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Music

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V. MUSIC

A. Copyright

1. Copyright Infringement: Temporal Remoteness Is No Defense

*ABKCO Music, Inc. v. Harrisongs Music, Ltd.*¹ is the fourth round of litigation involving claims of copyright infringement against George Harrison, formerly of the Beatles. The first round began in 1971, when Bright Tunes Music Corporation brought an action against Harrison claiming that his song, "My Sweet Lord" infringed upon its copyright in the song "He's So Fine" by Ronald Mack. The case went to trial in 1976.²

In order to prevail in a copyright infringement action, the plaintiff must prove the defendant copied the protected work.³ Since the plaintiff rarely has direct evidence of copying, the courts allow proof by circumstantial evidence. Two methods are permissible: (1) evidence that the defendant's work is substantially similar to the plaintiff's; and (2) evidence of the defendant's access to the plaintiff's work.⁴ These two types of circumstantial evidence give rise to an inference of copying.⁵

Substantial similarity⁶ can be proven by either of two methods: ex-

1. 722 F.2d 988 (2d Cir. 1983).

2. *Bright Tunes Music Corp. v. Harrisongs Music, Ltd.*, 420 F. Supp. 177 (S.D.N.Y. 1976). The district court found that Harrison had infringed the copyright of "He's So Fine" and set a trial date on the issue of damages. In 1973, a second action was brought in England by The Peter Maurice Music Co. which had the worldwide rights, with the exceptions of the United States and Canada, to "He's So Fine." The parties reached a settlement in this action in 1977. Damages were assessed in *ABKCO Music, Inc. v. Harrisongs Music, Ltd.*, 508 F. Supp. 798 (S.D.N.Y. 1981). By the time of the damages trial, Allen B. Klein, the Beatles' former manager and president of ABKCO, had purchased Bright Tunes' copyright in "He's So Fine" and its rights in the litigation. Harrison asserted affirmative defenses and counterclaims for breach of fiduciary duty and requested ABKCO's disqualification from recovering damages. The district judge awarded damages of \$587,000 to ABKCO, the amount Klein had paid for Bright Tunes' assets, to be held in a constructive trust in Harrison's favor and to be transferred to him upon payment of the amount of damages. In *ABKCO Music*, ABKCO appealed the decision on breach of fiduciary duty and Harrison cross-appealed on the liability issue.

3. *Arnstein v. Porter*, 154 F.2d 464, 468 (2d Cir. 1946) (defendant's summary judgment in copyright infringement action modified in part and reversed in part on, among others, grounds that trial is appropriate in plagiarism suit).

4. *Id.*

5. *Id.*

6. The amount of similarity that constitutes substantial similarity eludes quantification. The similarity must involve the expression of ideas and not the ideas themselves. *Nichols v. Universal Pictures Corp.*, 45 F.2d 119, 121 (2d Cir. 1930), *cert. denied*, 282 U.S. 902 (1931) (suit by author of "Abie's Irish Rose" claiming infringement by defendant's movie "The Cohens and The Kellys;" held, no infringement); *Warner Bros., Inc. v. American Broadcasting*

pert testimony or the audience test.⁷ At the liability trial, experts testified as to the unique character of the arrangement of musical motifs in the two songs. Harrison's own expert testified that even though the individual motifs were not unusual, he had never before come across this particular sequence.⁸ Stating it was obvious to the listener that the two songs were virtually identical, the district court found there was substantial similarity between "He's So Fine" and "My Sweet Lord."⁹

Access is defined as the opportunity to copy the infringed work.¹⁰ "He's So Fine" was a popular song when it was released. It was number one on the Billboard charts in the United States for five weeks and a top-ten hit in England for seven. This widespread dissemination, along with Harrison's testimony that he remembered hearing the song, was crucial to the court's determination that Harrison had the opportunity to copy the song and thus, had access.¹¹

The court accepted that Harrison had not consciously used the theme from "He's So Fine" in composing his own song.¹² However, lack of intentional copying was no defense.¹³ His action constituted copyright infringement however subconsciously it was done.¹⁴

Co., 720 F.2d 231 (2d Cir. 1983) (character Ralph Hinkley in "The Greatest American Hero" held not to infringe upon the character Superman). Professor Nimmer has categorized two types of similarity: comprehensive non-literal similarity and fragmented literal similarity. In the former, the fundamental essence or structure of a work is duplicated. In the latter, a portion of the work: a line, paragraph or chapter, is copied verbatim. 3 M. NIMMER, NIMMER ON COPYRIGHT § 13.03[A] (1983).

7. Expert testimony involves a dissection and critical analysis of the works in question to determine whether or not they are similar. The audience test is also called the ordinary observer test. This test depends on the spontaneous and immediate reactions of the average reasonable person who has read, heard or seen the works in question. 3 M. NIMMER, NIMMER ON COPYRIGHT § 13.03[E] (1983). See *Nichols v. Universal Pictures Corp.*, 45 F.2d 119 (2d Cir. 1930), *cert. denied*, 282 U.S. 902 (1931); *Sheldon v. Metro-Goldwyn Pictures Corp.*, 7 F. Supp. 837 (S.D.N.Y. 1934), *rev'd*, 81 F.2d 49 (2d Cir. 1936) (claim the movie "Letty Lynton" infringed play "Dishonored Lady;" held, no infringement); *Sid & Marty Krofft Television Prods., Inc. v. McDonald's Corp.*, 562 F.2d 1157 (9th Cir. 1977) (claim of infringement by creators of children's program "H.R. Pufnstuf" against defendant's McDonaldland television commercials; held, infringement).

8. *Bright Tunes*, 420 F. Supp. at 180 n.11.

9. *Id.* Writing for the court, Judge Owen stated, "[I]t is perfectly obvious to the listener that in musical terms, the two songs are virtually identical except for one phrase."

10. 3 M. NIMMER, NIMMER ON COPYRIGHT § 13.02[A] (1983).

11. *Bright Tunes*, 420 F. Supp. at 179.

12. *Id.* at 180.

13. Nimmer writes that, "[i]nnocent intent should no more constitute a defense in an infringement action than in the case of conversion of tangible personalty." Nimmer distinguishes three types of innocent intent, one of which is unconscious plagiarism, where the infringer copies but, in good faith, has forgotten the source of his material. 3 M. NIMMER, NIMMER ON COPYRIGHT § 13.08 (1983).

14. Both cases relied on by the court state this proposition. In *Fred Fisher, Inc. v. Dilling-*

Harrison appealed the district court decision in *ABKCO Music*,¹⁵ on two grounds. First he argued that the district court had relied on inapplicable precedent in reaching its decision.¹⁶ "He's So Fine" was recorded in 1962, seven years before Harrison recorded "My Sweet Lord".¹⁷ Harrison contended that his case was distinguishable from both *Fred Fisher, Inc. v. Dillingham*¹⁸ and *Sheldon v. Metro-Goldwyn Pictures Corp.*,¹⁹ wherein the infringing parties had access to the infringed work shortly before they produced their own. Harrison argued that the "temporal remoteness [between the opportunity to copy "He's So Fine" and the composition of "My Sweet Lord"] preclude[d] a finding of access."²⁰

Harrison contended that his case more closely resembled the facts in *Darrell v. Joe Morris Music Co.*²¹ In *Darrell*, the court held that there was no infringement in spite of the substantial similarity of the songs in question, where the compositions of the two were separated by more than seven and one-half years.²²

The Second Circuit rejected Harrison's argument, for several reasons. Harrison admitted that he had heard "He's So Fine" in the 1960's. Additionally, the jury could infer access from the widespread dissemination of "He's So Fine."²³ Finally, the court distinguished *Darrell*²⁴ from *Bright Tunes Music Corp. v. Harrisong's Music, Ltd.*²⁵ in three ways. First, the repeated themes in *Darrell* were trite and likely to recur spontaneously. Second, the song had very little publicity. Third, the defendant had denied hearing the allegedly infringed upon song.²⁶

Harrison's second ground for appeal was that a finding of infringement based on subconscious copying would bring copyright law danger-

ham, 298 F. 145, 148 (S.D.N.Y. 1924), Judge Learned Hand wrote, "[I]t is seldom that a tort, as this is, depends upon the purpose of the wrongdoer." And in *Sheldon v. Metro-Goldwyn Pictures Corp.*, 81 F.2d 49, 54 (2d Cir.), cert. denied, 298 U.S. 669 (1936), Judge Hand wrote, "[N]obody knows the origin of his inventions; memory and fancy merge even in adults. Yet unconscious plagiarism is actionable quite as much as deliberate."

15. 722 F.2d 988 (2d Cir. 1983).

16. *Id.* at 997.

17. *Bright Tunes*, 420 F. Supp. at 178.

18. 298 F. 145 (S.D.N.Y. 1924) (suit by composer of song "Dardanella" claiming infringement by song "Kalua" by Jerome Kern; held, infringement).

19. 81 F.2d 49 (2d Cir.), cert. denied, 298 U.S. 669 (1936).

20. *ABKCO Music*, 722 F.2d at 988, 997.

21. 113 F.2d 80 (2d Cir. 1940) (appeal by plaintiff of judgment for defendant in musical copyright infringement action; judgment affirmed).

22. *Id.*

23. *ABKCO Music*, 722 F.2d at 998.

24. 113 F.2d 80 (2d Cir. 1940).

25. 420 F. Supp. 177 (S.D.N.Y. 1976).

26. *ABKCO Music*, 722 F.2d at 998.

ously close to the novelty requirement of patent law. He argued that to permit such a finding was unsound policy, particularly in a case like his where access had preceded the alleged copying by several years.²⁷

The standards for determining whether a work can be copyrighted or an invention patented are not stated in the Constitutional provision for copyright and patent. Congress and the courts have set two different standards: originality for copyright and novelty for patent.²⁸ To obtain a patent, an inventor or discoverer must be able to prove uniqueness: that the invention or discovery has previously never been made or discovered. In copyright, however, the author faces a less exacting standard. Originality for copyright purposes "means that the particular work 'owes its origin' to the 'author.'"²⁹ Thus, it is possible for an author to produce a work identical to another without infringing if the author can prove originality.³⁰ In arguing that subconscious copying should not be applied to him, it is possible Harrison was thinking of the doctrine of anticipation. This doctrine charges an inventor with constructive knowledge of all preceding inventions.³¹

The court found no reason to depart from the Second Circuit's position that copyright infringement can be subconscious and, consequently, rejected Harrison's argument. The court was primarily concerned with the problems a copyright owner would have in proving that a defendant deliberately copied a work. The court expressed its fear that allowing subconscious copying as a defense would greatly undermine the protections given to authors by the Copyright Act.³² The court of appeals affirmed the finding of copyright infringement.

Subconscious copying as a defense to copyright infringement has a certain surface appeal. Given the pervasive influence of all types of communications media, any individual might be hard pressed to say whether a particular inspiration was original or not. However, this defense is not needed to protect the innocent defendant.

Since a plaintiff must demonstrate both substantial similarity and access in order to prove copying, evidence of one without the other will

27. *Id.* at 997.

28. *Alfred Bell & Co., Ltd. v. Catalda Fine Arts, Inc.*, 191 F.2d 99, 101 (2d Cir. 1951) (action for infringement of plaintiffs' copyrights in mezzotints of old masters; judgment for plaintiffs affirmed).

29. *Id.* at 102.

30. *Id.* at 103.

31. *Id.*

32. *ABKCO Music*, 722 F.2d at 998. The Copyright Act gives the owner of a copyright the exclusive rights to reproduce, prepare derivative works, distribute, and publicly perform and display the copyrighted work. 17 U.S.C. § 106 (1976).

generally not be sufficient. Even though Harrison's song was nearly identical to "He's So Fine," he might not have been found liable if the circumstantial showing of access had not been so strong. Courts have had no difficulty in finding that even extremely similar works were independently created when there is little or no proof of access.³³

Moreover, in cases of musical copyright infringement, the courts have long recognized that the number of pleasing combinations of musical notes is limited and that repetition is bound to occur.³⁴ In Harrison's case, since the individual musical motifs were found by experts to be common, liability might have been precluded if Harrison had used only the motifs and not their unique sequence.

Finally, similarity that is less than substantial will not result in liability even where proof of access is great.³⁵ In Harrison's case, the similarity of a phrase or two, even if uncommon, might not have been considered substantial enough for the court to find that a copying had occurred.

Some might argue that there must be a point when sufficient time has elapsed between a first work and a subsequent infringing work so that temporal remoteness and subconscious copying can excuse a defendant from liability. The purpose of the copyright laws, however, is to protect the property interests of the author.³⁶ Those interests are no less injured by one who saw or heard the infringed work so long ago that all recollection had vanished than by one who knowingly borrows. As long as the plaintiff can show proof of access and substantial similarity, even the unintentional copier will be held liable for the infringement.

Linda Kimbell

33. 3 M. NIMMER, NIMMER ON COPYRIGHT § 13.02[B] (1983). Such would be the case when the defendant presented sufficient proof of no access and the plaintiff could not prove that the defendant's work was not independently created. See *Selle v. Gibbs*, 567 F. Supp. 1173 (N.D. Ill. 1983).

34. *Darrell v. Joe Morris Music Co.*, 113 F.2d 80 (2d Cir. 1940). The court stated that "such simple trite themes as these are likely to recur spontaneously . . . [W]hile there are an enormous number of possible permutations of the musical notes of the scale, only a few are pleasing . . ."

35. 3 M. NIMMER, NIMMER ON COPYRIGHT § 13.02[D] (1983).

36. *Fred Fisher, Inc. v. Dillingham*, 298 F. 145, 148 (S.D.N.Y. 1924) ("The author's copyright is an absolute right to prevent others from copying his original collocation of words or notes, and does not depend upon the infringer's good faith. Once it appears that another has in fact used the copyright as the source of his production, he had invaded the author's rights").

B. Contract

1. Enforcement Of Personal Service Contracts In California: The \$6,000 Minimum Compensation Requirement—Teena Marie Has Motown Singing The Blues

You have to pay the piper if you want to hear the song. According to the California Court of Appeal you also have to pay the piper if you want to prevent him from playing the song for anyone else. In *Motown Record Corporation v. Brockert*,¹ (“Teena Marie”), the court held that a provision in a personal services contract giving the employer the option to pay the employee the statutory minimum compensation of \$6,000 did not satisfy the California injunction statute.² Consequently, injunctive relief will not be available unless the contract guarantees the employee at least \$6,000 annually from the commencement of the contract term.³ Furthermore, an option to provide this compensation by the employer at an uncertain date in the future will not avail the employer of injunctive relief against the employee.⁴ While the employee may be liable for damages for breach of contract, he cannot be enjoined from providing his services to another employer without a guarantee at the rate of \$6,000 minimum compensation annually.⁵

The promotion of recording artists by a record company is a costly and risky venture. The average cost of producing and promoting a new album is between \$350,000 to \$500,000.⁶ Of the 4000 albums released each year, only twenty to thirty percent manage to break even.⁷ Often a recording artist will not begin to develop a following until after several albums are released. The use of injunctive relief is generally the only effective method available to a record company to protect its investment

1. 160 Cal. App. 3d 123, 207 Cal. Rptr. 574 (1984) (hereinafter cited as *Teena Marie*).

2. CAL. CIV. CODE § 3423 (West 1970) provides: An injunction cannot be granted: . . .

5. To prevent the breach of a contract, other than a contract in writing for the rendition of personal services from one to another where the minimum compensation for such service is at a rate of not less than six thousand dollars per annum and where the promised service is of a special, unique, unusual, extraordinary or intellectual character, which gives it peculiar value, the loss of which cannot be reasonably or adequately compensated in damages in an action at law, the performance of which would not be specifically enforced

The identical provision appears at CAL. CIV. PROC. CODE § 526(5) (West 1979).

3. *Teena Marie*, 160 Cal. App. 3d at 132, 207 Cal. Rptr. at 580.

4. *Id.* at 135, 207 Cal. Rptr. at 582.

5. *Id.* at 138, 207 Cal. Rptr. at 584.

6. See Wallace, *Warner Bros. May Issue Fewer Albums*, Rolling Stone Magazine, March 8, 1979, at 10, col. 3.

7. S. CHAPPLE & R. GAROFALO, *ROCK 'N' ROLL IS HERE TO PAY* 174 (1977).

in a recording artist.⁸ Damages, particularly in the form of lost profits, however, may not be available due to the speculative nature of record sales projections, especially if the artist has no proven track record of sales performance. As a result, record companies that are able to do so are careful to comply with the injunction statute and provide their artists with the statutory minimum compensation.

Some record companies have attempted to minimize the additional expense of providing the \$6,000 compensation by using an option provision allowing this payment to occur at a later point in time.⁹ In practice, the record company exercises its option to make the payments when it seeks a prohibitory injunction against the artist who is seeking to breach the contract by performing for another record company.¹⁰ Many practitioners and commentators have expressed concern over the validity of using an option clause to provide the statutory minimum compensation.¹¹ Their doubts were confirmed in *Teena Marie*.

In April, 1976, Teena Marie Brockert (professionally known as "Teena Marie") entered into separate contracts with Motown Record Corporation ("Motown"), as a recording artist and Jobete Music Company ("Jobete") as a songwriter.¹² Motown and Jobete are affiliated companies engaged in record production and music publishing respectively.¹³ Teena Marie was virtually unknown in the music business at this

8. See Light, *The California Injunction Statute and the Music Industry: What Price Injunctive Relief?*, 7 COL. J. OF ART AND THE LAW 141, 154 (1982) (hereinafter cited as *The California Injunction Statute*).

9. A typical option provision might read:

In the event that company has not paid to artist compensation of at least \$6,000 or such other sum as may be required by law in order for company to be entitled to equitable relief against artist, on or before December 31 of any calendar year during the term of this agreement, then company shall have the option to pay to artist the difference between the compensation that may be required by law to entitle company to equitable relief and the amount theretofore said to artist by company during such calendar year.

Id. at 165 n.116.

10. *Id.* at 165. After the company exercises the compensation option, the artist may not in fact receive payment. The company may assert that, since the artist is in breach of the contract, payment is not required until the artist is once again ready, willing and able to perform. Note, *Statutory Minimum Compensation and the Granting of Injunction Relief to Enforce Personal Service Contracts in the Entertainment Industries: The Need for Legislative Reform*, 52 S. CAL. L. REV. 489, 508 (hereinafter cited as *Statutory Minimum Compensation*).

11. See, e.g., Schlesinger, *Six Thousand Dollars Per Year*, 2 J. BEV. HILLS B.A. 25, 29-30 (1968); *Statutory Minimum Compensation*, *supra* note 10 at 514-19; *The California Injunction Statute* at 165-66.

12. *Teena Marie*, 160 Cal. App. 3d at 126, 207 Cal. Rptr. at 576.

13. *Id.* at 134, 207 Cal. Rptr. at 581.

stage in her career.¹⁴ She later developed into a successful and profitable recording artist for Motown.¹⁵

The contracts between Teena Marie, Motown and Jobete provided for an initial term of one year and granted the companies six options to renew the contracts for one year periods on the same terms applicable to the initial period.¹⁶ Each contract contained an exclusivity clause wherein, during the term of the contract, and any option renewal periods, Teena Marie agreed not to perform similar services of recording or songwriting for another employer. The contracts further provided each company with the option, exercisable at any time, to pay Teena Marie "compensation at the rate of not less than \$6,000 per annum." The companies' obvious intent was to comply with the injunction statute in the event Teena Marie sought to breach the exclusivity clause of the contracts.

In May, 1982, during the sixth and last option period of the two contracts, Teena Marie informed Motown and Jobete she would no longer perform under the contracts and gave a written notice of rescission. In August, 1982, Motown and Jobete sued Teena Marie for breach of contract and for injunctive and declaratory relief. In September, 1982, the companies exercised their option to pay Teena Marie at the rate of \$6,000 per year to invoke the statutory injunction and prevent her from performing for another recording or publishing company. In November, 1982, Teena Marie informed Motown and Jobete that she had signed a recording contract with another company and would commence performing for that company within the month.¹⁷

Motown and Jobete were granted a preliminary injunction based upon the exclusivity clauses of the contracts. The injunction issued by the trial court restrained Teena Marie from performing as a singer or songwriter for anyone other than Motown or Jobete until April 9, 1983, the purported expiration date of her contracts with the companies.¹⁸ Teena Marie appealed the issuance of the injunction to the California Court of Appeals.

The court addressed the history of the minimum compensation requirement as treated by the California Legislature and courts. The court

14. *Id.* at 126-27, 207 Cal. Rptr. at 576. Teena Marie's experience consisted of singing with local bands at weddings, parties, shopping centers and performing in school musicals.

15. *Id.* at 128, 207 Cal. Rptr. at 576. Teena Marie's album "It Must Be Magic" achieved gold record status after selling more than 400,000 copies. Motown's net profit from this album was allegedly \$1.7 million. *Id.* at 132 n.4, 207 Cal. Rptr. at 580 n.4.

16. *Id.* at 127, 207 Cal. Rptr. at 576.

17. *Id.*

18. *Id.*

noted that the long standing principal of equity denying that the specific enforcement of a personal services contract.¹⁹ An exception to this principal is found in the English case of *Lumley v. Wagner*.²⁰ Where an employee covenants both to perform for the employer and not to perform elsewhere, the *Lumley* doctrine authorizes the injunction of a breach of the negative covenant not to perform elsewhere. Notwithstanding this, the court cannot specifically enforce the affirmative covenant to perform for the employer.²¹

California Civil Code Section 3423, as originally adopted in 1872, did not include a *Lumley* exception to the rule prohibiting specific performance of personal service contracts.²² In 1919, the original statute was amended to its present form, incorporating a limited version of *Lumley*.²³ However, California courts have interpreted the minimum compensation requirement of the statute only twice since its enactment in

19. *Id.* at 129, 207 Cal. Rptr. at 578 (citing *Poultry Producers v. Barlow*, 189 Cal. 278, 288 (1922)); See generally Note, *Equity-Negative Covenants in Contracts for Personal Services*, 10 S. CAL. L. REV. 347 (1937).

20. 42 Eng. Rep. 687 (1852) (opera singer Johanna Wagner enjoined from performing for *Lumley's* competitor pursuant to exclusivity clause in her contract).

21. For a detailed discussion of the *Lumley* doctrine, see Tannenbaum, *Enforcement of Personal Service Contracts in the Entertainment Industry*, 42 CAL. L. REV. 18, 19-20 (1954); *The California Injunction Statute*, *supra* note 8, at 143-45.

22. Section 3423, as originally enacted, provided "an injunction cannot be granted . . . (fifth) to prevent the breach of a contract, the performance of which would not be specifically enforced." CAL. CIV. CODE § 3423 (1872) (amended 1919).

23. As originally introduced, the bill required only that the personal services contract be in writing. J. of the Sen., Forty-third Sess., p. 534 (1919). The stipulation was then added requiring the minimum compensation for such personal services to be at the rate of not less than \$6,000 per annum. *Id.* at 1255. A further amendment required the promised service to be of a special, unique, or intellectual character. *Id.* at 1349.

The *Teena Marie* court apparently extends this latter requirement to allow injunctive relief only when the performer sought to be enjoined possesses "star quality" status or is a person of distinction in his field at the time of entering the contract. The court asserts that the California Legislature in 1919 intended to incorporate the policies of *Lumley v. Wagner* into the injunction statute where the services provided were from an exceptional artist and for a considerable sum of money. *Teena Marie*, 160 Cal. App. 3d at 136-37, 207 Cal. Rptr. at 383. The court also notes that the \$6,000 figure used in the statute represented five times the average national wage in 1919. This serves as an indication, according to the court, that the Legislature did not intend to allow injunctive relief against a performer unless he had already achieved distinction prior to entering the contract. *Id.* at 138, 207 Cal. Rptr. at 584. The court states that this requisite distinction should be measured by the compensation the employer is willing to pay the performer. The court does not provide any guidance as to what level of compensation is required to allow injunctive relief for the employer or whether the compensation is to be measured based upon royalty rates, guaranteed advances or a combination of the two. Arguably, under the court's analysis, the company could turn an unknown artist into a "star quality" performer without the public ever knowing about it as long as substantial compensation was paid to the performer when the contract was entered.

*Foxx v. Williams*²⁴ and *MCA Records Inc. v. Newton-John*.²⁵

In *Foxx*, comedian Red Foxx brought suit against a record company distributing his albums, requesting an accounting and declaratory relief.²⁶ The record company cross-complained seeking an injunction against Foxx to prevent him from breaching the exclusivity clause of his contract and making recordings for another record company. Under the terms of the contract, Foxx was to receive a royalty of three percent of the list price for each recording sold. The California Court of Appeals held that Foxx could not be enjoined since the statutory minimum compensation requirement was not met due to the contingent nature of Foxx's income under the royalty contract.²⁷ Noting that the injunction statute would not be satisfied even if the actual royalties earned by Foxx exceeded the rate of \$6,000 per year, the court explained, "[T]he Legislature has concluded that an artist who is not entitled to receive a minimum of \$6,000 per year by performing his contract should not be subjected to this kind of economic coercion. Under the statutory scheme, an artist who is enjoined from accepting new employment will at least have the alternative of earning \$6,000 or more per year by performing his old contract."²⁸ The language in *Foxx* has been generally interpreted as requiring the personal services contract to guarantee a minimum of \$6,000 per year in order to satisfy the injunction statute.²⁹

In *MCA v. Newton-John*, recording artist Olivia Newton-John challenged a preliminary injunction restraining her from recording for any company other than MCA Records.³⁰ Under the terms of her contract, Newton-John received royalties based on record sales in addition to substantial non-refundable advances.³¹ Newton-John had agreed to pay for all production costs related to delivering the finished albums to MCA Records from the advanced monies received. The contract provided that she had exclusive control of production costs in producing each of the albums.

Newton-John argued that the contract failed to meet the statutory

24. 244 Cal. App. 2d 223, 52 Cal. Rptr. 896 (1966).

25. 90 Cal. App. 3d 18, 153 Cal. Rptr. 153 (1979).

26. *Foxx*, 244 Cal. App. 2d at 227, 52 Cal. Rptr. at 898.

27. *Id.* at 236, 52 Cal. Rptr. at 904.

28. *Id.*

29. See *The California Injunction Statute*, *supra* note 8, at 149.

30. *Newton-John*, 90 Cal. App. 3d at 21, 153 Cal. Rptr. at 154.

31. *Id.* Newton-John was obligated to deliver two albums per year for an initial period of two years, and, at MCA's option, two albums per year for three additional periods of one year each. In return, MCA would provide a nonreturnable advance of \$250,000 for each recording delivered during the initial two years, and an advance of \$100,000 for each recording delivered during the option renewal years.

minimum compensation requirement because her net compensation was less than \$6,000 annually once production costs were subtracted from her guaranteed advance.³² The court rejected this argument, reasoning that since Newton-John retained exclusive control of the production costs, she ultimately controlled the net margin remaining at the completion of the albums.³³ The court found that the guaranteed non-returnable advance met the statutory requirements of minimum compensation despite the fact that some or all of the advance was used for production costs.³⁴

Against this judicial and statutory backdrop, the *Teena Marie* court examined whether the option clause providing the \$6,000 minimum compensation in the Motown and Jobete contracts satisfied the injunction statute. In order to require specific enforcement, the contract must have a compensation provision that provides a minimum of \$6,000 per year. The court explained that "agreeing to payment of the minimum compensation is not a condition precedent to the granting of injunctive relief; it is a threshold requirement for admission of the contract into the class of contracts subject to injunctive relief under the statute."³⁵ Under the option clause in Teena Marie's contract she "has merely the potential of earning \$6,000 a year; there is no guarantee this compensation will ever be paid." The court concluded that the option clause in Teena Marie's contract was analogous to the contingent payment of royalties rejected in *Foxx*. The use of the option clause was "nothing more than a new arrangement of an old song."³⁶

The court also held that the option provision for providing the minimum compensation violated the concept of fundamental fairness embodied in the statute.³⁷ The court explained:

If we were to hold the option clause satisfies section 3423, we would nullify the \$6,000 compensation requirement as a counterweight on the employer. Whereas the \$6,000 compensation requirement was intended to balance the equities [between the employer and employee], the \$6,000 option clause is intended

32. *Id.* at 122, 153 Cal. Rptr. at 154.

33. *Id.* The court noted that Newton-John's interpretation of the minimum compensation statutes would allow her to nullify her contract at any time merely by increasing her production expenses.

34. *Id.* The *Teena Marie* court indicated that it may have decided the *Newton-John* case differently. In the court's opinion, the minimum compensation requirement requires at least \$6,000 be available to the artist after deducting production costs. *Teena Marie*, 160 Cal. App. 3d at 135 n.7, 207 Cal. Rptr. at 582 n.7.

35. *Id.* at 135, 207 Cal. Rptr. at 582.

36. *Id.*

37. *Id.* at 139, 207 Cal. Rptr. at 584.

to allow record companies to avoid payment of minimum compensation while retaining *the power of economic coercion over the artist.*"³⁸

[*emphasis added*]. Economic coercion can be accomplished in two ways, according to the *Teena Marie* court. First, the option clause gives the record company the coercive power to threaten the artist with an injunction without having to guarantee or pay anything to the artist.³⁹ Second, the minimum compensation need not be paid until the artist intends to breach the exclusivity clause by performing for another company.⁴⁰ Paying the minimum compensation enables the record company to assert that the contract does indeed provide the statutory minimum compensation.⁴¹ The court noted that the record company's election to pay the \$6,000 is then meaningless since, unless the artist is earning far in excess of that amount in royalties from record sales, the case would not be worth litigating by the record company.⁴²

Teena Marie serves as a clear warning to record companies that anything less than a bona fide guarantee of compensation at a minimum annual rate of \$6,000 may prevent the availability of injunctive relief when the artist seeks to perform for another record company.⁴³ The impact of the case will likely be treated by the record companies as another cost of doing business. If the company views the artist as a valuable asset capable of generating large record sales, they should draft their agreements to guarantee \$6,000 per year so that injunctive relief will be available. This payment will act as an insurance premium to prevent the loss of the artist's exclusive services.⁴⁴ If the artist is generating large record sales, this

38. *Id.*, 207 Cal. Rptr. at 585.

39. *Id.* The mere threat of enjoining the artist may force a settlement of the dispute between the parties. Most artists' careers cannot afford to be dropped from the public view for very long without losing commercial popularity. See *Statutory Minimum Compensation*, *supra* note 10 at 491-492.

40. *Teena Marie*, 160 Cal. App. 3d at 139-40, 207 Cal. Rptr. at 585. See *supra* note 10 and accompanying text.

41. 160 Cal. App. 3d at 140; 207 Cal. Rptr. at 585.

42. *Id.*

43. Although the option clause route may not result in injunctive relief, there may be other means by which a record company can minimize or avoid the statute's impact. The record company may use choice of law and forum selection clauses to avoid having California law apply. The company may also guarantee the statutory minimum compensation only to the key members or creative forces behind a group. The contract may also be "back-end" loaded, authorizing the \$6,000 compensation to be paid at the end of each contract year. In effect, the artist's yearly record sales will ideally provide the payment. See generally, *Statutory Minimum Compensation*, *supra* note 10 at 514-20; *The California Injunction Statute*, *supra* note 8, at 158-66.

44. If the injunction is granted against the artist, the most likely result will be a negotiation between the artist's old and new employer. Since the record company's primary interest is in

premium may turn out to be quite a bargain. But the realities of the record industry are that the majority of albums released by record companies fail to show a profit. This bleak statistic undoubtedly was a factor in record companies developing the option provisions for minimum compensation in an attempt to limit the throwing of good money after bad.

The effect of the present case may result in fewer marginally successful or struggling artists being retained on the record label's roster in order to avoid the additional expense of \$6,000 per artist. Without the power to prevent the artist from "jumping labels" via the injunction statute, it is doubtful that the record companies will expend the resources necessary to nurture the developing recording artist.

Perhaps the biggest impact of *Teena Marie* will be on these developing artists. While the holding of the case is a victory for the artist, the net effect may result in fewer recording artists finding themselves with contracts. Record companies may well forego the additional expense of guaranteeing the statutory minimum compensation to the "unknown artist" who will not likely show a return on the initial investment until some years later. Since the emergence of new talent is the lifeblood of the entertainment industry, hopefully, the result in *Teena Marie* will not impede its flow.

David N. Woolson

making money, not in stopping the artist from recording, it will often release the artist in return for a financial settlement from the new employer. See Rubin, *The Enforcement of Personal Service Contracts*, 3 THE ENTERTAINMENT AND THE SPORTS LAWYER, 3, 7, n.14 (1984).

C. Attorney-Client Relationship

1. Conflict Of Interest And Attorney Disqualification In The Entertainment Law Field

The preservation of a client's secrets and confidences can be as important to the client as winning the lawsuit.¹ The possibility of disclosure of confidences to another party can be a basis for attorney disqualification because of the conflict of interest involved. However, the court in *C.A.M. v. E.B. Marks Music, Inc.*² held that the evidence of conflict of interest was insufficient for disqualification.

Plaintiff, C.A.M., sought declaratory judgment and an injunction against defendant, E.B. Marks Music, Inc., ("Marks") from asserting any claim to the lyric rights of a song entitled "More," a song written for a soundtrack to the motion picture "Mondo Cane."³ C.A.M. claimed to own the musical rights to the soundtrack and lyrics.⁴

C.A.M. moved the court for an order directing that the attorneys of the law firm of Abeles, Clark and Osterberg, who represented Marks be disqualified from any participation in the case.⁵ The motion was based on conflict of interest arising out of the firm's prior representation of C.A.M. The prior representation involved an earlier suit brought by C.A.M. against Jack Paar for the unauthorized use of the soundtrack for "Mondo Cane."⁶ Paar filed a complaint against a third party who in turn filed a fourth party complaint against Marks. Both C.A.M. and Marks were represented by Abeles, Clark and Osterberg.⁷

C.A.M. claimed that the Abeles firm's representation of Marks against C.A.M. would violate Canon 4 of the ABA Code of Professional Responsibility by undermining C.A.M.'s security that its secrets would not be disclosed.⁸ Marks claimed that C.A.M.'s attorneys, Feinman and Krasilovsky, were similarly subject to disqualification because Feinman

1. Aronson, *Conflict of Interest*, 52 WASH. L. REV. 807, 812 (1977). Aronson continues, "an attorney representing a party in a proceeding against a former client will be deemed to have a conflict of interest if he makes use of confidential information obtained from the former client." *Id.* at 812.

2. 558 F. Supp. 57 (S.D.N.Y. 1983).

3. *Id.* at 58.

4. *Id.*

5. *Id.*

6. *Id.*

7. *Id.*

8. Canon 4 states simply: "A lawyer should preserve the confidences and secrets of a client." MODEL CODE OF PROFESSIONAL RESPONSIBILITY Canon 4 (1980).

and Krasilovsky had represented both parties in an earlier suit.⁹

The court applied the rule that the successive representation of clients with adverse interest will only lead to disqualification where the current representation is substantially related to the former representation.¹⁰ Proof of a substantial relationship requires that the moving party show that the relationship is patently clear, or that the issues involved in the two representations were identical or essentially the same.¹¹ However, before the substantial relationship test can be employed, the moving party must demonstrate that the attorney was in a position where he could have received information which his former client might reasonably have assumed the attorney would withhold from the present client.¹²

The court drew an analogy to *Allegart v. Perot*¹³ and concluded that any secret revealed by C.A.M. to their attorneys during the joint representation would have necessarily been revealed to Marks.¹⁴ Thus, the later representation of Marks against the interests of the former joint client could not cause disclosure of any secrets because there was no expectation that information would be concealed from Marks.¹⁵ The court, therefore, denied the motion to disqualify Mark's attorney.¹⁶

Even if there had been a possibility of disclosure of secrets, the result of the case would be the same. The court noted in *dictum* that the issues in the present case were not identical or essentially the same as those involved in the 1970 action brought against Jack Paar. Thus, the two cases were distinguishable.¹⁷ The action brought against Paar involved a dispute over the ownership of the soundtrack, while the present case in-

9. *C.A.M.* 558 F. Supp. at 58-59 (citing *Ortolani v. C.A.M.* (N.Y. Sup. Ct., County of N.Y., Summons dated September 25, 1974)). The action was brought against both C.A.M. and Marks and was settled shortly after issue was joined.

10. *C.A.M.* 558 F. Supp. at 59.

11. *Id.*

12. *Id.*

The possible harshness of this rule is mitigated by the "peripheral representation" standard developed by the Second Circuit, under which an attorney previously associated with a firm that handled matters substantially related to those in which the attorney's disqualification is sought, may show that he or she had no personal involvement in such substantially related matters and did not actually receive any confidential information relevant to the matter in which disqualification is sought.

Trone v. Smith, 621 F.2d 994, 998 n.3 (9th Cir. 1980).

13. 565 F.2d 246 (2d Cir. 1977) (holding that there were no grounds for disqualification because any secret revealed by the complaining party would necessarily have been revealed to the primary client).

14. *C.A.M.* 558 F. Supp. at 59.

15. *Id.*

16. *Id.*

17. *Id.*

volved rights to the lyrics of a particular song.¹⁸ Furthermore, C.A.M.'s attorney had stated that the present action was purely contractual between the two parties, C.A.M. and Marks.¹⁹ The court emphasized that the 1970 action did not involve contracts between the same parties.²⁰

The Ninth Circuit, in contrast to the *C.A.M.* case, relying on Second Circuit law, appears to be more protective of confidential communications between attorneys and clients. While the Ninth Circuit also applies the substantial relationship test,²¹ one opinion has noted that, "if there is a reasonable probability that confidences were disclosed which could be used against the client in later, adverse representation, a substantial relation between the two cases is presumed."²² Contrary to the Second Circuit,²³ the Ninth Circuit has stated that, "[i]t matters not whether confidences were in fact imparted to the lawyer by the client . . . [t]hat inquiry would be improper as requiring the very disclosure the rule is intended to protect."²⁴ Thus, the Ninth Circuit and Second Circuit, whose jurisdictions include the two largest entertainment capitals (Los Angeles and New York), differ in their protection of confidential communications in that the Ninth Circuit focuses solely on the *possibility* of disclosure, while the Second Circuit considers additionally whether lack of actual disclosure mitigated any possible harm.

The difference in scope of the substantial relationship test between jurisdictions could have considerable effect on entertainment lawyers. The entertainment field is more narrow than the more traditional areas of law, and the possibility of an attorney having represented the same client in a later adverse action is greater. This factor raises important policy considerations regarding conflict of interest. On the one hand there is the need for flexibility. A number of policy considerations involved in vicarious disqualification cases²⁵ are relevant to the entertainment field. They include the value to the client of the knowledge and expertise gained from a longstanding relationship of attorney and client, the accel-

18. *Id.*

19. *Id.*

20. *Id.*

21. *Trone v. Smith*, 621 F.2d 994, 998 (9th Cir. 1980).

22. *Id.*

23. *See supra* note 12.

24. *Trone*, 621 F.2d at 999.

25. The grounds for vicarious disqualification are set out in Disciplinary Rule 5-105(D) which provides:

If a lawyer is required to decline employment or to withdraw from employment under a Disciplinary Rule, no partner or associate, or any other lawyer affiliated with him or his firm, may accept or continue such employment.

MODEL CODE OF PROFESSIONAL RESPONSIBILITY DR 5-105(D) (1980).

erated tendency toward specialization in the bar, and the resulting limitation on the number of firms with the necessary expertise in highly complex areas of law.²⁶

Perhaps these considerations should be given greater weight where there is little possibility for access to confidential communications.²⁷ On the other hand, the Ninth Circuit has stated that “[b]ecause of the sensitivity of client confidence and the profession’s institutional need to avoid even the appearance of a breach of confidence, disqualification is required when lawyers change sides in factually related cases.”²⁸ If the legal field continues to narrow, the balancing of policy considerations will probably play a larger role. However, the importance of policy factors diminishes where the rules regarding conflict of interest are interpreted narrowly as they were in *C.A.M.*

Carmin K. Toscano

26. Aronson, *Conflict of Interest*, 52 WASH. L. REV. 807, 854 (1977).

27. Aronson appears to agree with the Second Circuit’s view that the possibility of access is insufficient grounds for disqualification. However, Aronson notes:

It should be emphasized, however, that none of the countervailing considerations outweighs clear conflicts of interest (including actual access to confidential information) Instead of disqualification founded merely upon some relationship indicating potential access to confidences, a showing of actual access or virtual identity of the cases should be required. Further, law firms should be permitted to rebut any suggestion of access

Id. at 855.

28. *Trone*, 621 F.2d at 1001.

D. Trademark

1. Trademark Infringement And The Right Of Publicity: Protecting The "Persona"

The right of publicity, "the right of each person to control and profit from the publicity values which he has created or purchased,"¹ continues to emerge as a legal issue. A recent Second Circuit case, *Bi-Rite Enterprises, Inc. v. Button Master*,² illustrates the utility of asserting the right of publicity and expands its protection to performing groups as well as to individuals. The case also suggests that it may be wise to routinely include a right of publicity claim when seeking to protect a performer's trademark.

In *Bi-Rite*, the plaintiffs were rock music groups and individuals: Devo, Styx, Judas Priest, Molly Hatchet, Iron Maiden, Pat Benatar and Neil Young ("the performers"); and a manufacturer and distributor of posters, buttons, patches, bumper stickers and other novelty items, Bi-Rite Enterprises, Inc. ("Bi-Rite").³ Bi-Rite, the licensee of these and other rock artists, is authorized to merchandise the performers' names, likenesses, logos, trademarks and service marks (collectively, "marks") on Bi-Rite's novelty products.⁴ Bi-Rite and the performers brought suit against Button Master and other unlicensed sellers of novelty items which bore the unauthorized marks of the performers and other rock music stars.⁵

Bi-Rite alleged trademark infringement, unfair competition, dilution, and violation of rights of privacy and publicity against Button Master, but was successful in its motion for summary judgment only on the right of publicity claim.⁶

The term "right of publicity" was coined in 1953 by Judge Jerome Frank in *Haelan Laboratories, Inc. v. Topps Chewing Gum, Inc.*⁷ Since then, there has been extensive development of the right by Second Circuit courts, usually applying New York law, although there is no clear evi-

1. Nimmer, *The Right of Publicity*, 19 LAW & CONTEMP. PROBS. 203, 216 (1954).

2. 555 F. Supp. 1188 (S.D.N.Y.) (per Sofaer, J.), *supp. op.*, 578 F. Supp. 59 (1983).

3. *Id.* at 1191.

4. *Id.*

5. *Id.*

6. *Id.* at 1191-92, 1198.

7. 202 F.2d 866, 868 (2d Cir.), *cert. denied*, 346 U.S. 816 (1953) (licensee of baseball player, authorized to use his photograph on baseball cards, brought suit against a second chewing gum manufacturer who the player had also licensed).

dence that a common law right of publicity exists in New York.⁸

The *Bi-Rite* court, however, did not hesitate to find that the performers' publicity rights had been violated by Button Master's use of their marks on the novelty items.⁹ Although all other claims were rejected by the court, this result illustrates the value of including a right of publicity claim when attempting to protect a personal mark. Notwithstanding disagreements concerning whether the right is limited to name and likeness, some commentators, nevertheless are convinced that an assertion of the right is the most viable alternative when the trademark laws fail to preserve a mark's integrity.¹⁰

The dismissal of *Bi-Rite's* trademark infringement and unfair competition claims illustrates the Second Circuit's continuing rejection of the expansive Fifth Circuit view of trademark protection, a view articulated in *Boston Professional Hockey Association, Inc. v. Dallas Cap & Emblem Manufacturing, Inc.*¹¹ The Fifth Circuit in *Boston Hockey* enjoined as a trademark violation the unauthorized manufacture and sale of embroidered cloth emblems bearing the trademarks of numerous professional hockey teams.¹² The difference of opinion between the circuits emphasizes the central focus of trademark and unfair competition law: the protection of consumers from confusion in determining the source of goods in the market.¹³ This focus is statutorily embodied in Section 43(a) of the Lanham Act.¹⁴ Simply put, the Second Circuit view provides that a mark, exploited for its own intrinsic value, and copied in nonconfusing ways, and which does not confuse the consumer as to the source or origin of the goods, will not be protected by the trademark law when its use is unauthorized.¹⁵

In *Boston Hockey*, however, the Fifth Circuit, in what it called a case of "first impression,"¹⁶ extended trademark protection to "repro-

8. See *Brinkley v. Casablanca*, 80 A.D.2d 428, 438 N.Y.S.2d 1004 (1981) (although enjoining unauthorized distribution of a poster bearing model Christie Brinkley's photograph, New York courts refused to expressly recognize a common law right of publicity).

9. *Bi-Rite*, 555 F. Supp. at 1199.

10. Ropski, *The Right of Publicity: The Trend Towards Protecting a Celebrity's Celebrity*, 72 TRADE-MARK REP. 251, 260 (1982); Heneghan & Wamsley, *The Service Mark Alternative to the Right of Publicity: Estate of Presley v. Russen*, 14 PAC. L.J. 181 (1983).

11. 510 F.2d 1004 (5th Cir. 1975), cert. denied, 423 U.S. 868 (1975).

12. *Id.* at 1008.

13. *Bi-Rite*, 555 F. Supp. at 1193.

14. The Lanham Act, 15 U.S.C. §§ 1063 et seq. (1976), sets forth the federal trademark statutes. Section 1125(a), popularly referred to as § 43(a), functions primarily to protect consumers from confusion as to the source of goods in the marketplace. *Bi-Rite*, 555 F. Supp. at 1193.

15. *Bi-Rite*, 555 F. Supp. at 1194.

16. *Boston Hockey*, 510 F.2d at 1008.

duction[s] of the trademark itself."¹⁷ The court found the "confusion" requirement met by "[t]he certain knowledge of the buyer that the source and origin of the trademark symbols were in the plaintiffs."¹⁸ In the view of the Fifth Circuit, where a trademark is "the triggering mechanism for the sale of the emblem," confusion need not be shown as to the source of the emblem's manufacture.¹⁹

Several subsequent decisions have similarly granted relief for the unauthorized use of marks on collateral products.²⁰ Writing for the *Bi-Rite* court, Judge Sofaer commended the "fairness and commercial good sense" motivating the extension efforts,²¹ but condemned the excess of zeal which, in the court's view, distorted the meaning of the confusion requirement. The *Bi-Rite* court reaffirmed the Second Circuit view that any extension which would modify the meaning of the requirement should be accomplished legislatively.²²

One of the ramifications of the court's view is that when consumers desire a mark for its intrinsic value and not as a designation of origin, the Second Circuit will accord the mark no protection under unfair competition laws.²³ An evidentiary record, however, establishing that the use of a functional mark caused consumer confusion as to source would supply a basis for Lanham Act protection.²⁴ Since the performers and *Bi-Rite* had failed to prove such confusion, or even to attempt proof, such as showing sales by Button Master at concerts where the mark's owner performed, the court found that Button Master would be entitled to summary judgment if *Bi-Rite's* failure remained unrectified.²⁵

The court dispensed with *Bi-Rite's* dilution claim, brought under New York's general business statutes, even more quickly.²⁶ Although by its own terms, Section 368-d of the New York General Business Law

17. *Id.*

18. *Id.* at 1012.

19. *Id.*

20. *Bi-Rite*, 555 F. Supp. at 1194 (citing *Winterland Concession Co. v. Sileo*, 528 F. Supp. 1201, 1214 (N.D. Ill. 1981); *Joel v. Various John Does*, 499 F. Supp. 791, 792 (E.D. Wis. 1980).

21. *Bi-Rite*, 555 F. Supp. at 1194.

22. *Id.* at 1195, quoting Judge Knapp's response to *Boston Hockey*: "We do not believe our Circuit would agree that such an extension of heretofore accepted concepts should . . . be accomplished by judicial, rather than legislative fiat." *Warner Bros., Inc. v. Gay Toys, Inc.*, 513 F. Supp. 1066, 1070 (S.D.N.Y.), *rev'd on other grounds*, 658 F.2d 76 (2d Cir. 1981), *on remand*, 553 F. Supp. 1018 (S.D.N.Y.), *aff'd*, 724 F.2d 327 (2d Cir. 1983).

23. *Bi-Rite*, 555 F. Supp. at 1195; *Ives Laboratories, Inc. v. Darby Drug Co.*, 601 F.2d 631, 643 (2d Cir. 1979).

24. *Bi-Rite*, 555 F. Supp. at 1195-96.

25. *Id.*

26. *Id.* at 1196 (citing N.Y. GEN. BUS. LAW § 368-d (McKinney 1984)).

does not require public confusion, it does require a likelihood of injury to business reputation, or dilution of the distinctive quality of a mark.²⁷ According to the court, not only did the performers not suffer any injury, but their marks were actually strengthened by the unauthorized use. The court reasoned that fans of the performers were given "an opportunity to announce their allegiance to the groups, thereby publicizing the popularity of the groups."²⁸ This rationale is reminiscent of the view espoused by those courts which deny relief for appropriation of personality by characterizing any complaint as an ungrateful desire to be paid for the "compliment" of free publicity.²⁹

The only claims remaining to be settled charged violations of the rights of privacy and publicity.³⁰ The right of privacy is often viewed as a "personal" interest prior to its commercial exploitation by its owner or his designee,³¹ and a violation of the right has been seen as an emotional injury alone.³² The right is protected by statute in New York,³³ Tennessee³⁴ and California,³⁵ and by common law in many other states.³⁶ The *Bi-Rite* court held that the performers had waived their right to claim intrusions into their common law privacy rights, since their names and likenesses were already in the public domain.³⁷

27. *Id.* Section 368-d provides that:

Likelihood of injury to business reputation or of dilution of the distinctive quality of a mark or trade name shall be a ground for injunctive relief in cases of infringement of a mark registered or not registered or in cases of unfair competition, notwithstanding the absence of competition between the parties or the absence of confusion as to the source of goods or services.

N.Y. GEN. BUS. LAW. § 368-d (McKinney 1984).

28. *Bi-Rite*, 555 F. Supp. at 1196.

29. *See, e.g., Cepeda v. Swift & Co.*, 415 F.2d 1205 (8th Cir. 1969), in which baseball player Orlando Cepeda licensed his name to Wilson Sporting Goods for use on baseballs. Wilson later made a deal with meat packer Swift to promote Swift's hot dogs with giveaways of the Cepeda signature ball. Cepeda objected, unsuccessfully, to this contractually un contemplated use.

30. *Bi-Rite*, 555 F. Supp. at 1197.

31. Saret & Stern, *Publicity and Privacy—Distinct Interests on the Misappropriation Continuum*, 12 LOY. U. CHI. L.J. 675 (1981).

32. *See, e.g., Grant v. Esquire, Inc.*, 367 F. Supp. 876 (S.D.N.Y. 1973) (actor Cary Grant sued magazine for unauthorized use of his photo in a fashion feature; complaint did not fall into traditional categories of privacy protection).

33. N.Y. CIV. RIGHTS LAW §§ 50, 51 (McKinney 1976 & Supp. 1983-84).

34. TENN. CODE ANN. §§ 47-25-1101 *et seq.* (1984). These statutes, passed in the 1984 legislative session, protect "personal rights," Tennessee's equivalent to privacy and publicity rights.

35. CAL. CIV. CODE §§ 3344, 990 (West Supp. 1985).

36. *Bi-Rite*, 555 F. Supp. at 1197. Some of the performers resided in, or otherwise had their interests protected by the laws of Illinois and Georgia. Both states are among those which recognize a common law right of privacy.

37. *Id.* at 1198.

The common law recognizes four independent torts arising from violations of the privacy right. One of these, appropriation of the plaintiff's name or likeness for the defendant's advantage,³⁸ has evolved into the right of publicity tort. It was this tort which finally provided grounds for the court to offer the performers some relief.³⁹

The court cited a recently outlined three-part test for establishing a right of publicity⁴⁰ violation based on a showing that: (1) a name or likeness has publicity value; (2) it has been commercially exploited by its owner; and (3) it has been subsequently appropriated by another for advertising or trade purposes without the owner's consent.⁴¹ In *Bi-Rite*, the court found the test was satisfied, deciding that the performers' names had financial value, as recognized expressly by the exploitation of their marks by their authorized licensee Bi-Rite.⁴² Moreover, Button Master and its fellow defendants admitted their unauthorized appropriation.⁴³

Since the performers had satisfied the test, the court needed only to determine which of them could recover for the violation. Neil Young and Pat Benatar, as individuals, were entitled to summary judgment; the group performers were similarly entitled.⁴⁴ The groups were found to have a "persona": a public image that imbues their name, likeness or mark with commercial value marketable to those who seek identification with the image. Consequently, the court found they should be treated the same as single performers with an equally marketable persona.⁴⁵

The recognition of a group's right to publicity was established in *Winterland Concessions Co. v. Sileo*,⁴⁶ but *Bi-Rite* represents the first adoption of the rule by any circuit court.⁴⁷ The court also allowed Bi-Rite, as the exclusive licensee of several groups, to assert a publicity claim, since it had a right to protect its interests against all who would

38. RESTATEMENT (SECOND) OF TORTS § 652A (1977); W. PROSSER, THE LAW OF TORTS § 117 (4th ed. 1971). The other three torts are: (1) unreasonable intrusion upon the seclusion of another; (2) unreasonable publicity given to the other's private life; and (3) publicity that unreasonably places the other in a false light before the public.

39. *Bi-Rite*, 555 F. Supp. at 1198.

40. *Lerman v. Chuckleberry Productions, Inc.*, 521 F. Supp. 228 (S.D.N.Y. 1981) (quoting *Hicks v. Casablanca Records*, 464 F. Supp. 426, 429 (S.D.N.Y. 1978)).

41. *Lerman*, 521 F. Supp. at 232.

42. *Bi-Rite*, 555 F. Supp. at 1199.

43. *Id.*

44. *Id.*

45. *Id.*

46. 528 F. Supp. 1201, 1213 (N.D. Ill. 1981), *aff'd in part, rev'd in part*, 735 F.2d 257 (7th Cir. 1984).

47. *Bi-Rite*, 555 F. Supp. at 1199.

encroach on the exclusive rights embodied in the licenses.⁴⁸ Those groups or individuals who had not exclusively licensed Bi-Rite, however, would have to sue on their own behalf.⁴⁹ Furthermore, the court indicated that a non-exclusive licensee would not have standing to assert publicity rights.⁵⁰

Until other performers, or their exclusive licensees, assert their own right of publicity claim, Button Master, its co-defendants, Bi-Rite and any other manufacturer or distributor can freely exploit names, likenesses or marks.⁵¹ The court considered that there may be good reason for performers to choose not to complain about such unauthorized use, and the court refused to prohibit the market from taking advantage of that choice.⁵²

It is gratifying that the performers in *Bi-Rite* were able to obtain relief for the unauthorized use of their marks under a right of publicity claim. The Second Circuit's refusal, however, to recognize trademark infringement and unfair competition claims as being valid is disconcerting, given the realities of the present-day market. The growing phenomenon of "fad" merchandising, and the popularity of marks marketed for their own intrinsic value, present a problem which needs to be addressed.⁵³ With the increasing exploitation of a trademark's persona, the protections which the Second Circuit believes are offered by the Lanham Act seem increasingly illusory. Courts should recognize the trademark persona, and provide it trademark and unfair competition protection to the same degree as that now provided by publicity right protection to individuals and groups who show injury to their publicity interests.⁵⁴

It is only with federal unfair competition protection that similarly-situated plaintiffs in different circuits may receive even-handed treatment when their names, likenesses and marks are appropriated for commercial advantage by those who would steal what they would not buy. Let those who profit unjustly from the creative efforts and energy of the artistic

48. *Id.* at 1199-1200. See also Note, *Transfer of the Right of Publicity: Dracula's Progeny and Privacy's Stepchild*, 22 U.C.L.A. L. REV. 1103, 1117, 1120 n.80 (1975).

49. *Bi-Rite*, 555 F. Supp. at 1200.

50. *Id.*

51. *Id.* at 1201.

52. *Id.* at 1200-01.

53. See Winner, *Right of Identity: Right of Publicity and Protection for a Trademark's "Persona,"* 71 TRADE-MARK REP. 193 (1981).

54. *Id.*

community and its licensees begin to share its burdens as well as its rewards.

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