InsideCounsel.com
BUSINESS INSIGHTS FOR LAW DEPARTMENT LEADERS
DECEMBER 18, 2014



How game developers can avoid getting 'PWN3D' by a right-of-publicity claim

Considerable uncertainty remains in how right-of-publicity law applies to video game development

BY SETH A. NORTHROP, ANDREA L. GOTHING, LI ZHU

Video games are an undisputed juggernaut in today's entertainment industry. Individual franchises, such as Call of Duty, generate billions of dollars in sales that rival the largest Hollywood movie blockbusters. Video games have even broken into the broadcasting industry, as evidenced by Amazon's billion-dollar acquisition of Twitch, an online streaming video platform for gamers. This growth is partly due to massive advances in the gaming industry, such as graphics engines, that have captured greater audiences.

But as video games continue to push the boundaries of realism, developers face increasing legal challenges based on legislative and common law rights of publicity that protect the use of a celebrity's name, likeness and/or identity. The myriad of court decisions related to popular video games such as Madden, Band Hero, NCAA College Football, and, in just the past few weeks, Call of Duty, may — instead of providing a clear blueprint for what game makers can and cannot do — feel as random as a procedurally generated landscape in Minecraft. So, are there any "cheat codes" for game developers to avoid getting fragged by a right-of-publicity claim?

Level 1: What is the right of publicity?

Video games enjoy constitutional protection under 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 interactions with the virtual world)."

This protection is not, however, absolute: Individuals whose likenesses are used in video games may be entitled to a "right of publicity" — in other words, they may be exclusively entitled to the economic benefit of their likeness. When these rights of publicity collide with First Amendment expression, courts will weigh that expression against the economic harm experienced by those individuals. Thus, game developers who improperly use the likeness of individuals (such as celebrities) in their video games may be liable in court.

Level 2: Mapping the pitfalls

For game developers who design a world that reflects real life, right-of-publicity law can present numerous obstacles that are continually-evolving.

Game developers must first be concerned with the issue of celebrity endorsement — potential liability where a celebrity's character is used in a way that suggests endorsement of a product. Developers need only to look so far as supernova Kim Kardashian to see the power that celebrity endorsements can have on a video game's success: Kardashian's "Hollywood" game app is rumored to have netted hundreds of millions of dollars. It is difficult to imagine that the game would be pulling in even a fraction of that without her celebrity endorsement. Given this success, it can be tempting for game developers to imply they have the blessing of certain celebrities. Section 43(a) of the Lanham Act, however, creates a cause of action when game developers misrepresent the source or content of their game, including the misrepresentation of potential endorsement.

The 9th Circuit recently addressed this issue in a case involving Electronic Arts' blockbuster game: Madden NFL. There, James "Jim" Brown, a Hall of Fame NFL player, alleged that EA used his likeness in designing a player on one of the game's historic all-star teams. Although Brown's name was not used, he claimed the player's affiliations, age, physical characteristics and ability levels made his association unquestionable, despite the fact that he neither endorsed the game nor was compensated for the use of his likeness.

The 9th Circuit court applied the two-pronged "*Rogers* test," which states that the Lanham Act should not apply "unless the [use of the trademark or other identifying material] has no artistic relevance to the underlying work whatsoever, or, if it has some artistic relevance, unless the [trademark or other identifying material] explicitly misleads as to the source of the content of the work." The court, after noting the ease of satisfying the first prong, analyzed the second prong and ultimately found that Electronic Arts did not *explicitly* attempt to mislead the public into believing Brown was somehow behind or endorsing the game. Although Brown's Lanham Act claim ultimately failed, the court expressly noted that the outcome might have been different under state common law right-of-publicity claims.

Thus, game developers may next be thrust into the elusive world of states' right-of-publicity claims. Many, but not all jurisdictions often turn on the application of the "transformative use" test. In its simplest form, the test states that the greater the transformation of the celebrity's likeness in the video game, the less likely the game developer will be liable for its use. However, as the growing number of video game cases reveal, the devil is in the details.

In *Kirby v. Sega of America*, the Court of Appeals of California reviewed a state endorsement claim by a singer known for her distinctive fashion style and for the phrase, "Ooh la la." The singer accused a video game with a similarly-dressed character named "Ulala" of misappropriating her likeness. The court determined that the character had been sufficiently transformed to negate liability, because the character had a continually changing fashion style, was not a musician, and lived in a fictional, futuristic world. In contrast, *No Doubt v. Activision* resulted in liability for Activision because the game "Band Hero" contained secret levels with

DECEMBER 18, 2014

InsideCounsel.com

BUSINESS INSIGHTS FOR LAW DEPARTMENT LEADERS

avatars that were "immutable images of the real celebrity musicians," No Doubt. Those avatars performed songs beyond the scope of the parties' license. The California court concluded that these images were different from the "fanciful, creative characters" discussed in the *Kirby* opinion.

But, potential pitfalls for game developers are not limited to *No Doubt* and *Kirby*. On the same day the 9th Circuit released its order in *Brown*, the appellate court also decided another case involving a popular Electronic Arts football game, this time "NCAA Football." In *Keller v. Electronic Arts*, Sam Keller, a former collegiate football player, asserted that his likeness was used within the game without his consent and without compensation. Even though the game did not identify him by name, players had similar physical characteristics and abilities. Electronic Arts sought "realism" in designing the characters and allowed players to upload roster information, including names. Although the court acknowledged that Electronic Arts incorporated transformative elements into the environment surrounding the characters (such as commentary, scenery, situations, etc.), the 9th Circuit ultimately determined that Electronic Arts did not depict Keller "in a different form" and that "he [was] represented as he was: the starting quarterback for Arizona State University" where the public would expect to find him: on a football field. It appeared based on the court's analysis that the "transformative use" test should focus on whether there was a literal recreation of the celebrity in an environment where the celebrity obtained celebrity status. In other words, the overall transformative elements of the environment of the game are less relevant if the game contains a literal depiction of the celebrity's likeness and the celebrity's character is doing what the public would expect the celebrity to be doing.

A recent California Superior Court decision, *Noriega v. Activision/Blizzard, Inc.*, has, however, challenged the framework outlined by the 9th Circuit in Keller. In Noriega, Manuel Noriega, the notorious former Panamanian leader, sued the makers of Call of Duty: Black Ops II for featuring his likeness in the game. There was no question that Noriega appeared in the game and that the game developers relied on pictures of him in developing the game. Notwithstanding the literal depiction of Noriega and his home environment, the California court concluded that First Amendment concerns outweighed Noriega's claim. The court rejected *Keller's* apparent failure to consider the whole of the game's transformative effect. Instead, the court focused on facts such as the developers not relying on Noriega in marketing materials, the limited role Noriega's character played in the game overall, Noriega's historical significance, and the significant expressive elements of the overall game environment.

The Final Level: Defeating the right-to-publicity boss

Considerable uncertainty remains in how right-of-publicity law applies to video game development. However, avoiding liability need not be as tricky as discovering a secret level. Several tips may help video game developers develop successful games without losing too many lives:

If you want a celebrity endorsement, get a license: If you want to promote your game with a celebrity's likeness, you should recognize that courts will likely recognize that celebrity's right to publicity. Minor deviations from a celebrity's likeness are unlikely to be an adequate shield, particularly where there is an explicit intent to create confusion or belief that the celebrity supports or is behind the game.

If you use a known likeness—alter the character's traits or environment: If a character in your game can be mistaken for a known celebrity, you should design that character to have non-trivial transformative traits or place that character in a situation you might not otherwise expect the celebrity to be in.

If a historically significant likeness is a substantive element of your game, consider getting a license: Courts have shown some willingness to allow the use of historical and contemporaneous events/characters in expressive works. But, if your game incorporates a historically significant likeness in a substantive way (where economic value is driven by such incorporation), you should strongly consider seeking a license.

If it's a close call, find counsel: With investments in video game development topping tens, if not hundreds, of millions of dollars, the potential return on that investment being even greater and the law in flux, developers will benefit by identifying a wing-man to help guide them through the rights of publicity minefield.

About the Authors

Seth A. Northrop
Seth Northrop is a trial attorney at Robins, Kaplan, Miller & Ciresi L.L.P. whose practice focuses on intellectual property and global business and technology sourcing. He has substantial experience with complex business litigation involving various technologies including software and hardware design, analytics, networking, database, and E-commerce systems. sanorthrop@rkmc.com.

Andrea L. Gothing
Andrea Gothing is an attorney at Robins, Kaplan, Miller & Ciresi L.L.P. She assists clients with complex technology-centric challenges including intellectual property, business, cybersecurity, and privacy litigation. algothing@rkmc.com

Li Zhu

Li Zhu is an attorney at Robins, Kaplan, Miller & Ciresi L.L.P. He assists clients with complex technology-centric challenges including intellectual property, business, cybersecurity, and privacy litigation. lzhu@rkmc.com.