail on his right-of-publicity

⁴ The elements of a right-of-publicity claim under California common law are: “(1) the defendant’s use of the plaintiff’s identity; (2) the appropriation of plaintiff’s name or likeness to defendant’s advantage, commercially or otherwise; (3) lack of consent; and (4) resulting injury.” *Stewart v. Rolling Stone LLC*, 105 Cal. Rptr. 3d 98, 111 (internal quotation marks omitted). The same claim under California Civil Code § 3344 requires a plaintiff to prove “all the elements of the common law cause of action” plus “a knowing use by the defendant as well as a direct connection between the alleged use and the commercial purpose.” *Id.*

claim. This appeal therefore centers on the applicability of these defenses. We take each one in turn.⁵

A

The California Supreme Court formulated the transformative use defense in *Comedy III Productions, Inc. v. Gary Saderup, Inc.*, 21 P.3d 797 (Cal. 2001). The defense is “a balancing test between the First Amendment and the right of publicity based on whether the work in question adds significant creative elements so as to be transformed into something more than a mere celebrity likeness or imitation.” *Id.* at 799. The California Supreme Court explained that “when a work contains significant transformative elements, it is not only especially worthy of First Amendment protection, but it is also less likely to interfere with the economic interest protected by the right of publicity.” *Id.* at 808. The court rejected the wholesale importation of the copyright “fair use” defense into right-of-publicity claims, but recognized that some aspects of that defense are “particularly pertinent.” *Id.*; see 17 U.S.C. § 107; see also *SOFA Entm’t, Inc. v. Dodger Prods., Inc.*, 709 F.3d 1273, 1277–78 (9th Cir. 2013) (discussing the “fair use” defense codified in 17 U.S.C. § 107).

Comedy III gives us at least five factors to consider in determining whether a work is sufficiently transformative to obtain First Amendment protection. See J. Thomas McCarthy, *The Rights of Publicity and Privacy* § 8:72 (2d ed. 2012). First, if “the celebrity likeness is one of the ‘raw materials’

⁵ Just as we did in *Hilton v. Hallmark Cards*, we reserve the question of whether the First Amendment furnishes a defense other than those the parties raise. 599 F.3d 894, 909 n.11 (9th Cir. 2009).

from which an original work is synthesized,” it is more likely to be transformative than if “the depiction or imitation of the celebrity is the very sum and substance of the work in question.” *Comedy III*, 21 P.3d at 809. Second, the work is protected if it is “primarily the defendant’s own expression”—as long as that expression is “something other than the likeness of the celebrity.” *Id.* This factor requires an examination of whether a likely purchaser’s primary motivation is to buy a reproduction of the celebrity, or to buy the expressive work of that artist. McCarthy, *supra*, § 8:72. Third, to avoid making judgments concerning “the quality of the artistic contribution,” a court should conduct an inquiry “more quantitative than qualitative” and ask “whether the literal and imitative or the creative elements predominate in the work.” *Comedy III*, 21 P.3d at 809. Fourth, the California Supreme Court indicated that “a subsidiary inquiry” would be useful in close cases: whether “the marketability and economic value of the challenged work derive primarily from the fame of the celebrity depicted.” *Id.* at 810. Lastly, the court indicated that “when an artist’s skill and talent is manifestly subordinated to the overall goal of creating a conventional portrait of a celebrity so as to commercially exploit his or her fame,” the work is not transformative. *Id.*

We have explained that “[o]nly if [a defendant] is entitled to the [transformative] defense *as a matter of law* can it prevail on its motion to strike,” because the California Supreme Court “envisioned the application of the defense as a question of fact.” *Hilton*, 599 F.3d at 910. As a result, EA “is only entitled to the defense as a matter of law if no trier of fact could reasonably conclude that the [game] [i]s not transformative.” *Id.*

California courts have applied the transformative use test in relevant situations in four cases. First, in *Comedy III* itself, the California Supreme Court applied the test to T-shirts and lithographs bearing a likeness of The Three Stooges and concluded that it could “discern no significant transformative or creative contribution.” *Id.* at 811. The court reasoned that the artist’s “undeniable skill is manifestly subordinated to the overall goal of creating literal, conventional depictions of The Three Stooges so as to exploit their fame.” *Id.* “[W]ere we to decide that [the artist’s] depictions were protected by the First Amendment,” the court continued, “we cannot perceive how the right of publicity would remain a viable right other than in cases of falsified celebrity endorsements.” *Id.*

Second, in *Winter v. DC Comics*, the California Supreme Court applied the test to comic books containing characters Johnny and Edgar Autumn, “depicted as villainous half-worm, half-human offspring” but evoking two famous brothers, rockers Johnny and Edgar Winter. 69 P.3d 473, 476 (Cal. 2003). The court held that “the comic books are transformative and entitled to First Amendment protection.” *Id.* at 480. It reasoned that the comic books “are not just conventional depictions of plaintiffs but contain significant expressive content other than plaintiffs’ mere likenesses.” *Id.* at 479. “To the extent the drawings of the Autumn brothers resemble plaintiffs at all, they are distorted for purposes of lampoon, parody, or caricature.” *Id.* Importantly, the court relied on the fact that the brothers “are but cartoon characters . . . in a larger story, which is itself quite expressive.” *Id.*

Third, in *Kirby v. Sega of America, Inc.*, the California Court of Appeal applied the transformative use test to a video game in which the user controls the dancing of “Ulala,” a reporter from outer space allegedly based on singer Kierin

Kirby, whose “‘signature’ lyrical expression . . . is ‘ooh la la.’” 50 Cal. Rptr. 3d 607, 609–10 (Ct. App. 2006). The court held that “Ulala is more than a mere likeness or literal depiction of Kirby,” pointing to Ulala’s “extremely tall, slender computer-generated physique,” her “hairstyle and primary costume,” her dance moves, and her role as “a space-age reporter in the 25th century,” all of which were “unlike any public depiction of Kirby.” *Id.* at 616. “As in *Winter*, Ulala is a ‘fanciful, creative character’ who exists in the context of a unique and expressive video game.” *Id.* at 618.

Finally, in *No Doubt v. Activision Publishing, Inc.*, the California Court of Appeal addressed Activision’s *Band Hero* video game. 122 Cal. Rptr. 3d 397, 400 (Ct. App. 2011), *petition for review denied*, 2011 Cal. LEXIS 6100 (Cal. June 8, 2011) (No. B223996). In *Band Hero*, users simulate performing in a rock band in time with popular songs. *Id.* at 401. Users choose from a number of avatars, some of which represent actual rock stars, including the members of the rock band No Doubt. *Id.* at 401. Activision licensed No Doubt’s likeness, but allegedly exceeded the scope of the license by permitting users to manipulate the No Doubt avatars to play any song in the game, solo or with members of other bands, and even to alter the avatars’ voices. *Id.* at 402. The court held that No Doubt’s right of publicity prevailed despite Activision’s First Amendment defense because the game was not “transformative” under the *Comedy III* test. It reasoned that the video game characters were “literal recreations of the band members,” doing “the same activity by which the band achieved and maintains its fame.” *Id.* at 411. According to the court, the fact “that the avatars appear in the context of a videogame that contains many other creative elements[] does not transform the avatars into anything other than exact

depictions of No Doubt's members doing exactly what they do as celebrities." *Id.* The court concluded that "the expressive elements of the game remain manifestly subordinated to the overall goal of creating a conventional portrait of No Doubt so as to commercially exploit its fame." *Id.* (internal quotation marks omitted).

We have also had occasion to apply the transformative use test. In *Hilton v. Hallmark Cards*, we applied the test to a birthday card depicting Paris Hilton in a manner reminiscent of an episode of Hilton's reality show *The Simple Life*. 599 F.3d at 899. We observed some differences between the episode and the card, but noted that "the basic setting is the same: we see Paris Hilton, born to privilege, working as a waitress." *Id.* at 911. We reasoned that "[w]hen we compare Hallmark's card to the video game in *Kirby*, which transported a 1990s singer (catchphrases and all) into the 25th century and transmogrified her into a space-age reporter, . . . the card falls far short of the level of new expression added in the video game." *Id.* As a result, we concluded that "there is enough doubt as to whether Hallmark's card is transformative under our case law that we cannot say Hallmark is entitled to the defense as a matter of law." *Id.*⁶

⁶ We also briefly addressed the transformative use test in a footnote in *Hoffman v. Capital Cities/ABC, Inc.*, 255 F.3d 1180 (9th Cir. 2001). We indicated that if we had considered the test, we would have concluded that an image of Dustin Hoffman from "Tootsie" that had been altered to make it appear like he was wearing fashions from a decade later "contained 'significant transformative elements.'" *Id.* at 1184 n.2; 1182–83. "Hoffman's body was eliminated and a new, differently clothed body was substituted in its place. In fact, the entire theory of Hoffman's case rests on his allegation that the photograph is not a 'true' or 'literal' depiction of him, but a false portrayal." *Id.* at 1184 n.2.

With these cases in mind as guidance, we conclude that EA's use of Keller's likeness does not contain significant transformative elements such that EA is entitled to the defense as a matter of law. The facts of *No Doubt* are very similar to those here. EA is alleged to have replicated Keller's physical characteristics in *NCAA Football*, just as the members of No Doubt are realistically portrayed in *Band Hero*. Here, as in *Band Hero*, users manipulate the characters in the performance of the same activity for which they are known in real life—playing football in this case, and performing in a rock band in *Band Hero*. The context in which the activity occurs is also similarly realistic—real venues in *Band Hero* and realistic depictions of actual football stadiums in *NCAA Football*. As the district court found, Keller is represented as “what he was: the starting quarterback for Arizona State” and Nebraska, and “the game’s setting is identical to where the public found [Keller] during his collegiate career: on the football field.” *Keller v. Elec. Arts, Inc.*, No. C 09-1967 CW, 2010 WL 530108, at *5 (N.D. Cal. Feb. 8, 2010).

EA argues that the district court erred in focusing primarily on Keller's likeness and ignoring the transformative elements of the game as a whole. Judge Thomas, our dissenting colleague, suggests the same. *See* Dissent at 34. We are unable to say that there was any error, particularly in light of *No Doubt*, which reasoned much the same as the district court in this case: “that the avatars appear in the context of a videogame that contains many other creative elements[] does not transform the avatars into anything other than exact depictions of No Doubt's members doing exactly what they do as celebrities.” *No Doubt*, 122 Cal. Rptr. 3d at

411.⁷ EA suggests that the fact that *NCAA Football* users can alter the characteristics of the avatars in the game is significant. Again, our dissenting colleague agrees. See Dissent at 36–37. In *No Doubt*, the California Court of Appeal noted that *Band Hero* “d[id] not permit players to alter the No Doubt avatars in any respect.” *Id.* at 410. The court went on to say that the No Doubt avatars “remain at all times immutable images of the real celebrity musicians, in stark contrast to the ‘fanciful, creative characters’ in *Winter* and *Kirby*.” *Id.* The court explained further:

[I]t is the differences between *Kirby* and the instant case . . . which are determinative. In *Kirby*, the pop singer was portrayed as an entirely new character—the space-age news reporter Ulala. In *Band Hero*, by contrast, no matter what else occurs in the game during the depiction of the No Doubt avatars, the avatars perform rock songs, the same activity by which the band achieved and maintains its

⁷ Judge Thomas argues that the “sheer number of virtual actors,” the absence of “any evidence as to the personal marketing power of Sam Keller,” and the relative anonymity of each individual player in *NCAA Football* as compared to the public figures in other California right-of-publicity cases all mitigate in favor of finding that the EA’s First Amendment rights outweigh Keller’s right of publicity. See Dissent at 37–40. These facts are not irrelevant to the analysis—they all can be considered in the framework of the five considerations from *Comedy III* laid out above—but the fact is that EA elected to use avatars that mimic real college football players for a reason. If EA did not think there was value in having an avatar designed to mimic each individual player, it would not go to the lengths it does to achieve realism in this regard. Having chosen to use the players’ likenesses, EA cannot now hide behind the numerosity of its potential offenses or the alleged unimportance of any one individual player.

fame. Moreover, the avatars perform those songs as literal recreations of the band members. That the avatars can be manipulated to perform at fanciful venues including outer space or to sing songs the real band would object to singing, or that the avatars appear in the context of a videogame that contains many other creative elements, does not transform the avatars into anything other than exact depictions of No Doubt's members doing exactly what they do as celebrities.

Id. at 410–11. Judge Thomas says that “[t]he Court of Appeal cited character immutability as a chief factor distinguishing [*No Doubt*] from *Winter* and *Kirby*.” Dissent at 37. Though *No Doubt* certainly mentioned the immutability of the avatars, we do not read the California Court of Appeal’s decision as turning on the inability of users to alter the avatars. The key contrast with *Winter* and *Kirby* was that in those games the public figures were transformed into “fanciful, creative characters” or “portrayed as . . . entirely new character[s].” *No Doubt*, 122 Cal. Rptr. 3d at 410. On this front, our case is clearly aligned with *No Doubt*, not with *Winter* and *Kirby*. We believe *No Doubt* offers a persuasive precedent that cannot be materially distinguished from Keller’s case.^{8,9}

⁸ EA further argues that *No Doubt* is distinguishable because the video game company in that case entered into a license agreement which it allegedly breached. However, the California Court of Appeal did not rely on breach of contract in its analysis of whether the game was transformative. 122 Cal. Rptr. 3d at 412 n.7. Keller asserts here that EA contracted away its First Amendment rights in a licensing agreement with the NCAA that purportedly prohibited the use of athlete likenesses.

The Third Circuit came to the same conclusion in *Hart v. Electronic Arts, Inc.*, 717 F.3d 141 (3d Cir. 2013). In *Hart*, EA faced a materially identical challenge under New Jersey right-of-publicity law, brought by former Rutgers quarterback Ryan Hart. *See id.* at 163 n.28 (“*Keller* is simply [*Hart*] incarnated in California.”). Though the Third Circuit was tasked with interpreting New Jersey law, the court looked to the transformative use test developed in California. *See id.* at 158 n.23 (noting that the right-of-publicity laws are “strikingly similar . . . and protect similar interests” in New Jersey and California, and that “consequently [there is] no issue in applying balancing tests developed in California to New Jersey”); *see also id.* at 165 (holding that “the Transformative Use Test is the proper analytical framework to apply to cases such as the one at bar”). Applying the test, the court held that “the *NCAA Football* . . . games at issue . . . do not sufficiently transform [*Hart*]’s identity to escape the

However, in light of our conclusion that EA is not entitled to a First Amendment defense as a matter of law, we need not reach this issue and leave it for the district court to address in the first instance on remand should the finder of fact determine in post-SLAPP proceedings that EA’s use is transformative.

⁹ In dissent, Judge Thomas suggests that this case is distinguishable from other right-to-publicity cases because “an individual college athlete’s right of publicity is extraordinarily circumscribed and, in practical reality, non-existent” because “NCAA rules prohibit athletes from benefitting economically from any success on the field.” Dissent at 41. Judge Thomas commendably addresses the fairness of this structure, *see* Dissent at 41–42 n.5, but setting fairness aside, the fact is that college athletes are not indefinitely bound by NCAA rules. Once an athlete graduates from college, for instance, the athlete can capitalize on his success on the field during college in any number of ways. EA’s use of a college athlete’s likeness interferes with the athlete’s right to capitalize on his athletic success once he is beyond the dominion of NCAA rule.

right of publicity claim,” reversing the district court’s grant of summary judgment to EA. *Id.* at 170.

As we have, the Third Circuit considered the potentially transformative nature of the game as a whole, *id.* at 166, 169, and the user’s ability to alter avatar characteristics, *id.* at 166–68. Asserting that “the lack of transformative context is even more pronounced here than in *No Doubt*,” *id.* at 166, and that “the ability to modify the avatar counts for little where the appeal of the game lies in users’ ability to play as, or alongside[,] their preferred players or team,” *id.* at 168 (internal quotation marks omitted), the Third Circuit agreed with us that these changes do not render the *NCAA Football* games sufficiently transformative to defeat a right-of-publicity claim.

Judge Ambro dissented in *Hart*, concluding that “the creative components of *NCAA Football* contain sufficient expressive transformation to merit First Amendment protection.” *Id.* at 175 (Ambro, J., dissenting). But in critiquing the majority opinion, Judge Ambro disregarded *No Doubt* and *Kirby* because “they were not decided by the architect of the Transformative Use Test, the Supreme Court of California.” *Id.* at 172 n.4. He thus “d[id] not attempt to explain or distinguish the[se cases’] holdings except to note that [he] believe[s] *No Doubt*, which focused on individual depictions rather than the work in its entirety, was wrongly decided in light of the prior precedent in *Comedy III* and *Winter*.” *Id.* We recognize that we are bound only by the decisions of a state’s highest court and not by decisions of the state’s intermediate appellate court when considering state-law issues sitting in diversity jurisdiction. *See In re Kirkland*, 915 F.2d 1236, 1238–39 (9th Cir. 1990). Nonetheless, where there is no binding precedent from the state’s highest court,

we “must predict how the highest state court would decide the issue using *intermediate appellate court decisions*, decisions from other jurisdictions, statutes, treatises, and restatements as guidance.” *Id.* at 1239 (emphasis added). As stated above, we believe *No Doubt* in particular provides persuasive guidance. We do not believe *No Doubt* to be inconsistent with the California Supreme Court’s relevant decisions, and we will not disregard a well-reasoned decision from a state’s intermediate appellate court in this context. Like the majority in *Hart*, we rely substantially on *No Doubt*, and believe we are correct to do so.

Given that *NCAA Football* realistically portrays college football players in the context of college football games, the district court was correct in concluding that EA cannot prevail as a matter of law based on the transformative use defense at the anti-SLAPP stage. *Cf. Hilton*, 599 F.3d at 910–11.¹⁰

¹⁰ Judge Thomas asserts that “[t]he logical consequence of the majority view is that all realistic depictions of actual persons, no matter how incidental, are protected by a state law right of publicity regardless of the creative context,” “jeopardiz[ing] the creative use of historic figures in motion pictures, books, and sound recordings.” Dissent at 43. We reject the notion that our holding has such broad consequences. As discussed above, one of the factors identified in *Comedy III* “requires an examination of whether a likely purchaser’s primary motivation is to buy a reproduction of the celebrity, or to buy the expressive work of that artist.” McCarthy, *supra*, § 8:72; see *Comedy III*, 21 P.3d at 809. Certainly this leaves room for distinguishing between this case—where we have emphasized EA’s primary emphasis on reproducing reality—and cases involving other kinds of expressive works.

B

EA urges us to adopt for right-of-publicity claims the broader First Amendment defense that we have previously adopted in the context of false endorsement claims under the Lanham Act: the *Rogers* test.¹¹ See *Brown v. Elec. Arts*, No. 09-56675, slip op. at 5–6 (applying the *Rogers* test to a Lanham Act claim brought by former NFL player Jim Brown relating to the use of his likeness in EA’s *Madden NFL* video games).

Rogers v. Grimaldi is a landmark Second Circuit case balancing First Amendment rights against claims under the Lanham Act. 875 F.2d 994 (2d Cir. 1989). The case involved a suit brought by the famous performer Ginger Rogers against the producers and distributors of *Ginger and Fred*, a movie about two fictional Italian cabaret performers who imitated Rogers and her frequent performing partner Fred Astaire. *Id.* at 996–97. Rogers alleged both a violation of the Lanham Act for creating the false impression that she endorsed the film and infringement of her common law right of publicity. *Id.* at 997.

The *Rogers* court recognized that “[m]ovies, plays, books, and songs are all indisputably works of artistic expression and deserve protection,” but that “[t]he purchaser of a book, like the purchaser of a can of peas, has a right not to be misled as

¹¹ Keller argues that EA never asked the district court to apply *Rogers* and has therefore waived the issue on appeal. Although it could have been more explicit, EA’s anti-SLAPP motion did cite *Rogers* and argue that Keller had not alleged that his likeness was “wholly unrelated” to the content of the video game or a “disguised commercial advertisement,” the two prongs of the *Rogers* test.

to the source of the product.” *Id.* “Consumers of artistic works thus have a dual interest: They have an interest in not being misled and they also have an interest in enjoying the results of the author’s freedom of expression.” *Id.* at 998. The *Rogers* court determined that titles of artistic or literary works were less likely to be misleading than “the names of ordinary commercial products,” and thus that Lanham Act protections applied with less rigor when considering titles of artistic or literary works than when considering ordinary products. *Id.* at 999–1000. The court concluded that “in general the Act should be construed to apply to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression.” *Id.* at 999. The court therefore held:

In the context of allegedly misleading titles using a celebrity’s name, that balance will normally not support application of the [Lanham] Act unless the title has no artistic relevance to the underlying work whatsoever, or, if it has some artistic relevance, unless the title explicitly misleads as to the source or the content of the work.

Id.

We first endorsed the *Rogers* test for Lanham Act claims involving artistic or expressive works in *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 902 (9th Cir. 2002). We agreed that, in the context of artistic and literary titles, “[c]onsumers expect a title to communicate a message about the book or movie, but they do not expect it to identify the publisher or producer,” and “adopt[ed] the *Rogers* standard as our own.” *Id.* Then, in *E.S.S. Entertainment 2000, Inc. v. Rock Star*

Videos, Inc., we considered a claim by a strip club owner that video game maker Rock Star incorporated its club logo into the game’s virtual depiction of East Los Angeles, violating the club’s trademark right to that logo. 547 F.3d 1095, 1096–98 (9th Cir. 2008). We held that Rock Star’s use of the logo and trade dress was protected by the First Amendment and that it therefore could not be held liable under the Lanham Act. *Id.* at 1099–1101. In so doing, we extended the *Rogers* test slightly, noting that “[a]lthough this test traditionally applies to uses of a trademark in the title of an artistic work, there is no principled reason why it ought not also apply to the use of a trademark in the body of the work.” *Id.* at 1099.

In this case, EA argues that we should extend this test, created to evaluate Lanham Act claims, to apply to right-of-publicity claims because it is “less prone to misinterpretation” and “more protective of free expression” than the transformative use defense. Although we acknowledge that there is some overlap between the transformative use test formulated by the California Supreme Court and the *Rogers* test, we disagree that the *Rogers* test should be imported wholesale for right-of-publicity claims. Our conclusion on this point is consistent with the Third Circuit’s rejection of EA’s identical argument in *Hart*. See *Hart*, 717 F.3d at 154–58. As the history and development of the *Rogers* test makes clear, it was designed to protect consumers from the risk of consumer confusion—the hallmark element of a Lanham Act claim. See *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1149 (9th Cir. 2002). The right of publicity, on the other hand, does not primarily seek to prevent consumer confusion. See *Hart*, 717 F.3d at 158 (“[T]he right of publicity does not implicate the potential for consumer confusion”). Rather, it primarily “protects a form of

intellectual property [in one's person] that society deems to have some social utility." *Comedy III*, 21 P.3d at 804. As the California Supreme Court has explained:

Often considerable money, time and energy are needed to develop one's prominence in a particular field. Years of labor may be required before one's skill, reputation, notoriety or virtues are sufficiently developed to permit an economic return through some medium of commercial promotion. For some, the investment may eventually create considerable commercial value in one's identity.

Id. at 804–05 (internal quotation marks and citations omitted).

The right of publicity protects the *celebrity*, not the *consumer*. Keller's publicity claim is not founded on an allegation that consumers are being illegally misled into believing that he is endorsing EA or its products. Indeed, he would be hard-pressed to support such an allegation absent evidence that EA explicitly misled consumers into holding such a belief. *See Brown v. Elec. Arts*, No. 09-56675, slip op. at 23 (holding under the *Rogers* test that, since "Brown's likeness is artistically relevant to the [*Madden NFL*] games and there are no alleged facts to support the claim that EA explicitly misled consumers as to Brown's involvement with the games," "the public interest in free expression outweighs the public interest in avoiding consumer confusion"). Instead, Keller's claim is that EA has appropriated, without permission and without providing compensation, his talent and years of hard work on the football field. The reasoning of

the *Rogers* and *Mattel* courts—that artistic and literary works should be protected unless they explicitly mislead consumers—is simply not responsive to Keller’s asserted interests here. *Cf. Hart*, 717 F.3d at 157 (“Effectively, [EA] argues that [Hart] should be unable to assert a claim for appropriating his likeness as a football player precisely because his likeness was used for a game about football. Adopting this line of reasoning threatens to turn the right of publicity on its head.”).

We recognize that *Rogers* also dealt with a right-of-publicity claim—one under Oregon law—and applied a modified version of its Lanham Act test in order to adapt to that particular context:

In light of the Oregon Court’s concern for the protection of free expression, . . . the right of publicity [would not] bar the use of a celebrity’s name in a movie title unless the title was “wholly unrelated” to the movie or was “simply a disguised commercial advertisement for the sale of goods or services.”

875 F.2d at 1004. However, the *Rogers* court was faced with a situation in which the “Oregon Courts . . . [had] not determined the scope of the common law right of publicity in that state.” *Id.* at 1002. In the absence of clear state-law precedent, the *Rogers* court was “obliged to engage in the uncertain task of predicting what the New York courts would predict the Oregon courts would rule as to the contours of a right of publicity under Oregon law.” *Id.* In light of *Comedy III* and its progeny, we are faced with no such uncertain task.

Lastly, we note that the only circuit court to import the *Rogers* test into the publicity arena, the Sixth Circuit, has done so inconsistently. In *Parks v. LaFace Records*, the Sixth Circuit indicated that the *Rogers* test was appropriate for right-of-publicity claims, noting that the Restatement (Third) of Unfair Competition had endorsed use of the test in that context. 329 F.3d 437, 461 (6th Cir. 2003) (citing *Restatement (Third) of Unfair Competition* § 47 cmt. c). Subsequently, in *ETW Corp. v. Jireh Publishing, Inc.*, the court acknowledged the *Parks* decision but did not apply the *Rogers* test to the Ohio right-of-publicity claim in question. 332 F.3d at 915, 936 & n.17 (6th Cir. 2003). Instead, the court applied a balancing test from comment d in the *Restatement* (analyzing “the substantiality and market effect of the use of the celebrity’s image . . . in light of the informational and creative content”), as well as the transformative use test from *Comedy III. Id.* at 937–38; see *Hart*, 717 F.3d at 157 (“We find *Parks* to be less than persuasive [as to the applicability of the *Rogers* test to right-of-publicity cases] given that just over a month later another panel of the Sixth Circuit decided [*ETW*], a right of publicity case where the Circuit applied the Transformative Use Test.”). Similarly, the Tenth Circuit in *Cardtoons, L.C. v. Major League Baseball Players Ass’n*, 95 F.3d 959 (10th Cir. 1996), and the Eighth Circuit in *C.B.C. Distribution and Marketing, Inc. v. Major League Baseball Advanced Media, L.P.*, 505 F.3d 818 (8th Cir. 2007), rejected the *Rogers* test in favor of a flexible case-by-case approach that takes into account the celebrity’s interest in retaining his or her publicity and the public’s interest in free expression. Therefore, we decline EA’s invitation to extend the *Rogers* test to right-of-publicity claims.

C

California has developed two additional defenses aimed at protecting the reporting of factual information under state law. One of these defenses only applies to common law right-of-publicity claims while the other only applies to statutory right-of-publicity claims. *Montana v. San Jose Mercury News, Inc.*, 40 Cal. Rptr. 2d 639, 640 (Ct. App. 1995). Liability will not lie for common law right-of-publicity claims for the “publication of matters in the public interest.” *Id.* at 640–41. Similarly, liability will not lie for statutory right-of-publicity claims for the “use of a name, voice, signature, photograph, or likeness in connection with any news, public affairs, or sports broadcast or account, or any political campaign.” Cal. Civ. Code § 3344(d). Although these defenses are based on First Amendment concerns, *Gill v. Hearst Publ’g Co.*, 253 P.2d 441, 443–44 (Cal. 1953), they are not coextensive with the Federal Constitution, *New Kids on the Block v. News Am. Publ’g, Inc.*, 971 F.2d 302, 310 n.10 (9th Cir. 1992), and their application is thus a matter of state law.

EA argues that these defenses give it the right to “incorporate athletes’ names, statistics, and other biographical information” into its expressive works, as the defenses were “designed to create ‘extra breathing space’ for the use of a person’s name in connection with matters of public interest.” Keller responds that the right of publicity yields to free use of a public figure’s likeness only to the extent reasonably required to report information to the public or publish factual data, and that the defenses apply only to broadcasts or accounts of public affairs, not to EA’s *NCAA Football* games, which do not contain or constitute such reporting about Keller.

California courts have generally analyzed the common law defense and the statutory defense separately, but it is clear that both defenses protect only the act of publishing or reporting. By its terms, § 3344(d) is limited to a “broadcast or account,” and we have confirmed that the common law defense is about a publication or reporting of newsworthy items. *Hilton*, 599 F.3d at 912. However, most of the discussion by California courts pertains to whether the subject matter of the communication is of “public interest” or related to “news” or “public affairs,” leaving little guidance as to when the communication constitutes a publication or reporting.

For instance, in *Dora v. Frontline Video, Inc.*, a well-known surfer sued the producer of a documentary on surfing entitled “The Legends of Malibu,” claiming misappropriation of his name and likeness. 18 Cal. Rptr. 2d 790, 791 (Ct. App. 1993). The court held that the documentary was protected because it was “a fair comment on real life events which have caught the popular imagination.” *Id.* at 792 (internal quotation marks omitted). The court explained that surfing “has created a lifestyle that influences speech, behavior, dress, and entertainment,” has had “an economic impact,” and “has also had a significant influence on the popular culture,” such that “[i]t would be difficult to conclude that a surfing documentary does not fall within the category of public affairs.” *Id.* at 794–95. Similarly, in *Gionfriddo v. Major League Baseball*, retired professional baseball players alleged that Major League Baseball violated their right of publicity by displaying “factual data concerning the players, their performance statistics, and verbal descriptions and video depictions of their play” in game programs and on its website. 114 Cal. Rptr. 2d 307, 314 (Ct. App. 2001). The court reasoned that “[t]he recitation and discussion of factual data

concerning the athletic performance of these plaintiffs command a substantial public interest, and, therefore, is a form of expression due substantial constitutional protection.” *Id.* at 315. And in *Montana v. San Jose Mercury News, Inc.*, former NFL quarterback Joe Montana brought a right-of-publicity action against a newspaper for selling posters containing previously published pages from the newspaper depicting the many Super Bowl victories by Montana and the San Francisco 49ers. *Montana*, 40 Cal. Rptr. 2d at 639–40. The court found that “[p]osters portraying the 49’ers’ [sic] victories are . . . a form of public interest presentation to which protection must be extended.” *Id.* at 641 (internal quotation marks omitted).

We think that, unlike in *Gionfriddo*, *Montana*, and *Dora*, EA is not publishing or reporting factual data. EA’s video game is a means by which users can play their own virtual football games, not a means for obtaining information about real-world football games. Although EA has incorporated certain actual player information into the game (height, weight, etc.), its case is considerably weakened by its decision not to include the athletes’ names along with their likenesses and statistical data. EA can hardly be considered to be “reporting” on Keller’s career at Arizona State and Nebraska when it is not even using Keller’s name in connection with his avatar in the game. Put simply, EA’s interactive game is not a publication of facts about college football; it is a game, not a reference source. These state law defenses, therefore, do not apply.¹²

¹² We similarly reject Judge Thomas’s argument that Keller’s right-of-publicity claim should give way to the First Amendment in light of the fact that “the essence of *NCAA Football* is founded on publicly available data.” Dissent at 40. Judge Thomas compares *NCAA Football* to the

III

Under California’s transformative use defense, EA’s use of the likenesses of college athletes like Samuel Keller in its video games is not, as a matter of law, protected by the First Amendment. We reject EA’s suggestion to import the *Rogers* test into the right-of-publicity arena, and conclude that state-law defenses for the reporting of information do not protect EA’s use.

AFFIRMED.

fantasy baseball products that the Eighth Circuit deemed protected by the First Amendment in the face of a right-of-publicity claim in *C.B.C. Distribution and Marketing*, 505 F.3d at 823–24. Dissent at 40. But there is a big difference between a video game like *NCAA Football* and fantasy baseball products like those at issue in *C.B.C.* Those products merely “incorporate[d] the names along with performance and biographical data of actual major league baseball players.” *Id.* at 820. *NCAA Football*, on the other hand, uses virtual likenesses of actual college football players. It is seemingly true that each likeness is generated largely from publicly available data—though, as Judge Thomas acknowledges, EA solicits certain information directly from schools—but finding this fact dispositive would neuter the right of publicity in our digital world. Computer programmers with the appropriate expertise can create a realistic likeness of any celebrity using only publicly available data. If EA creates a virtual likeness of Tom Brady using only publicly available data—public images and videos of Brady—does EA have free reign to use that likeness in commercials without violating Brady’s right of publicity? We think not, and thus must reject Judge Thomas’s point about the public availability of much of the data used given that EA produced and used actual likenesses of the athletes involved.

THOMAS, Circuit Judge, dissenting:

Because the creative and transformative elements of Electronic Arts' *NCAA Football* video game series predominate over the commercial use of the athletes' likenesses, the First Amendment protects EA from liability. Therefore, I respectfully dissent.

I

As expressive works, video games are entitled to First Amendment protection. *Brown v. Entm't Merchs. Ass'n*, 131 S. Ct. 2729, 2733 (2011). The First Amendment affords additional protection to *NCAA Football* because it involves a subject of substantial public interest: collegiate football. *Moore v. Univ. of Notre Dame*, 968 F. Supp. 1330, 1337 (N.D. Ind. 1997). Because football is a matter of public interest, the use of the images of athletes is entitled to constitutional protection, even if profits are involved. *Montana v. San Jose Mercury News, Inc.*, 40 Cal. Rptr. 2d 639, 643 n.2 (Cal. Ct. App. 1995); *see also* Cal. Civ. Code § 3344(d) (exempting from liability the “use of a name . . . or likeness in connection with any . . . public affairs, or sports broadcast or account”).

Where it is recognized, the tort of appropriation is a creature of common law or statute, depending on the jurisdiction. However, the right to compensation for the misappropriation for commercial use of one's image or celebrity is far from absolute. In every jurisdiction, any right of publicity must be balanced against the constitutional protection afforded by the First Amendment. Courts have employed a variety of methods in balancing the rights. *See, e.g., Doe v. TCI Cablevision*, 110 S.W.3d 363, 374 (Mo.

2003) (en banc). The California Supreme Court applies a “transformative use” test it formulated in *Comedy III Productions, Inc. v. Gary Saderup, Inc.*, 21 P.3d 797 (Cal. 2001).¹

As the majority properly notes, the transformative use defense is “a balancing test between the First Amendment and the right of publicity based on whether the work in question adds significant creative elements so as to be transformed into something more than a mere celebrity likeness or imitation.” *Comedy III*, 21 P.3d at 799. The rationale for the test, as the majority notes, is that “when a work contains significant transformative elements, it is not only especially worthy of First Amendment protection, but it is also less likely to interfere with the economic interest protected by the right of publicity.” *Id.* at 808.

The five considerations articulated in *Comedy III*, and cited by the majority, are whether: (1) the celebrity likeness is one of the raw materials from which an original work is synthesized; (2) the work is primarily the defendant’s own expression if the expression is something other than the likeness of the celebrity; (3) the literal and imitative or creative elements predominate in the work; (4) the

¹ I agree with the majority that the test articulated in *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989), should not be employed in this context. The *Rogers* test is appropriately applied in Lanham Act cases, where the primary concern is with the danger of consumer confusion when a work is depicted as something it is not. 15 U.S.C. § 1125(a)(1). However, the right of publicity is an economic right to use the value of one own’s celebrity. *Zacchini v. Scripps-Howard Broad. Co.*, 433 U.S. 562, 576–77 (1977). Therefore, a more nuanced balancing is required. In our context, I believe the transformative use test—if correctly applied to the work as a whole—provides the proper analytical framework.

marketability and economic value of the challenged work derives primarily from the fame of the celebrity depicted; and (5) an artist's skill and talent has been manifestly subordinated to the overall goal of creating a conventional portrait of a celebrity so as to commercially exploit the celebrity's fame. *Id.* at 809–10.

Although these considerations are often distilled as analytical factors, Justice Mosk was careful in *Comedy III* not to label them as such. Indeed, the focus of *Comedy III* is a more holistic examination of whether the transformative and creative elements of a particular work predominate over commercially based literal or imitative depictions. The distinction is critical, because excessive deconstruction of *Comedy III* can lead to misapplication of the test. And it is at this juncture that I must respectfully part ways with my colleagues in the majority.

The majority confines its inquiry to how a single athlete's likeness is represented in the video game, rather than examining the transformative and creative elements in the video game as a whole. In my view, this approach contradicts the holistic analysis required by the transformative use test. See *Hart v. Elec. Arts, Inc.*, 717 F.3d 141, 170–76 (3d Cir. 2013) (Ambro, J., dissenting).² The salient question is whether the entire work is transformative, and whether the transformative elements predominate, rather than whether an individual persona or image has been altered.

² I agree fully with Judge Ambro's excellent dissent in *Hart*, which describes the analytic flaws of applying a transformative use test outside the context of the work as a whole.

When EA's *NCAA Football* video game series is examined carefully, and put in proper context, I conclude that the creative and transformative elements of the games predominate over the commercial use of the likenesses of the athletes within the games.

A

The first step in conducting a balancing is to examine the creative work at issue. At its essence, EA's *NCAA Football* is a work of interactive historical fiction. Although the game changes from year to year, its most popular features predominately involve role-playing by the gamer. For example, a player can create a virtual image of himself as a potential college football player. The virtual player decides which position he would like to play, then participates in a series of "tryouts" or competes in an entire high school season to gauge his skill. Based on his performance, the virtual player is ranked and available to play at select colleges. The player chooses among the colleges, then assumes the role of a college football player. He also selects a major, the amount of time he wishes to spend on social activities, and practice—all of which may affect the virtual player's performance. He then plays his position on the college team. In some versions of the game, in another mode, the virtual player can engage in a competition for the Heisman Trophy. In another popular mode, the gamer becomes a virtual coach. The coach scouts, recruits, and develops entirely fictional players for his team. The coach can then promote the team's evolution over decades of seasons.

The college teams that are supplied in the game do replicate the actual college teams for that season, including

virtual athletes who bear the statistical and physical dimensions of the actual college athletes. But, unlike their professional football counterparts in the *Madden NFL* series, the NCAA football players in these games are not identified.

The gamers can also change their abilities, appearances, and physical characteristics at will. Keller's impressive physical likeness can be morphed by the gamer into an overweight and slow virtual athlete, with anemic passing ability. And the gamer can create new virtual players out of whole cloth. Players can change teams. The gamer could pit Sam Keller against himself, or a stronger or weaker version of himself, on a different team. Or the gamer could play the game endlessly without ever encountering Keller's avatar. In the simulated games, the gamer controls not only the conduct of the game, but the weather, crowd noise, mascots, and other environmental factors. Of course, one may play the game leaving the players unaltered, pitting team against team. But, in this context as well, the work is one of historic fiction. The gamer controls the teams, players, and games.

Applying the *Comedy III* considerations to *NCAA Football* in proper holistic context, the considerations favor First Amendment protection. The athletic likenesses are but one of the raw materials from which the broader game is constructed. The work, considered as a whole, is primarily one of EA's own expression. The creative and transformative elements predominate over the commercial use of likenesses. The marketability and economic value of the game comes from the creative elements within, not from the pure commercial exploitation of a celebrity image. The game is not a conventional portrait of a celebrity, but a work consisting of many creative and transformative elements.

The video game at issue is much akin to the creations the California Supreme Court found protected in *Winter v. DC Comics*, 69 P.3d 473, 476 (Cal. 2003), where the two fabled guitarists Johnny and Edgar Winter were easily identifiable, but depicted as chimeras. It is also consistent with the California Court of Appeal's decision in *Kirby v. Sega of America, Inc.*, 50 Cal. Rptr. 3d 607, 609–10 (Cal. Ct. App. 2006), where a character easily identified as singer Kierin Kirby, more popularly known as Lady Miss Kier, was transformed into a “‘fanciful, creative character’ who exists in the context of a unique and expressive video game.” *Id.* at 618. So, too, are the virtual players who populate the world of the *NCAA Football* series.

No Doubt v. Activision Publishing, Inc., 122 Cal. Rptr. 3d 397 (Cal. Ct. App. 2011), is not to the contrary. The literal representations in *No Doubt* were not, and could not be, transformed in any way. Indeed, in *No Doubt*, the bandmembers posed for motion-capture photography to allow reproduction of their likenesses, *id.* at 402, and the Court of Appeal underscored the fact that the video game did not “permit players to alter the No Doubt avatars in any respect” and the avatars remained “at all times immutable images of the real celebrity musicians,” *id.* at 410. The Court of Appeal cited character immutability as a chief factor distinguishing that case from *Winter* and *Kirby*. *Id.* Unlike the avatars in *No Doubt*, the virtual players in *NCAA Football* are completely mutable and changeable at the whim of the gamer. The majority places great reliance on *No Doubt* as support for its proposition that the initial placement of realistic avatars in the game overcomes the First Amendment's protection, but the Court of Appeal in *No Doubt* rejected such a cramped construction, noting that “even literal reproductions of celebrities may be ‘transformed’ into expressive works based

on the context into which the celebrity image is placed.” *Id.* at 410 (citing *Comedy III*, 21 P.3d at 797).³

Unlike the majority, I would not punish EA for the realism of its games and for the skill of the artists who created realistic settings for the football games. Majority op. at 21 n.10. That the lifelike roar of the crowd and the crunch of pads contribute to the gamer’s experience demonstrates how little of *NCAA Football* is driven by the particular likeness of Sam Keller, or any of the other plaintiffs, rather than by the game’s artistic elements.

In short, considering the creative elements alone in this case satisfies the transformative use test in favor of First Amendment protection.

B

Although one could leave the analysis with an examination of the transformative and creative aspects of the game, a true balancing requires an inquiry as to the other side of the scales: the publicity right at stake. Here, as well, the *NCAA Football* video game series can be distinguished from the traditional right of publicity cases, both from a quantitative and a qualitative perspective.

As a quantitative matter, *NCAA Football* is different from other right of publicity cases in the sheer number of virtual actors involved. Most right of publicity cases involve either one celebrity, or a finite and defined group of celebrities.

³ Of course, to the extent that the Court of Appeal’s opinion in *No Doubt* may be read to be in tension with the transformative use test as articulated by the California Supreme Court in *Comedy III* and *Winter*, it must yield.

Comedy III involved literal likenesses of the Three Stooges. *Hilton v. Hallmark Cards*, 599 F.3d 894, 909–12 (9th Cir. 2009), involved the literal likeness of Paris Hilton. *Winter* involved the images of the rock star brother duo. *Kirby* involved the likeness of one singer. *No Doubt* focused on the likenesses of the members of a specific legendary band.

In contrast, *NCAA Football* includes not just Sam Keller, but thousands of virtual actors. This consideration is of particular significance when we examine, as instructed by *Comedy III*, whether the source of the product marketability comes from creative elements or from pure exploitation of a celebrity image. 21 P.3d at 810. There is not, at this stage of the litigation, any evidence as to the personal marketing power of Sam Keller, as distinguished from the appeal of the creative aspects of the product. Regardless, the sheer number of athletes involved inevitably diminish the significance of the publicity right at issue. *Comedy III* involved literal depictions of the Three Stooges on lithographs and T-shirts. *Winter* involved characters depicted in a comic strip. *Kirby* and *No Doubt* involved pivotal characters in a video game. The commercial image of the celebrities in each case was central to the production, and its contact with the consumer was immediate and unavoidable. In contrast, one could play *NCAA Football* thousands of times without ever encountering a particular avatar. In context of the collective, an individual's publicity right is relatively insignificant. Put another way, if an anonymous virtual player is tackled in an imaginary video game and no one notices, is there any right of publicity infringed at all?

The sheer quantity of the virtual players in the game underscores the inappropriateness of analyzing the right of publicity through the lens of one likeness only. Only when

the creative work is considered in complete context can a proper analysis be conducted.

As a qualitative matter, the essence of *NCAA Football* is founded on publicly available data, which is not protected by any individual publicity rights. It is true that EA solicits and receives information directly from colleges and universities. But the information is hardly proprietary. Personal vital statistics for players are found in college programs and media guides. Likewise, playing statistics are easily available. In this respect, the information used by EA is indistinguishable from the information used in fantasy athletic leagues, for which the First Amendment provides protection, *C.B.C. Distribution & Mktg., Inc. v. Major League Baseball Advanced Media, L.P.*, 505 F.3d 818, 823–24 (8th Cir. 2007), or much beloved statistical board games, such as Strat-O-Matic. An athlete’s right of publicity simply does not encompass publicly available statistical data. *See, e.g., IMS Health Inc. v. Sorrell*, 630 F.3d 263, 271–72 (2d Cir. 2010) (“The First Amendment protects ‘[e]ven dry information, devoid of advocacy, political relevance, or artistic expression.’” (quoting *Universal City Studios, Inc. v. Corley*, 273 F.3d 429, 446 (2d Cir. 2001))) (alteration in original)).⁴

Further, the structure of the game is not founded on exploitation of an individual’s publicity rights. The players are unidentified and anonymous. It is true that third-party

⁴ Contrary to the majority’s suggestion, I do not claim that any use of a likeness founded on publicly available information is transformative. Majority op. 30–31 n.12. The majority’s analogy to a commercial featuring Tom Brady is inapposite for at least two reasons: (1) a commercial is not interactive in the same way that *NCAA Football* is, and (2) Brady’s marketing power is well established, while that of the plaintiffs is not.

software is available to quickly identify the players, but that is not part of the EA package. And the fact that the players can be identified by the knowledgeable user by their position, team, and statistics is somewhat beside the point. The issue is whether the marketability of the product is driven by an individual celebrity, or by the game itself. *Comedy III*, 21 P.3d at 810. Player anonymity, while certainly not a complete defense, bears on the question of how we balance the right of publicity against the First Amendment. This feature of the game places it in stark contrast with *No Doubt*, where the whole point of the enterprise was the successful commercial exploitation of the specifically identified, world-famous musicians.

Finally, as a qualitative matter, the publicity rights of college athletes are remarkably restricted. This consideration is critical because the “right to exploit commercially one’s celebrity is primarily an economic right.” *Gionfriddo v. Major League Baseball*, 114 Cal. Rptr. 2d 307, 318 (Cal. Ct. App. 2001). NCAA rules prohibit athletes from benefitting economically from any success on the field. NCAA Bylaw 12.5 specifically prohibits commercial licensing of an NCAA athlete’s name or picture. NCAA, *2012–13 NCAA Division I Manual* § 12.5.2.1 (2012). Before being allowed to compete each year, all Division I NCAA athletes must sign a contract stating that they understand the prohibition on licensing and affirming that they have not violated any amateurism rules. In short, even if an athlete wished to license his image to EA, the athlete could not do so without destroying amateur status. Thus, an individual college athlete’s right of publicity is

extraordinarily circumscribed and, in practical reality, non-existent.⁵

In sum, even apart from consideration of transformative elements, examination of the right of publicity in question also resolves the balance in favor of the First Amendment. The quantity of players involved dilutes the commercial impact of any particular player and the scope of the publicity right is significantly reduced by the fact that: (1) a player cannot own the individual, publicly available statistics on which the game is based; (2) the players are not identified in the game; and (3) NCAA college athletes do not have the

⁵ The issue of whether this structure is fair to the student athlete is beyond the scope of this appeal, but forms a significant backdrop to the discussion. The NCAA received revenues of \$871.6 million in fiscal year 2011–12, with 81% of the money coming from television and marketing fees. However, few college athletes will ever receive any professional compensation. The NCAA reports that in 2011, there were 67,887 college football players. Of those, 15,086 were senior players, and only 255 athletes were drafted for a professional team. Thus, only 1.7% of seniors received any subsequent professional economic compensation for their athletic endeavors. NCAA, *Estimated Probability of Competing in Athletics Beyond the High School Interscholastic Level* (2011), available at <http://www.ncaa.org/wps/wcm/connect/public/ncaa/pdfs/2011/2011+probability+of+going+pro>.

And participation in college football can come at a terrible cost. The NCAA reports that, during a recent five-year period, college football players suffered 41,000 injuries, including 23 non-fatal catastrophic injuries and 11 fatalities from indirect catastrophic injuries. NCAA, *Football Injuries: Data From the 2004/05 to 2008/09 Seasons*, available at <http://www.ncaa.org/wps/wcm/connect/public/ncaa/health+and+safety/sports+injuries/resources/football+injuries>.

right to license their names and likenesses, even if they chose to do so.⁶

II

Given the proper application of the transformative use test, Keller is unlikely to prevail. The balance of interests falls squarely on the side of the First Amendment. The stakes are not small. The logical consequence of the majority view is that all realistic depictions of actual persons, no matter how incidental, are protected by a state law right of publicity regardless of the creative context. This logic jeopardizes the creative use of historic figures in motion pictures, books, and sound recordings. Absent the use of actual footage, the motion picture *Forrest Gump* might as well be just a box of chocolates. Without its historical characters, *Midnight in Paris* would be reduced to a pedestrian domestic squabble. The majority's holding that creative use of realistic images and personas does not satisfy the transformative use test cannot be reconciled with the many cases affording such

⁶ While acknowledging that these considerations are relevant to the *Comedy III* analysis, the majority says EA's use of realistic likenesses demonstrates that it sees "value in having an avatar designed to mimic each individual player." Majority op. at 17 n.7. But the same is true of any right of publicity case. The defendants in *Winter* saw value in using comic book characters that resembled the Winter brothers. Andy Warhol—whose portraits were discussed in *Comedy III*—saw value in using images of celebrities such as Marilyn Monroe. In those cases, the products' marketability derives primarily from the creative elements, not from a pure commercial exploitation of a celebrity image. The same is true of *NCAA Football*.

works First Amendment protection.⁷ I respectfully disagree with this potentially dangerous and out-of-context interpretation of the transformative use test.

For these reasons, I respectfully dissent.

⁷ See, e.g., *ETW Corp. v. Jireh Publ'g, Inc.*, 332 F.3d 915 (6th Cir. 2003) (affording First Amendment protection to an artist's use of photographs of Tiger Woods); J. Thomas McCarthy, *The Rights of Publicity and Privacy* § 8.65 (2013 ed.) (collecting cases); *Hart*, 717 F.3d at 173 (Ambro, J., dissenting) (describing cases).

Link to other materials:

Screen Actors Guild pledges to fight AI-driven face-swapping porn, SAG-AFTRA is trying to get ahead of deepfakes.

<https://www.engadget.com/2018/04/20/deepfake-sag-actors-guild-fight-fake-porn/>

MARCH 13, 2018

Constructing a Sports Gambling System for New York

By Bennett Liebman
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It is now conventional wisdom that the U.S. Supreme Court will soon find the 1992 Professional and Amateur Sports Protection Act ("PASPA") unconstitutional. PASPA is the federal law that requires states (except for those that had sports gambling before 1992) to make sports gambling illegal. If PASPA is unconstitutional, then the individual states would be free to determine whether to legalize sports gambling.

However, it's not that easy in New York State. Key and complex decisions need to be made by the legislature and the electorate before New York can establish a comprehensive system to legalize sports gambling.

The initial hurdle is New York State's constitution, which bans all of forms of gambling with certain specified exceptions. In terms of sports, the key exceptions are pari-mutuel horse racing and casino gambling. Since casino gambling can be viewed in the U.S. to encompass sports gambling, in 2013, as a part of the casino authorization legislation, New York State authorized the four upstate casinos to have sports gambling if PASPA were to be amended or found unconstitutional. Thus, if the Supreme Court finds PASPA unconstitutional, once the Gaming Commission establishes regulations, the four upstate casinos could begin sports gambling. For all the other entities in the state, sports gambling would need a constitutional change. If both the Senate and Assembly pass a sports gambling authorization in 2018, a newly elected legislature could then pass a second authorization in 2019. The amendment would then be submitted to the electorate in November of 2019. Full sports gambling could conceivably begin in 2020.

What, then, would occur? Who will be able to offer sports gambling, besides the casinos? Could the racinos, combined tracks and casinos, the individual racing associations, Off Track Betting ("OTB"), the state lottery, or the fantasy sports groups? The OTBs have been requesting sports gambling for over 40 years, and the fantasy sports companies would be harmed significantly from direct competition from sports gambling. Using the lottery system would bring a virtual army of retailers to sell sports gambling products. Perhaps individual bars, taverns, and even airport terminal managers would want to be part of any sports gambling network.

How would the federal and state governments tax revenue resulting from sports gambling? The federal government already taxes it. Some of the sports leagues are suggesting that they receive funds to preserve the integrity of their sports. What would the state tax rate be? Would state tax revenue, like the lottery, be funneled to education? If the state's tax is too high, would this open the way for tribal sports gambling to offer better odds and services to bettors?

How would revenues to OTBs make their way to local governments? Further, how would revenues from Video Lottery Terminals operated by racetracks be distributed to horsemen and to the state's horse breeders?

Would there only be in-person betting from individual tellers, or could there be slot-like machines that offer sports bets? Would telephone wagers and computerized bets be authorized, and would exchange wagering, where individual bettors offer their own lines to other bettors, be allowed? The state could authorize only one technology operator, or it could license several technology companies to oversee sports gambling.

What sports would be authorized as wagering products? Will games played by in-state colleges be the subject of bets? How about betting on minor league professional sports or on non-U.S. sports leagues? Will there be in-game wagering? Must one bet on individual games, or could one bet on the potential Super Bowl or World Series champion?

There is also the issue of proposition wagering, which involves betting on events not directly connected with the outcome of the event. Who wins the coin toss? How many completions will Tom Brady have? What's the over and under for the length of the national anthem? A decision will be needed regarding what proposition bets will be allowed.

On its face, sports gambling looks like the easiest game to operate. It should be a mortal lock for any operator to make money. However, legalizing sports gambling is actually a labyrinth. Given its past performances, it is even money that the state government will get tangled up in this maze. Mistakes in the maze have consequences. It can be a cruel game, with winners and losers. Authorizing sports betting is far closer to Jumanji than to Candyland.

**PRECEDENTIAL
AMENDED**

UNITED STATES COURT OF APPEALS
FOR THE THIRD CIRCUIT

Nos. 14-4546, 14-4568, and 14-4569

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION,
an unincorporated association; NATIONAL BASKETBALL
ASSOCIATION, a joint venture; NATIONAL FOOTBALL
LEAGUE, an unincorporated association; NATIONAL
HOCKEY LEAGUE, an unincorporated association; OFFICE
OF THE COMMISSIONER OF BASEBALL, an
unincorporated association doing business as MAJOR
LEAGUE BASEBALL

v.

GOVERNOR OF THE STATE OF NEW JERSEY; DAVID
L. REBUCK, Director of the New Jersey Division of Gaming
Enforcement and Assistant Attorney General of the State of
New Jersey; FRANK ZANZUCKI, Executive Director of
the New Jersey Racing Commission; NEW JERSEY
THOROUGHBRED HORSEMEN'S ASSOCIATION, INC;
NEW JERSEY SPORTS & EXPOSITION AUTHORITY

STEPHEN M. SWEENEY, President of the New Jersey
Senate; VINCENT PRIETO, Speaker of the New Jersey
General Assembly (Intervenors in District Court)

Appellants in 14-4568

Governor of New Jersey; David L. Rebeck; Frank Zanzuccki,
Appellants in 14-4546

New Jersey Thoroughbred Horsemen's Association, Inc.,
Appellant in 14-4569

On Appeal from the United States District Court
for the District of New Jersey
(District Court No.: 3-14-cv-06450)
District Judge: Honorable Michael A. Shipp

Argued on March 17, 2015 before Merits Panel
Court Ordered Rehearing En Banc on October 14, 2015
Argued En Banc on February 17, 2016

Before: AMBRO, FUENTES, SMITH, FISHER, JORDAN,
HARDIMAN, GREENAWAY JR., VANASKIE, KRAUSE,
RESTREPO, RENDELL, and BARRY, Circuit Judges

(Opinion filed: August 9, 2016)
(Amended: August 11, 2016)

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O P I N I O N

RENDELL, Circuit Judge:

The issue presented before the en banc court is whether SB 2460, which the New Jersey Legislature enacted in 2014 to partially repeal certain prohibitions on sports gambling (the “2014 Law”), violates federal law. 2014 N.J. Sess. Law Serv. Ch. 62, codified at N.J. Stat. Ann. §§ 5:12A-7 to -9. The District Court held that the 2014 Law violates the Professional and Amateur Sports Protection Act (“PASPA”), 28 U.S.C. §§ 3701-3704. A panel of this Court affirmed this ruling in a divided opinion which was subsequently vacated upon the grant of the Petition for Rehearing en banc. We now hold that the District Court

correctly ruled that because PASPA, by its terms, prohibits states from authorizing by law sports gambling, and because the 2014 Law does exactly that, the 2014 Law violates federal law. We also hold that we correctly ruled in *Christie I* that PASPA does not commandeer the states in a way that runs afoul of the Constitution.

I. Background

Congress passed PASPA in 1992 to prohibit state-sanctioned sports gambling. PASPA provides:

It shall be unlawful for—

(1) a governmental entity to sponsor, operate, advertise, promote, license, or authorize by law or compact, or

(2) a person to sponsor, operate, advertise, or promote, pursuant to the law or compact of a governmental entity, a lottery, sweepstakes, or other betting, gambling, or wagering scheme based . . . on one or more competitive games in which amateur or professional athletes participate, or are intended to participate, or on one or more performances of such athletes in such games.

28 U.S.C. § 3702 (emphasis added). PASPA defines “governmental entity” to include states and their political subdivisions. *Id.* § 3701(2). It includes a remedial provision

that permits any sports league whose games are or will be the subject of sports gambling to bring an action to enjoin the gambling. *Id.* § 3703.

Congress included in PASPA exceptions for state-sponsored sports wagering in Nevada and sports lotteries in Oregon and Delaware, and also an exception for New Jersey but only if New Jersey were to enact a sports gambling scheme within one year of PASPA's enactment. *Id.* § 3704(a). New Jersey did not do so, and thus the PASPA exception expired. Notably, sports gambling was prohibited in New Jersey for many years by statute and by the New Jersey Constitution. *See, e.g.*, N.J. Const. Art. IV § VII ¶ 2; N.J. Stat. Ann. § 2C:37-2; N.J. Stat. Ann. § 2A:40-1. In 2010, however, the New Jersey Legislature held public hearings on the advisability of allowing sports gambling. These hearings included testimony that sports gambling would generate revenues for New Jersey's struggling casinos and racetracks. In 2011, the Legislature held a referendum asking New Jersey voters whether sports gambling should be permitted, and sixty-four percent voted in favor of amending the New Jersey Constitution to permit sports gambling. The constitutional amendment provided:

It shall also be lawful for the Legislature to authorize by law wagering at casinos or gambling houses in Atlantic City on the results of any professional, college, or amateur sport or athletic event, except that wagering shall not be permitted on a college sport or athletic event that takes place in New Jersey or on a sport or athletic event in which any New Jersey

college team participates regardless of
where the event takes place

N.J. Const. Art. IV, § VII, ¶ 2(D). The amendment thus permitted the New Jersey Legislature to “authorize by law” sports “wagering at casinos or gambling houses in Atlantic City,” except that wagering was not permitted on New Jersey college teams or on any collegiate event occurring in New Jersey. An additional section of the amendment permitted the Legislature to “authorize by law” sports “wagering at current or former running and harness horse racetracks,” subject to the same restrictions regarding New Jersey college teams and collegiate events occurring in New Jersey. *Id.* ¶ 2(F).

After voters approved the sports-wagering constitutional amendment, the New Jersey Legislature enacted the Sports Wagering Act in 2012 (“2012 Law”), which provided for regulated sports wagering at New Jersey’s casinos and racetracks. N.J. Stat. Ann. §§ 5:12A-1 *et seq.* (2012). The 2012 Law established a comprehensive regulatory scheme, requiring licenses for operators and individual employees, extensive documentation, minimum cash reserves, and Division of Gaming Enforcement access to security and surveillance systems.

Five sports leagues¹ sued to enjoin the 2012 Law as violative of PASPA.² The New Jersey Parties did not dispute

¹ The sports leagues were the National Collegiate Athletic Association, National Football League, National Basketball Association, National Hockey League, and the Office of the Commissioner of Baseball, doing business as Major League Baseball (collectively, the “Leagues”).

that the 2012 Law violated PASPA, but urged instead that PASPA was unconstitutional under the anti-commandeering doctrine. The District Court held that PASPA was constitutional and enjoined implementation of the 2012 Law. The New Jersey Parties appealed, and we affirmed in *National Collegiate Athletic Ass’n v. Governor of New Jersey*, 730 F.3d 208 (3d Cir. 2013) (*Christie I*).

In *Christie I*, we rejected the New Jersey Parties’ argument that PASPA was unconstitutional by commandeering New Jersey’s legislative process. In doing so, we stated that “[n]othing in [PASPA’s] words *requires* that the states keep any law in place. All that is prohibited is

² The Leagues named as defendants Christopher J. Christie, the Governor of the State of New Jersey; David L. Reback, the Director of the New Jersey Division of Gaming Enforcement and Assistant Attorney General of the State of New Jersey; and Frank Zanzuccki, Executive Director of the New Jersey Racing Commission. The New Jersey Thoroughbred Horsemen’s Association, Inc. (“NJTHA”) intervened as a defendant, as did Stephen M. Sweeney, President of the New Jersey Senate, and Sheila Y. Oliver, Speaker of the New Jersey General Assembly (“State Legislators”). We collectively refer to these parties as the “New Jersey Parties.” In the present case, the New Jersey Parties are the same, with some exceptions. NJTHA was named as a defendant (i.e., it did not intervene), as was the New Jersey Sports and Exposition Authority; the latter is not participating in this appeal. Additionally, Vincent Prieto, not Sheila Y. Oliver, is now the Speaker of the General Assembly.

the issuance of gambling ‘license[s]’ or the affirmative ‘authoriz[ation] *by law*’ of gambling schemes.” *Id.* at 232 (alterations in original). The New Jersey Parties had urged that PASPA commandeered the state because it prohibited the repeal of New Jersey’s prohibitions on sports gambling; they reasoned that repealing a statute barring an activity would be equivalent to authorizing the activity, and “authorizing” was not allowed by PASPA. We rejected that argument, observing that “PASPA speaks only of ‘authorizing *by law*’ a sports gambling scheme,” and “[w]e [did] not see how having *no law* in place governing sports wagering is the same as authorizing it by law.” *Id.* (emphasis in original). We further emphasized that “the lack of an affirmative prohibition of an activity does not mean it is *affirmatively* authorized by law. The right to do that which is not prohibited derives not from the authority of the state but from the inherent rights of the people.” *Id.* (emphasis in original). In short, we concluded that the New Jersey Parties’ argument rested on a “false equivalence between repeal and authorization.” *Id.* at 233. The New Jersey Parties appealed to the Supreme Court of the United States, which denied certiorari.

Undeterred, in 2014, the Legislature passed the 2014 Law, SB 2460, which provided in part:

[A]ny rules and regulations that may require or authorize any State agency to license, authorize, permit or otherwise take action to allow any person to engage in the placement or acceptance of any wager on any professional, collegiate, or amateur sport contest or athletic event, or that prohibit participation in or operation

of a pool that accepts such wagers, are repealed to the extent they apply or may be construed to apply at a casino or gambling house operating in this State in Atlantic City or a running or harness horse racetrack in this State, to the placement and acceptance of wagers on professional, collegiate, or amateur sport contests or athletic events

N.J. Stat. Ann. § 5:12A-7. The 2014 Law specifically prohibited wagering on New Jersey college teams' competitions and on any collegiate competition occurring in New Jersey, and it limited sports wagering to "persons 21 years of age or older situated at such location[s]," namely casinos and racetracks. *Id.*

II. Procedural History and Parties' Arguments

The Leagues filed suit to enjoin the New Jersey Parties from giving effect to the 2014 Law. The District Court held that the 2014 Law violates PASPA, granted summary judgment in favor of the Leagues, and issued a permanent injunction against the Governor of New Jersey, the Director of the New Jersey Division of Gaming Enforcement, and the Executive Director of the New Jersey Racing Commission (collectively, the "New Jersey Enjoined Parties").³ The

³ In the District Court, the New Jersey Enjoined Parties urged that the Eleventh Amendment gave them immunity such that they could not be sued in an action challenging the 2014 Law. The District Court rejected this argument, as do we, and we note that, while the issue was briefed, the New Jersey Enjoined Parties did not press—or even mention—this

issue at oral argument before either the merits panel or the en banc court. They contend that, because the 2014 Law is a self-executing repeal that requires no action from them or any other state official, they are immune from suit. This argument fails. The New Jersey Enjoined Parties are subject to suit under the *Ex parte Young* exception to Eleventh Amendment immunity, which “permit[s] the federal courts to vindicate federal rights and hold state officials responsible to ‘the supreme authority of the United States.’” *Pennhurst State Sch. & Hosp. v. Halderman*, 465 U.S. 89, 105 (1984) (quoting *Ex parte Young*, 209 U.S. 123, 160 (1908)). The contrary argument of the New Jersey Enjoined Parties relies on a false premise that execution of the 2014 Law involves no affirmative *ultra vires* act by state officials. But the 2014 Law is far from passive. As we conclude at length, the 2014 Law establishes a regulatory regime that authorizes wagering on sports in limited locations for particular persons, so it is an affirmative act by New Jersey state officials to authorize by law sports betting, in violation of PASPA. As such, implementation of the law falls squarely within the *Ex parte Young* exception to sovereign immunity because it is “simply an illegal act upon the part of a state official in attempting, by the use of the name of the state, to enforce a legislative enactment which is void because” it is contrary to federal law. 209 U.S. at 159. “In determining whether the doctrine of *Ex parte Young* avoids an Eleventh Amendment bar to suit, a court need only conduct a straightforward inquiry into whether the complaint alleges an ongoing violation of federal law and seeks relief properly characterized as prospective.” *Verizon Maryland, Inc. v. Pub. Serv. Comm’n of Maryland*, 535 U.S. 635, 645 (2002) (internal quotation marks and alterations omitted). That is precisely the situation we face in

District Court interpreted *Christie I* as holding that PASPA offers two choices to states: maintaining prohibitions on sports gambling or completely repealing them. It reasoned that the 2014 Law runs afoul of PASPA because the 2014 Law is a partial repeal that necessarily results in sports wagering with the State's imprimatur. The New Jersey Parties appealed.

On appeal, the New Jersey Parties argue that the 2014 Law does not constitute an authorization in violation of PASPA and it is consistent with *Christie I* because the New Jersey Legislature effected a repealer as *Christie I* specifically permitted.

The Leagues urge that the 2014 Law violates PASPA because it "authorizes by law" sports wagering and also impermissibly "licenses" the activity by confining the repeal of gambling prohibitions to licensed gambling facilities and thus, in effect, enlarging the terms of existing gaming licenses. The United States submitted an amicus brief in support of the Leagues.

A panel of this Court affirmed in a divided opinion, which was subsequently vacated. Because we, sitting en banc, essentially agree with the reasoning of the panel majority's opinion, we incorporate much of it verbatim in this opinion.

this case. We therefore need not address the unsettled question of whether an *Ex parte Young* exception must exist in the case of a truly self-executing law because the 2014 Law is not one.

III. Analysis⁴

A. The 2014 Law Violates PASPA

As a preliminary matter, we acknowledge the 2014 Law's salutary purpose in attempting to legalize sports gambling to revive its troubled casino and racetrack industries. The New Jersey Assembly Gaming and Tourism Committee chairman stated, in regard to the 2014 Law, that "[w]e want to give the racetracks a shot in the arm. We want to help Atlantic City. We want to do something for the gaming business in the state of New Jersey, which has been under tremendous duress" (App. 91.) New Jersey State Senator Ray Lesniak, a sponsor of the law, has likewise stated that "[s]ports betting will be a lifeline to the casinos, putting people to work and generating economic activity in a growth industry." (App. 94.) And New Jersey State Senator Joseph Kyrillos stated that "New Jersey's continued prohibition on sports betting at our casinos and racetracks is contrary to our interest of supporting employers that provide tens of thousands of jobs and add billions to our state's economy" and that "[s]ports betting will help set New Jersey's wagering facilities apart from the competition and strengthen Monmouth Park and our struggling casino industry." (App. 138.) PASPA has clearly stymied New Jersey's attempts to

⁴ "We review a district court's grant of summary judgment *de novo*" *Viera v. Life Ins. Co. of N. Am.*, 642 F.3d 407, 413 (3d Cir. 2011). "We review a district court's grant of a permanent injunction for abuse of discretion." *Meyer v. CUNA Mut. Ins. Soc'y*, 648 F.3d 154, 162 (3d Cir. 2011).

revive its casinos and racetracks and provide jobs for its workforce.

Moreover, PASPA is not without its critics, even aside from its economic impact. It has been criticized for prohibiting an activity, i.e., sports gambling, that its critics view as neither immoral nor dangerous. It has also been criticized for encouraging the spread of illegal sports gambling and for making it easier to fix games, since it precludes the transparency that accompanies legal activities. Simply put, “[w]e are cognizant that certain questions related to this case—whether gambling on sporting events is harmful to the games’ integrity and whether states should be permitted to license and profit from the activity—engender strong views.” *Christie I*, 730 F.3d at 215. While PASPA’s provisions and its reach are controversial (and, some might say, unwise), “we are not asked to judge the wisdom of PASPA” and “[i]t is not our place to usurp Congress’ role simply because PASPA may have become an unpopular law.” *Id.* at 215, 241. We echo *Christie I* in noting that “New Jersey and any other state that may wish to legalize gambling on sports . . . are not left without redress. Just as PASPA once gave New Jersey preferential treatment in the context of gambling on sports, Congress may again choose to do so or . . . may choose to undo PASPA altogether.” *Id.* at 240-41. Unless that happens, however, we are duty-bound to interpret the text of the law as Congress wrote it.

We now turn to the primary question before us: whether the 2014 Law violates PASPA. We hold that it does. Under PASPA, it shall be unlawful for “a governmental entity to sponsor, operate, advertise, promote, license, or authorize by law or compact” sports gambling. 28 U.S.C. § 3702(1).

We conclude that the 2014 Law violates PASPA because it authorizes by law sports gambling.

First, the 2014 Law authorizes casinos and racetracks to operate sports gambling while other laws prohibit sports gambling by all other entities. Without the 2014 Law, the sports gambling prohibitions would apply to casinos and racetracks. Appellants urge that the 2014 Law does not provide authority for sports gambling because we previously held that “[t]he right to do that which is not prohibited derives not from the authority of the state but from the inherent rights of the people” and that “[w]e do not see how having *no law* in place governing sports wagering is the same as authorizing it by law.” *Christie I*, 730 F.3d at 232. But this is not a situation where there are *no* laws governing sports gambling in New Jersey. Absent the 2014 Law, New Jersey’s myriad laws prohibiting sports gambling would apply to the casinos and racetracks. Thus, the 2014 Law provides the authorization for conduct that is otherwise clearly and completely legally prohibited.

Second, the 2014 Law authorizes sports gambling by selectively dictating where sports gambling may occur, who may place bets in such gambling, and which athletic contests are permissible subjects for such gambling. Under the 2014 Law, New Jersey’s sports gambling prohibitions are specifically removed from casinos, gambling houses, and horse racetracks as long as the bettors are people age 21 or over, and as long as there are no bets on either New Jersey college teams or collegiate competitions occurring in New Jersey. The word “authorize” means, *inter alia*, “[t]o empower; to give a right or authority to act,” or “[t]o permit a thing to be done in the future.” Black’s Law Dictionary 133

(6th ed. 1990).⁵ The 2014 Law allows casinos and racetracks and their patrons to engage, under enumerated circumstances, in conduct that other businesses and their patrons cannot do. That selectiveness constitutes specific permission and empowerment.

Appellants urge that because the 2014 Law is only a “repeal” removing prohibitions against sports gambling, it is not an “affirmative authorization” under *Christie I*. To the extent that in *Christie I* we took the position that a repeal cannot constitute an authorization, we now reject that reasoning. Moreover, we do not adopt the District Court’s view that the options available to a state are limited to two. Neither of these propositions were necessary to their respective rulings and were, in essence, dicta. Furthermore, our discussion of partial versus total repeals is similarly unnecessary to determining the 2014 Law’s legality because the question presented here is straightforward—i.e., what does the law do—and does not turn on the way in which the state has enacted its directive.

The presence of the word “repeal” does not prevent us from examining what the provision actually does, and the Legislature’s use of the term does not change that the 2014 Law selectively grants permission to certain entities to engage in sports gambling. New Jersey’s sports gambling prohibitions remain, and no one may engage in such conduct except those singled out in the 2014 Law. While artfully couched in terms of a repealer, the 2014 Law essentially

⁵ We cite the version of Black’s Law Dictionary that was current in 1992, the year PASPA was passed.

provides that, notwithstanding any other prohibition by law, casinos and racetracks shall hereafter be permitted to have sports gambling. This is an authorization.

Third, the exception in PASPA for New Jersey, which the State did not take advantage of before the one-year time limit expired, is remarkably similar to the 2014 Law. The exception states that PASPA does not apply to “a betting, gambling, or wagering scheme . . . conducted exclusively in casinos . . . , but only to the extent that . . . any commercial casino gaming scheme was in operation . . . throughout the 10-year period” before PASPA was enacted. 28 U.S.C. § 3704(a)(3)(B). The exception would have permitted sports gambling at New Jersey’s casinos, which is just what the 2014 Law does. We can easily infer that, by explicitly excepting a scheme of sports gambling in New Jersey’s casinos from PASPA’s prohibitions, Congress intended that such a scheme would violate PASPA. If Congress had not perceived that sports gambling in New Jersey’s casinos would violate PASPA, then it would not have needed to insert the New Jersey exception. In other words, if sports gambling in New Jersey’s casinos does not violate PASPA, then PASPA’s one-year exception for New Jersey would have been superfluous. We will not read statutory provisions to be surplusage. *See Marx v. Gen. Revenue Corp.*, 133 S. Ct. 1166, 1178 (2013) (“[T]he canon against surplusage is strongest when an interpretation would render superfluous another part of the same statutory scheme.”). In order to avoid rendering the New Jersey exception surplusage, we

must read the 2014 Law as authorizing a scheme that clearly violates PASPA.⁶

As support for their argument that the 2014 Law does not violate PASPA, Appellants cite the 2014 Law's construction provision, which provides that "[t]he provisions of this act . . . are not intended and shall not be construed as causing the State to sponsor, operate, advertise, promote, license, or authorize by law or compact" sports wagering. N.J. Stat. Ann. § 5:12A-8. This conveniently mirrors PASPA's language providing that states may not "sponsor, operate, advertise, promote, license, or authorize by law or compact" sports wagering. 28 U.S.C. § 3702(1).

The construction provision does not save the 2014 Law. States may not use clever drafting or mandatory construction provisions to escape the supremacy of federal law. *Cf. Haywood v. Drown*, 556 U.S. 729, 742 (2009) ("[T]he Supremacy Clause cannot be evaded by formalism."); *Howlett ex rel. Howlett v. Rose*, 496 U.S. 356, 382-83 (1990) ("[t]he force of the Supremacy Clause is not so weak that it can be evaded by mere mention of" a particular word). In the same vein, the New Jersey Legislature cannot use a targeted construction provision to limit the reach of PASPA or to dictate to a court a construction that would limit that reach.

⁶ Granted, the 2014 Law applies to horse racetracks as well as casinos, while the PASPA exception for New Jersey refers only to casinos, but that does not change the significance of the New Jersey exception because it refers to gambling in places that already allow gambling, and the racetracks fall within that rubric.

The 2014 Law violates PASPA, and the construction provision cannot alter that fact.

Appellants also draw a comparison between the 2014 Law and the 2012 Law, which involved a broad regulatory scheme, as evidence that the 2014 Law does not violate PASPA. It is true that the 2014 Law does not set forth a comprehensive scheme or provide for a state regulatory role, as the 2012 Law did. However, PASPA does not limit its reach to active state involvement or extensive regulation of sports gambling. It prohibits a range of state activity, the least intrusive of which is “authorization” by law of sports gambling.

We conclude that the 2014 Law violates PASPA because it authorizes by law sports gambling.⁷

⁷ Because we conclude that the 2014 Law authorizes by law sports gambling, we need not address the argument made by Appellees and Amicus that the 2014 Law also licenses sports gambling by permitting only those entities that already have gambling licenses or recently had such licenses to conduct sports gambling operations. We also reject the argument of the State Legislators and the NJTHA that, to the extent that any aspect of the 2014 Law violates PASPA, we should apply the 2014 Law’s severability clause. Citing the broadly-worded severability provision of N.J. Stat. Ann. § 5:12A-9, they argue that the District Court should have saved the 2014 Law by severing the most objectionable parts. For example, the NJTHA urges that, “if the Court . . . concludes that a state decision to prohibit persons under 21 from making sports bets is [an] authorization by law for that activity by persons over 21, the age limitation could be severed, leaving

it to the sports gambling operators . . . to impose a reasonable age limit.” NJTHA’s Reply Br. at 23. It also argues that, “if the Court concludes that a state decision to prohibit . . . sports betting on some games is [an] authorization by law as to betting on all other games, this limitation could be severed,” and that “the Court can sever the Law’s provision dealing with casinos from its provision dealing with racetracks.” *Id.* at 24. Lifting the age limitation, permitting betting on New Jersey schools’ games, or limiting the authorization to an even narrower category of venues, however, would not alter our conclusion that the 2014 Law authorizes by law sports betting. “The standard for determining the severability of an unconstitutional provision is well established: Unless it is evident that the Legislature would not have enacted those provisions which are within its power, independently of that which is not, the invalid part may be dropped if what is left is fully operative as a law.” *Alaska Airlines, Inc. v. Brock*, 480 U.S. 678, 684 (1987) (internal quotation marks omitted). Because New Jersey’s legislature, in both the 2012 Law and the 2014 Law, was loath to permit sports betting outside of gambling establishments, we cannot reasonably say that it would have enacted a repeal of its gambling laws without the age restriction, without the restriction on gambling on New Jersey-based college sports, and without the geographic restriction to casinos and racetracks. We thus need not speculate about other possible forms that severance might take.

B. PASPA Does Not Impermissibly Commandeer the States

Appellants expend significant effort in this appeal revisiting our conclusion in *Christie I* that PASPA does not unconstitutionally commandeer the states. They root this effort in the District Court’s erroneous conclusion that PASPA presents states with a binary choice—either maintain a complete prohibition on sports wagering or wholly repeal state prohibitions. In *Christie I*, we engaged in a lengthy discussion to rebut Appellants’ assertion that if we conclude that New Jersey’s repeal of its prohibition is not permitted by PASPA, then it has unconstitutionally commandeered New Jersey. In so doing, we discussed the Supreme Court’s clear case law on commandeering. Our prior conclusion that PASPA does not run afoul of anti-commandeering principles remains sound despite Appellants’ attempt to call it into question using the 2014 Law as an exemplar.

1. Anti-Commandeering Jurisprudence

As we noted in *Christie I*, the Supreme Court’s anti-commandeering principle rests on the conclusion that “Congress ‘lacks the power directly to compel the States to require or prohibit’ acts which Congress itself may require or prohibit.” *Christie I*, 730 F.3d at 227 (quoting *New York v. United States*, 505 U.S. 144, 166 (1992)). In our prior survey of the anti-commandeering case law in *Christie I*, we grouped four commandeering cases upholding the federal laws at issue into two categories: (1) permissible regulation in a pre-emptible field, *Hodel v. Virginia Surface Min. & Reclamation Ass’n, Inc.*, 452 U.S. 264 (1981), and *F.E.R.C. v. Mississippi*, 456 U.S. 742 (1982); and (2) prohibitions on state action,

South Carolina v. Baker, 485 U.S. 505 (1988) and *Reno v. Condon*, 528 U.S. 141 (2000). The Supreme Court has struck down federal laws on anti-commandeering grounds in only two cases, *New York v. United States* and *Printz v. United States*, 521 U.S. 898 (1997). We summarize our prior review below.

First, congressional action in passing laws in otherwise pre-emptible fields has withstood attack in cases where the states were not compelled to enact laws or implement federal statutes or regulatory programs themselves. In *Hodel*, the Supreme Court upheld the constitutionality of a law that imposed federal standards for coal mining. The law left states a choice. A state could “assume permanent regulatory authority over . . . surface coal mining operations” and “submit a proposed permanent program” that “demonstrate[s] that the state legislature has enacted laws implementing the environmental protection standards . . . and that the State has the administrative and technical ability to enforce the[] standards.” *Hodel*, 452 U.S. at 271. However, if a state chose not to assume regulatory authority, the federal government would “administer[] the Act within that State and continue[] as such unless and until a ‘state program’ [wa]s approved.” *Id.* at 272. As we described in *Christie I*:

The Supreme Court upheld the provisions, noting that they neither compelled the states to adopt the federal standards, nor required them “to expend any state funds,” nor coerced them into “participat[ing] in the federal regulatory program in any manner whatsoever.” [*Hodel*, 452 U.S.] at 288. The Court further concluded

that Congress could have chosen to completely preempt the field by simply assuming oversight of the regulations itself. *Id.* It thus held that the Tenth Amendment posed no obstacle to a system by which Congress “chose to allow the States a regulatory role.” *Id.* at 290. As the Court later characterized *Hodel*, the scheme there did not violate the anti-commandeering principle because it “merely made compliance with federal standards a precondition to continued state regulation in an otherwise pre-empted field.” *Printz v. United States*, 521 U.S. 898, 926 (1997).

Christie I, 730 F.3d at 227–28. The Supreme Court’s opinion in *F.E.R.C. v. Mississippi* the following year confirmed its view that a law does not unconstitutionally commandeer the states when the law does not impose federal requirements on the states, but leaves states the choice to decline to implement federal standards. 456 U.S. 742, 767–68 (upholding a provision that required state utility companies to expend state resources to “consider” enacting federal standards, but did not require states to enact those standards).

Second, the Supreme Court has found Congress’s prohibition of certain state actions to not constitute unconstitutional commandeering. In *South Carolina v. Baker*, the Court upheld federal laws that prohibited the issuance of bearer bonds, which required states to amend legislation to be in compliance. 485 U.S. at 511, 514 (1988). As we characterized this case in *Christie I*:

The Court concluded this result did not run afoul [of] the Tenth Amendment because it did not seek to control or influence the manner in which States regulate private parties but was simply an inevitable consequence of regulating a state activity. In subsequent cases, the Court explained that the regulation in *Baker* was permissible because it simply subjected a State to the same legislation applicable to private parties.

Christie I, 730 F.3d at 228 (internal quotation marks and citations omitted). Later, in *Reno v. Condon*, the Court upheld the constitutionality of a law that prohibited states from releasing information gathered by state departments of motor vehicles. The Court ultimately concluded that the law at issue “d[id] not require the States in their sovereign capacity to regulate their own citizens[,] . . . d[id] not require the [State] Legislature[s] to enact any laws or regulations, and it d[id] not require state officials to assist in the enforcement of federal statutes regulating private individuals.” *Reno*, 528 U.S. at 151 (as altered in *Christie I*, 730 F.3d at 228).

As noted above, the Supreme Court has invalidated laws on anti-commandeering grounds on only two occasions. In *New York*, the Supreme Court struck down a “take-title” provision whereby states were required to take title to radioactive waste by a specific date, at the waste generator’s request, if they did not adopt a federal program. As we stated in *Christie I*, the provision “compel[led] the states to either enact a regulatory program, or expend resources in taking title to the waste.” *Christie I*, 730 F.3d at 229. The Supreme Court ultimately concluded in *New York* that the take-title

provision “crossed the line distinguishing encouragement from coercion.” 505 U.S. at 175. Similarly in *Printz v. United States*, the Supreme Court concluded that Congress “may neither issue directives requiring the States to address particular problems, nor command the States’ officers . . . to administer or enforce a federal regulatory program.” 521 U.S. at 935 (finding a federal law requiring state officers to conduct background checks on prospective gun owners to commandeer the states in violation of the Tenth Amendment).

2. PASPA Does Not Violate Anti-Commandeering Principles

We continue to view PASPA’s prohibition as more akin to those laws upheld in *Hodel*, *F.E.R.C.*, *Baker*, and *Reno*, and distinguishable from those struck down by the Supreme Court in *New York* and *Printz*. Our articulation of the way in which PASPA does not violate anti-commandeering principles warrants refinement, however, given the way in which the 2014 Law attempted to skirt PASPA and the thrust of Appellants’ arguments in this appeal.

In an attempt to reopen the anti-commandeering question we previously decided, Appellants creatively rely on certain language that was used in *Christie I*. In pressing for a declaration that PASPA unconstitutionally commandeered the states in *Christie I*, Appellants characterized PASPA as requiring the states to affirmatively keep a prohibition against sports wagering on their books, lest they be found to have authorized sports gambling by law by repealing the prohibition. In response, we opined that Appellants’ position “rest[ed] on a false equivalence between repeal and

authorization,” implying that a repeal is not an authorization. 730 F.3d at 233. Before us now Appellants urge that “[t]his Court held [in *Christie I*] that PASPA is constitutional *precisely because* it permits States to elect *not to prohibit* sports wagering, even if *affirmatively authorizing* it would be unlawful.” Appellants’ Br. 22 (emphasis in original). Appellants are saying, in effect, “We told you so”—if the legislature cannot repeal New Jersey’s prohibition as it attempted to do in the 2014 Law, then it is required to affirmatively keep the prohibition on the books, and PASPA unconstitutionally commandeers the states. We reject this argument.

That said, we view our discussion in *Christie I* regarding the relationship between a “repeal” and an “authorization” to have been too facile. While we considered whether repeal and authorization are interchangeable, our decision did not rest on that discussion. Today, we choose to excise that discussion from our prior opinion as unnecessary dicta. To be clear, a state’s decision to selectively remove a prohibition on sports wagering in a manner that permissively channels wagering activity to particular locations or operators is, in essence, “authorization” under PASPA. However, our determination that such a selective repeal of certain prohibitions amounts to authorization under PASPA does not mean that states are not afforded sufficient room under PASPA to craft their own policies.

Appellants urge that our conclusion in *Christie I* that PASPA does not unconstitutionally commandeer the states rested on our view that PASPA allows states to “choos[e] among many different potential policies on sports wagering that do not include licensing or affirmative authorization by

the State.” Appellants’ Br. 29. This is correct. PASPA does not command states to take affirmative actions, and it does not present a coercive binary choice. Our reasoning in *Christie I* that PASPA does not commandeer the states remains unshaken.

Appellants characterize the 2014 Law as a lawful exercise in the space PASPA affords states to create their own policy. They argue that without options beyond a complete repeal or a complete ban on sports wagering, such as the partial repeal New Jersey pursued, PASPA runs afoul of anti-commandeering principles. This argument sweeps too broadly. That a specific partial repeal which New Jersey chose to pursue in its 2014 Law is not valid under PASPA does not preclude the possibility that other options may pass muster. The issue of the extent to which a given repeal would constitute an authorization, in a vacuum, is not before us, as it was not specifically before us in *Christie I*. However, as the Leagues noted at oral argument before the en banc court, not all partial repeals are created equal. For instance, a state’s partial repeal of a sports wagering ban to allow *de minimis* wagers between friends and family would not have nearly the type of authorizing effect that we find in the 2014 Law. We need not, however, articulate a line whereby a partial repeal of a sports wagering ban amounts to an authorization under PASPA, if indeed such a line could be drawn. It is sufficient to conclude that the 2014 Law overstepped it.

Appellants seize on the District Court’s erroneous interpretation of *Christie I*’s anti-commandeering analysis—namely, that PASPA presents states with a strict binary choice between total repeal and keeping a complete ban on their books—to once again urge that if PASPA commands

such a choice, then it is comparable to the challenged law in *New York*. First, unlike the take-title provision included in the statute at issue in *New York*, PASPA's text does not present states with a coercive choice to adopt a federal program. To interpret PASPA to require such a coercive choice is to read something into the statute that simply is not there.

Second, PASPA is further distinguishable from the law at issue in *New York* because it does not require states to take any action. In *New York*, the Supreme Court held that a federal law that required states to enact a federal regulatory program or take title to radioactive waste at the behest of generators "crossed the line distinguishing encouragement from coercion." 505 U.S. at 175. Unlike the law at issue in *New York*, PASPA includes no coercive direction by the federal government. As we previously concluded in *Christie I*, PASPA does not command states to take any affirmative steps:

PASPA does not *require* or coerce the states to lift a finger—they are not required to pass laws, to take title to anything, to conduct background checks, to expend any funds, or to in any way enforce federal law. They are not even required, like the states were in *F.E.R.C.*, to expend resources considering federal regulatory regimes, let alone to adopt them. Simply put, we discern in PASPA no directives requiring the States to address particular problems and no commands to the States' officers to administer or enforce a federal regulatory program.

730 F.3d at 231 (internal quotation marks and alterations omitted) (emphasis in original). Put simply, PASPA does not impose a coercive either-or requirement or affirmative command.

We will not allow Appellants to bootstrap already decided questions of PASPA's constitutionality onto our determination that the 2014 Law violates PASPA. We reject the notion that PASPA presents states with a coercive binary choice or affirmative command and conclude, as we did in *Christie I*, that it does not unconstitutionally commandeer the states.

IV. Conclusion

The 2014 Law violates PASPA because it authorizes by law sports gambling. We continue to find PASPA constitutional. We will affirm.

FUENTES *joined by* RESTREPO, *Circuit Judges*, dissenting:

In November 2011, the question of whether to allow sports betting in New Jersey went before the electorate. By a 2-1 margin, New Jersey voters passed a referendum to amend the New Jersey Constitution to allow the New Jersey Legislature to “authorize by law” sports betting.¹ Accordingly, the Legislature enacted the 2012 Sports Wagering Act (“2012 Law”). The Sports Leagues challenged this Law, claiming that it violated the Professional and Amateur Sports Protection Act’s (“PASPA”) prohibition on states “authoriz[ing] by law” sports betting.² In *Christie I*, we agreed with the Sports Leagues and held that the 2012 Law violated and thus was preempted by PASPA. We explained, however, that New Jersey was free to repeal the sports betting prohibitions it already had in place. We rejected the argument that a repeal of prohibitions on sports betting was equivalent to authorizing by law sports betting. When the matter was brought to the Supreme Court, the Solicitor General echoed that same sentiment, stating that, “PASPA does not even obligate New Jersey to leave in place the state-law prohibitions against sports gambling that it had chosen to adopt prior to PASPA’s enactment. To the contrary, New Jersey is free to repeal those prohibitions in whole or in part.”³

¹ N.J. Const. art. IV, § 7, ¶ 2(D).

² See 28 U.S.C. § 3702(1).

³ Br. for the United States in Opp’n at 11, *Christie v. Nat’l Collegiate Athletic Ass’n*, Nos. 13-967, 13-979, and 13-980 (U.S. May 14, 2014).

So New Jersey did just that. In 2014, the New Jersey Legislature repealed certain sports betting prohibitions at casinos and gambling houses in Atlantic City and at horse racetracks in the State (“2014 Repeal”). In addition to repealing the 2012 Law in full, the 2014 Repeal stripped New Jersey of *any* involvement in sports betting, regulatory or otherwise. In essence, the 2014 Repeal rendered previous prohibitions on sports betting non-existent.

But the majority today concludes that the New Jersey Legislature’s efforts to satisfy its constituents while adhering to our decision in *Christie I* are still in violation of PASPA. According to the majority, the “selective” nature of the 2014 Repeal *amounts to* “authorizing by law” a sports wagering scheme. That is, because the State retained certain restrictions on sports betting, the majority *infers* the authorization by law. I cannot agree with this interpretation of PASPA.

PASPA restricts the states in six ways – a state cannot “sponsor, operate, advertise, promote, license, or *authorize by law* or compact” sports betting.⁴ The only one of these six restrictions that includes “by law” is “authorize.” None of the other restrictions say anything about *how* the states are restricted. Thus, I believe that Congress gave this restriction a special meaning—that a state’s “authoriz[ation] by law” of sports betting cannot merely be inferred, but rather requires a specific legislative enactment that affirmatively allows the people of the state to bet on sports. Any other interpretation would be reading the phrase “by law” out of the statute.

⁴ 28 U.S.C. § 3702(1) (emphasis added).

Indeed, we stated exactly this in *Christie I*—that all PASPA prohibits is “the affirmative ‘authoriz[ation] by law’ of gambling schemes.”⁵ Thus, we explained, nothing prevented New Jersey from repealing its sports betting prohibitions, since, “in reality, the lack of an affirmative prohibition of an activity does not mean it is *affirmatively* authorized by law.”⁶ As we noted, “that the Legislature needed to enact the [2012 Law] itself belies any contention that the mere repeal of New Jersey’s ban on sports gambling was sufficient to ‘authorize [it] by law.’”⁷ The Legislature itself “saw a meaningful distinction between repealing the ban on sports wagering and authorizing it by law, undermining any contention that the amendment alone was sufficient to affirmatively authorize sports wagering—the [2012 Law] was required.”⁸ In short, we explained that there was a false equivalence between repeal and authorization.

With the 2014 Repeal, the New Jersey Legislature did what it thought it was permitted to do under our reading of PASPA in *Christie I*. The majority, however, maintains that the 2014 Repeal “authorizes” sports wagering at casinos, gambling houses, and horse racetracks simply because other sports betting prohibitions remain in place.⁹ According to the

⁵ *Christie I*, 730 F.3d at 232 (alteration in original).

⁶ *Id.*

⁷ *Id.* (alteration in original).

⁸ *Id.*

⁹ I refer to the repeal of prohibitions as applying to casinos, gambling houses, and horse racetracks, with the understanding that the repeal applies to casinos and gambling houses in Atlantic City and horse racetracks in New Jersey

majority, “[a]bsent the 2014 Law, New Jersey’s myriad laws prohibiting sports gambling would apply to the casinos and racetracks,” and thus “the 2014 Law provides the authorization for conduct that is otherwise clearly and completely legally prohibited.”¹⁰ But I believe the majority is mistaken as to the impact of a partial repeal.

A repeal is defined as an “abrogation of an existing law by legislative act.”¹¹ When a statute is repealed, “the repealed statute, in regard to its operative effect, is considered as if it had never existed.”¹² If a repealed statute is treated as if it never existed, a partially repealed statute is treated as if the repealed sections never existed.¹³ The 2014 Repeal, then, simply returns New Jersey to the state it was in before it first

for those over 21 not betting on New Jersey collegiate teams or any collegiate competition occurring in New Jersey.

¹⁰ Maj. Op. 17.

¹¹ Black’s Law Dictionary 1325 (8th ed. 2007).

¹² 73 Am. Jur. 2d Statutes § 264.

¹³ See, e.g., *Ex parte McCardle*, 74 U.S. 506, 514 (1868) (“[W]hen an act of the legislature is repealed, it must be considered . . . as if it never existed.”); *Anderson v. USAir, Inc.*, 818 F.2d 49, 55 (D.C. Cir. 1987) (“Common sense dictates that repeal means a deletion. This court would engage in pure speculation were it to hold otherwise.”); *Kemp by Wright v. State, Cty. of Burlington*, 687 A.2d 715, 723 (N.J. 1997) (“In this State it is the general rule that where a statute is repealed and there is no saving[s] clause or a general statute limiting the effect of the repeal, the repealed statute, in regard to its operative effect, is considered as though it had never existed, except as to matters and transactions passed and closed.”).

enacted those prohibitions on sports gambling. In other words, after the repeal, it is as if New Jersey *never* prohibited sports wagering at casinos, gambling houses, and horse racetracks. Therefore, with respect to those locations, there are no laws governing sports wagering. Contrary to the majority's position, the permission to engage in such an activity is not affirmatively granted *by virtue of* it being prohibited elsewhere.

To bolster its position, the majority rejects our reasoning in *Christie I*, stating that “[t]o the extent that in *Christie I* we took the position that a repeal cannot constitute an authorization, we now reject that reasoning.”¹⁴ I continue to maintain, however, that the 2014 Repeal *is not* an affirmative authorization by law. It is merely a repeal – it does not, and cannot, authorize by law anything.

In my view, the majority's position that the 2014 Repeal “selectively grants permission to certain entities to engage in sports gambling”¹⁵ is simply incorrect. There is no explicit grant of permission in the 2014 Repeal for any person or entity to engage in sports gambling. Rather, the 2014 Repeal is a self-executing deregulatory measure that repeals existing prohibitions and regulations for sports betting and requires the State to abdicate *any* control or involvement in sports betting.¹⁶ The majority fails to explain why a partial

¹⁴ Maj. Op. 18.

¹⁵ *Id.*

¹⁶ For example, under the 2014 Repeal, “[the Division of Gaming Enforcement (“DGE”)] now considers sports wagering to be ‘non-gambling activity’ . . . that is beyond

repeal is equivalent to a grant of permission (by law) to engage in sports betting.

Suppose the State did exactly what the majority suggests it could have done: repeal completely its sports betting prohibitions. In that circumstance, sports betting could occur anywhere in the State and there would be no restrictions as to age, location, or whether a bettor could wager on games involving local teams. Would the State violate PASPA if it later enacted limited restrictions regarding age requirements and places where wagering could occur? Surely no conceivable reading of PASPA would preclude a state from *restricting* sports wagering in this scenario. Yet the 2014 Repeal comes to the same result.

The majority also fails to illustrate how the 2014 Repeal results in sports wagering *pursuant to state law* when there is effectively no law in place as to several locations, no scheme created, and no state involvement. A careful comparison with the 2012 Law is instructive. The 2012 Law lifted New Jersey's ban on sports wagering and created a licensing scheme for sports wagering pools at casinos and racetracks in the State. This comprehensive regime required close State supervision and regulation of those sports wagering pools. For instance, the 2012 Law required any entity that wished to operate a "sports pool lounge" to acquire a "sports pool license." To do so, a prospective operator was required to pay a \$50,000 application fee, secure Division of Gaming Enforcement ("DGE") approval of all internal controls, and ensure that any of its employees who were to be

DGE's control and outside of DGE's regulatory authority." App. 416.

directly involved in sports wagering obtained individual licenses from the DGE and the Casino Control Commission (“CCC”). In addition, the betting regime required entities to, among other things, submit extensive documentation to the DGE, adopt new “house” rules subject to DGE approval, and conform to DGE standards. This, of course, violated PASPA in the most basic way: New Jersey developed an intricate scheme that both “authorize[d] *by law*” and “license[d]” sports gambling. The 2014 Repeal eliminated this entire scheme. Moreover, all state agencies with jurisdiction over state casinos and racetracks, such as the DGE and the CCC, were stripped of any sports betting oversight.

The majority likewise falters when it analogizes the 2014 Repeal to the exception Congress originally offered to New Jersey in 1992. The exception stated that PASPA did not apply to “a betting, gambling, or wagering scheme . . . conducted exclusively in casinos[,] . . . but only to the extent that . . . any commercial casino gaming scheme was in operation . . . throughout the 10-year period” before PASPA was enacted.¹⁷ Setting aside the most obvious distinction between the 2014 Repeal and the 1992 exception—that it contemplated a *scheme* that the 2014 Repeal does not authorize—the majority misses the mark when it states: “If Congress had not perceived that sports gambling in New Jersey’s casinos would violate PASPA, then it would not have needed to insert the New Jersey exception.”¹⁸ Congress did not, however, perceive, or intend for, private sports wagering in casinos to violate PASPA. Instead, Congress prohibited sports wagering undertaken pursuant to state law.

¹⁷ 28 U.S.C. § 3704(a)(3)(B).

¹⁸ Maj. Op. 19.

That the 2014 Repeal might bring about an increase in the amount of private, legal sports wagering in New Jersey is of no moment, and the majority's reliance on such a possibility is misplaced. The majority is also wrong in a more fundamental way. The exception Congress offered to New Jersey was exactly that: an *exception* to the ordinary prohibitions of PASPA. That is to say, with this exception, New Jersey could have "sponsor[ed], operate[d], advertise[d], promote[d], license[d], or authorize[d] by law or compact" sports wagering. Under the 2014 Repeal, of course, New Jersey cannot and does not aim to do any of these things.

Because I do not see how a partial repeal of prohibitions is tantamount to authorizing by law a sports wagering scheme in violation of PASPA, I respectfully dissent.

NCAA v. Governor of the State of New Jersey, et al., Nos. 14-4546, 14-4568, 14-4659

VANASKIE, *Circuit Judge*, dissenting.

While Congress “has the authority under the Constitution to pass laws requiring or prohibiting certain acts, *it lacks the power directly to compel the States to require or prohibit those acts.*” *New York v. United States*, 505 U.S. 144, 166 (1992) (emphasis added). Concluding that the Professional and Amateur Sports Protection Act (“PASPA”), 28 U.S.C. § 3701 *et seq.*, was a congressional command that States must prohibit wagering on sporting events because it forbids the States from “authoriz[ing] by law” such activity, I dissented from the holding in *Christie I* that PASPA was a valid exercise of congressional authority. *National Collegiate Athletic Ass’n v. Governor of New Jersey (Christie I)*, 730 F.3d 208, 241–51 (3d Cir. 2013) (Vanaskie, J., dissenting). My colleagues in the majority in *Christie I* disagreed with my conclusion because they believed that States had the option of repealing existing bans on sports betting. *Id.* at 232. In upholding PASPA, *Christie I* rejected New Jersey’s argument that a repeal of its ban on sports betting would be viewed as effectively “authoriz[ing] by law” this activity. *Christie I* declared that New Jersey’s “attempt to read into PASPA a requirement that the states must affirmatively keep a ban on sports gambling in their books rests on a false equivalence between repeal and authorization.” *Id.* at 233. I viewed that “false equivalence” assertion with considerable skepticism. *Id.* at 247 n. 5 (“[I]t certainly is open to debate whether a state’s repeal of a ban on sports gambling would be akin to that state’s ‘authorizing’ gambling on sporting events . . .”). My skepticism is validated by today’s majority opinion. The majority dodges the inevitable conclusion that PASPA

conscripts the States to prohibit wagering on sports by suggesting that some partial repeal of the ban on sports gambling would not be tantamount to authorization of gambling.

Implicit in today's majority opinion and *Christie I* is the premise that Congress lacks the authority to decree that States must prohibit sports wagering, and so both majorities find some undefined room for States to enact partial repeals of existing bans on sports gambling. While the author of *Christie I* finds that New Jersey's partial repeal at issue here is not the equivalent of authorizing by law wagering on sporting events, today's majority concludes otherwise. This shifting line approach to a State's exercise of its sovereign authority is untenable. The bedrock principle of federalism that Congress may not compel the States to require or prohibit certain activities cannot be evaded by the false assertion that PASPA affords the States some undefined options when it comes to sports wagering. Because I believe that PASPA was intended to compel the States to prohibit wagering on sporting events, it cannot survive constitutional scrutiny. Accordingly, as I did in *Christie I*, I dissent.

I.

According to the majority, "a state's decision to selectively remove a prohibition on sports wagering in a manner that permissively channels wagering activity to particular locations or operators is, in essence, 'authorization' under PASPA." Maj. Op., at 28. The majority also claims "a state's partial repeal of a sports wagering ban to allow *de minimis* wagers between friends and family would not have nearly the type of authorizing effect that we find in the 2014 Law." *Id.* at 29. Thus, according to the majority, the 2014

Law is a partial repeal that is foreclosed by PASPA, but “other options may pass muster” because “not all partial repeals are created equal.” *Id.*

Noticeably, the majority does not explain why all partial repeals are not created equal or explain what distinguishes the 2014 Law from those partial repeals that pass muster. To further complicate matters, the majority continues to rely on *Christie I*, which did “not read PASPA to prohibit New Jersey from repealing its ban on sports wagering” and informed New Jersey that “[n]othing in [PASPA’s] words *requires* that the states keep any law in place.” 730 F.3d at 232.

A.

Christie I “[r]ecogniz[ed] the importance of the affirmative/negative command distinction,” and “agree[d] with [New Jersey] that the affirmative act requirement, if not properly applied, may permit Congress to ‘accomplish exactly what the commandeering doctrine prohibits’ by stopping the states from ‘repealing an existing law.’” 730 F.3d at 232 (quoting *Conant v. Walters*, 309 F.3d 629, 646 (9th Cir. 2002) (Kozinski, J., concurring)). *Christie I*, however, discounted concerns regarding PASPA’s affirmative act requirement because *Christie I* “d[id] not read PASPA to prohibit New Jersey from repealing its ban on sports wagering.” *Id.* According to *Christie I*, PASPA is constitutional because “[n]othing in [PASPA’s] words *requires* that the states keep any law in place.” *Id.* This conclusion formed the premise for the conclusion in *Christie I* that PASPA passed constitutional muster.

Remarkably, the majority chooses to “excise that discussion from our prior opinion as unnecessary dicta.” Maj. Op., at 28. This cannot be the case, however, because that discussion was the cornerstone of the holding in *Christie I*. See *In re McDonald*, 205 F.3d 606, 612 (3d Cir. 2000) (“Chief Judge Posner has aptly defined dictum as ‘a statement in a judicial opinion that could have been deleted without seriously impairing the analytical foundations of the holding—that, being peripheral, may not have received the full and careful consideration of the court that uttered it.’” (quoting *Sarnoff v. Am. Home Prods. Corp.*, 798 F.2d 1075, 1084 (7th Cir. 1986))).

Indeed, to rationalize its conclusion in *Christie I*, the *Christie I* majority had to expressly reject the notion that when a state “choose[s] to repeal an affirmative prohibition of sports gambling, that is the same as ‘authorizing’ that activity, and therefore PASPA precludes repealing prohibitions on gambling just as it bars affirmatively licensing it.” 730 F.3d at 232. This aspect of *Christie I* was not peripheral to the ultimate holding because *Christie I* specifically “agree[d] with [New Jersey] that the affirmative act requirement, if not properly applied, may permit Congress to ‘accomplish exactly what the commandeering doctrine prohibits’ by stopping the states from ‘repealing an existing law.’” *Id.* (quoting *Conant*, 309 F.3d at 646 (Kozinski, J., concurring)). Thus, to resolve the issue before it, *Christie I* necessarily had to give this issue the “full and careful consideration of the court.” *In re McDonald*, 205 F.3d at 612 (quoting *Sarnoff*, 798 F.2d at 1084).

In giving the issue its full and careful consideration, *Christie I* explained that the notion that a “repeal” could be the same as an “authorization” was “problematic in numerous

respects.” 730 F.3d at 232; *see also id.* (“Most basically, it ignores that PASPA speaks only of ‘authorizing *by law*’ a sports gambling scheme.”). *Christie I* did “not see how having *no law* in place governing sports wagering is the same as authorizing it by law.” *Id.* *Christie I* recognized a distinction between affirmative commands for actions and prohibitions, and explained that there was “a false equivalence between repeal and authorization.” *Id.* at 233. Thus, as a matter of statutory construction, and to avoid “a series of constitutional problems,” *Christie I* specifically held that if the Court did not distinguish between “repeals” (affirmative commands) and “authorizations” (affirmative prohibitions), the Court would “read[] the term ‘by law’ out of [PASPA].” *Id.* at 233.

I dissented from that opinion because “any distinction between a federal directive that commands states to take affirmative action and one that prohibits states from exercising their sovereignty is illusory.” 730 F.3d at 245 (Vanaskie, J., concurring in part and dissenting in part). The decision to base *Christie I* on a distinction between affirmative commands for action and affirmative prohibitions was “untenable,” because “affirmative commands to engage in certain conduct can be rephrased as a prohibition against not engaging in that conduct.” *Id.* As I explained, basing *Christie I* on such an illusory distinction raises constitutional concerns because “[a]n interpretation of federalism principles that permits congressional negative commands to state governments will eviscerate the constitutional lines drawn” by the Supreme Court. *Id.*

B.

After *Christie I*, a state like New Jersey *at least* had the choice to either “repeal its sports wagering ban,” or, “[o]n the other hand . . . keep a complete ban on sports gambling.” *Id.* at 233 (majority opinion). The *Christie I* majority found that this choice was not too coercive because it left “much room for the states to make their own policy” and left it to a State “to decide how much of a law enforcement priority it wants to make of sports gambling, or what the exact contours of the prohibition will be.” *Id.*

Today’s majority makes it clear that PASPA does not leave a State “much room” at all. Indeed, it is evident that States must leave gambling prohibitions on the books to regulate their citizens. A review of the four Supreme Court anti-commandeering cases referenced by the majority is illuminating.

1.

The first two anti-commandeering cases that the majority reviews are *Hodel v. Virginia Surface Mining & Reclamation Ass’n, Inc.*, 452 U.S. 264 (1981), and *F.E.R.C. v. Mississippi*, 456 U.S. 742 (1982). As the majority points out, these cases address “permissible regulation in a pre-emptible field.” Maj. Op., at 23. In analyzing these cases, however, the majority overlooks the main rule announced by the Supreme Court in situations where there is an exercise of legislative authority under the Commerce Clause or where Congress preempts an area with federal legislation within its legislative power. In such situations, States have a choice: they may either comply with the federal legislation *or the Federal Government will carry the legislation into effect*.

This rule was announced in *Hodel*, where the Supreme Court explained that “[i]f a State does not wish to . . . compl[y] with the Act and implementing regulations, *the full regulatory burden will be borne by the Federal Government.*” 452 U.S. at 288 (emphasis added). The same theme repeated itself in *F.E.R.C.*, as the Supreme Court focused on “*the choice put to the States*—that of either abandoning regulation of the field altogether or considering the federal standards.” 456 U.S. at 766 (emphasis added). In both cases, the Supreme Court was clear that there must be some choice for the states to make because without it “the accountability of both state and federal officials is diminished.” *New York v. United States*, 505 U.S. 144, 168 (1992).

Indeed, in *New York v. United States*, the Court explained that a State’s view on legislation “can always be pre-empted under the Supremacy Clause if it is contrary to the national view, but in such a case . . . it will be federal officials that suffer the consequences if the decision turns out to be detrimental or unpopular.” *Id.* at 168. The Supreme Court reiterated this point *Printz v. United States*, explaining that, “[b]y forcing state governments to absorb the financial burden of implementing a federal regulatory program, Members of Congress can take credit for ‘solving’ problems without having to ask their constituents to pay for the solutions with higher federal taxes.” 521 U.S. 898, 930 (1997). Thus, States must be given a choice because the Supreme Court is concerned that “it may be state officials who will bear the brunt of public disapproval, while the federal officials who devised the regulatory program may remain insulated from the electoral ramifications of their decision.” *New York*, 505 U.S. at 169.

As the majority explains, while “PASPA’s provisions and its reach are controversial (and, some might say, unwise) we are duty-bound to interpret the text of the law as Congress wrote it.” Maj. Op., at 16. Because the majority has excised the distinction between a repeal and an authorization, the majority makes it clear that under PASPA as written, no repeal of any kind will evade the command that no State “shall . . . authorize by law” sports gambling. 28 U.S.C. § 3702. In the face of such a congressional directive, “no case-by-case weighing of the burdens or benefits is necessary; such commands are fundamentally incompatible with our constitutional system of dual sovereignty.” *Printz*, 521 U.S. at 935.

2.

This leads to the other two anti-commandeering cases reviewed by the majority: *South Carolina v. Baker*, 485 U.S. 505 (1988), and *Reno v. Condon*, 528 U.S. 141 (2000). The majority explains that these cases address permissible “prohibitions on state action.” Maj. Op., at 23. Again, however, the majority seems to overlook the animating factor for each of these opinions. In both *Baker* and *Reno* the Supreme Court explained that permissible prohibitions regulated *State activities*. The Supreme Court has never sanctioned statutes or regulations that sought to control or influence *the manner in which States regulate private parties*.

For example, in *Baker*, the Supreme Court reviewed a challenge to the Internal Revenue Code’s enactment of § 310(b)(1) of the Tax Equity and Fiscal Responsibility Act of 1982, which prohibited States from issuing unregistered bearer bonds. Notably, when reviewing the case, the Court specifically found that it did not need to address “the

possibility that the Tenth Amendment might set some limits on Congress' power to compel States to regulate on behalf of federal interests" because the Court found that the commandeering concerns "in *FERC* [were] inapplicable to § 310." *Baker*, 485 U.S. at 513. Importantly, the Court distinguished § 310 from the statute in *F.E.R.C.* because the Court found that "Section 310 regulates state activities; it does not, as did the statute in *FERC*, seek to control or influence the manner in which States regulate private parties." *Id.* at 514. Similarly, in *Reno*, the Court addressed a statute that did not require (1) "the States in their sovereign capacity to regulate their own citizens," (2) "the . . . Legislature to enact any laws or regulations," or (3) "state officials to assist in the enforcement of federal statutes regulating private individuals." 528 U.S. at 151. It was only on these bases that the Supreme Court found the statute at issue in *Reno* was "consistent with the constitutional principles enunciated in *New York* and *Printz*." *Id.*

Unlike the statutes at issue in *Baker* and *Reno*, however, PASPA seeks to control and influence the *manner* in which States regulate private parties. Through PASPA, Congress unambiguously commands that "[i]t shall be unlawful for . . . a governmental entity to . . . authorize by law" sports gambling. 28 U.S.C. § 3702. By issuing this command, Congress has set an impermissible "mandatory agenda to be considered in all events by state legislative or administrative decisionmakers." *F.E.R.C.*, 456 U.S. at 769.

3.

The logical extension of the majority is that PASPA prevents States from passing *any* laws to repeal existing gambling laws. As the majority correctly notes, "[t]he word

‘authorize’ means, inter alia, ‘[t]o empower; to give a right or authority to act,’ or ‘[t]o permit a thing to be done in the future.’” Maj. Op., at 17 (quoting Black’s Law Dictionary 133 (6th Ed. 1990)) (footnote omitted). Because authorization includes permitting a thing to be done, it follows that PASPA also prevents state officials from stopping enforcement of existing gambling laws. States *must* regulate conduct prioritized by Congress. *Cf. Conant*, 309 F.3d at 646 (Kozinski, J., concurring) (“[P]reventing the state from repealing an existing law is no different from forcing it to pass a new one; in either case, the state is being forced to regulate conduct that it prefers to leave unregulated.”).

It is true that civil actions to enjoin a violation of PASPA “may be commenced in an appropriate district court of the United States by the Attorney General of the United States.” 28 U.S.C. § 3703. But it can hardly be said that the United States Attorney General bears the full regulatory burden because, through PASPA, Congress effectively commands the States to maintain and enforce existing gambling prohibitions.¹

PASPA is a statute that directs States to maintain gambling laws by dictating the manner in which States must enforce a federal law. The Supreme Court has never considered Congress’ legislative power to be so expansive. *See Prigg v. Com. of Pennsylvania*, 41 U.S. 539, 541 (1842) (“It might well be deemed an unconstitutional exercise of the power of interpretation, to insist that the states are bound to

¹ A refusal to enforce existing laws would be the same as a repeal of existing laws: the States would be authorizing sports wagering.

provide means to carry into effect the duties of the national government, nowhere delegated or intrusted to them by the constitution”); *F.E.R.C.*, 456 U.S. at 761–62 (“[T]his Court never has sanctioned explicitly a federal command to the States to promulgate and enforce laws and regulations ”) (citing *E.P.A. v. Brown*, 431 U.S. 99 (1977)); *New York*, 505 U.S. at 178 (“Where a federal interest is sufficiently strong to cause Congress to legislate, it must do so directly; it may not conscript state governments as its agents.”); *Nat’l Fed’n of Indep. Bus. v. Sebelius*, 132 S. Ct. 2566, 2602 (2012) (plurality opinion) (“[T]he Constitution has never been understood to confer upon Congress the ability to require the States to govern according to Congress’ instructions.” (quoting *New York*, 505 U.S. at 162)).

II.

It is now apparent that *Christie I* was incorrect in finding that “*nothing* in [PASPA’s] words *requires* that the states keep *any* law in place.” 730 F.3d at 232 (first and third emphasis added). With respect to the doctrinal anchors of *Christie I*, the cornerstone of its holding has been eroded by the majority, which has excised *Christie I*’s discussion regarding “a false equivalence between repeal and an authorization.” *Id.* at 233. Notably, that discussion was included in *Christie I* to avoid “a series of constitutional problems.” *Id.* Today’s majority makes it clear that passing a law so that there is no law in place governing sports wagering is the same as authorizing it by law. *See* Maj. Op., at 17 (“The word ‘authorize’ means, inter alia, ‘[t]o empower; to give a right or authority to act,’ or ‘[t]o permit a thing to be done in the future.’”) (citation and footnote omitted).

I dissented in *Christie I* because the distinction between repeal and authorization is unworkable. Today's majority opinion validates my position: PASPA leaves the States with no choice. While *Christie I* at least gave the States the option of repealing, in whole or *in part*, existing bans on gambling on sporting events, today's decision tells the States that they must maintain an anti-sports wagering scheme. The anti-commandeering doctrine, essential to protect State sovereignty, prohibits Congress from compelling States to prohibit such private activity. Accordingly, I dissent.

STATE OF NEW YORK

7900

IN SENATE

March 7, 2018

Introduced by Sen. BONACIC -- read twice and ordered printed, and when printed to be committed to the Committee on Racing, Gaming and Wagering

AN ACT to amend the racing, pari-mutuel wagering and breeding law, in relation to regulation of sports betting

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Section 1367 of the racing, pari-mutuel wagering and breeding law, as added by chapter 174 of the laws of 2013, is amended to read as follows:

2 § 1367. Sports wagering. 1. As used in this section:

3 (a) "Affiliate" means any off-track betting corporation, franchised corporation, or race track licensed pursuant to this chapter, or an operator of video lottery gaming at Aqueduct licensed pursuant to section sixteen hundred seventeen-a of the tax law, which has a mobile sports wagering agreement with a casino pursuant to section thirteen hundred sixty-seven-a of this title;

4 (b) "Agent" means an entity that is party to a contract with a licensed gaming facility authorized to operate a sports pool and is approved by the commission to operate a sports pool on behalf of such licensed gaming facility;

5 (c) "Authorized sports bettor" means an individual who is physically present in this state when placing a sports wager, who is not a prohibited sports bettor, that participates in sports wagering offered by a casino. The intermediate routing of electronic data in connection with mobile sports wagering shall not determine the location or locations in which a wager is initiated, received or otherwise made;

6 (d) "Casino" means a licensed gaming facility at which gambling is conducted pursuant to the provisions of this article or the agent of such licensed gaming facility;

7 ~~[(b)]~~ (e) "Commission" means the commission established pursuant to section one hundred two of this chapter;

8 ~~[(c)]~~ (f) "Collegiate sport or athletic event" means a sport or athletic event offered or sponsored by or played in connection with a

9 EXPLANATION--Matter in italics (underscored) is new; matter in brackets

10 ~~[-]~~ is old law to be omitted.

LBD14923-02-8

1 public or private institution that offers educational services beyond
2 the secondary level;

3 (g) "Global risk management" means the direction, management, consul-
4 tation and/or instruction for purposes of managing risks associated with
5 sports wagering conducted pursuant to this section and includes the
6 setting and adjustment of betting lines, point spreads, or odds and
7 whether to place layoff bets as permitted by this section;

8 ~~[(+)]~~ (h) "High school sport or athletic event" means a sport or
9 athletic event offered or sponsored by or played in connection with a
10 public or private institution that offers education services at the
11 secondary level;

12 (i) "Horse racing event" means any sport or athletic event conducted
13 in New York state subject to the provisions of articles two, three,
14 four, five, six, nine, ten and eleven of this chapter, or any sport or
15 athletic event conducted outside of New York state, which if conducted
16 in New York state would be subject to the provisions of this chapter;

17 (j) "In-play sports wager" means a sports wager placed on a sports
18 event after the sports event has begun and before it ends;

19 (k) "Layoff bet" means a sports wager placed by a casino sports pool
20 with another casino sports pool;

21 (l) "Minor" means any person under the age of twenty-one years;

22 (m) "Mobile sports wagering platform" or "platform" means the combina-
23 tion of hardware, software, and data networks used to manage, adminis-
24 ter, or control sports wagering and any associated wagers accessible by
25 any electronic means including mobile applications and internet
26 websites;

27 (n) "Official league data" means statistics, results, outcomes, and
28 other data relating to a sporting event that have been obtained from the
29 relevant sports governing body or an entity expressly authorized by the
30 sports governing body to provide such information to casinos;

31 (o) "Operator" means a casino which has elected to operate a sports
32 pool;

33 ~~[(+)]~~ (p) "Professional sport or athletic event" means an event at
34 which two or more persons participate in sports or athletic events and
35 receive compensation in excess of actual expenses for their partic-
36 ipation in such event;

37 (q) "Prohibited sports bettor" means:

38 (i) any officer or employee of the commission;

39 (ii) any principal or key employee of a casino or affiliate, except as
40 may be permitted by the commission for good cause shown;

41 (iii) any casino gaming or non-gaming employee at the casino that
42 employs such person and at any affiliate that has an agreement with that
43 casino;

44 (iv) any contractor, subcontractor, or consultant, or officer or
45 employee of a contractor, subcontractor, or consultant, of a casino if
46 such person is directly involved in the operation or observation of
47 sports wagering, or the processing of sports wagering claims or
48 payments;

49 (v) Any person subject to a contract with the commission if such
50 contract contains a provision prohibiting such person from participating
51 in sports wagering;

52 (vi) Any spouse, child, brother, sister or parent residing as a member
53 of the same household in the principal place of abode of any of the
54 foregoing persons at the same casino where the foregoing person is
55 prohibited from participating in sports wagering;

(vii) any individual with access to non-public confidential information about sports wagering;

(viii) any amateur or professional athlete if the sports wager is based on any sport or athletic event overseen by the athlete's sports governing body;

(ix) any sports agent, owner or employee of a team, player and umpire union personnel, and employee referee, coach or official of a sports governing body, if the sports wager is based on any sport or athletic event overseen by the individual's sports governing body;

(x) any individual placing a wager as an agent or proxy for an otherwise prohibited sports bettor; or

(xi) any minor;

~~[(f)]~~ (r) "Prohibited sports event" means any ~~[collegiate sport or athletic event that takes place in New York or a sport or athletic event in which any New York college team participates regardless of where the event takes place]~~ high school sport or athletic event;

~~[(g)]~~ (s) "Sports event" means any professional sport or athletic event and any collegiate sport or athletic event, except a prohibited sports event or a horse racing event;

~~[(h)]~~ (t) "Sports governing body" means the organization that prescribes final rules and enforces codes of conduct with respect to a sporting event and participants therein;

(u) "Sports pool" means the business of accepting wagers on any sports event by any system or method of wagering; ~~[and~~

~~(i)]~~ (v) "Sports wager" means cash or cash equivalent that is paid by an authorized sports bettor to a casino to participate in sports wagering offered by such casino;

(w) "Sports wagering" means wagering on sporting events or any portion thereof, or on the individual performance statistics of athletes participating in a sporting event, or combination of sporting events, by any system or method of wagering, including, but not limited to, in-person communication and electronic communication through internet websites and mobile device applications. The term "sports wagering" shall include, but is not limited to, single-game bets, teaser bets, parlays, over-under bets, moneyline, pools, exchange wagering, in-game wagering, in-play bets, proposition bets and straight bets;

(x) "Sports wagering gross revenue" means: (i) the amount equal to the total of all sports wagers not attributable to prohibited sports events that an operator collects from all players, less the total of all sums not attributable to prohibited sports events paid out as winnings to all sports bettors, however, that the total of all sums paid out as winnings to sports bettors shall not include the cash equivalent value of any merchandise or thing of value awarded as a prize, or (ii) in the case of exchange wagering pursuant to this section, the commission on winning sports wagers by authorized sports bettors retained by the operator. The issuance to or wagering by authorized sports bettors at a casino of any promotional gaming credit shall not be taxable for the purposes of determining sports wagering gross revenue;

(y) "Sports wagering lounge" means an area wherein a sports pool is operated;

(z) "Tier one sports wager" means a sports wager that is determined solely by the final score or final outcome of the sports event and placed before the sports event has begun;

(aa) "Tier two sports wager" means an in-play sports wager; and

(bb) "Tier three sports wager" means a sports wager that is neither a tier one nor a tier two sports wager.

1 2. No gaming facility may conduct sports wagering until such time as
2 there has been a change in federal law authorizing such or upon a ruling
3 of a court of competent jurisdiction that such activity is lawful.

4 3. (a) In addition to authorized gaming activities, a licensed gaming
5 facility may when authorized by subdivision two of this section operate
6 a sports pool upon the approval of the commission and in accordance with
7 the provisions of this section and applicable regulations promulgated
8 pursuant to this article. The commission shall hear and decide promptly
9 and in reasonable order all applications for a license to operate a
10 sports pool, shall have the general responsibility for the implementa-
11 tion of this section and shall have all other duties specified in this
12 section with regard to the operation of a sports pool. The license to
13 operate a sports pool shall be in addition to any other license required
14 to be issued to operate a gaming facility. No license to operate a
15 sports pool shall be issued by the commission to any entity unless it
16 has established its financial stability, integrity and responsibility
17 and its good character, honesty and integrity.

18 No later than five years after the date of the issuance of a license
19 and every five years thereafter or within such lesser periods as the
20 commission may direct, a licensee shall submit to the commission such
21 documentation or information as the commission may by regulation
22 require, to demonstrate to the satisfaction of the executive director of
23 the commission that the licensee continues to meet the requirements of
24 the law and regulations.

25 (b) A sports pool shall be operated in a sports wagering lounge
26 located at a casino. The lounge shall conform to all requirements
27 concerning square footage, design, equipment, security measures and
28 related matters which the commission shall by regulation prescribe.

29 (c) The operator of a sports pool shall establish or display the odds
30 at which wagers may be placed on sports events.

31 (d) An operator shall accept wagers on sports events only from persons
32 physically present in the sports wagering lounge, or through mobile
33 sports wagering offered pursuant to section thirteen hundred sixty-sev-
34 en-a of this title. A person placing a wager shall be at least twenty-
35 one years of age.

36 (e) An operator may also accept layoff bets as long as the authorized
37 sports pool places such wagers with another authorized sports pool or
38 pools in accordance with regulations of the commission. A sports pool
39 that places a layoff bet shall inform the sports pool accepting the
40 wager that the wager is being placed by a sports pool and shall disclose
41 its identity.

42 (f) An operator may utilize global risk management pursuant to the
43 approval of the commission.

44 (g) An operator shall not admit into the sports wagering lounge, or
45 accept wagers from, any person whose name appears on the exclusion list.

46 ~~[(f)]~~ (h) The holder of a license to operate a sports pool may
47 contract with ~~[an—entity]~~ one or more agents to conduct any or all
48 aspects of that operation, or the operation of mobile sports wagering
49 offered pursuant to section thirteen hundred sixty-seven-a of this
50 title, including but not limited to brand, marketing and customer
51 service, in accordance with the regulations of the commission. ~~[That~~
52 ~~entity]~~ Each agent shall obtain a license as a casino vendor enterprise
53 prior to the execution of any such contract, and such license shall be
54 issued pursuant to the provisions of section one thousand three hundred
55 twenty-seven of this article and in accordance with the regulations
56 promulgated by the commission.

1 ~~[(g)]~~ (i). If any provision of this article or its application to any
2 person or circumstance is held invalid, the invalidity shall not affect
3 other provisions or applications of this article which can be given
4 effect without the invalid provision or application, and to this end the
5 provisions of this article are severable.

6 4. (a) All persons employed directly in wagering-related activities
7 conducted within a sports wagering lounge shall be licensed as a casino
8 key employee or registered as a gaming employee, as determined by the
9 commission. All other employees who are working in the sports wagering
10 lounge may be required to be registered, if appropriate, in accordance
11 with regulations of the commission.

12 (b) Each operator of a sports pool shall designate one or more casino
13 key employees who shall be responsible for the operation of the sports
14 pool. At least one such casino key employee shall be on the premises
15 whenever sports wagering is conducted.

16 5. Except as otherwise provided by this article, the commission shall
17 have the authority to regulate sports pools and the conduct of sports
18 wagering under this article to the same extent that the commission regu-
19 lates other gaming. No casino shall be authorized to operate a sports
20 pool unless it has produced information, documentation, and assurances
21 concerning its financial background and resources, including cash
22 reserves, that are sufficient to demonstrate that it has the financial
23 stability, integrity, and responsibility to operate a sports pool. In
24 developing rules and regulations applicable to sports wagering, the
25 commission shall examine the regulations implemented in other states
26 where sports wagering is conducted and shall, as far as practicable,
27 adopt a similar regulatory framework. The commission shall promulgate
28 regulations necessary to carry out the provisions of this section,
29 including, but not limited to, regulations governing the:

30 (a) amount of cash reserves to be maintained by operators to cover
31 winning wagers;

32 (b) acceptance of wagers on a series of sports events;

33 (c) maximum wagers which may be accepted by an operator from any one
34 patron on any one sports event;

35 (d) type of wagering tickets which may be used;

36 (e) method of issuing tickets;

37 (f) method of accounting to be used by operators;

38 (g) types of records which shall be kept;

39 (h) use of credit and checks by patrons;

40 (i) the process by which a casino may place a layoff bet;

41 (j) the use of global risk management;

42 (k) type of system for wagering; and

43 ~~[(j)]~~ (l) protections for a person placing a wager.

44 6. Each operator shall adopt comprehensive house rules governing
45 sports wagering transactions with its ~~[patrons]~~ authorized sports
46 bettors. The rules shall specify the amounts to be paid on winning
47 wagers and the effect of schedule changes. The house rules, together
48 with any other information the commission deems appropriate, shall be
49 conspicuously displayed in the sports wagering lounge and included in
50 the terms and conditions of the account wagering system, and copies
51 shall be made readily available to patrons.

52 7. (a) Each casino that offers sports wagering shall annually submit a
53 report to the commission no later than the twenty-eighth of February of
54 each year, which shall include the following information:

55 (i) the total amount of sports wagers received from authorized sports
56 bettors;

1 (ii) the total amount of prizes awarded to authorized sports bettors;
2 (iii) the total amount of sports wagering gross revenue received by
3 the casino;
4 (iv) the total amount contributed to the sport betting integrity fund
5 pursuant to subdivision eight of this section;
6 (v) the total amount of wagers received on each sports governing
7 body's sporting events;
8 (vi) the total number of authorized sports bettors that requested to
9 exclude themselves from sports wagering; and
10 (vii) any additional information that the commission deems necessary
11 to carry out the provisions of this article.

12 (b) Upon the submission of such annual report, to such extent that the
13 commission deems it to be in the public interest, the commission shall
14 be authorized to conduct a financial audit of any casino, at any time,
15 to ensure compliance with this article.

16 (c) The commission shall annually publish a report based on the aggregate
17 information provided by all casinos pursuant to paragraph (a) of
18 this subdivision, which shall be published on the commission's website
19 no later than one hundred eighty days after the deadline for the
20 submission of individual reports as specified in such paragraph (a).

21 8. (a) Within thirty days of the end of each calendar quarter, a casino
22 offering sports wagering shall remit to the commission a sports
23 wagering integrity fee of up to one-quarter of one percent of the amount
24 wagered on sports events, however, in no case shall the integrity fee be
25 greater than two percent of the casino's sports wagering gross revenue.
26 The fee shall be remitted on a form as the commission may require, on
27 which the casino shall identify the percentage of wagering during the
28 reporting period attributable to each sport governing body's sports
29 events.

30 (b) No later than the thirtieth of April of each year, a sports
31 governing body may submit a claim for disbursement of the integrity
32 funds remitted by casinos in the previous calendar year in pro rata
33 proportion of the total amount wagered on their respective sports events
34 to reimburse the sports governing body for expenses incurred for integrity
35 operations. Eligible expenses shall include, but not be limited
36 to, integrity monitoring expenses, expenses incurred related to integrity
37 investigations, public relations expenses associated with integrity
38 issues, and any other eligible expenses approved by the commission.

39 (c) Each sports governing body which receives in excess of fifty-thousand
40 dollars annually from the integrity fee shall annually submit a
41 report to the commission no later than the twenty-eighth of February of
42 each year, which shall include the following information:

43 (i) the total amount of integrity fund reimbursement received from New
44 York;

45 (ii) a detailed summary of the final dispositions of integrity investigations
46 where it was determined that misconduct took place;

47 (iii) any additional information that the commission deems necessary
48 to carry out the provisions of this article.

49 (d) Upon the submission of such annual report, to such extent that the
50 commission deems it to be in the public interest, the commission shall
51 be authorized to conduct a financial audit of any sports governing body,
52 at any time, to ensure compliance with this article.

53 (e) The commission shall annually publish a report based on the aggregate
54 information provided by all sports governing bodies pursuant to
55 paragraph (c) of this subdivision, which shall be published on the
56 commission's website no later than one hundred eighty days after the

1 deadline for the submission of individual reports as specified in para-
2 graph (c) of this subdivision.

3 (f) At the end of the year, any unclaimed integrity fee revenue shall
4 be distributed to the sports governing bodies which were approved to
5 receive funding, on a pro rata basis.

6 9. For the privilege of conducting sports wagering in the state, casin-
7 os shall pay a tax equivalent to eight and one-half percent of their
8 sports wagering gross revenue.

9 10. The commission shall pay into the commercial gaming revenue fund
10 established pursuant to section ninety-seven-nnnn of the state finance
11 law eighty-five percent of the state tax imposed by this section; any
12 interest and penalties imposed by the commission relating to those
13 taxes; all penalties levied and collected by the commission; and the
14 appropriate funds, cash or prizes forfeited from sports wagering. The
15 commission shall pay into the commercial gaming fund five percent of the
16 state tax imposed by this section to be distributed for problem gambling
17 education and treatment purposes pursuant to paragraph a of subdivision
18 five of section ninety-seven-nnnn of the state finance law. The commis-
19 sion shall pay into the commercial gaming fund five percent of the state
20 tax imposed by this section to be distributed for the cost of regulation
21 pursuant to paragraph c of subdivision five of section ninety-seven-nnnn
22 of the state finance law. The commission shall pay into the commercial
23 gaming fund five percent of the state tax imposed by this section to be
24 distributed in the same formula as market origin credits pursuant to
25 section one hundred fifteen-b of this chapter. The commission shall
26 require at least monthly deposits by the casino of any payments pursuant
27 to subdivision nine of this section, at such times, under such condi-
28 tions, and in such depositories as shall be prescribed by the state
29 comptroller. The deposits shall be deposited to the credit of the state
30 commercial gaming revenue fund. The commission shall require a monthly
31 report and reconciliation statement to be filed with it on or before the
32 tenth day of each month, with respect to gross revenues and deposits
33 received and made, respectively, during the preceding month.

34 11. The commission may perform audits of the books and records of a
35 casino, at such times and intervals as it deems appropriate, for the
36 purpose of determining the sufficiency of tax payments. If a return
37 required with regard to obligations imposed is not filed, or if a return
38 when filed or is determined by the commission to be incorrect or insuf-
39 ficient with or without an audit, the amount of tax due shall be deter-
40 mined by the commission. Notice of such determination shall be given to
41 the casino liable for the payment of the tax. Such determination shall
42 finally and irrevocably fix the tax unless the casino against whom it is
43 assessed, within thirty days after receiving notice of such determi-
44 nation, shall apply to the commission for a hearing in accordance with
45 the regulations of the commission.

46 12. Nothing in this section shall apply to interactive fantasy sports
47 offered pursuant to article fourteen of this chapter. Nothing in this
48 section authorizes any entity that conducts interactive fantasy sports
49 offered pursuant to article fourteen of this chapter to conduct sports
50 wagering unless it separately qualifies for, and obtains, authorization
51 pursuant to this section.

52 13. A casino that is also licensed under article three of this chap-
53 ter, and must maintain racing pursuant to paragraph (b) of subdivision
54 one of section thirteen hundred fifty-five of this chapter, shall be
55 allowed to offer pari-mutuel wagering on horse racing events in accord-
56 ance with their license under article three of this chapter. Notwith-

1 standing subparagraph (ii) of paragraph c of subdivision two of section
2 one thousand eight of this chapter, a casino located in the city of
3 Schenectady shall be allowed to offer pari-mutuel wagering on horse
4 racing events, provided such wagering is conducted by the regional off-
5 track betting corporation in such region as the casino is located. Any
6 other casino shall be allowed to offer pari-mutuel wagering on horse
7 racing events, provided such wagering is conducted by the regional off-
8 track betting corporation in such region as the casino is located. Any
9 physical location where pari-mutuel wagering on horse racing events is
10 offered by a casino and conducted by a regional off-track betting corpo-
11 ration in accordance with this subdivision shall be deemed to be a
12 branch location of the regional off-track betting corporation in accord-
13 ance with section one thousand eight of this chapter. In the event that
14 the commission approves the location of self-service mobile sports
15 betting kiosks on the premises of affiliates in accordance with para-
16 graph (d) of subdivision five of section thirteen hundred sixty-seven-a
17 of this chapter, such kiosks shall not be allowed to offer pari-mutuel
18 wagering on horse racing events.

19 14. A sports governing body may notify the commission that it desires
20 to restrict, limit, or exclude wagering on its sporting events by
21 providing notice in the form and manner as the commission may require.
22 Upon receiving such notice, the commission shall review the request in
23 good faith, seek input from the casinos on such a request, and if the
24 commission deems it appropriate, promulgate regulations to restrict such
25 sports wagering. If the commission denies a request, the sports govern-
26 ing body shall be afforded notice and the right to be heard and offer
27 proof in opposition to such determination in accordance with the regu-
28 lations of the commission. Offering or taking wagers contrary to
29 restrictions promulgated by the commission is a violation of this
30 section. In the event that the request is in relation to an emergency
31 situation, the executive director of the commission may temporarily
32 prohibit the specific wager in question until the commission has the
33 opportunity to issue temporary regulations addressing the issue.

34 15. (a) The commission shall designate the division of the state
35 police to have primary responsibility for conducting, or assisting the
36 commission in conducting, investigations into abnormal betting activity,
37 match fixing, and other conduct that corrupts a betting outcome of a
38 sporting event or events for purposes of financial gain.

39 (b) The commission and casinos shall cooperate with investigations
40 conducted by sports governing bodies or law enforcement agencies,
41 including but not limited to providing or facilitating the provision of
42 account-level betting information and audio or video files relating to
43 persons placing wagers; provided, however, that the casino be required
44 to share any personally identifiable information of an authorized sports
45 bettor with a sports governing body only pursuant to an order to do so
46 by the commission or a law enforcement agency or court of competent
47 jurisdiction.

48 (c) Casinos shall immediately report to the commission any information
49 relating to:

50 (i) criminal or disciplinary proceedings commenced against the casino
51 in connection with its operations;

52 (ii) abnormal betting activity or patterns that may indicate a concern
53 with the integrity of a sporting event or events;

54 (iii) any potential breach of the relevant sports governing body's
55 internal rules and codes of conduct pertaining to sports wagering, as
56 they have been provided by the sports governing body to the casino;

1 (iv) any other conduct that corrupts a betting outcome of a sporting
2 event or events for purposes of financial gain, including match fixing;
3 and

4 (v) suspicious or illegal wagering activities, including use of funds
5 derived from illegal activity, wagers to conceal or launder funds
6 derived from illegal activity, using agents to place wagers, using
7 confidential non-public information, and using false identification.

8 The commission shall also immediately report information relating to
9 conduct described in subparagraphs (ii), (iii) and (iv) of this para-
10 graph to the relevant sports governing body.

11 (d) Casinos shall maintain the confidentiality of information provided
12 by a sports governing body to the casino, unless disclosure is required
13 by this section, the commission, other law, or court order.

14 16. Casinos shall use whatever data source they deem appropriate for
15 determining the result of sports wagering involving tier one sports
16 wagers. Casinos shall only use official league data in all sports wager-
17 ing involving tier two sports wagers, if the relevant sports governing
18 body possesses a feed of official league data, and makes such feed
19 available for purchase by the casinos. A sports governing body may noti-
20 fy the commission that it desires to require casinos to use official
21 league data in sports wagering involving specific tier three sports
22 wagers by providing notice in the form and manner as the commission may
23 require. Upon receiving such notice, the commission shall review the
24 request, seek input from the casinos on such a request, and if the
25 commission deems it appropriate, promulgate regulations to require casi-
26 nos to use official league data on sports wagering involving such tier
27 three sports wagers if the relevant sports governing body possesses a
28 feed of official league data, and makes such feed available for purchase
29 by the casinos. No casino shall enter into an agreement with a sports
30 governing body to be the exclusive recipient of their official league
31 data.

32 17. (a) Casinos shall maintain records of all bets and wagers placed,
33 including personally identifiable information of the mobile sports
34 wagering bettor, amount and type of bet, time the bet was placed,
35 location of the bet, including IP address if applicable, the outcome of
36 the bet, records of abnormal betting activity, and video camera
37 recordings in the case of in-person wagers for at least three years
38 after the sporting event occurs and make such data available for
39 inspection upon request of the commission or as required by court order.

40 (b) If a sports governing body has notified the commission that real-
41 time information sharing for wagers placed on sporting events is neces-
42 sary and desirable, casinos shall share in real time, at the account-
43 level, and in pseudonymous form, the information required to be retained
44 pursuant to paragraph (a) of this subdivision (other than video files)
45 with the commission, and the commission shall share in real time the
46 information with the sports governing body or its designee with respect
47 to wagers on its sporting events.

48 (c) The commission shall cooperate with a sports governing body and
49 casinos to ensure the timely, efficient, and accurate sharing of infor-
50 mation.

51 18. A casino shall not permit sports wagering by anyone they know, or
52 should have known, to be a prohibited sports bettor.

53 19. Sports wagering conducted pursuant to the provisions of this
54 section is hereby authorized.

55 20. The conduct of sports wagering in violation of this section is
56 prohibited.

21. Any person, firm, corporation, association, agent, or employee who knowingly violates any procedure implemented under this section, or section thirteen hundred sixty-seven-a of this title, shall be liable for a civil penalty of not more than five thousand dollars for each violation, not to exceed fifty thousand dollars for violations arising out of the same transaction or occurrence, which shall accrue to the state and may be recovered in a civil action brought by the commission.

§ 2. The racing, pari-mutuel wagering and breeding law is amended by adding a new section 1367-a to read as follows:

§ 1367-a. Mobile sports wagering. 1. As used in this section, the following terms shall have the following meanings:

(a) "Affiliate" means any off-track betting corporation, franchised corporation, or race track licensed pursuant to the racing, pari-mutuel wagering and breeding law, or an operator of video lottery gaming at Aqueduct licensed pursuant to section sixteen hundred seventeen-a of the tax law, which has a mobile sports wagering agreement with a casino pursuant to this section;

(b) "Agent" means an entity that is party to a contract with a licensed gaming facility authorized to operate a sports pool and is approved by the commission to operate a sports pool on behalf of such licensed gaming facility;

(c) "Authorized sports bettor" means an individual who is physically present in this state when placing a sports wager, who is not a prohibited sports bettor, that participates in sports wagering offered by a casino. The intermediate routing of electronic data in connection with mobile sports wagering shall not determine the location or locations in which a wager is initiated, received or otherwise made;

(d) "Casino" means a licensed gaming facility at which gambling is conducted pursuant to the provisions of this article or the agent of such licensed gaming facility;

(e) "Collegiate sport or athletic event" means a sport or athletic event offered or sponsored by or played in connection with a public or private institution that offers education services beyond the secondary level;

(f) "Commission" means the commission established pursuant to section one hundred two of this chapter;

(g) "High school sport or athletic event" means a sport or athletic event offered or sponsored by or played in connection with a public or private institution that offers education services at the secondary level;

(h) "Horse racing event" means any sport or athletic event conducted in New York state subject to the provisions of articles two, three, four, five, six, nine, ten and eleven of this chapter, or any sport or athletic event conducted outside of New York state, which if conducted in New York state would be subject to the provisions of this chapter;

(i) "Minor" means any person under the age of twenty-one years;

(j) "Mobile sports wagering platform" or "platform" means the combination of hardware, software, and data networks used to manage, administer, or control sports wagering and any associated wagers accessible by any electronic means including mobile applications and internet websites;

(k) "Operator" means an entity offering a mobile sports wagering platform including an agent;

(l) "Professional sport or athletic event" means an event at which two or more persons participate in sports or athletic events and receive

1 compensation in excess of actual expenses for their participation in
2 such event;

3 (m) "Prohibited sports bettor" means:

4 (i) any officer or employee of the commission;

5 (ii) any principal or key employee of a casino or affiliate, except as
6 may be permitted by the commission for good cause shown;

7 (iii) any casino gaming or non-gaming employee at the casino that
8 employs such person and at any affiliate that has an agreement with that
9 casino;

10 (iv) any contractor, subcontractor, or consultant, or officer or
11 employee of a contractor, subcontractor, or consultant, of a casino if
12 such person is directly involved in the operation or observation of
13 sports wagering, or the processing of sports wagering claims or
14 payments;

15 (v) any person subject to a contract with the commission if such
16 contract contains a provision prohibiting such person from participating
17 in sports wagering;

18 (vi) any spouse, child, brother, sister or parent residing as a member
19 of the same household in the principal place of abode of any of the
20 foregoing persons at the same casino where the foregoing person is
21 prohibited from participating in sports wagering;

22 (vii) any individual with access to non-public confidential informa-
23 tion about sports wagering;

24 (viii) any amateur or professional athlete if the sports wager is
25 based on any sport or athletic event overseen by the athlete's sports
26 governing body;

27 (ix) any sports agent, owner or employee of a team, player and umpire
28 union personnel, and employee referee, coach or official of a sports
29 governing body, if the sports wager is based on any sport or athletic
30 event overseen by the individual's sports governing body;

31 (x) any individual placing a wager as an agent or proxy for an other-
32 wise prohibited sports bettor; or

33 (xi) any minor;

34 (n) "Prohibited sports event" means any high school sport or athletic
35 event;

36 (o) "Sports event" means any professional sport or athletic event and
37 any collegiate sport or athletic event, except a prohibited sports
38 event;

39 (p) "Sports governing body" means the organization that prescribes
40 final rules and enforces codes of conduct with respect to a sporting
41 event and participants therein;

42 (q) "Sports pool" means the business of accepting wagers on any sports
43 event by any system or method of wagering;

44 (r) "Sports wager" means cash or cash equivalent that is paid by an
45 authorized sports bettor to a casino to participate in sports wagering
46 offered by such casino;

47 (s) "Sports wagering" means wagering on sporting events or any portion
48 thereof, or on the individual performance statistics of athletes partic-
49 ipating in a sporting event, or combination of sporting events, by any
50 system or method of wagering, including, but not limited to, in-person
51 communication and electronic communication through internet websites and
52 mobile device applications. The term "sports wagering" shall include,
53 but is not limited to, single-game bets, teaser bets, parlays, over-un-
54 der bets, moneyline, pools, exchange wagering, in-game wagering, in-play
55 bets, proposition bets and straight bets; and

(t) "Sports wagering gross revenue" means: (i) the amount equal to the total of all sports wagers not attributable to prohibited sports events that an operator collects from all players, less the total of all sums not attributable to prohibited sports events paid out as winnings to all sports bettors, however, that the total of all sums paid out as winnings to sports bettors shall not include the cash equivalent value of any merchandise or thing of value awarded as a prize; or (ii) in the case of exchange wagering pursuant to this section, the commission on winning sports wagers by authorized sports bettors retained by the operator. The issuance to or wagering by authorized sports bettors at a casino of any promotional gaming credits shall not be taxable for the purposes of determining sports wagering gross revenue.

2. (a) No casino shall administer, manage, or otherwise make available a mobile sports wagering platform to persons located in New York state unless registered with the commission pursuant to this section. A casino may use multiple mobile sports wagering platforms provided that each platform has been reviewed and approved by the commission. A casino may contract with one or more independent operators to provide its mobile sports wagering platforms.

(b) Registrations issued by the commission shall remain in effect for five years. The commission shall establish a process for renewal.

(c) The commission shall publish a list of all casinos registered to offer mobile sports wagering in New York state pursuant to this section on the commission's website for public use.

(d) The commission shall promulgate regulations to implement the provisions of this section, including the development of the initial form of the application for registration. Such regulations shall provide for the registration and operation of mobile sports wagering in New York state and shall include, but not be limited to, responsible protections with regard to compulsive play and safeguards for fair play.

3. In the event that a casino contracts with one or more independent operators to provide its mobile sports wagering platforms, each independent entity shall obtain a license as a casino vendor enterprise prior to the execution of any such contract, and such license shall be issued pursuant to the provisions of section one thousand three hundred twenty-seven of this article and in accordance with the regulations promulgated by the commission.

4. (a) As a condition of registration in New York state, each operator shall implement the following measures:

(i) limit each authorized sports bettor to one active and continuously used account, and prevent anyone they know, or should have known to be a prohibited sports bettor from maintaining accounts or participating in any sports wagering offered by such operator;

(ii) adopt appropriate safeguards to ensure, to a reasonable degree of certainty, that authorized sports bettors are physically located within the state when engaging in mobile sports betting;

(iii) prohibit minors from participating in any sports wagering, which includes:

(1) if an operator becomes or is made aware that a minor has created an account, or accessed the account of another, such operator shall promptly, within no more than two business days, refund any deposit received from the minor, whether or not the minor has engaged in or attempted to engage in sports wagering; provided, however, that any refund may be offset by any prizes already awarded;

(2) each operator shall provide parental control procedures to allow parents or guardians to exclude minors from access to any sports wager-

ing or platform. Such procedures shall include a toll-free number to call for help in establishing such parental controls; and

(3) each operator shall take appropriate steps to confirm that an individual opening an account is not a minor;

(iv) when referencing the chances or likelihood of winning in advertisements or upon placement of a sports wager, make clear and conspicuous statements that are not inaccurate or misleading concerning the chances of winning and the number of winners;

(v) enable authorized sports bettors to exclude themselves from sports wagering and take reasonable steps to prevent such bettors from engaging in sports wagering from which they have excluded themselves;

(vi) permit any authorized sports bettor to permanently close an account registered to such bettor, on any and all platforms supported by such operator, at any time and for any reason;

(vii) offer introductory procedures for authorized sports bettors, that shall be prominently displayed on the main page of such operator platform, that explain sports wagering;

(viii) implement measures to protect the privacy and online security of authorized sports bettors and their accounts;

(ix) offer all authorized sports bettors access to his or her account history and account details;

(x) ensure authorized sports bettors' funds are protected upon deposit and segregated from the operating funds of such operator and otherwise protected from corporate insolvency, financial risk, or criminal or civil actions against such operator;

(xi) list on each website, in a prominent place, information concerning assistance for compulsive play in New York state, including a toll-free number directing callers to reputable resources containing further information, which shall be free of charge; and

(xii) ensure no sports wagering shall be based on a prohibited sports event.

(b) Operators shall not directly or indirectly operate, promote, or advertise any platform or sports wagering to persons located in New York state unless registered pursuant to this article.

(c) Operators shall not offer any sports wagering based on any prohibited sports event.

(d) Operators shall not permit sports wagering by anyone they know, or should have known, to be a prohibited sports bettor.

(e) Advertisements for contests and prizes offered by an operator shall not target prohibited sports bettors, minors, or self-excluded persons.

(f) Operators shall prohibit the use of third-party scripts or scripting programs for any contest and ensure that measures are in place to deter, detect and, to the extent reasonably possible, prevent cheating, including collusion, and the use of cheating devices, including use of software programs that submit sports wagers unless otherwise approved by the commission.

(g) Operators shall develop and prominently display procedures on the main page of such operator's platform for the filing of a complaint by an authorized sports bettor against such operator. An initial response shall be given by such operator to such bettor filing the complaint within forty-eight hours. A complete response shall be given by such operator to such bettor filing the complaint within ten business days. An authorized sports bettor may file a complaint alleging a violation of the provisions of this article with the commission.

1 (h) Operators shall maintain records of all accounts belonging to
2 authorized sports bettors and retain such records of all transactions in
3 such accounts for the preceding five years.

4 5. (a) Subject to regulations promulgated by the commission, casinos
5 may enter into agreements with affiliates to allow for authorized
6 bettors to sign up to create and fund accounts on their mobile sports
7 wagering platform or platforms.

8 (b) Authorized sports bettors must sign up to create their account on
9 a mobile sports wagering platform in person at a casino or an affiliate
10 of a casino.

11 (c) Authorized sports bettors may deposit funds in their account on a
12 mobile sports wagering platform in person at a casino or an affiliate of
13 a casino, electronically recognized payment methods, or any other means
14 approved by the commission.

15 (d) Subject to approval of the commission, and in accordance with
16 regulations promulgated by the commission, casinos may enter into agree-
17 ments with affiliates to locate self-service mobile sports betting
18 kiosks, which are owned, operated and maintained by the casino, and
19 connected via the internet to the casino, upon the premises of the
20 affiliate.

21 § 3. Section 104 of the racing, pari-mutuel wagering and breeding law
22 is amended by adding a new subdivision 24 to read as follows:

23 24. To regulate sports wagering in New York state.

24 § 4. Subdivision 15 of section 1401 of the racing, pari-mutuel wager-
25 ing and breeding law, as added by chapter 237 of the laws of 2016, is
26 amended to read as follows:

27 15. "Prohibited sports event" shall mean any [~~collegiate sport or~~
28 ~~athletic event, any~~] high school sport or athletic event or any horse
29 racing event.

30 § 5. Severability clause. If any provision of this act or application
31 thereof shall for any reason be adjudged by any court of competent
32 jurisdiction to be invalid, such judgment shall not affect, impair, or
33 invalidate the remainder of the act, but shall be confined in its opera-
34 tion to the provision thereof directly involved in the controversy in
35 which the judgment shall have been rendered.

36 § 6. This act shall take effect on the same date and in the same
37 manner as section 1367 of the racing, pari-mutuel wagering and breeding
38 law pursuant to subdivision (c) of section 52 of chapter 174 of the laws
39 of 2013, takes effect.

Public Law 102-559
102d Congress

An Act

To prohibit sports gambling under State law, and for other purposes.

Oct. 28, 1992
[S. 474]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Professional and Amateur Sports Protection Act”.

Professional and
Amateur Sports
Protection Act.
28 USC 1 note.

SEC. 2. PROFESSIONAL AND AMATEUR SPORTS PROTECTION.

(a) IN GENERAL.—Part VI of title 28 of the United States Code is amended by adding at the end the following:

“CHAPTER 178—PROFESSIONAL AND AMATEUR SPORTS PROTECTION

“Sec.

“3701. Definitions.

“3702. Unlawful sports gambling.

“3703. Injunctions.

“3704. Applicability.

“§ 3701. Definitions

“For purposes of this chapter—

“(1) the term ‘amateur sports organization’ means—

“(A) a person or governmental entity that sponsors, organizes, schedules, or conducts a competitive game in which one or more amateur athletes participate, or

“(B) a league or association of persons or governmental entities described in subparagraph (A),

“(2) the term ‘governmental entity’ means a State, a political subdivision of a State, or an entity or organization, including an entity or organization described in section 4(5) of the Indian Gaming Regulatory Act (25 U.S.C. 2703(5)), that has governmental authority within the territorial boundaries of the United States, including on lands described in section 4(4) of such Act (25 U.S.C. 2703(4)),

“(3) the term ‘professional sports organization’ means—

“(A) a person or governmental entity that sponsors, organizes, schedules, or conducts a competitive game in which one or more professional athletes participate, or

“(B) a league or association of persons or governmental entities described in subparagraph (A),

“(4) the term ‘person’ has the meaning given such term in section 1 of title 1, and

“(5) the term ‘State’ means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Palau, or any territory or possession of the United States.

“§ 3702. Unlawful sports gambling

“It shall be unlawful for—

“(1) a governmental entity to sponsor, operate, advertise, promote, license, or authorize by law or compact, or

“(2) a person to sponsor, operate, advertise, or promote, pursuant to the law or compact of a governmental entity, a lottery, sweepstakes, or other betting, gambling, or wagering scheme based, directly or indirectly (through the use of geographical references or otherwise), on one or more competitive games in which amateur or professional athletes participate, or are intended to participate, or on one or more performances of such athletes in such games.

“§ 3703. Injunctions

“A civil action to enjoin a violation of section 3702 may be commenced in an appropriate district court of the United States by the Attorney General of the United States, or by a professional sports organization or amateur sports organization whose competitive game is alleged to be the basis of such violation.

“§ 3704. Applicability

“(a) Section 3702 shall not apply to—

“(1) a lottery, sweepstakes, or other betting, gambling, or wagering scheme in operation in a State or other governmental entity, to the extent that the scheme was conducted by that State or other governmental entity at any time during the period beginning January 1, 1976, and ending August 31, 1990;

“(2) a lottery, sweepstakes, or other betting, gambling, or wagering scheme in operation in a State or other governmental entity where both—

“(A) such scheme was authorized by a statute as in effect on October 2, 1991; and

“(B) a scheme described in section 3702 (other than one based on parimutuel animal racing or jai-alai games) actually was conducted in that State or other governmental entity at any time during the period beginning September 1, 1989, and ending October 2, 1991, pursuant to the law of that State or other governmental entity;

“(3) a betting, gambling, or wagering scheme, other than a lottery described in paragraph (1), conducted exclusively in casinos located in a municipality, but only to the extent that—

“(A) such scheme or a similar scheme was authorized, not later than one year after the effective date of this chapter, to be operated in that municipality; and

“(B) any commercial casino gaming scheme was in operation in such municipality throughout the 10-year period ending on such effective date pursuant to a comprehensive system of State regulation authorized by that State’s constitution and applicable solely to such municipality; or

“(4) parimutuel animal racing or jai-alai games.

“(b) Except as provided in subsection (a), section 3702 shall apply on lands described in section 4(4) of the Indian Gaming Regulatory Act (25 U.S.C. 2703(4)).”

(b) CLERICAL AMENDMENTS.—The table of chapters for part VI of title 28, United States Code, is amended—

(1) by amending the item relating to chapter 176 to read as follows:

"176. Federal Debt Collection Procedure 3001",

and

(2) by adding at the end the following:

"178. Professional and Amateur Sports Protection 3701".

SEC. 3. EFFECTIVE DATE.

This Act shall take effect on January 1, 1993.

28 USC 3701
note.

Approved October 28, 1992.

LEGISLATIVE HISTORY—S. 474:

SENATE REPORTS: No. 102-248 (Comm. on the Judiciary).
CONGRESSIONAL RECORD, Vol. 138 (1992):

June 2, considered and passed Senate.

Oct. 5, considered and passed House, amended.

Oct. 7, Senate concurred in House amendments.

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RE: Biographical Sketch

Sandra S. Baron is a Senior Fellow at Yale Law School's Information Society Project and the Abrams Institute for Freedom of Expression and a Visiting Clinical Lecturer in Law. Prior to this post, she was Executive Director of the Media Law Resource Center, a not-for-profit organization dedicated to media law research, policy, education and advocacy, and was also involved in the management of the MLRC Institute, its sister organization devoted to public education on First Amendment issues.

In addition to having a private practice, Ms. Baron has held positions as Senior Managing Attorney at the National Broadcasting Company, Inc., as Associate General Counsel of the Educational Broadcasting Company, WNET/Thirteen, in New York, and counsel for Public Broadcasting's American Playhouse. She is an elected member of the American Law Institute and the American Bar Foundation and is current chair of the NYSBA Committee on Media Law.

Anthony Dreyer

Anthony Dreyer is a Partner at Skadden Arps where he counsels clients on a wide range of sports matters. He represents the PGA TOUR in two separate lawsuits: one brought by golfer Vijay Singh relating to discipline imposed against Mr. Singh under the TOUR's anti-doping program, the other brought by a putative class of TOUR caddies challenging the alleged use of the caddies' name and likeness. He also successfully represented Madison Square Garden in a challenge to MSG's ticket sales policies. He is representing the NCAA, NBA, NHL, NFL and MLB in a lawsuit brought to prevent New Jersey's authorization and licensing of gambling on athletic events, and secured permanent injunctive relief on behalf of his clients.

Mr. Dreyer has been recognized in *Chambers USA: America's Leading Lawyers for Business* in the Nationwide Sports Law category and was named by the *Sports Business Journal* as a sports law Power Player. Lawdragon named him one of the 500 Leading Lawyers in America.

Daniel Etna:

Daniel Etna is a partner in the Corporate Department and is co-chair of Herrick, Feinstein's Sports Law Group.

Dan has significant experience on matters related to the business of professional sports, including the sale and acquisition of sports franchises,; stadium and arena development, construction and financing (including the new Yankee Stadium), and broadcast and digital media agreements. Dan advises on concession agreements, sponsorship and naming rights agreements, ticketing and personal seat licensing agreements, league-wide and individual team debt financings, memorabilia sales agreements and sports-related joint ventures. Dan has also counseled NBA All-Star and NFL All-Pro players in connection with their private investment activities.

Dan frequently lectures on sports law topics, such as daily fantasy sports, sports broadcasting trends and the legalization of sports betting, as well as a variety of private and public company topics. He has appeared on national television, most notably *Fox News*, *CNBC* and *Bloomberg News*, and regularly speaks at industry conferences. Dan is also often quoted in *The Wall Street Journal*, *The New York Times*, *Forbes*, *ESPN*, *Sports Business Journal*, *Law360*, *The Deal* and other major media outlets.

Jeremy Feigelson is a litigation partner in the Intellectual Property and Media Group of Debevoise & Plimpton, and Co-Chair of the firm's global Cybersecurity & Data Privacy practice. He frequently represents clients in litigations and government investigations that involve the Internet and new technologies. His practice includes litigation and counseling on trademark, false advertising, right of publicity, copyright, and defamation matters, as well as cybersecurity, data privacy and data protection. *Law360* has recognized him as a "Privacy MVP," and *The National Law Journal* named him a Cybersecurity & Data Privacy "Trailblazer." Similarly, *World Trademark Review 1000* recognizes Mr. Feigelson for Intellectual Property Enforcement and Litigation, and *Managing Intellectual Property* recognizes him as an "IP Star". Mr. Feigelson graduated magna cum laude from Princeton University, and cum laude from the University of Chicago Law School, where he was Articles Editor of the Law Review and elected to the Order of the Coif.

Sarah Howes, Director and Counsel of Government Affairs and Public Policy for SAG-AFTRA, handles public policy initiatives for the east coast. Her primary focus areas are right of publicity, copyright, noncompete, and sexual harassment legislation. Previous experience includes being the Director of Legal Affairs at the Copyright Alliance in Washington, D.C. and the Legal Programs Manager for the Minnesota Lawyers for the Arts program at Springboard for the Arts. She still dabbles in playwriting and improv, and once ran a small theater company that you've never heard of.

Bennett Liebman

Bennett Liebman serves as a Government Lawyer in Residence and adjunct professor of law at the Government Law Center of Albany Law School. He previously served as the Interim Director at the Government Law Center in 2016 and as the Center's Executive Director from 2008-2011.

During a three decade career in state government, his positions included service as the Deputy Secretary to Governor Andrew Cuomo for Gaming and Racing, a member of the State Racing and Wagering Board, a special deputy counsel to Governor Mario Cuomo, and as counsel to then Lieutenant Governor Mario Cuomo.

Bennett has authored hundreds of articles on racing, gaming and New York State government. He is a *cum laude* graduate of New York University School of Law and a *summa cum laude* graduate of Union College.

Eben Novy-Williams (Moderator)

Eben Novy-Williams is a sports business reporter for Bloomberg News, based in New York City. He has covered sports business for the past eight years, with an emphasis on technology, new media, college sport and gaming. Eben's gambling coverage has included stories on both regulated and unregulated markets; sponsorships, sports book finances and integrity deals. In April 2018, he co-authored Bloomberg Businessweek's feature on William Hill's ambitions in the U.S. market.

Edward H. Rosenthal is the chair of the Intellectual Property Litigation Group at Frankfurt Kurnit Klein & Selz, P.C. in New York City. His practice focuses on copyright and trademark, rights of publicity and privacy, advertising, entertainment, and publishing law. Mr. Rosenthal represents businesses and individuals in the publishing, television, motion picture, advertising and media fields. He recently argued the case of *Authors Guild v. HathiTrust* in the Second Circuit, as well as *Authors Guild v. Google* (the Google Books case) in the Southern District of New York. He defended the author and publisher of the book *Sixty Years Later: Coming Through the Rye* in a lawsuit brought by J.D. Salinger who claimed that the book infringed his copyright in *The Catcher in the Rye*. Mr. Rosenthal successfully defended Scholastic Inc. and J.K. Rowling (the publisher and author of the *Harry Potter* books) against claims of copyright and trademark infringement. Mr. Rosenthal has also performed pre-publication reviews of books, magazines, motion pictures and television shows. Mr. Rosenthal has written and lectured on a variety of right of publicity and other intellectual property topics.

Audrey Sheetz

Audrey Sheetz is an associate in the Litigation Department at Herrick, Feinstein, where she has served as counsel on notable sports cases, including the NCAA and PAC-12 concussion litigations, an NHL arbitration, and defending an NFL team in a class-action litigation.

Prior to joining Herrick, Audrey authored an analysis of recent litigation challenging NCAA regulations designed to preserve the amateur status of student-athletes, with a particular focus on a Ninth Circuit opinion. *Student-Athletes vs. NCAA: Preserving Amateurism in College Sports Amidst the Fight for Player Compensation* was published in the *Brooklyn Law Review*.

Cameron Stracher

Cameron Stracher has thirty years of experience as a media and entertainment lawyer – in both litigated and transactional matters. His clients have included major broadcast and cable networks, national newspapers and magazines, television production companies, and many local and regional news and entertainment companies, websites, authors, reporters, and private individuals. Currently, he is General Counsel-Media at American Media, where he supervises all litigation and pre-publication review for the print and online versions of *Us Weekly*, *Star*, *OK!*, and the *National Enquirer*, as well as the website *RadarOnline*. He also has his own private practice where he represents the producers of the Emmy-awarded winning program, *Leah Remini: Scientology and Its Aftermath*, and the hit television series *Live PD*. In addition to his legal work, he has written frequently for *The New York Times* and *The Wall Street Journal*, and is the author of three works of non-fiction and three novels.