
Ivy Choderker

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THE FIRST SALE DOCTRINE DEFENSE AS A LIMIT ON THE RIGHT OF PUBLICITY: ALLISON V. VINTAGE SPORTS PLAQUES

I. INTRODUCTION

To many, sports trading cards evoke memories of childhood. The excitement that comes with unwrapping a gum package to see which sports superstar will be added to a collection of treasured cards colors the lives of many children. To the athletes whose pictures adorn these cards, the cards are a source of accomplishment. Although it is tempting to say that a price cannot be placed on such childhood activities, fond adult memories, or athletic pride, sports trading cards are a multi-billion dollar industry. To this end, it is no wonder that many entrepreneurs seek a piece of this lucrative pie.

New York Yankees former manager Casey Stengel once said, "[b]aseball's business." Baseball, as well as professional sports in general, has evolved into an important part of the entertainment business. As a result, the sports business contributes significantly to the nation's economy.

Those who buy and collect sports memorabilia create a market that results in a powerful money and distribution machine generated by athletes' images. Consequently, athletes' concerns over the presentation of their names and likenesses to the consuming public, and over the resulting potential revenue, can clash with the entrepreneur's eagerness to supply such a burgeoning market.

Amidst these competing interests, the United States Court of Appeals for the Eleventh Circuit decided Allison v. Vintage Sports Plaques. In this

4. Id. For example, professional sports spectators may pay from five dollars to 500 dollars for a chance to see a sports event in person, promoters receive multi-million dollar television contracts, and athletes sign lucrative endorsement agreements while earning large salaries. Id.
5. Id.
6. 136 F.3d 1443 (11th Cir. 1998).
case, two well-known and accomplished athletes, Orel Hershiser\(^7\) and Clifford Allison,\(^8\) brought a right of publicity suit\(^9\) against Vintage Sports Plaques ("Vintage").\(^10\) Both athletes sought to enjoin Vintage from selling its sports-themed clocks and plaques that featured sports trading cards bearing the names and likenesses of Hershiser and Allison.\(^11\) Vintage bought the cards from licensed card manufacturers with whom the athletes had licensing agreements.\(^12\) In deciding this case, the Eleventh Circuit applied the first sale doctrine.\(^13\) This is a defense in copyright law that prevents copyright owners from controlling the use of their copyrighted work after its initial sale to a third party.\(^14\)

This Note examines the Eleventh Circuit's application of the first sale doctrine to the right of publicity in Allison.\(^15\) It argues that the Allison

\(^7\) Orel Hershiser is a famous baseball pitcher who led the Los Angeles Dodgers to the World Championship in 1988. WILLIAM F. MCNEIL, THE DODGERS ENCYCLOPEDIA 58 (1997). Among his many achievements, Hershiser was awarded the National League Cy Young award as the league's best pitcher, the National League Championship Series Most Valuable Player award, the World Series Most Valuable Player award, and the Gold Glove award as the National League's top fielding pitcher. \textit{Id.} at 59.

\(^8\) Clifford Allison was a well-known race car driver. ROBERT CUTTER & BOB FENDELL, THE ENCYCLOPEDIA OF AUTO RACING GREATS 11 (1973). In 1957, he scored perhaps the first major Lotus victory at Le Mans and was second in an Oulton Formula Two race. \textit{Id.} In 1958, he gave Lotus its first major Grand Prix placing by finishing fourth in the Belgian Grand Prix. \textit{Id.} With a Ferrari sports car, Allison placed third in the Nurburgring 1000 and second at Sebring. \textit{Id.} In 1960, he was second in the Argentine Grand Prix, first at the Buenos Aires 1000, and first at Le Mans. \textit{Id.} In 1961, while driving a Lotus, he placed second in the Glover Trophy. \textit{Id.}

\(^9\) A right of publicity claim seeks to protect and compensate individuals for the unauthorized use of their identities for commercial or economic gain. See J. THOMAS MCCARTHY, THE RIGHTS OF PUBLICITY AND PRIVACY § 3.1[A], at 3-2 (1998) [hereinafter MCCARTHY]. Likely damage to one's commercial value is the thrust of a right of publicity claim. \textit{Id.} § 3.1[B], at 3-3. To prevail on a prima facie case, the plaintiffs must prove that they "own[ ] an enforceable right in the identity or persona of a human being;" that the "[d]efendant, without permission, has used some aspect of identity or persona in such a way that [the] defendant is identifiable from [the] defendant's use;" and that the "[d]efendant's use is likely to cause damage to the commercial value of that persona." \textit{Id.}

\(^10\) Allison, 136 F.3d at 1444.

\(^11\) \textit{Id.}

\(^12\) \textit{Id.}

\(^13\) \textit{Id.} at 1443.

\(^14\) See 17 U.S.C. § 109(a) (1994). "Work" refers to the creation of an author protected by the 1976 Copyright Act, as opposed to "copies" or "phonorecords," which are items of tangible property in which the work is physically embodied. \textit{Id.} § 101. When discussing copyright law, this Note focuses on the 1976 Copyright Act, as opposed to the 1909 Copyright Act, unless otherwise indicated.

\(^15\) 136 F.3d at 1447. "There is virtually no case law in any state addressing the application of the first sale doctrine to the right of publicity . . . ." \textit{But see} Major League Baseball Players Ass'n v. Dad's Kid Corp., 806 F. Supp. 458 (S.D.N.Y. 1992). The \textit{Allison} court applied the first sale doctrine to the right of publicity issue, but did so without much analysis and without announcing that it was doing so. \textit{Id.} at 460.
court properly decided to apply the first sale doctrine to the right of publicity. However, the court failed to analyze correctly Allison and Hershiser's right of publicity claims under the first sale doctrine. Part II discusses the history and policies supporting copyright law, copyright law's first sale doctrine defense, and the right of publicity. Part II also explains that because copyright law and the right of publicity are supported by similar rationales, it is appropriate to apply the first sale doctrine to the right of publicity.

Part III discusses the Eleventh Circuit's decision in Allison, arguing that the court improperly determined that the sports trading card plaques and clocks manufactured and sold by Vintage were a mere repackaging or reselling of the sports trading cards that were protected by the first sale doctrine. Part III asserts that the court should have concluded that Vintage created a derivative work, thereby causing Vintage to lose the protection offered by the first sale doctrine. Further, Part III proposes that the Allison court should have used a more appropriate "derivative works" standard of review. Finally, Part IV concludes that the Allison court could have avoided frustrating the policies behind the right of publicity by applying a strict derivative works analysis.

II. BACKGROUND

Section 106 of the 1976 Copyright Act grants authors of original works the exclusive right to reproduce, distribute, publicly perform, and publicly display their copyrighted works, and to create derivative works. These exclusive rights attach automatically to a work that is fixed in a tangible medium of expression when its embodiment in a copy or phonorecord, by or under the authority of the author, is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration. A work consisting of sounds, images, or both, that are being transmitted, is "fixed" for purposes of this title if a fixation of the work is being made simultaneously with its transmission.

16. The right of publicity has been analogized to copyright law, patent law, and trademark law to explain why the intellectual property defense of the first sale doctrine should also be applied to the right of publicity. See Nannette Diacovo, Going Once, Going Twice, Sold: The First Sale Doctrine Defense in Right of Publicity Actions, 12 MIAMI ENT. & SPORTS L. REV. 57 (1994). Diacovo concludes that the right of publicity is most similar to copyright and patent law. Id. at 92. This Note only explores the similarities between the right of publicity and copyright law.


18. Id. Section 101 defines a "derivative work" as "a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted." Id. § 101.

19. Id. § 101.
tangible medium of expression. The monopoly privilege of copyright protection, which provides economic incentive for people to create and disseminate their work, has its roots in the U.S. Constitution and has been codified by Congress. The fruits of an author’s creation benefit society as a whole, and copyright law rewards copyright owners for their contribution. However, copyright protection is not absolute.

A. The First Sale Doctrine in Copyright Law

Congress limited the copyright monopoly with section 109(a) of the 1976 Copyright Act. Section 109(a) limits the copyright holder’s right to distribute copies or phonorecords of the copyrighted work to the public.

20. DONALD A. GREGORY ET AL., INTRODUCTION TO INTELLECTUAL PROPERTY LAW 167 (1994). Tangible media of expression include a writing on paper or an electronic recording. Id.


22. See U.S. CONST. art. I, § 8; see, e.g., Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417, 419 (1984); Mazer v. Stein, 347 U.S. 201, 219 (1954). “[E]ncouragement of individual effort by personal gain is the best way to advance public welfare through the talents of authors and inventors in ‘Science and useful Arts.’ Sacrificial days devoted to such creative activities deserve rewards commensurate with the services rendered.” Id.

23. See U.S. CONST. art. I, § 8. “The Congress shall have power . . . to promote the Progress of Science and useful Arts by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries . . . .” Id.


25. See, e.g., Sony Corp. of Am., 464 U.S. at 419.

26. GORMAN & GINSBURG, supra note 21, at 16.


28. Id. § 109(a). “Notwithstanding the provisions of section 106(3), the owner of a particular copy or phonorecord lawfully made under this title, or any person authorized by such owner, is entitled, without the authority of the copyright owner, to sell or otherwise dispose of the possession of that copy or phonorecord.” Id.

29. Id.

30. A copyright holder’s right to distribute applies to the sale, rental, lease, or lending of a copyrighted work. Id. § 106(3).

31. Id. Section 101 defines “copies” as:

[M]aterial objects, other than phonorecords, in which a work is fixed by any method now known or later developed, and from which the work can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. The term “copies” includes the material object, other than a phonorecord, in which the work is first fixed.

17 U.S.C. § 101. Section 101 defines “phonorecords” as:

[M]aterial objects in which sounds, other than those accompanying a motion picture or other audiovisual work, are fixed by any method now known or later developed, and from which the sounds can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. The term “phonorecords” includes the material object in which the sounds are first fixed.
This limitation, referred to as the first sale doctrine, operates as a defense to a copyright infringement action. Under this doctrine, when copyright owners make an authorized sale of a copy of their work, they "exhaust" their exclusive intellectual property distribution right in that copy. This allows the copy's purchaser to use or resell the work without infringing on the copyright. Thus, the copyright owner can control the initial sale of a copyrighted work, but thereafter, does not retain the right to restrict further the transfer of possession of the work.

Consequently, the first sale doctrine limits copyright owners' right to distribute their work unless the copyright owner independently contracts with a purchaser to limit the purchaser's right to sell the purchased, copyrighted items. Moreover, the first sale doctrine's limitation on the right to distribute a copyrighted work attaches only to initial sales, gifts, or other transfers of title. Hence, if a copyright owner leases a copy, the

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*This Note uses the term “copy” to refer to both the terms “copy” and “phonorecord” as defined by the 1976 Copyright Act. The first sale doctrine limits only the copyright owner's right to distribute; it does not limit the copyright owner's other section 106 exclusive rights.*

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32. Melville B. Nimmer, Nimmer on Copyright, § 8.12[A], at 8-142 (1997) [hereinafter Nimmer 1997]. The first sale doctrine is firmly established in copyright law. Well before the first sale doctrine was codified in the 1976 Copyright Act, it existed as a defense to the right to distribute. See 17 U.S.C. § 27 (1909) (repealed 1978). A provision similar to section 109 can be found in the 1909 Copyright Act. See id. Prior to this early codification, courts interpreted a copyright owner's distribution right to be limited after the initial sale. See, e.g., Bobbs-Merrill Co. v. Straus, 210 U.S. 339 (1908). In Bobbs-Merrill Co., the copyright owner sold books to a wholesaler, the defendant, who in turn sold the books to third parties. Id. at 342. The defendant sold the books at a price lower than that allowed under a notice printed in each book by the copyright owner. Id. The notice stated that selling the books for less than the retail price of one dollar would be treated as a copyright infringement. Id. The court held that under the then-existing copyright law, the defendant did not violate the copyright owner's statutorily created exclusive right to vend or multiply copies because the copyright owner's initial sale to the wholesaler terminated his right to exclusively do so. Id. at 350–51. The court noted that the purpose of the copyright statute it was construing was to protect the copyright owner's right to multiply and sell his production, which does not include the right to control all future retail sales by notice that such sales must be made at a fixed sum. Id. at 351.

33. See Nimmer 1997, supra note 32, § 8.11[B], at 8-141.


35. Id.

36. Other than non-exclusive licenses, transfer refers to sale, gift, or any other legal method of property transfer. See Nimmer 1997, supra note 32, § 8.12[B][1], at 8-145.

37. Id. § 8.12[B][1], at 8-144 to 8-145; see American Int'l Pictures, Inc. v. Foreman, 576 F.2d 661, 664 (5th Cir. 1978) (stating that the first sale doctrine "extinguishes the copyright holder's ability to control the course of copies placed in the stream of commerce.").

38. See Diaco, supra note 16, at 62.

39. See Nimmer 1997, supra note 32, § 8.12[B][1], at 8-145 to 8-146. However, the first sale doctrine does not apply to the sale of phonorecords. Id. § 8.12[B][7], at 8-167 to 8-168.
lessee will infringe the copyright owner's distribution right by reselling or leasing that copy unless further leasing is permitted under the original lease.\textsuperscript{40} The lessee's mere possession of the copy does not activate the first sale doctrine.\textsuperscript{41}

Therefore, once copyright owners put their copyrighted work into the stream of commerce, the first sale doctrine prevents them from controlling the purchaser's right to resell the work.\textsuperscript{42} Thus, the first sale doctrine is asserted often as a defense in copyright infringement actions.\textsuperscript{43}

\textbf{B. The First Sale Doctrine Does Not Apply to the Creation of Derivative Works}

A copyright owner has the exclusive right to prepare derivative works\textsuperscript{44} from the original copyrighted work.\textsuperscript{45} A derivative work is a work that is based upon or that borrows from a preexisting copyrighted work,\textsuperscript{46} so as to recast, transform, or adapt the preexisting work.\textsuperscript{47} To violate a copyright owner's exclusive right to create a derivative work, the infringing work must incorporate a portion of the preexisting copyrighted work in some form\textsuperscript{48} without the consent of the copyright owner.\textsuperscript{49}

The first sale doctrine does not restrict the copyright owner's exclusive right to prepare a derivative work.\textsuperscript{50} Although the first sale

\begin{footnotesize}
\begin{enumerate}
\item See NIMMER 1997, supra note 32, § 8.12[B][1], at 8-145 to 8-146.
\item See id.
\item 17 U.S.C. § 109(a).
\item A "derivative work" is a "work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted." 17 U.S.C. § 101.
\item Id. § 106(2).
\item See GORMAN & GINSBURG, supra note 21, at 461; MELVILLE B. NIMMER, NIMMER ON COPYRIGHT, § 3.01, at 3-2 to 3-3 (1998) [hereinafter NIMMER 1998]. However, a derivative work is not a copyright infringement if the borrowed or copied material is taken with the consent of the copyright owner. NIMMER 1998, at 3-3 to 3-4.
\item 17 U.S.C. § 101.
\item See NIMMER 1998, supra note 46, § 3.01, at 3-3 to 3-4.
\item See CHISUM & JACOBS, supra note 34, § 4E[3][c][ii], at 4-121.
\end{enumerate}
\end{footnotesize}
doctrine allows a subsequent purchaser to resell a copyrighted work without permission from the copyright owner, it does not permit this purchaser to create an unauthorized derivative work.

The question then becomes, when does a work depart from being a mere resale of a copyrighted work (that is protected by the first sale doctrine), and rise to the level of a derivative work (that is not protected by the first sale doctrine). For a derivative work to be created, there must be a contribution of originality to the preexisting work. Originality renders the derivative work independently copyrightable if prepared with the consent of the copyright owner. If there is no consent, the contribution of originality will result in the creation of an infringing derivative work.

According to the legislative history of the 1976 Copyright Act, a work violates a copyright owner’s exclusive right to create derivative works if the infringing work “incorporates a portion of the copyrighted work in some form.” This language, coupled with the definition of a derivative work, suggests a low threshold for creating a derivative work. Merely incorporating a small portion of a preexisting work into a new work constitutes sufficient originality to render the new work a derivative one. Thus, the very definition of a derivative work embodies the requirement of originality. Hence, if a work is “recast, transformed, or adapted” from a preexisting work, this variation satisfies the originality requirement.

Some courts have followed a plain language reading of derivative works to interpret “original” to mean possessing merely a modicum of originality. In order for a work to possess a modicum of originality, the

52. No reference is made to derivative works in section 109; see also CHISUM & JACOBS, supra note 34, § 4E[3][c][iii], at 4-121.
53. The following discussion refers explicitly to unauthorized derivative works, which are those prepared without the copyright owner’s permission.
54. Originality is a requirement for all copyrighted works. GORMAN & GINSBURG, supra note 21, at 112–13. The requirement of originality is a constitutional requirement as well as an explicit statutory mandate. See U.S. CONST. art. I, § 8; 17 U.S.C. § 102; see also L. Batlin & Son, Inc. v. Snyder, 536 F.2d 486, 490 (2d Cir. 1976) (en banc) (recognizing that “Originality is, however, distinguished from novelty; there must be independent creation, but it need not be invention in the sense of striking uniqueness, ingeniousness, or novelty . . . .”).
55. See NIMMER 1998, supra note 46, § 3.03, at 3-9.
56. Id.
59. Id.
60. Id.
61. See NIMMER 1998, supra note 46, § 3.01, at 3-3 to 3-4.
62. See, e.g., Alfred Bell & Co. v. Catalda Fine Arts, Inc., 191 F.2d 99, 102–03 (2d Cir. 1951). “All that is needed . . . is that the ‘author’ contributed something more than a ‘merely
work must simply not be copied from other works. These courts tolerate a low threshold for originality, and find the creation of a derivative work when the new work deviates only slightly from the preexisting work.

However, other courts interpret the originality requirement to mean a distinguishable variation between the two works that is more than mere trivial alterations to the preexisting work. These courts demand that there be more than a minimal contribution to the copyrighted work in order to raise the new work to derivative work status. Moreover, in determining whether the work is derivative, a court may not consider whether a new work is a qualitative improvement over the preexisting work.

Despite the fact that there is no concrete definition as to what constitutes a derivative work, a contribution of originality distinguishes a derivative work from a non-derivative work. Further, when someone other than the copyright owner creates a derivative work without the copyright owner's permission, the first sale doctrine is no longer a viable defense to a copyright infringement claim.

C. Rationales for the First Sale Doctrine in Copyright Law

Although the first sale doctrine does not apply to the creation of derivative works, the doctrine has a well-established place in copyright law. This can be explained by examining the underlying reasons for its

trivial variation, something recognizably "his own." Id.

63. See Knickerbocker Toy Co. v. Winterbrook Corp., 554 F. Supp. 1309, 1316–18 (D.N.H. 1982); see also GORMAN & GINSBURG, supra note 21, at 113.

64. See, e.g., Munoz v. Albuquerque A.R.T. Co., 829 F. Supp. 309 (D. Alaska 1993), aff'd 38 F.3d 1218 (9th Cir. 1994). (holding that when the defendant bought notecards from the plaintiff, his affixing them to ceramic tiles and covering them with a protective layer of acrylic or epoxy for purposes of selling them amounted to more than just a method of display and rose to the level of being a derivative work); see also Mirage Editions, Inc. v. Albuquerque A.R.T. Co., 856 F.2d 1341 (9th Cir. 1988) (holding that the defendant had created a derivative work not protected by the first sale doctrine when he bought the plaintiff's artwork prints, glued individual prints onto ceramic tiles, and offered the tiles with artwork for resale).

65. See NIMMER 1998, supra note 46, § 3.03, at 3-10; see also Lee v. Albuquerque A.R.T. Co., 925 F. Supp. 576 (N.D. Ill. 1996), aff'd, 125 F.3d 580 (7th Cir. 1997) (holding that when the defendant affixed onto ceramic tiles notecards created and sold by the plaintiff, such tiles did not rise to the level of being a derivative work, and thus the defendant was protected by the first sale doctrine).


67. See, e.g., Snyder, 536 F.2d at 490 (finding that there must be at least some substantial variation, and not mere trivial originality, in order to create a derivative work).

68. See Emerson v. Davies, 8 F. Cas. 615, 621 (C.C. D. Mass. 1845) (No. 4436).

69. See CHISUM & JACOBS, supra note 34, § 4E[3][e][iii], at 4-121.
creation, which balance the interests of the copyright owner against the interests of society.  

1. Public Policy Opposing Restraints on Trade and Alienation of Property

The first sale doctrine embraces the policy of avoiding restraints on alienation of property and free trade. Limiting the use of property is considered repugnant to public policy, which favors trade, bargaining, and freedom of contract. Copyright law also disfavors restraint on alienation of property.

Copyright law grants the copyright owner exclusive rights that are manifested in a tangible object, such as a book, record, or film. The copyrighted tangible object possesses all the attributes of tangible property, including the right of alienation. The first sale doctrine recognizes and enforces the purchaser's right of alienation. In other words, once copyright owners have made an authorized first sale of a copy of their work, the first sale doctrine becomes applicable as to that copy. In addition, once copyright owners have exercised their exclusive right to distribute the work, they can no longer attempt to control it by denying the purchaser the right to resell the copy. Continued control would prove

70. See Diacovo, supra note 16, at 67.
71. Alienation of property is the conveyance or transfer of property to another. BLACK'S LAW DICTIONARY 26 (Pocket ed. 1996). Therefore, the policy against restraints on alienation of property supports the presumption that property owners can transfer their property interests. JOSEPH WILLIAM SINGER, PROPERTY LAW: RULES, POLICIES, AND PRACTICES 561 (3d ed. 1997) [hereinafter SINGER]. Restrictions on the ability to transfer property interests are strictly regulated and often invalid. Id.
72. See NIMMER 1997, supra note 32, § 8.12[A], at 8-142; see also Parfums Givenchy, Inc. v. C & C Beauty Sales, Inc., 832 F. Supp. 1378, 1388 (C.D. Cal. 1993). This policy is based upon the English common law rule against restraint on alienation of property, which holds that any deed restricting alienation of a fee simple is void because "[i]t is difficult to conceive of a condition more clearly repugnant to the interest created by a grant of an estate in fee simple than the condition that the grantee shall not alien the same without the consent of the grantor." Murray v. Green, 64 Cal. 363, 367 (1883). A fee simple is a property interest that gives the owner the right to possess and use the property, to sell it or give it away, and the right to devise it by will or leave it to one's heirs. See SINGER, supra note 71, at 514–16.
73. See Diacovo, supra note 16, at 64 (citing Zachariah Chafee Jr., Equitable Servitudes on Chattels, 41 HARV. L. REV. 946, 982 (1928)).
74. See Diacovo, supra note 16, at 65.
76. See GORMAN & GINSBURG, supra note 21, at 14.
77. See Diacovo, supra note 16, at 65.
78. See NIMMER 1997, supra note 32, § 8.12[A], at 8-142.
79. See NIMMER 1997, supra note 32, § 8.12[B][1], at 8-144.
80. See NIMMER 1997, supra note 32, § 8.12[B][1], at 8-144 to 8-145.
antagonistic to the policy against restraint on alienation of property because it would severely limit the subsequent purchaser’s use of the copy.\textsuperscript{81}

Further, if the copyrighted work could still be controlled by its original owner, the copy would be removed from the stream of commerce, thereby depriving society of the work’s benefit. In essence, if an individual who bought a copyrighted work were not allowed to resell it, the value and usefulness of that work to the buyer and society as a whole would be substantially diminished. Although copyright owners hold exclusive rights in their copyrighted work, control over the tangible copies of the copyrighted property “gives way to the policy opposing restraints of trade and restraints on alienation.”\textsuperscript{82}

2. The Theory of Just Rewards

A second rationale underlying the limitation on the first sale doctrine is based on the economic theory of just rewards.\textsuperscript{83} A copyright owner’s reward for an initial sale or other disposition of his or her work, in the form of immediate compensation or royalties, satisfies copyright law’s goal to provide incentives to create and to compensate the creator.\textsuperscript{84} Therefore, an individual who purchases a work from the copyright owner has compensated the copyright owner for the first sale of the work. The buyer now has the right to resell the work without having to further compensate or get permission from the copyright owner.\textsuperscript{85}

The first sale doctrine’s application to copyright law involves a balance of the rights of the copyright owner against the interests of the public.\textsuperscript{86} Once copyright owners are financially compensated for the initial sale of their work, the balance swings in favor of the public’s economic interest in alienating and accessing the property.\textsuperscript{87} This interest includes the right to resell the work.\textsuperscript{88}

\textsuperscript{81} See Diacovo, supra note 16, at 65.
\textsuperscript{82} See NIMMER 1997, supra note 32, § 8.12[A], at 8-142.
\textsuperscript{83} See Diacovo, supra note 16, at 67.
\textsuperscript{84} See id.
\textsuperscript{85} See Diacovo, supra note 16, at 67–68.
\textsuperscript{86} See id.
\textsuperscript{87} See Diacovo, supra note 16, at 68.
\textsuperscript{88} See id.
D. The Right of Publicity

The right of publicity allows celebrities to have the right to benefit from the commercial value of their identities, including their names, likenesses, voices, and other indicators of identity. This right protects celebrities against the unauthorized and uncompensated use of their identities by others for commercial or economic gain. It is an intellectual property right based on state law and rooted in the commercial tort of unfair competition.

The right of publicity evolved from the inadequacies inherent in the right of privacy. The right to privacy only provides a remedy for the embarrassing and humiliating impact of the unauthorized use of a person’s persona. It does not protect against the misappropriation of a person’s identity for commercial purposes.

The right of publicity is considered to be an assignable property right that applies whether or not the unauthorized use of a celebrity’s name or likeness is deemed offensive. Thus, celebrities can sue for damages if their names or likenesses are used for commercial purposes without their consent. Examining the rationales supporting the right of publicity reveals that they are similar to those behind copyright law.

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89. The right of publicity also applies to non-celebrities. See McCarthy, supra note 9, § 3.1[A], at 3-2. This Note focuses on the celebrity’s right of publicity.
91. See id.
92. See McCarthy, supra note 9, § 3.1[A], at 3-2.
93. See McCarthy, supra note 9, § 3.1[A], at 3-3.
94. See McCarthy, supra note 9, § 1.8, at 1-34.1 to 1-35.
95. See id.
96. See Haelan Labs, Inc. v. Topps Chewing Gum, Inc., 202 F.2d 866, 868 (2d Cir. 1953).
Haelan is the first case that legally recognized the right of publicity. Id. at 868. The judge in this case coined the phrase right to publicity, stating that:
This right might be called a “right of publicity.” For it is common knowledge that many prominent persons (especially actors and ball-players), far from having their feelings bruised through public exposure of their likeness, would feel sorely deprived if they no longer received money for authorizing advertisements, popularizing their countenances, displayed in newspapers, magazines, busses, trains and subways.
Id.
97. See Nimmer, supra note 90, at 222.
98. See Haelan Labs, Inc., 202 F.2d at 868.
99. See McCarthy, supra note 9, § 3.1[B], at 3-3.
100. See Diacovo, supra note 16, at 76–79.
E. Rationales Supporting The Right of Publicity

Three main policy rationales support the right of publicity: (1) the falsity justification; (2) the incentive to create justification; and (3) the natural rights of property/unjust enrichment justification. While the falsity justification has no analog in copyright law, the latter two rationales are similar to those that support copyright law. All three theories strongly support the existence of right of publicity laws.

1. The Falsity Justification

The falsity justification supporting the right of publicity posits that the right of publicity prevents fraudulent business practices. This theory has been asserted from the perspective of both the unwitting celebrity endorser and the consumer. Unauthorized commercial use of a celebrity’s identity results in explicit or implicit false representations as to the celebrity’s endorsement of a product. The false representations are injurious to celebrities if these endorsements connect celebrities to a product of which they may not approve or with which they may not wish to be associated. At the same time, consumers are misled by an unauthorized claim of endorsement. Although falsity supports the right of publicity, falsity is not necessary to state a claim for infringement of the right of publicity.

A right of publicity claim exists for the unauthorized use of a celebrity’s name or likeness, regardless of whether that use endorses a

101. See Diacovo, supra note 16, at 77.
102. The right of publicity is criticized for, among other reasons, its power to limit communication and expression. See Michael Madow, Private Ownership of Public Image: Popular Culture and Publicity Right, 81 CAL. L. REV. 125, 145-46 (1993). [T]he power to license is the power to suppress. When the law gives a celebrity a right of publicity, it does more than funnel additional income her way. It gives her (or her assignee) a substantial measure of power over the production and circulation of meaning and identity in our society: power, if she so chooses, to suppress readings or appropriations of her persona that depart from, challenge, or subvert the meaning she prefers; power to deny to others the use of her persona in the construction and communication of alternative or oppositional identities and social relations; power, ultimately, to limit the expressive and communicative opportunities of the rest of us.

Id.

103. See MCCARTHY, supra note 9, § 2.4, at 2-15.
104. See id.
105. See id.
106. See id.
107. See id.
108. See MCCARTHY, supra note 9, § 2.4, at 2-16.
product implicitly or explicitly.\textsuperscript{109} Thus, to state a right of publicity claim, a celebrity does not have to prove that anyone was actually deceived or confused by the unauthorized use of the celebrity's image.\textsuperscript{110}

2. The Incentive to Create Justification is Shared by Copyright Law and the Right of Publicity

Similar to copyright law, the right of publicity is strongly grounded in a rationale that encourages individuals to create for the benefit of society as a whole.\textsuperscript{111} According to this rationale, individuals should be given an economic incentive to participate in socially useful or enriching activities that elevates one's status to that of a public figure.\textsuperscript{112} Implicit in this theory is the notion that fame and recognition by themselves are not great enough incentives.\textsuperscript{113} Individuals' willingness to become public figures increases if their identities are protected so that they may control the commercialization of their images.\textsuperscript{114} Otherwise, celebrities' trepidation that their identities will be used for unauthorized purposes may discourage celebrities from engaging in socially beneficial activities that occur for the benefit of a public audience.\textsuperscript{115}

Furthermore, this policy recognizes that a celebrity who gives up a certain amount of privacy for an endeavor that benefits society should be afforded the opportunity to profit from this commercially marketable identity.\textsuperscript{116} Some of the efforts encouraged by the right of publicity include activities in entertainment, sports, law, science, and medicine. All of these activities benefit society as whole.\textsuperscript{117} For example, an entertainer's human

\textsuperscript{109} \textit{Id.} "A clearly false endorsement is separately actionable under state law or Lanham Act § 43(a) as a form of false or misleading advertising." \textit{Id.} Also, note that defenses to some right of publicity actions are copyright's fair use doctrine or the First Amendment. \textit{See} Cardtoons, L.C. v. Major League Baseball Players Ass'n, 868 F. Supp. 1266, 1271, 1275 (N.D. Okla. 1994); \textit{see also} Nimmer, \textit{supra} note 90, at 212.

\textsuperscript{110} \textit{See} MCCARTHY, \textit{supra} note 9, § 2.4, at 2-16.

\textsuperscript{111} \textit{See} MCCARTHY, \textit{supra} note 9, § 2.2[A], at 2-10.

\textsuperscript{112} \textit{See id.} By definition a "celebrity" is a widely known public figure. \textit{See} WEBSTER'S THIRD NEW INTERNATIONAL DICTIONARY 359 (unabridged 1986). However, because the right of publicity is also available to non-celebrities, the term public figure describes individuals whose success and prominence in their chosen professions results in commercial gain and benefits the public. \textit{See} MCCARTHY, \textit{supra} note 9, § 2.2, at 2-10.1. This can include professionals in entertainment, sports, law, medicine, and science. \textit{Id.}

\textsuperscript{113} \textit{See} MCCARTHY, \textit{supra} note 9, § 2.2, at 2-10.

\textsuperscript{114} \textit{See id.}

\textsuperscript{115} \textit{See id.}

\textsuperscript{116} \textit{See id.}

\textsuperscript{117} \textit{See} MCCARTHY, \textit{supra} note 9, § 2.2, at 2-10 to 2-10.1.
cannonball act at a county fair may bring people together for the sake of entertainment and socializing; may inspire conversation, new ideas, and social discourse; and may generate revenue and jobs. The right of publicity ensures that this entertainer is protected and compensated for participating in this socially enriching activity.\textsuperscript{119}

In this light, the right of publicity is similar to the policy behind copyright law that supports the incentive to create.\textsuperscript{120} In Zacchini v. Scripps-Howard Broadcasting Co.,\textsuperscript{121} the Court recognized that granting an individual a property right similar to that of a copyright, in the form of the right of publicity, will encourage an individual to pursue an activity that places the individual in the public arena,\textsuperscript{122} and that ultimately enriches society as a whole.\textsuperscript{123}

3. The Natural Rights of Property and Unjust Enrichment Justifications are Shared by Copyright Law and the Right of Publicity

Just as copyright law protects a copyrighted work in the form of a property right, the right of publicity protects the property interest inherent in one’s identity.\textsuperscript{124} The right of publicity prevents unjust enrichment.\textsuperscript{125} This ensures that others cannot, without authorization, profit from a celebrity’s fame which may have taken years of hard work to achieve.\textsuperscript{126} The natural property rights and unjust enrichment policy theories of the right of publicity rest on the notion that individuals own their identities.\textsuperscript{127}

\begin{enumerate}
\item\textsuperscript{119} In Zacchini, the Court found that the human cannonball entertainer was entitled to compensation for the fifteen second broadcast of his performance on a television news program to which he did not consent. Id.
\item\textsuperscript{120} See MCCARTHY, supra note 9, at 2-10.
\item\textsuperscript{121} 433 U.S. 562 (1977).
\item\textsuperscript{122} Id. at 576–77.
\item Of course, Ohio’s decision to protect petitioner’s right of publicity here rests on more than a desire to compensate the performer for the time and effort invested in his act; the protection provides an economic incentive for him to make the investment required to produce a performance of interest to the public. This same consideration underlies the patent and copyright laws long enforced by this Court. . . . These laws . . . were “intended definitely to grant valuable, enforceable rights” in order to afford greater encouragement to the production of works of benefit to the public . . . . The Constitution does not prevent Ohio from making a similar choice here in deciding to protect the entertainer’s incentive in order to encourage the production of this type of work.
\item Id. (citations omitted).
\item\textsuperscript{123} Id.
\item\textsuperscript{124} See MCCARTHY, supra note 9, § 2.1[A], at 2-1.
\item\textsuperscript{125} See Diaco, supra note 16, at 78.
\item\textsuperscript{126} See id.
\item\textsuperscript{127} See MCCARTHY, supra note 9, § 2.1[A], at 2-2.
\end{enumerate}
Therefore, celebrities should be able to financially benefit when their identities are used for the commercial benefit of others.\textsuperscript{128} If a person uses another’s identity without authorization for commercial and financial benefit, then the individual is “riding on another’s coattails.”\textsuperscript{129} Hence, celebrities should be able to benefit from the property right inherent in their own persona when this persona produces a desired public good. Thus, the right of publicity gives an individual an incentive to become famous and to create.\textsuperscript{130} This creativity in turn benefits society as a whole.\textsuperscript{131}

As with the right of publicity, the theory of unjust enrichment also underlies copyright law.\textsuperscript{132} By granting a creator the sword of a protectable copyright, copyright law prevents others from appropriating and exploiting the copyrighted work without permission from the copyright owner and without paying for its use.\textsuperscript{133}

Thus, two of the strongest policies that support the right of publicity, giving incentive to create and preventing unjust enrichment, similarly underlie copyright law.\textsuperscript{134} Because Congress limited the protection of copyright law through the first sale doctrine,\textsuperscript{135} the question arises whether the same doctrine is needed to limit the protection granted by the right of publicity.\textsuperscript{136}

\section*{F. Rationales for Applying the First Sale Doctrine to the Right of Publicity}

Three rationales support applying the first sale doctrine to the right of publicity: (1) just rewards; (2) preventing restraint on alienation of property; and (3) the secondary market rationale.\textsuperscript{137} The two theories that support the use of the first sale doctrine in copyright law, preventing restraint on alienation of property and just rewards,\textsuperscript{138} also support the use of the first sale doctrine in right of publicity actions. In addition, the secondary market rationale, which does not underlie copyright law,

\begin{thebibliography}{9}
\bibitem{128} See id.
\bibitem{129} See McCarthy, supra note 9, § 2.1[A], at 2-3.
\bibitem{130} See Diacovo, supra note 16, at 78.
\bibitem{131} See id.
\bibitem{133} See id.
\bibitem{134} See Diacovo, supra note 16, at 79.
\bibitem{136} See Diacovo, supra note 16, at 79.
\bibitem{137} See Diacovo, supra note 16, at 80-82.
\bibitem{138} See supra Part II.C.1-2.
\end{thebibliography}
nonetheless supports the application of the first sale doctrine to the right of publicity.\textsuperscript{139}

1. The Just Rewards Theory

The just rewards theory supporting the first sale doctrine in copyright law also applies to limiting the right of publicity.\textsuperscript{140} Under the just rewards theory, once celebrities financially benefit from the authorized commercial use of their name or likeness in a first sale, by placing a good bearing their name or likeness into the stream of commerce, they can no longer control the distribution of such goods with the protection of the right of publicity.\textsuperscript{141} Just as the copyright owner loses the right to control distribution of a copyrighted work after the initial sale, celebrities who authorize the use of their name or likeness for commercial goods should not be able to control distribution of these goods after the initial sale.\textsuperscript{142}

The initial sale provides celebrities just compensation for the use of their name or likeness and for the effort and skill that went into achieving fame.\textsuperscript{143} Having already been compensated for the initial sale, celebrities should not be allowed to continuously profit from the good at the consumer’s expense. Moreover, the subsequent purchaser should be allowed to resell the good without fear of infringing on the celebrity’s right of publicity.\textsuperscript{144}

In \textit{Major League Baseball Players Ass’n v. Dad’s Kid Corp.},\textsuperscript{145} the court found that “baseball players have little if any continuing publicity rights with respect to the use and reuse of their pictures on cards by subsequent purchasers and sellers of duly licensed baseball cards following a perfectly proper first sale into commerce for which the players get a royalty.”\textsuperscript{146} Although the court did not provide an in-depth analysis of the first sale doctrine’s application to the right of publicity, it nonetheless applied this doctrine to limit the right.

\textsuperscript{139} See Diacovo, \textit{supra} note 16, at 80–81.
\textsuperscript{140} See \textit{supra} Part II.C.2. The just rewards theory of the first sale doctrine in copyright law states that once an individual has received financial compensation for the initial sale of his copyrighted work, subsequent purchasers should be free to resell that work without infringing on that individual’s copyright. See Diacovo, \textit{supra} note 16, at 80.
\textsuperscript{141} See Diacovo, \textit{supra} note 16, at 80.
\textsuperscript{142} See \textit{id.}
\textsuperscript{143} See \textit{id.}
\textsuperscript{144} See \textit{id.}
\textsuperscript{146} Id. at 460.
2. The Theory Against Restraint on Alienation of Property

The theory against restraint on alienation of property is so widely accepted, it has been suggested that it should apply to any issue involving tangible property. This application would include intellectual property covered by copyright law and the property right celebrities possess in their image under the right of publicity.

Just because a celebrity’s name or likeness is attached to a product, a subsequent purchaser should not be prevented from reselling the product. Applying the first sale doctrine to the right of publicity not only allows subsequent purchasers to use and enjoy their personal property, but also ensures that the product is not removed from the stream of commerce, thus allowing society to continue to reap its benefits.

As in copyright law, for the first sale doctrine to work as a limitation and defense to the right of publicity, it must apply to the tangible property and not to the intangible intellectual property right. For example, the first sale doctrine would limit a celebrity’s control over the sale of a t-shirt bearing his or her name or likeness after an authorized first sale, such that a purchaser has the right to turn around and resell the t-shirt. However, the celebrity would retain the exclusive intellectual property rights of his or her identity even after the first sale. Thus, the first sale doctrine serves to balance the property and economic rights of the celebrity with those of the public.

3. The Secondary Market Rationale

The secondary market rationale balances the interests of the individual asserting the right of publicity claim against those of individuals

147. See Diacovo, supra note 16, at 82.
148. See supra Part II.C.1. To promote the purchase and sale of both real and personal property, the freedom to contract, and the free flow of goods in the stream of commerce, common law disfavors restraints on alienation. Id. This policy is furthered in copyright law by applying the first sale doctrine, which prevents the copyright owner from retaining control of the tangible copy of the copyrighted work after the first sale. See NIMMER 1997, supra note 32, § 8.12[A], at 8-142 to 8-144. The subsequent purchaser is then free to resell the copy. Id.
149. See Diacovo, supra note 16, at 82.
150. See id.
151. See Diacovo, supra note 16, at 81–82; see also supra Part II.C.1 (discussing prevention of restraint on alienation in copyright law).
152. See Diacovo, supra note 16, at 82.
153. See id.
who deal in the secondary market of a product.\textsuperscript{155} The secondary market is the market of goods that develops after the first sale.\textsuperscript{156} Typically, this balance favors the secondary market for goods because there is a need for a secondhand goods market.\textsuperscript{157} Consumers who cannot afford to pay the price of new goods rely on secondhand stores to provide them with lower-priced products.\textsuperscript{158} Further, consumers who want to purchase antique and collectible goods turn to secondhand stores for these goods because they are not available in firsthand stores.\textsuperscript{159} If the secondary market is diminished, then consumers do not have access to secondhand goods.\textsuperscript{160} As a result, this lack of access harms the economy.\textsuperscript{161}

Application of the first sale doctrine to the right of publicity allows the secondary market of goods bearing the name or likeness of a celebrity to exist.\textsuperscript{162} If the first sale doctrine was not allowed to limit the right of publicity, then the health of numerous, booming secondary markets would suffer.\textsuperscript{163} Consequently, the nation's economy would suffer.\textsuperscript{164} Secondhand dealers who sell books, memorabilia, and clothing that bear the name or likeness of a celebrity would be prohibited from selling these items if the first sale doctrine did not limit a celebrity's right of publicity.\textsuperscript{165}

The practical effect of applying the first sale doctrine to the right of publicity means that a celebrity no longer has the right to profit from the resale of a good bearing his or her name or likeness after an authorized first sale.\textsuperscript{166} Just as courts deciding copyright cases have weighed in favor of the economic interests of society against those of the individual,\textsuperscript{167} the

\begin{footnotesize}
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  \item \textsuperscript{155} See Diacovo, supra note 16, at 81.
  \item \textsuperscript{156} See id.
  \item \textsuperscript{157} See Diacovo, supra note 16, at 73.
  \item \textsuperscript{158} See id.
  \item \textsuperscript{159} See Diacovo, supra note 16, at 81.
  \item \textsuperscript{160} See Diacovo, supra note 16, at 73.
  \item \textsuperscript{161} See id.
  \item \textsuperscript{162} See Diacovo, supra note 16, at 81.
  \item \textsuperscript{163} See id. (noting antique dealers, thrift stores, secondhand stores, and garage sales would be prevented from selling goods with anyone's name on them); see also Major League Baseball Players Ass'n v. Dad's Kid Corp., 806 F. Supp. 458, 460 (S.D.N.Y. 1992) (recognizing that there is a substantial secondary market for baseball cards and baseball card derivative works).
  \item \textsuperscript{164} See Diacovo, supra note 16, at 81.
  \item \textsuperscript{165} See id.
  \item \textsuperscript{166} See Diacovo, supra note 16, at 83. However, this cost can be factored into the first sale of the product bearing the celebrity's image.
  \item \textsuperscript{167} Sony Corp. of Am. v. Universal Studios, Inc., 464 U.S. 417, 428-29 (1984). The Court held that the sale of home videotape recorders did not constitute contributory infringement of television program copyrights. Id. Further, the Court noted that defining the scope of copyright ownership "involves a difficult balance between the interest of authors and inventors in the control and exploitation of their writings and discoveries on the one hand, and society's
\end{itemize}
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economic interests of celebrities should also give way to the economic interests of society in right of publicity cases. In *Major League Baseball Players Ass'n*, the court recognized that an "enormous secondary market exists for baseball cards and baseball card derivative works," and concluded that the baseball player's right of publicity does not continue after the first sale of trading cards bearing his name and likeness.

Accordingly, applying the first sale doctrine as a limitation on the right of publicity promotes the economic interests of society. Despite this logic, courts have not applied the first sale doctrine to the right of publicity until recently. In *Allison v. Vintage Sports Plaques*, the court broke new ground by analyzing the first sale doctrine's place in right of publicity actions. The *Allison* court's approach warrants examination, for fame and the entrepreneurial spirit are likely to continue to clash.

### III. *Allison v. Vintage Sports Plaques*

#### A. Background

Clifford Allison, a well-known racecar driver, entered into a licensing agreement with Maxx Race Cards ("Maxx"), whereby Maxx would manufacture and market trading cards bearing Allison's likeness. In exchange, Allison received a royalty of the sales receipts. Orel Hershiser is a famous professional baseball player who had a licensing agreement with the Major League Baseball Players Association ("MLBPA"). This agreement granted MLBPA the right to use and license Hershiser's name and image for commercial purposes in exchange for a share of the gross sales revenues. MLPBA licensed Hershiser's name and image to various

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168. See id.
169. See id.
170. Id. at 460.
171. Id.
173. 136 F.3d 1443 (11th Cir. 1998).
174. See id. at 1448.
175. Id. At the time of trial, the royalties were being paid to Allison's estate, a plaintiff in the case. Id.
176. Id.
177. Id.
trading card companies that manufactured and marketed cards bearing his image.\(^{178}\)

Defendant, Vintage Sports Plaques ("Vintage"), purchased trading cards bearing the likenesses of Allison and Hershiser from licensed card manufacturers and distributors.\(^{179}\) Vintage then framed the cards by mounting them between a transparent acrylic sheet and a board of wood and labeled each plaque with an identification plate bearing the name of the player or the team represented.\(^{180}\) Some of the plaques featured a clock with a sports motif.\(^{181}\) Vintage marketed each clock as a "Limited Edition" or an "Authentic Collectible."\(^{182}\) Hershiser and Allison received royalties from the card manufacturers with whom they had licensing agreements for the initial sale of the cards to Vintage. However, Vintage had no licensing agreement with Allison or Hershiser and Vintage never paid them for using their names or images.\(^{183}\) Allison and Hershiser's suit alleged that Vintage violated their right of publicity and asked for injunctive and declaratory relief.\(^{184}\) The district court granted Vintage's motion for summary judgment on the right of publicity claim.\(^{185}\) The U.S. Court of Appeals for the Eleventh Circuit affirmed.\(^{186}\)

**B. Discussion of the Eleventh Circuit's Ruling**

1. The *Allison* Court Properly Concluded that the First Sale Doctrine Should Be Applied to the Right of Publicity

The *Allison* court recognized that the first sale doctrine had rarely been applied to right of publicity actions,\(^{187}\) but theorized that its

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178. Id.
179. *Allison*, 136 F.3d at 1444.
180. Id.
181. Id.
182. See id.
183. Id. at 1444-45.
184. Id. at 1445.
185. *Allison*, 136 F.3d at 1445.
186. Id. at 1444.
187. Id. at 1448. But see Major League Baseball Players Ass'n v. Dad's Kid Corp., 806 F. Supp. 458 (S.D.N.Y. 1992). *Major League Baseball Players Ass'n* applied the first sale doctrine, but did so without much analysis and without announcing that it was doing so. *Id.* at 459-60. As a preliminary matter, the *Allison* court recognized that Alabama does not have a right of publicity law. *Allison*, 136 F.3d at 1448. The court noted that only sixteen states have judicially or statutorily recognized the right of publicity. *Id.* at 1447. However, the court read Alabama's right to privacy law as protecting the same commercial interests that other states' right of publicity laws protect. *Id.* The court noted that in order to recover on a right to publicity claim, a
THE FIRST SALE DOCTRINE AS A LIMIT

applicability had perhaps been taken for granted.\textsuperscript{188} The court based this theory on the fact that some states had codified the first sale doctrine in their right of publicity laws.\textsuperscript{189} Presuming that the first sale doctrine applies to the right of publicity, the court addressed Allison and Hershiser's contentions as to why the doctrine should not apply.\textsuperscript{190}

The athletes argued that the first sale doctrine should not apply to their right of publicity action.\textsuperscript{191} They contended that other intellectual property rights\textsuperscript{192} which recognize the first sale doctrine limitation differ from the right of publicity.\textsuperscript{193} Allison and Hershiser reasoned that other intellectual property rights merely protect tangible copyrighted property, such as a particular product or photograph,\textsuperscript{194} whereas the right of publicity protects a celebrity's identity as it travels with an article of tangible property.\textsuperscript{195} The court rebutted this argument by pointing out that both copyright law and the right of publicity protect more than just tangible items.\textsuperscript{196} The court explained that the right of publicity protects a celebrity's identity and copyright law protects the expression of the copyright owner, which is manifested in the copyrighted work.\textsuperscript{197}

The court went on to explain what it considered to be an even more compelling reason to apply the first sale doctrine to the right of publicity: the secondary market rationale.\textsuperscript{198} The court explained that not applying the first sale doctrine would "grant a monopoly to celebrities over their identities that would upset the delicate 'balance between the interests of the

plaintiff must "demonstrate that there is a 'unique quality of value in [his] likeness' [ ] that, if appropriated would result in 'commercial profit' to the defendant." \textit{Id.} (quoting Schifano v. Greene County Greyhound Park, Inc., 624 So. 2d 178, 181 (Ala. 1993)).

\textsuperscript{188} Allison, 136 F.3d at 1448.
\textsuperscript{189} \textit{Id.} at 1448 n.8. The court quoted from \textbf{FLA. STAT. ANN.} § 540.08(3)(b):

The use of such name, portrait, photograph, or other likeness in connection with the resale or other distribution of literary, musical, or artistic productions or other articles of merchandise or property whether such person has consented to the use of his or her name, portrait, photograph, or likeness on or in connection with the initial sale or distribution thereof . . .

\textit{Id.}

\textsuperscript{190} Allison, 136 F.3d at 1448.
\textsuperscript{191} \textit{Id.}

\textsuperscript{192} \textit{Id.} The court's opinion does not specify which intellectual property rights Allison and Hershiser referred to, but the court rebutted their argument based on copyright law principles. \textit{Id.}

\textsuperscript{193} \textit{Id.}
\textsuperscript{194} \textit{Id.}
\textsuperscript{195} \textit{Id.}
\textsuperscript{196} Allison, 136 F.3d at 1448.
\textsuperscript{197} \textit{Id.}
\textsuperscript{198} \textit{Id.} at 1449.
celebrity and those of the public."\textsuperscript{199} This, the court reasoned, would have a profoundly negative effect on the trading card market, a multi-billion dollar industry.\textsuperscript{200} For example, by not applying the first sale doctrine to right of publicity actions, a child would be prohibited from reselling a rightfully purchased baseball card to a friend.\textsuperscript{201} Thus, the court concluded that the first sale doctrine should be allowed to limit the right of publicity.\textsuperscript{202}

The court asserted that whether or not the first sale doctrine would limit Allison and Hershiser's control of the trading cards after the first sale to Vintage hinged on whether Vintage's use of the cards was "reselling."\textsuperscript{203} If the use of the cards was reselling, Vintage's use of the trading cards would fall under the protection of the first sale doctrine.\textsuperscript{204} If Vintage's use of the cards was not reselling but more like "using Plaintiffs' names and likenesses to sell frames and clocks," its use of the cards would not be protected by the first sale doctrine.\textsuperscript{205} Therefore, if the plaques and clocks were considered to be derivative works,\textsuperscript{206} then these objects would not be protected by the first sale doctrine.\textsuperscript{207}

2. The Allison Court Did Not Properly Apply the First Sale Doctrine

While the Allison court properly concluded that the first sale doctrine should apply to the right of publicity, it did not properly apply this doctrine to the facts of the case. The central inquiry in the application of the first sale doctrine to right of publicity actions should be whether a derivative work\textsuperscript{208} has been created, a concept borrowed from copyright law.\textsuperscript{209} The court erred in its classification of the Vintage clocks and plaques as a reselling as opposed to derivative works.

\textsuperscript{199} Id. (citing White v. Samsung Elecs. Am., Inc., 989 F.2d 1512, 1515 (9th Cir., 1993)).
\textsuperscript{200} Id.
\textsuperscript{201} See id.
\textsuperscript{202} See Allison, 136 F.3d at 1448.
\textsuperscript{203} See id. at 1450.
\textsuperscript{204} See id.
\textsuperscript{205} See id.
\textsuperscript{206} The Allison court does not use the term "derivative work" but instead distinguishes between mere repackaging or reselling and "products separate and distinct from the trading cards they incorporate." Id. The court notes that if Vintage's products are more similar to the latter, then "arguably Vintage is selling a product by 'commercially exploiting the likenesses of appellants] intending to engender profits to their enterprise,' a practice against which the right of publicity seems clearly to protect." Id. (quoting Wendt v. Host Int'l, Inc., 125 F.3d 806, 811 (9th Cir. 1997)).
\textsuperscript{207} Id.
\textsuperscript{208} See supra Part II.B (discussing derivative works).
The distinction between a reselling and a derivative work is critical. If the court found that a derivative work was created, then the first sale doctrine would not be available to Vintage as a defense, and the celebrity athletes would have succeeded with their right of publicity claim.\textsuperscript{210} If successful, the athletes would have continued to retain control over the trading cards after the first sale. However, a finding of a reselling would grant Vintage the right to resell the trading cards, even in a very different form from the one authorized by the athletes.

The Eleventh Circuit Court of Appeals did not provide a meaningful analysis of its decision to classify the Vintage clock and plaques as a mere reselling rather than the creation of derivative works. Instead, the Court of Appeals decided that the district court had correctly entered summary judgment in favor of Vintage.\textsuperscript{211} The court stated:

[It is] unlikely that anyone would purchase one of Vintage’s plaques for any reason other than to obtain a display of the mounted cards themselves. Although we recognize that the plaques that include a clock pose a closer case, we conclude that it is unlikely that anyone would purchase one of the clock plaques simply to obtain a means of telling time, believing the clock to be, for example, a “Hershiser Clock” or an “Allison Clock.”\textsuperscript{212}

Thus, with little discussion, the court implicitly decided that the Vintage plaques and clocks were not derivative works. By foregoing a meaningful derivative works analysis, the court erroneously concluded that Vintage’s sale of the clocks and plaques were protected by the first sale doctrine. This conclusion foreclosed a finding that Allison and Hershiser retained control over the trading cards bearing their images.

Further, the logic the \textit{Allison} court used to decide that the Vintage products were a mere reselling was flawed. The \textit{Allison} court’s assertion that a consumer likely purchased a Vintage product thinking it was buying a repackaged trading card, as opposed to a “Hershiser Clock” or “Allison Clock,” is doubtful. It seems much more likely that if the consumer wanted to buy a trading card, then the consumer would have simply bought a trading card. Generally, people purchase clocks for their time-telling function or for their uniqueness as a design object. To the sports fan and memorabilia collector, the latter reason is especially true because a trading

\textsuperscript{210} See \textit{supra} Part II.B. Because the first sale doctrine does not apply to the creation of derivative works in copyright law, by analogy it should not be a defense to the creation of derivative works in the right of publicity context. \textit{Id.}

\textsuperscript{211} \textit{Allison}, 136 F.3d 1443 at 1451.

\textsuperscript{212} See \textit{id.}
card clock is a unique, new, and different piece of memorabilia to add to one’s collection; it is not just another trading card. Because the Vintage clocks and plaques presented Allison and Hershiser’s identities in a form that was not authorized, the athletes had no control over how their identities were released to the public.

In addition, the athletes could have made derivative works from the trading cards in the form of clocks and plaques and thus made money from this commercial use of their images. Hence, they had not exhausted this possible use of their trading cards. Alternatively, the appropriate licensee, Maxx or the MLBPA, also could have made the clocks and plaques with the royalties going to the athletes. Because Vintage had already made and sold the clocks and plaques, it had begun to supply the market with sports trading card clocks and plaques. Thus, Vintage had saturated, or at least begun to saturate, the market. This diminishes the market of consumers who might possibly purchase such a product from the legitimate licensees. As the right of publicity is designed to protect the financial and commercial interests of the celebrity, it is appropriate to examine the financial impact Vintage’s products have on Allison and Hershiser. The potential negative effects Vintage’s products could have on the athletes’ commercial interests supports the argument that Vintage created derivative works, which would prevent a successful first sale defense.

Furthermore, it was improper for the Allison court to consider whether Vintage’s products were an improvement of the preexisting trading cards. Such a judgment is subjective, and consequently arbitrary. If improvement was allowed to be a factor when applying the first sale doctrine to right of publicity actions, court decisions would lack uniformity and generate legal uncertainty. This in turn would create uncertainty for individuals who might be in danger of creating a product that infringes on another’s right of publicity. Such individuals would have no guidelines upon which to rely in deciding whether to proceed with the creation of a new work that they believe may rise to the level of a derivative work.

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213. See Cardtoons, L.C. v. Major League Baseball Players Ass’n, 868 F. Supp. 1266, 1274 (N.D. Okla. 1994). The defendant in this case argued unsuccessfully, that the plaintiff’s product had the potential to expropriate market shares from licensed baseball cards. Id. It appeared as though the court discounted this argument not because it lacked merit, but because the plaintiff did not offer evidence to support it. Id.

214. See supra Part II.D-E.

215. See NIMMER 1998, supra note 46, § 3.03, at 3-10; see also Emerson v. Davies, 8 F. Cas. 615, 621 (C.C. D. Mass. 1845) (No. 4436). The Allison court notes that the district court properly concluded “‘Vintage is selling the trading cards after presenting them in, what some consumers deem to be, a more attractive display.’” Allison, 136 F.3d at 1450.
In addition, whether or not a new work is an improvement over a preexisting work is immaterial in deciding whether a derivative work has been created.\(^{216}\) If a new work is found to be worse than the preexisting work, then the new work would not be purchased and used by consumers; if the new work is found to be better than the preexisting work, then it would likely be purchased and used by consumers.\(^{217}\) Either way, this has no bearing on whether a derivative work has actually been created.\(^{218}\) In this respect, the Allison district court erred, for it improperly considered whether Vintage's products were an improvement over the trading cards alone.\(^{219}\)

In deciding the case in favor of Vintage, the district court took into account that "Vintage is selling the trading cards after presenting them in, what consumers deem to be, a more attractive display."\(^{220}\) The court does not explain how it determined that consumers think the trading cards are more attractive when displayed in Vintage's products. Furthermore, this qualitative assessment as to whether consumers may find the plaques and clocks more attractive than the trading cards, or vice versa, is irrelevant. Either way, the clocks and plaques should have been viewed as a wholly different product than the trading cards.

The Allison district court used its improper qualitative finding to further conclude that the substantial return on Vintage's investment was based on its "improvement of the trading cards rather than the creation of a new good."\(^{221}\) The district court's distinction between a work that is an "improvement" and one that is a "new work" is an arbitrary, semantic difference.

This distinction also fails because it presents a causation problem. How does the court know that sales increased due to the "improvement" rather than the creation of a new good? Even if the court could and did explain this difference, it should not be a factor in the determination of whether Vintage created derivative works.

Finally, in classifying the Vintage products as an "improvement" of the trading cards, the district court implied that the Vintage clocks and plaques were more than a mere deviation of the trading cards, which is the

\(^{216}\) See Emerson, 8 F. Cas. at 621.

\(^{217}\) Id.

\(^{218}\) Id.


\(^{220}\) Id. at *14.

\(^{221}\) Id.
very definition of a derivative work. In effect, by calling the Vintage clocks and plaques an improvement, the court acknowledged that they were derivative works. This acknowledgement is logically at odds with the district court and the appellate court's tacit finding that Vintage did not create derivative works. For these reasons, the court erred in finding that Vintage had not created derivative works with its plaques and clocks, as opposed to mere reselling.

3. The Appropriate Derivative Works Standard of Review

a. The Mirage and Munoz Derivative Works Standard in Copyright Infringement Claims

Two cases prove instructive in determining the level of review that the Allison court should have applied in its derivative works analysis. In *Mirage Editions, Inc. v. Albuquerque A.R.T. Co.*, the court held that the defendant created a derivative work, and thus infringed the plaintiff's copyright, when he made decorative tiles by using the plaintiff's copyrighted artwork. The defendant made the decorative tiles by incorporating artwork prints he bought from the plaintiff, the exclusive copyright holder of the artwork. The defendant affixed individual prints of the copyrighted artwork onto ceramic tiles, placed a plastic film over the surface of the tiles, and sold the tiles in the retail market. The court concluded that by "borrowing and mounting the preexisting, copyrighted individual images without the consent of the copyright proprietors," the defendant had made a derivative work, "another version" of the copyrighted work. The *Mirage* court called attention to the definition of a derivative work in copyright law as, in part, "any other form in which a work may be recast, transformed, or adapted." This court also pointed out that legislative history indicates that a copyright owner's exclusive right to prepare derivative works is violated when "the infringing work . . . incorporate[s] a portion of the copyrighted work in some form."

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222. See supra Part II.B (discussing derivative works).
223. 856 F.2d 1341 (9th Cir. 1988).
224. See id. at 1342.
225. See id.
226. See id. at 1343.
Thus, the *Mirage* court decided that the defendant, in making decorative tiles by incorporating and mounting preexisting, copyrighted artwork without the copyright owner’s consent, thereby created an infringing derivative work. \(^{229}\) Consequently, the defendant could not use the first sale doctrine as a defense. \(^{230}\)

Similarly, in *Munoz v. Albuquerque A.R.T. Co.*, \(^{231}\) the court concluded that the defendant created an infringing derivative work when he affixed copyrighted notecards to ceramic tiles for the purpose of selling them without the copyright owner’s consent. \(^{232}\) This court also pointed to the language of section 101 of the 1976 Copyright Act \(^{233}\) to conclude that permanently affixing a notecard to a ceramic tile was recasting, transforming, or adapting the original, copyrighted artwork. \(^{234}\) The *Munoz* court distinguished tile mounting from framing, noting that the latter amounts only to a method of display and not to a derivative work. \(^{235}\) Thus, as in *Mirage*, \(^{236}\) the defendant was not able to invoke the first sale doctrine to defend against the plaintiff’s copyright infringement claim. \(^{237}\)

b. The Effect of *Mirage* and *Munoz* on *Allsion v. Vintage Sports Plaques*

The relevant inquiry in a derivative works analysis in the copyright context is whether and to what degree a new work incorporates a preexisting work. \(^{238}\) The *Mirage* and *Munoz* decisions suggest that if an object incorporates a preexisting work to any degree, is mounted, and offered for resale, the result is a derivative work. The two courts arrived at this conclusion by focusing on the plain language of section 101’s definition of a derivative work \(^{239}\) and the legislative history behind the Copyright Act. \(^{240}\)

Had the *Allison* court applied this standard to the Vintage products, it would have found that Vintage had created derivative works. Because the *Mirage* and *Munoz* courts concluded that simply mounting preexisting

\(^{229}\) See id.
\(^{230}\) See id.
\(^{231}\) 829 F. Supp. 309 (D. Alaska 1993), aff’d, 38 F.3d 1218 (9th Cir. 1994).
\(^{232}\) See *Munoz*, 829 F. Supp. at 311, 314.
\(^{234}\) See *Munoz*, 829 F. Supp. at 314.
\(^{235}\) id.
\(^{236}\) 856 F.2d 1341, 1344 (9th Cir. 1988).
\(^{237}\) See *Munoz*, 829 F. Supp. at 315.
\(^{238}\) See supra Part II.B.
\(^{239}\) 17 U.S.C. § 101 (1994) (defining a “derivative work” as, in pertinent part, “any other form in which a work may be recast, transformed, or adapted.”).
copyrighted prints onto ceramic tiles created a derivative work, then certainly mounting and inserting trading cards onto clocks and plaques also creates a derivative work.

c. Proposed Two-Step Inquiry to Determine if the First Sale Doctrine Should Operate as a Defense to a Right of Publicity Claim

The relevant inquiry in deciding whether the first sale doctrine operates as a defense to a right of publicity claim is whether the celebrity’s image is being used without his or her permission to sell an infringing derivative work for the financial gain of someone other than the celebrity. This determination involves a two step inquiry.241

i. Step One: Has a Derivative Work Been Created Based on a Mere Deviation Standard

The first step in this analysis is to decide whether a derivative work has been created. In the right of publicity context, the focus should be on how much the new work has changed the preexisting work. Courts should adhere to the plain language of section 101’s definition of a derivative work,242 thereby taking a strict and narrow view of what constitutes a derivative work. In doing so, courts should apply the Mirage-Munoz standard, which was derived from the plain language of section 101. This standard states that a derivative work has been created if it incorporates to any degree a preexisting work, is mounted, and offered for resale. Essentially, this is a mere deviation standard. This mere deviation standard should apply to all right of publicity cases in which the first sale doctrine is asserted as a defense. Thus, a derivative work is created if the new work is even a mere deviation of a preexisting work.

There are several reasons why a court should apply a strict interpretation of the creation of a derivative work in a right of publicity case. First, because a celebrity’s name or likeness continues to travel with the tangible property, the risk exists that the celebrity’s actual identity (name and likeness) will be misused or misrepresented. Celebrities’ names

241. Because Allison is one of the first cases to apply the first sale doctrine to the right of publicity with any meaningful analysis, the two-step inquiry proposed here is based on the right of publicity’s goal to protect celebrities from unauthorized use of their identities for the financial gain of another, and on the shared rationales of copyright law and the right of publicity.

242. 17 U.S.C. § 101 (defining a derivative work, in part, as a “work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted.”).
and likenesses identify them and consequently trigger thoughts and impressions of them in others. A celebrity's name or likeness can evoke either a favorable or unfavorable opinion of that celebrity, divorced from any then-observable, concrete action of the celebrity. This uniquely impacts celebrities whose public persona and approval rating is as important to their commercial success and livelihood as is their talent. In contrast, a private individual's professional success often has no relation to public opinion.

This strict standard is appropriate, as any deviation from an authorized use of a celebrity's image tampers with the celebrity's identity. Identity is the very asset that helps celebrities become famous, and partially accounts for the very means of the celebrity's livelihood. Thus, a strict derivative works standard preserves celebrities' control over their identities. Protecting a celebrity's identity also supports the policy behind the right of publicity by encouraging individuals to enter the public arena for the benefit of society and ensuring that the celebrity is compensated and protected for doing so.

ii. Step Two: Is the Celebrity's Image Being Used to Sell a New Product?

The second step in deciding whether the first sale doctrine can operate as a defense in a right of publicity action is whether the celebrity's image is being used without permission to sell a new product. This determination is crucial because it serves the right of publicity's rationale of protecting celebrities against the unauthorized and uncompensated use of their identities for the commercial and economic benefit of others. If the celebrity's image is being used to sell a new product, then the celebrity deserves to profit from such sales or, alternatively, should be entitled to have a court enjoin unauthorized dealers from doing so.

d. Applying the Two-Step Inquiry to Allison

Applying this two-part analysis to the Allison case reveals that Vintage created a derivative work and used Allison and Hershiser's image to sell this new product. Just as in Mirage and Munoz, where the defendants created new products, Vintage created a new product in the

243. See Allison v. Vintage Sports Plaques, 136 F.3d 1443, 1450 (11th Cir. 1998) (noting that it must decide whether the Vintage products were more like a reselling of the trading cards or more like using the athlete's names and likenesses to sell frames and clocks).

244. Mirage Editions, Inc. v. Albuquerque A.R.T. Co., 856 F.2d 1341, 1343 (9th Cir. 1988);
form of sports-themed clocks and plaques from preexisting trading cards. Vintage’s clocks and plaques were, at the very least, a mere deviation of the trading cards, as the cards’ incorporation into Vintage’s product resulted in a product with a new use and form. The trading cards were transformed from trading cards into plaques and clocks. The Vintage clocks were even marketed as “Limited Edition[s]” or “Authentic Collectible[s].” Thus, the Vintage clocks and plaques were a mere deviation of the trading cards and not a reselling.

Although the celebrities did not authorize the creation or sale of these products bearing their images, Vintage sold their plaques and clocks by associating them with Allison and Hershiser. In fact, without Allison and Hershiser’s images, Vintage’s products would not exist as sports-themed products but would merely be a generic clock and a blank plaque. Vintage’s official company name, “Vintage Sports Plaques,” attests to its mission to supply and sell sports-themed merchandise.

As a result of Vintage’s use of Allison and Hershiser’s images, the athletes seem to be endorsing a product that they may not approve of or with which they may not want to be associated. Such an association could injure the image and reputation Allison and Hershiser wish to foster and present to the public. For example, Hershiser and Allison may not want the public to believe that they will endorse any piece of memorabilia. They may have personal reasons for not wanting to be associated with a plaque or clock. Perhaps the athletes do not particularly like Vintage’s execution of the clock, the way in which Vintage marketed their products, or the Vintage brand in general. In addition, if the athletes are used as a marketing tool to sell a different product, then they should be entitled to grant or deny use of their identities for this purpose. They also deserve to be compensated for rendering this service.

If celebrities feel they no longer have control over the presentation of their identities, they might decide that the personal and financial costs of either becoming famous or entering into authorized licensing agreements are not worth the risk. This would harm both the economy and the dissemination of entertaining and socially beneficial works.

Because a celebrity’s identity, reputation, and livelihood are so completely intertwined, misuse of his or her identity alters the very thing that helped the celebrity achieve fame. If society is going to encourage


245. Allison, 136 F.3d at 1444.

246. See McCarthy, supra note 9, § 2.2, at 2-10 (noting that some argue that the right of publicity creates an incentive to create a commercially licensable persona).
individuals to enter the public arena for its benefit, then society should grant these individuals strong protection over their identities. Therefore, the Allison court should have found that the sale of trading cards to Vintage, without specific authorization by Allison and Hershiser, did not give Vintage the right to use Allison and Hershiser’s images to create and sell a new product.

IV. CONCLUSION

Similar to copyright law, the right of publicity balances the interests of the consuming public against those of the enterprising individual. In copyright law, the first sale doctrine helps sustain this balance, but favors the economic interests of the public over those of the individual. Applying the first sale doctrine to the right of publicity serves a similar purpose. However, with the right of publicity, an individual’s actual identity and reputation, either by name, likeness, or both, are at risk of being misused for another’s commercial gain. To prevent this misuse, courts should be hesitant to allow the first sale doctrine to limit a celebrity’s right of publicity. Based on the mere deviation standard, where an existing product has been changed in any way to create a new, unauthorized product, and the celebrity’s image is used to sell this new product, courts should refute a first sale defense.

It is difficult to imagine athletes or celebrities choosing not to enter a particular career because of the possibility of not receiving money from the resale of a product bearing their names or likenesses. However, athletes and celebrities, such as Allison and Hershiser, might think twice about entering the public arena in the form of authorized licensing agreements if they fear losing control over the use of their identities. Such a scenario is antithetical to the right of publicity, which seeks to encourage celebrities to perform enriching activities for a public arena, and to protect celebrities from the unauthorized and uncompensated use of their identities for commercial purposes.247

The Allison court should not have allowed the first sale doctrine to defeat Allison and Hershiser’s right of publicity claims against Vintage. Applying the first sale doctrine to the right of publicity with a strict derivative works analysis will balance the interests of society with those of the celebrity. The first sale doctrine will tip the balance in favor of the celebrity when the celebrity’s image is in danger of being misused for

247. See supra Part II.D.
another's gain, thus affording protection to the celebrity who offers his or her actual identity for the benefit of public consumption.

*Ivy Choderker*

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