CHICAGOLAWBULLETIN.COM

Serving Chicago's legal community for 158 years

TUESDAY, AUGUST 27, 2013

Chicago Daily Law Bulletin®

Volume 159, No. 168

Claims by former NCAA players survive First Amendment challenge

Johnny Manziel, aka "Johnny Football," is in hot water with the National Collegiate Athletic Association for allegedly receiving payments for signing autographs.

Last season Manziel, the star quarterback for Texas A&M, won the Heisman Trophy — the first freshman ever to do so.

At the time the NCAA's investigation was announced, ESPN analyst Jay Bilas did some investigating of his own — not of Manziel, but of the NCAA.

In one of the most effective Twitter takedowns in the annals of sport, Bilas explained in a series of tweets that if a fan visited www.ShoptheNCAA-Sports.com and plugged in "Manziel" in the search box, the fan would be led to a page where he or she could purchase Texas A&M football jerseys with the number "2," which of course is Manziel's number.

The site sold jerseys of other high-profile athletes, as well. Apparently shamed by the tawdriness and hypocrisy of this conduct, the NCAA soon pulled the site down and announced that it would no longer sell this kind of merchandise.

Sports talk radio hosts have spent countless hours discussing whether college football and basketball players should get paid for their efforts. Many players at the high-profile universities have no interest in getting an education, so they don't get much value from their "free" education.

The universities make millions off the entertainment value provided by the players. Some of that money undoubtedly is put to good use by the universities.

Perhaps the more troubling exploitation of college athletes comes from the NCAA itself. It requires student-athletes to sign Form 08-3a, which gives the NCAA permission to use their images, without pay, to promote NCAA events.

The NCAA profits handsomely from the heroics of the student-athletes. According to the New York Times, the NCAA has licensing deals estimated at more than $4 billion.

Then there are the media deals as well.

The NCAA is in the midst of a 14-year, $10.8 billion media agreement with CBS for the NCAA Basketball Tournament alone. It says that 96 percent of that goes to the universities, but that still leaves a tidy amount for the NCAA.

One of the not so subtle ways the NCAA exploits the economic value of college football stars is by allowing the use of their personas for video games. It licenses a video game producer, Electronic Arts (EA), to sell a popular video game called NCAA Football, which allows the users to control virtual players that represent actual college football players in simulated games. In designing the games, EA replicates each school's team as accurately as possible.

Each real player on a college team has a corresponding virtual player with the same jersey number and position and identical height, weight, build, skin tone, hair color and home state. The players get none of the revenues from the licensing or sale of the video games.

A group of former college football and basketball stars has gone on the offensive. The group, led by a quarterback named Sam Keller, filed a class-action suit for violation of their rights of publicity. EA argues that its First Amendment right to freedom of expression allows it to use images of former players in the games, which are expressive works.

In a stinging defeat to EA and the NCAA, the 9th U.S. Circuit Court of Appeals recently held that the First Amendment would not defeat the players' right of publicity claims. *Keller v. Electronic Arts,* (9th Circuit, July 31, 2013).

The case highlights the conflict between two well-established legal principles.

Our Constitution requires that expression in creative works, even in the form of video games, be protected. Yet it has also been widely accepted that an individual has the right to prevent his image from being used for commercial purposes without permission.

Does EA's constitutional right to make artistic, realistic video games trump Sam Keller's right to control how his image is used in a commercial context?

To resolve the issue, the court asked whether the work "adds significant creative elements so as to be transformed into something more than a mere celebrity likeness or imitation."

When a work contains significant transformative elements, "it is especially worthy of First Amendment protection."

The court concluded that the video game's presentation of Keller's likeness does not contain significant transformative elements. Even though the video game as a whole contains many creative elements, Keller is merely depicted as Keller performing the same activity he performed in real life on the field of play.

The court engaged in some hairsplitting in distinguishing this case, which is based on the right of publicity, from a companion case based on a false endorsement theory under §43(a) of the Lanham Act. In *Brown v. Electronic Arts*, Hall of Fame running back Jim Brown sued EA for using his persona in its Madden NFL video games.

His claim is that EA's use of his image will confuse customers into thinking he endorses or sponsors the video games, which he does not. Though EA's conduct is essentially the same in both cases, the 9th Circuit came to the opposite conclusion in Brown's case as to the impact of the First Amendment — due to Brown's slightly different legal theory.

The court found that in a false endorsement case the First Amendment is given a more expansive reading.

The court held that Brown failed to overcome EA's First Amendment defense because the use of Brown's image in the game is "artistically relevant" and because EA did not explicitly mislead consumers as to Brown's involvement with the game. "The public interest in free expression outweighs the public interest in avoiding consumer confusion."

But apparently it does not outweigh the public interest in compensating celebrities for the commercial use of their images. Go figure.

I guess Brown will have to go file a right of publicity action in state court. Under the rationale of Keller, he should be able to state a claim.

Keller puts the NCAA in a difficult position. Though the court's opinion was not a final decision on the merits, it decimated the NCAA's most potent defense.

The court's ruling would appear to expose the NCAA to a flood of right of publicity claims from former players. The NCAA has already announced that the recent release of NCAA Football 2014 will be its last due to "the costs of litigation."

This litigation defeat, together with the disclosure that it was merchandising Johnny Football's jersey even as it was investigating him, will undoubtedly sideline the NCAA's merchandising efforts, at least for a while.

INSIDE IP LAW

William T. McGrath

William T. McGrath is a member of Davis, McGrath LLC, where he handles copyright, trademark and Internet-related litigation and counseling. He is also associate director of the Center for Intellectual Property Law at The John Marshall Law School. He can be contacted at wmcgrath@davismcgrath.com.