



January 2003

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Ryan S. Hilbert

Maki Kanayama

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Recommended Citation

Ryan S. Hilbert and Maki Kanayama, *Toney v. L'Oreal USA Inc.: The Answer to the Question What Do Hair Relaxer Products Have to Do with the Seventh Circuit's View on Copyright Preemption and the Right of Publicity*, 19 SANTA CLARA HIGH TECH. L.J. 531 (2003).

Available at: <http://digitalcommons.law.scu.edu/chtlj/vol19/iss2/9>

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CASE NOTES

Toney v. L'Oreal USA Inc.: The Answer to the Question “What Do Hair Relaxer Products Have to Do With the Seventh Circuit’s View on Copyright Preemption and the Right of Publicity?”

Ryan S. Hilbert[†] and Maki Kanayama^{††}

I. INTRODUCTION

The right of publicity is a state cause of action that forbids using another’s name, likeness, voice, or identity for commercial purposes.¹ Although the publicity right is often grouped with torts that protect one’s right of privacy, the right is a distinct legal cause of action.² The RESTATEMENT (THIRD) OF UNFAIR COMPETITION expressly safeguards an individual’s identity by treating the publicity right as a separate area of unfair competition law.³ Among a majority of states,

† Mr. Hilbert is an associate in the Trademarks and Advertising Practices Group at Wilson Sonsini Goodrich & Rosati. This Case Note is intended for scholarly discourse, educational use, and informational purposes only, and presents summaries of particular developments in the law and is not intended to be an exhaustive discussion. The views expressed herein are Mr. Hilbert’s current, personal views, and should not be attributed to, and do not necessarily represent the views of, Wilson Sonsini Goodrich & Rosati or any of the Firm’s former, present, or future clients. Mr. Hilbert would like to thank Maki Kanayama for her help in researching and drafting portions of this Case Note. Mr. Hilbert would also like to thank Orlena Fong and the rest of the Journal’s staff for their invaluable editorial assistance.

†† J.D. Candidate, Santa Clara University School of Law, 2003; M.A., East Asian Studies, Stanford University, 1999; B.A., History and Japanese, Santa Clara University, 1997. The author would like to thank Orlena Fong for her editorial assistance and fellow board members for their hard work.

1. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 46 (1995).

2. See J. Thomas McCarthy, *The Spring 1995 Horace S. Manges Lecture—The Human Persona as Commercial Property: The Right of Publicity*, 19 COLUM.-VLA J.L. & ARTS 129, 131 (1995) [hereinafter McCarthy, *Human Persona*].

3. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION §§ 46–49 (1995).

the right of publicity is recognized either by statute or as a common law right.⁴ At the federal level, the Copyright Act of 1976, which protects original works of authorship reduced to a tangible medium,⁵ intersects with the publicity right by preempting any state law that offers rights equivalent to those provided by the Act.⁶ Although both copyright law and the right of publicity strive to protect artists and promote creativity, the two laws are often in conflict.⁷ The variations in each state's requirements to maintain a cause of action under the right of publicity further complicate the issue.⁸

Generally speaking, a majority of the courts—including the Ninth Circuit⁹—have held that federal copyright law does not preempt the state-based right of publicity.¹⁰ One of the most notable exceptions is the Seventh Circuit's decision in *Baltimore Orioles, Inc. v. Major League Baseball Players Assoc.*¹¹ In a recent decision entitled *Toney v. L'Oreal USA Inc.*,¹² the Seventh Circuit reaffirmed its view that federal copyright law preempts the right of publicity and dismissed plaintiff June Toney's right of publicity claim.¹³ Interestingly, the court decided not to dismiss Toney's claim under the Lanham Act before discovery, despite the weakness of her evidence. Although Toney had been clearly wronged, if she loses under the Lanham Act, she effectively will be left without a remedy. This outcome lacks a sense of equity and cries for a need to minimize successful preemption challenges.

This Case Note examines the Seventh Circuit's holding and rationale in *Toney v. L'Oreal USA Inc.* Additionally, the Case Note discusses the conflict between state-based rights of publicity and federal copyright law, and suggests that the court's decision in *Toney*

4. See J. THOMAS MCCARTHY, THE RIGHTS OF PUBLICITY AND PRIVACY § 6.1 (2d ed. 2000) [hereinafter McCarthy, PUBLICITY].

5. 17 U.S.C. § 102(a) (2000).

6. 17 U.S.C. § 301(a) (2000).

7. See generally RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 46 cmt. i (1995).

8. While the majority of states recognizing a publicity right consider it to be a property right, other states still view the right under privacy rationale. See generally RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 46 cmt. b (1995); see also McCarthy, *Human Persona*, *supra* note 2, at 134.

9. See *Midler v. Ford Motor Co.*, 849 F.2d 460 (9th Cir. 1988); *Waits v. Frito-Lay, Inc.*, 978 F.2d 1093 (9th Cir. 1992); *White v. Samsung Elecs. Am., Inc.*, 971 F.2d 1395 (9th Cir. 1992).

10. See McCarthy, PUBLICITY, *supra* note 4, § 11:48, at 11-121 (citations omitted).

11. *Baltimore Orioles, Inc. v. Major League Baseball Players Assoc.*, 805 F.2d 663 (7th Cir. 1986).

12. *Toney v. L'Oreal USA Inc.*, 64 U.S.P.Q. (BNA) 2d. 1857 (N.D. Ill. 2002).

13. *Id.* at 1860.

v. *L'Oreal USA Inc.* should be reversed.

II. FACTUAL AND PROCEDURAL HISTORY

Plaintiff June Toney is a model whose picture appeared on packages of a hair relaxer product called "Ultra Sheen Supreme."¹⁴ In a written agreement, Toney allegedly authorized Johnson Products to use her likeness on and in connection with the packaging and the promotion of the Ultra Sheen Supreme relaxer product from November 1995 until November 2000.¹⁵ Additionally, the agreement included a five-year exclusive period during which Toney was prohibited from using her likeness on any other relaxer product packaging, and a similar one-year restriction period for national magazines.¹⁶ Any other uses of Toney's likeness were to be negotiated separately between the parties.¹⁷

Subsequent to Toney's authorization, Johnson Products sold the Ultra Sheen Supreme line of products to Carson Products Company, who later resold the line to defendant L'Oreal USA, Inc. ("L'Oreal") in August 2000.¹⁸ Sometime around December 2000, defendants Wella Corporation and Wella Personal Care of North America, Inc. (collectively "Wella") purchased ownership and control of the Ultra Sheen Supreme line and brand from L'Oreal.¹⁹

Following the expiration of the agreement in November 2000, Toney brought a suit against L'Oreal and Wella²⁰ for using her likeness in connection with the packaging and promotion of the Ultra Sheen Supreme relaxer product beyond the term set forth in the contract.²¹ L'Oreal filed a motion to dismiss, which Wella also joined.²²

III. OVERVIEW OF ARGUMENTS

Toney asserted two claims against L'Oreal and Wella.²³ First, as an Illinois resident, she contended that L'Oreal and Wella violated her

14. *Id.* at 1858.

15. *Id.*

16. *Id.* at 1859.

17. *Id.*

18. *Toney*, 64 U.S.P.Q. (BNA) 2d. at 1858.

19. *Id.* at 1858-59.

20. Neither Johnson Products nor Carson Products Company were parties to the suit.

21. *Toney*, 64 U.S.P.Q. (BNA) 2d. at 1859.

22. *Id.* at 1858.

23. *Id.*

right of publicity under Illinois' Right of Publicity Act (the "Publicity Act").²⁴ The Publicity Act provides an individual with the "right to control and to choose whether and how to use [his or her] identity for commercial purposes."²⁵ Additionally, the Publicity Act provides that "[a] person may not use an individual's identity for commercial purposes during the individual's lifetime without having obtained previous written consent from the appropriate person... or their authorized representative."²⁶

Toney's second claim was for false endorsement under Section 43(a) of the Lanham Act.²⁷ In order to prevail under Section 43(a), Toney needed to show that her image had "either acquired secondary meaning or [was] inherently distinctive"²⁸ and that her likeness was recognizable.²⁹ Toney also needed to establish that:

- i) defendants [L'Oreal and Wella] made false representations about her endorsement or association of the Ultra Sheen Supreme product;
- ii) the misrepresented product entered the stream of interstate commerce;
- iii) the misrepresentations were likely to deceive a substantial segment of the intended consumers as to the source or sponsorship of the product; and
- iv) the misrepresentations were material enough to be likely to cause injury.³⁰

In their defense, L'Oreal and Wella argued that Toney's claim under the Publicity Act was preempted by Section 301 of the Copyright Act.³¹ In the alternative, L'Oreal and Wella asserted that Toney's Publicity Act claim was time-barred by a one-year statute of limitations.³²

24. *Id.*; see also 765 ILL. COMP. STAT. 1075/1 *et seq.* (1993).

25. 765 ILL. COMP. STAT. 1075/10 (1993).

26. *Id.* at 1075/30(a) (1993).

27. *Toney*, 64 U.S.P.Q. (BNA) 2d. at 1858; 15 U.S.C. § 1125(a) (2000).

28. *Dorr-Oliver, Inc. v. Fluid-Quip, Inc.*, 94 F.3d 376, 380 (7th Cir. 1996).

29. *Pesina v. Midway Mfg. Co.*, 948 F. Supp. 40, 42 (N.D. Ill. 1996).

30. *Toney*, 64 U.S.P.Q. (BNA) 2d. at 1861.

31. *Id.* at 1859.

32. *Id.* at 1860.

IV. HOLDING AND RATIONALE

A. *The Right of Publicity Claim*

The court granted the defendants' motion to dismiss Toney's right of publicity claim on the ground that it was preempted by Section 301 of the Copyright Act.³³ Section 301 requires that two conditions be satisfied in order for preemption to occur:

- i) the work of authorship in which the right is asserted must be fixed in a tangible medium and come within the subject matter of copyright, as specified in Sections 102 and 103; and
- ii) the right in question must be within the general scope of one of the rights specified in Section 106.³⁴

With respect to the first condition, the court stated that "[a] work is 'fixed' if a plaintiff has consented to [its fixation]."³⁵ The court cited *Baltimore Orioles, Inc. v. Major League Baseball Players Assoc.*,³⁶ in which the Seventh Circuit held that the performances of professional baseball players were fixed in a tangible medium "because the performances were embodied in a videotape copy which could be communicated indefinitely."³⁷ Following this decision, the court similarly found Toney's image to be fixed in a tangible

33. *Id.* at 1860.

34. 17 U.S.C. § 301(a) (2000).

35. *Toney*, 64 U.S.P.Q. (BNA) 2d. at 1859 (citing *Ahn v. Midway Mfg. Co.*, 965 F. Supp. 1134, 1138 (N.D. Ill. 1997)).

36. *Baltimore Orioles, Inc. v. Major League Baseball Players Assoc.*, 805 F.2d 663 (7th Cir. 1986).

37. *Toney*, 64 U.S.P.Q. (BNA) 2d. at 1859. In *Baltimore Orioles*, the Seventh Circuit considered whether major league baseball clubs owned exclusive rights to the televised game-time performances of major league players. The clubs contended that the telecasts of major league baseball games were "works made for hire" in which the players owned no rights whatsoever. *Baltimore Orioles*, 805 F.2d at 667. The players asserted that unauthorized televised broadcasts of their performances violated their publicity rights. *Id.* at 674. After determining that the underlying performances of the players themselves were copyrightable – as opposed to just the telecasts – the court applied the two-prong test in Section 301. *Id.* at 674. Under the first prong (the work of authorship must be fixed in a tangible medium), the court concluded that the players' performances were fixed in a tangible medium as embodiments that could be "perceived, reproduced, and otherwise communicated indefinitely." *Id.* at 675. Under the second prong (state law right must be "equivalent" to a right specified in Section 106), the court stated that a right is equivalent "if it 'is infringed by the mere act of reproduction, performance, distribution or display.'" *Id.* at 677. Because the players' rights of publicity to their performances were being infringed by the Clubs' right to broadcast games, "the Players' rights of publicity [were] equivalent to at least one of the rights encompassed by copyright." *Id.* Ultimately, the court held that "the Clubs' copyright in the telecasts of major league baseball games preempt[ed] the Players' rights of publicity in their game-time performances." *Id.* at 674.

medium; the court reasoned that the image was embodied in a photograph copy, which could be “perceived, reproduced, or otherwise communicated indefinitely.”³⁸

As to the second condition, the court rationalized that “[t]he right of publicity is equivalent to one of the rights in Section 106 because it is infringed by distributing or preparing distributive works.”³⁹ With that principle in mind, the court stated that Toney’s right of publicity was equivalent to one of the rights in Section 106 of the Copyright Act “because it could be infringed by distributing or preparing distributive works.”⁴⁰

As a preliminary matter, the court refused to dismiss Toney’s claim as time-barred by a one-year statute of limitations.⁴¹ The Illinois Publicity Act is silent as to a specific statute of limitations provision,⁴² thus leading defendants to urge the court to liken Toney’s publicity claim to a right of privacy, which has a one-year statute of limitations under Illinois law.⁴³ Rather than adopt the defendants’ analogy, however, the court instead chose to apply 735 ILCS 5/13-205, which provides a five-year statute of limitations for claims involving real or personal property, as well as “civil actions not otherwise provided for.”⁴⁴ Since Wella had purchased the Ultra Sheen Supreme line from L’Oreal sometime around December 2000, and the complaint was filed on March 20, 2002, Toney’s claim fell within the applicable five-year statute of limitations period.⁴⁵

B. The Section 43(a) False Endorsement Claim

The court also denied defendants’ motion to dismiss Toney’s Section 43(a) claim, on the ground that there existed sufficient facts to support the claim.⁴⁶ Nonetheless, the court expressed concern that certain facts were still unclear. In particular, the court said further fact-finding was necessary to determine to what extent Toney was “widely known” or that her image had acquired “secondary meaning;” whether and to what extent Toney had previously authorized the defendants to use her likeness; whether a substantial

38. *Toney*, 64 U.S.P.Q. (BNA) 2d. at 1859.

39. *Id.* at 1859–60.

40. *Id.* at 1860.

41. *Id.*

42. *Id.*

43. *Toney*, 64 U.S.P.Q. (BNA) 2d. at 1860.

44. *Id.*

45. *Id.*

46. *Id.* at 1861.

segment of the intended audience would believe that Toney endorsed the product based solely on the use of her image; and whether Toney could be considered a “celebrity” for the purpose of establishing an economic interest under the Lanham Act.⁴⁷ Despite the court’s skepticism that Toney would be able to support her claim under Section 43(a), the court postponed making a final decision on this claim, pending further discovery.

V. DISCUSSION

This case is important for two reasons:

- (1) it misstates the law as it relates to one’s right of publicity in a photograph; and
- (2) it serves as a good example of why only a minority of courts subscribe to the view that a state law right is equivalent to one of the rights provided in Section 106 if “it is infringed by distributing or preparing distributive works.”⁴⁸

In deciding whether a work of authorship falls within the scope of the Copyright Act, Section 102 states that copyright protection “subsists. . . in original works of authorship fixed in any tangible medium of expression.”⁴⁹ Examples of such works include literary works,⁵⁰ dramatic works,⁵¹ motion pictures,⁵² sound recordings,⁵³ and “pictorial, graphic and sculptural works,”⁵⁴ to name but a few. Section 102 excludes from the realm of copyrighted works things such as ideas, procedures, or processes, regardless of the form in which they are embodied.⁵⁵

In the case of photographs, both commentators and courts agree that the “subject matter” of the right of publicity implicated in a picture or a photograph is not the same as the “subject matter”

47. *Id.* at 1860–61.

48. *Id.* at 1859–60.

49. 17 U.S.C. § 102(a) (2000).

50. 17 U.S.C. § 102(a)(1) (2000).

51. 17 U.S.C. § 102(a)(3) (2000).

52. 17 U.S.C. § 102(a)(6) (2000).

53. 17 U.S.C. § 102(a)(7) (2000).

54. 17 U.S.C. § 102(a)(5) (2000).

55. 17 U.S.C. § 102(b) (2000).

covered under the Copyright Act.⁵⁶ There is no question that photographs themselves are copyrightable.⁵⁷ A distinction must be made, however, between the copyright one holds in a photograph and the “persona” of the person depicted in the photograph.⁵⁸ In the words of one commentator, “[t]he fact that aspects of an individual’s persona can be fixed in a copyrightable work does not transform those captured personality attributes into writings within the ambit of copyright.”⁵⁹ For this reason alone, there is a possibility that the court’s decision on Toney’s right of publicity claim could be reversed if it were to go up on appeal to the Seventh Circuit. The fact that Toney may not be entitled to any form of relief, despite having been clearly wronged further indicates that this case may be ripe for reversal.⁶⁰

56. See, e.g., *Downing v. Abercrombie & Fitch*, 265 F.3d 994, 1004 (9th Cir. 2001) (“A person’s name or likeness is not a work of authorship within the meaning of [Copyright Act section 102]. This is true notwithstanding the fact that [plaintiff’s] names and likenesses are embodied in a copyrightable photograph.”); *KNB Enters. v. Matthews*, 92 Cal. Rptr. 2d 713, 715, 78 Cal. App. 4th 362, 365 (Ct. App. 2000) (“[B]ecause a human likeness is not copyrightable, even if captured in a copyrighted photograph, the [plaintiffs’] claims against the unauthorized publisher of their photographs are not the equivalent of a copyright infringement claim and are not preempted by federal copyright law.”) *Id.*; *MCCARTHY, PUBLICITY*, *supra* note 4, § 11:50, at 11-124.2. (“[T]he ‘subject matter’ of a right of publicity claim is *not* a particular picture or photograph. . . . Rather, what is protected by the right of publicity is the very identity or persona of the plaintiff as a human being.”) *Id.* (emphasis in original); 1 MELVILLE B. NIMMER & DAVID NIMMER, *NIMMER ON COPYRIGHT* § 1.01[B][1][c], at 1-24 (2002) (“The ‘work’ that is the subject matter of the right of publicity is the *persona*, i.e., the name and likeness of a celebrity or other individual. . . . Such name [or] likeness do[es] not become a work of authorship simply because [it is] embodied in a copyrightable work such as a photograph.”). *Id.* See also RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 46 cmt. i (1995) (“Copyright in a photograph or portrait of an individual, for example, extends only to that particular depiction, not to the underlying likeness of the person depicted.”) *Id.*

57. See *Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53, 60 (1884) (holding that a photograph is capable of copyright protection because it contains the necessary level of creativity).

58. See *MCCARTHY, PUBLICITY*, *supra* note 4, § 11:50, at 11-125.

59. David E. Shipley, *Three Strikes and They’re Out at the Old Ball Game: Preemption of Performers’ Rights of Publicity Under the Copyright Act of 1976*, 20 ARIZ. ST. L.J. 369, 404–05 (1988).

60. The authors note that, while some skeptics may claim that the *Toney* court was merely following the rule set forth by the Seventh Circuit in *Baltimore Orioles*, the authors disagree. In *Baltimore Orioles*, the players were under contract to play baseball for the major league clubs at the time their rights of publicity were allegedly infringed. See *Baltimore Orioles*, 805 F.2d at 669. Although this factor did not play a significant role in the court’s copyright preemption analysis, one wonders what type of impact it might have had on the court’s perception of justice as a whole. For example, would the outcome have been the same if the players were given the opportunity to negotiate shares of the revenues from the telecasts, but declined to do so in favor of other concessions? Moreover, what if the major league clubs exploited the names and likenesses of retired players who were no longer under contract and had no other grounds for relief? The authors believe the answer to these questions is “no.” Just as

The second important point involves the court's view that a state law right is equivalent to one of the rights provided in Section 106 simply because "it is infringed by distributing or preparing distributive works."⁶¹ Currently, only a few courts adhere to this view, with a majority instead opting to apply what is called the "extra element" test.⁶² According to Nimmer, the "extra element" test can be described as follows:

If qualitatively other elements are required, instead of, or in addition to, the acts of reproduction, performance, distribution, or display, in order to constitute a state-created cause of action, then the right does not lie 'within the general scope of copyright,' and [thus] there is no preemption.⁶³

Under the "extra element" test, it is quite possible that a different outcome may have been reached in *Toney v. L'Oreal USA, Inc.*⁶⁴ As mentioned above, the Illinois Publicity Act provides that "a person may not use an individual's identity for *commercial purposes* during the individual's *lifetime* without having obtained previous written consent from the appropriate person... or their authorized representative."⁶⁵ Because the standard for copyright infringement does not require "commercial use," but only substantial similarity and access, this distinction could arguably be considered a qualitative difference.⁶⁶ Moreover, in Illinois, a person's right of publicity can

the court in *Baltimore Orioles* may have been persuaded to decide the outcome differently under these circumstances, the authors believe the court in *Toney v. L'Oreal USA Inc.* should have done the same.

61. *Toney*, 64 U.S.P.Q. (BNA) 2d. at 1859–60.

62. The most prominent followers of this rule include courts in the Seventh Circuit. *See, e.g., Baltimore Orioles*, 805 F.2d at 677; *Glovaroma, Inc. v. Maljack Prods., Inc.*, No. 96 C 3985, 1998 U.S. Dist. LEXIS 2399, at *17 (N.D. Ill. Feb. 25, 1998) ("[T]he right of publicity is equivalent to one of the rights in section 106 because it is infringed by distributing or preparing distributive works."); *Ahn v. Midway Mfg. Co.*, 965 F. Supp. 1134, 1138 (N.D. Ill. 1997) ("[T]he right of publicity is equivalent to one of the rights in § 106 because it is infringed by the act of distributing, performing or preparing derivative works."); *Brode v. Tax Mgmt. Inc.*, 14 U.S.P.Q. (BNA) 2d 1195, 1201–03 (N.D. Ill. 1990). Although the California Court of Appeals also appeared to follow this rule in *Fleet v. CBS, Inc.*, 58 Cal. Rptr. 2d 645, 650–51, a later decision limited this decision solely to its facts. *See KNB Enters.*, 92 Cal. Rptr. 2d at 723 ("[W]e would limit *Fleet's* broad language regarding preemption of the actors' [right of publicity] claims to the unique facts of that case.").

63. NIMMER, *supra* note 56, §1:01[B][1] at 1-13 (2002).

64. Assuming the issue regarding one's right of publicity in a photograph was properly addressed.

65. 765 ILL. COMP. STAT. 1075/30(a) (1993) (emphasis added).

66. *See* Shelley Ross Saxer, Note, *Baltimore Orioles, Inc. v. Major League Baseball Players Association: The Right of Publicity in Game Performances and Federal Copyright Preemption*, 36 UCLA L. REV. 861, 882 (1989).

only be infringed during that person's lifetime.⁶⁷ Given that the current term for copyright protection for individual works is life of the author plus 70 years⁶⁸ and that the infringement can occur anytime during this period, including posthumously, this incongruence with the state law could be an important factor.

VI. CONCLUSION

At the end of the day, it is difficult to predict whether the district court's decision on Toney's right of publicity claim would be reversed at the appellate level. It is also difficult to predict what impact, if any, this case will have on the relationship between copyright law and the right of publicity, should it be left standing. Considering that the case is still in its infancy at the district court level, it is quite possible that any number of potential outcomes could occur, including a settlement. At the very least, one hopes that future courts not only decline to follow the district court's rationale in *Toney v. L'Oreal USA, Inc.*, but that, in the event the *Toney* holding is not overturned on appeal, subsequent courts will seek to limit this decision solely to its facts. The intersection between federal copyright law and the state right of publicity is already complicated enough; the last thing one needs is for this issue to be further muddied.

67. 765 ILL. COMP. STAT. 1075/30(a) (1993).

68. 17 U.S.C. § 302(a) (2000).