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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	CV 07-2507 PA (JWJx)	Date	March 31, 2008
Title	Richard Butkus v. Downtown Athletic Club of Orlando, Inc.		

Present: The Honorable	PERCY ANDERSON, UNITED STATES DISTRICT JUDGE	
Rosa Morales	Not Reported	N/A
Deputy Clerk	Court Reporter	Tape No.

Attorneys Present for Plaintiffs:	Attorneys Present for Defendants:
None	None

Proceedings: IN CHAMBERS — COURT ORDER

Before the Court are cross-motions for summary judgment filed by plaintiff and counterdefendant Richard Butkus ("Butkus" or "Plaintiff") (Docket No. 59) and defendant and counterclaimant Downtown Athletic Club of Orlando, Inc. ("DACO" or "Defendant") (Docket No. 56).

I. Procedural History

Plaintiff, a famous former collegiate and professional football player, commenced this action to prevent Defendant's continued use of his name and likeness for the "Butkus Award" given annually to the nation's best collegiate linebacker. Plaintiff's original Complaint was filed on April 16, 2007. Plaintiff then filed a First Amended Complaint on April 23, 2007. In the First Amended Complaint, Plaintiff alleges claims for: (1) declaratory judgment to confirm his right to use his name and identity and that DACO has no such rights; (2) declaratory judgment to invalidate the "Butkus Award" service mark obtained by Defendant on the grounds that it was procured fraudulently; (3) false endorsement under the Lanham Act; (4) violation of Plaintiff's right of publicity under common law; (5) violation of statutory right of publicity under California Civil Code section 3344; (6) common law unfair competition; and (7) unfair competition in violation of California Business and Professions Code section 17200.

After unsuccessfully moving to dismiss the First Amended Complaint for lack of personal jurisdiction, Defendant filed an Answer and asserted counterclaims for tortious interference, injunctive relief, declaratory judgment, and attorneys' fees. Defendant's counterclaim for tortious interference was based on communications sent by Plaintiff's attorneys to officials of the National College Football Awards Association ("NCFAA") and the ESPN television network. In granting Plaintiff's Motion to Dismiss the tortious interference counterclaim, the Court found that those communications were protected by the litigation privilege of California Civil Code section 47(b).

Plaintiff's Motion for Summary Judgment seeks judgment in his favor on his first claim for declaratory judgment, third claim for false endorsement under the Lanham Act, fourth claim for violation of common law right of publicity, fifth claim for violation of statutory right of publicity

SEND

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	CV 07-2507 PA (JWJx)	Date	March 31, 2008
Title	Richard Butkus v. Downtown Athletic Club of Orlando, Inc.		

pursuant to California Civil Code section 3344, sixth claim for common law unfair competition, and seventh claim for statutory unfair competition pursuant to California Business and Professions Code section 17200. Defendant's Motion seeks summary judgment in its favor on all of Plaintiff's claims plus its second counterclaim for injunctive relief and third counterclaim for declaratory judgment.

II. Factual Background

DACO was founded in June 1985 as a non-profit corporation. In August 1985, DACO's Board of Directors decided to establish a national collegiate football award. J. Steven Finley ("Finley"), a founding member of DACO, contacted Butkus by telephone to determine if Butkus would allow DACO to name the award after him. Butkus expressed interest and agreed to meet with Finley in person to further discuss DACO's plans. During that meeting, Butkus agreed to allow DACO to use his name and likeness for the award. During that meeting, Butkus stated his desire that the award program be "first class." Both he and Finley discussed their mutual desire that the proceeds from the program be used for charitable purposes. DACO did not offer, nor did Butkus request, compensation. Butkus and Finley did not discuss a specific term for the use of Plaintiff's name and likeness. Following the meeting, Finley sent a letter to Butkus confirming their agreement. The letter stated that Finley was "honored that you have expressed interest in lending your name to the award that the Downtown Athletic Club is initiating . . . ." The parties never entered into a more formal agreement.

Beginning in 1985, DACO has presented the Butkus Award each year to the nation's best collegiate linebacker. The winner receives a bronze trophy. As described in the official 2007 Butkus Award Program, the artist who designed the trophy, "[w]orking from game action photographs of Dick Butkus . . . created the classic Butkus pose—the consummate linebacker, hands resting slightly on his knees, poised to attack." The player depicted on the trophy bears the name "Butkus" on the back of his jersey and the number 51, which is the number Butkus is famous for wearing while playing for the Chicago Bears.

In 1987, Herbert Allen ("Allen"), an attorney hired by DACO, sent a letter to Butkus requesting that he sign and return a document Allen prepared in which Butkus would "consent to the use and registration of the mark 'Butkus Award' by the Downtown Athletic Club of Orlando, Inc." Butkus signed the document. DACO then applied for registration of the mark with the Patent and Trademark Office. The PTO registered the mark on April 11, 1989. DACO later applied for and received incontestable status from the PTO for the mark.

In 1997, Butkus expressed dissatisfaction with the manner in which DACO was administering the award. Specifically, Butkus objected to some of the commitments DACO had made on his behalf without consulting him and DACO's inability to generate sufficient revenues to fund significant charitable activities. Butkus wrote two letters to DACO explaining his dissatisfaction and requesting an accounting. In the first of those letters, Butkus also requested that he be provided with "any written agreements that I have with your club . . . ." At that time, as he informed DACO, Butkus was pursuing

SEND

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	CV 07-2507 PA (JWJx)	Date	March 31, 2008
Title	Richard Butkus v. Downtown Athletic Club of Orlando, Inc.		

the creation of an athletic award that would bear his name and be presented in Chicago. In response to Butkus' letters, Amy Pempel ("Pempel"), DACO's president in 1997, wrote to him on May 30, 1997. In her letter, Pempel stated:

> Should you decide to move forward with a new award in Chicago and not participate in the Butkus Award® program here in Central Florida, we will, of course, refrain from using your name or image in our activities. It is not our intention to compromise your reputation or name in any way. However, I would hope you would see the benefits of remaining tied to this Award, which has carried your name and public support for many, many years.
>
> Dick, I understand your frustration. You and the Club both had less than satisfactory experiences at Disney in some areas. That is why we are moving back to the Marriott. I also understand your inclination to become involved in the Chicago community. I do not, however, want you to feel this is your only option. Whatever concerns you may have that would prohibit you from remaining involved in the Butkus Award® program here in Central Florida can and will be addressed. There is a long history, an established reputation and a national prominence associated with the Butkus Award®. I would hope you would recognize this and let us work together to continue your involvement and support for the benefit of the candidates, their coaches, families and schools, the sponsors, the Central Florida community, and for the benefit of the disadvantaged children we assist each and every year.

Helfing Decl. in Support of Reply, Ex. 3. Fredric Richman ("Richman"), an attorney retained by Butkus, then wrote a letter to DACO on July 10, 1997. In addition to requesting additional information concerning the funds raised by the Butkus Award for charity, Richman, apparently unaware that his client had signed the consent to use and register prepared by DACO, challenged DACO's authority to obtain the registration. Allen, DACO's counsel, responded to Richman's letter by providing a copy of the consent to use and register the service mark signed by Butkus.

Butkus took no further action until 2006 or 2007, when he again expressed an interest in creating an award named after him to be presented in Chicago. Butkus' son Matt sent an e-mail to Finley on March 6, 2007 seeking his assistance in coming to an accommodation with DACO. As part of his proposal to DACO, Butkus sought to have the intellectual property rights to the Butkus Award "returned" to him. DACO rejected the proposal. Butkus' attorney then sent an April 5, 2007 letter to DACO demanding that the parties enter into a new licensing agreement in which Butkus would "assume the management of the presentation of any award utilizing his name, and to control efforts to secure sponsorship for any such award." In exchange, Butkus offered "to grant a new license to the Club,

allowing for the continuing use of his name and trademark for specific Club activities and for the payment of licensing revenues to Club charities." On April 11, 2007, DACO's attorney, denied that a license from Butkus to DACO allowing DACO to use Butkus' name and likeness had ever existed. Instead, according to DACO, the consent to use and register "was not a license, but an unequivocal grant to use his name and register the Butkus Award® mark."

Butkus commenced this action on April 16, 2007. In an April 18, 2007 letter, Butkus' attorney, notified DACO of Butkus' "termination of the license to use his name and other aspects of his identity, including his photograph and likeness, in connection with DACO's collegiate linebacker award." Butkus' attorney sent another letter to DACO's attorney on April 23, 2007 complaining that despite Butkus' termination of DACO's license, its website continued to use Butkus' name and likeness "in promoting and advertising its collegiate linebacker award program. DACO's website is entirely unchanged, containing numerous references to Mr. Butkus and depictions of his likeness in the form of the award trophy. It even states, '[T]he Butkus Award® carries the name and support of one of the greatest middle linebackers in football history, Dick Butkus.'" Along with the letter, Butkus' attorney included a copy of the First Amended Complaint, which added the third through seventh claims for violations of Butkus' publicity rights.

III. Discussion

In his Motion for Summary Judgment, Butkus seeks a declaration that DACO has never had a license to exploit his right of publicity. Alternatively, Butkus seeks a declaration that any license to use his name and likeness that did exist was gratuitious, terminable at will, and validly terminated on April 18, 2007. To the extent he succeeds in establishing that DACO had no right to exploit his name or image after that date, Butkus additionally seeks summary judgment that DACO is liable on his third through seventh claims for violating his publicity rights. In its Motion for Summary Judgment, DACO asserts that it is entitled to a declaration that it is the sole owner of the Butkus Award mark, that Butkus cannot have the registration of the mark canceled on the basis that it was procured fraudulently, and that as the owner of the mark, its use of Butkus' name is lawful. Specifically, DACO contends that it cannot be liable for violating Butkus' rights of publicity because its use of his name was "related to the use of his name with the award" and its use of biographical information "would be considered fair use." DACO additionally contends that as the owner of the intellectual property embodied within the Butkus Award trophy, its continued use of the trophy consists only of rights it owns and does not constitute the unauthorized use of Butkus' name and likeness.

A. Claims for Declaratory Judgment

Butkus' first claim seeks a declaration that either DACO never had a license to use Butkus' name and likeness or that Butkus validly terminated whatever license may have existed as of April 18, 2007. DACO asserts that there was never a license. DACO instead contends "that after April of 2007, DACO did not have permission to publicize its award by asserting an affirmative endorsement by Mr.

SEND

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	CV 07-2507 PA (JWJx)	Date	March 31, 2008
Title	Richard Butkus v. Downtown Athletic Club of Orlando, Inc.		

Butkus, but it retained all other publicity rights incidental to its ownership of the mark Butkus Award®." Because DACO admits that it never obtained a license to use Butkus' name and likeness separate and apart from the consent to use and register the Butkus Award mark, Butkus is entitled to summary judgment on his first claim for declaratory judgment. Based on DACO's position, the Court need not determine if there was a license, its scope, or term. Butkus, and not DACO, has the right to use Butkus' name and likeness.

Although DACO does not have the right to use Butkus' name and likeness, that does not necessarily mean that it is not, as it asserts, the sole owner of the Butkus Award mark. Nor does such a finding by itself describe the rights that DACO's ownership of the mark would include. In order to prevail on its counterclaim for declaratory judgment that it is the sole owner of the Butkus Award mark, DACO must first establish that it is entitled to summary judgment on Butkus' second claim for declaratory judgment seeking to invalidate the mark based on fraud in the procurement. See 15 U.S.C. § 1064. Specifically, at least as the issue is presented in this action, without eliminating the possibility that the mark will be canceled as a result of fraud, it would be premature to determine ownership of the mark.

DACO claims that it is entitled to summary judgment on Butkus' second claim for declaratory relief because there is no evidence that DACO made any misstatements of fact with regard to its procurement of Butkus' consent for the registration and use of the mark. DACO also asserts that even if there was any such evidence, Butkus' claim would nevertheless be barred by the doctrine of laches or the applicable statute of limitations. In arguing that Butkus has no facts in support of his claim that DACO procured the mark fraudulently, DACO characterizes Butkus' argument that DACO committed fraud by not telling him what the legal consequences would be of consenting to DACO's use and registration of the mark. Butkus' fraud theory, however, is not so limited. According to the First Amended Complaint, Butkus alleges:

> In 1987, DACO asked Butkus to sign an affidavit affirming his consent to DACO's use and registration of the service mark, Butkus Award. The defendant concealed from Butkus its belief that, by acquiring that consent, it would secure the right to prevent plaintiff Butkus from using his name, or a service mark featuring his name, in connection with a collegiate linebacker award. DACO also concealed from Butkus that it was requesting his consent for the purpose of securing such superior rights. Had Butkus known that there was any risk of compromising his ownership rights in his own name or in any service mark featuring that name, he would not have granted consent to DACO's registration. He would likewise have withheld that consent had he known of DACO's intent to acquire superior rights in . . . his name or in any service mark featuring the name.

SEND

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	CV 07-2507 PA (JWJx)	Date	March 31, 2008
Title	Richard Butkus v. Downtown Athletic Club of Orlando, Inc.		

First Amended Complaint, ¶ 13. According to the First Amended Complaint, Butkus does not allege that DACO committed fraud solely by failing to tell him the legal significance of signing the consent. Instead, Butkus appears to be claiming that contrary to DACO's current position, and irrespective of whatever legal consequences DACO's registration of the mark may have had, he was led to believe that DACO would not use his name, likeness, or the mark if, at some point, Butkus decided to terminate his relationship with DACO. None of the evidence relied upon by DACO in its Motion for Summary Judgment, including the statements in Butkus' deposition that DACO did not explain his legal rights prior to his signing the consent, foreclose this theory of fraudulent procurement. See Butkus Depo., p. 34, ll. 8-14 & p. 116, l. 11 to p. 117, l. 24.

Indeed, there is sufficient evidence in the record to create a triable issue of fact that Butkus was led to believe that DACO would not obtain rights in his name and likeness superior to his own and that he would be free to revoke his consent at any time. Specifically, in his deposition, Finley, who conducted the initial negotiations with Butkus on behalf of DACO, testified that the parties did not intend for DACO to be able to continue presenting the award without Butkus' permission:

> Q. Now, you mentioned "lending the name to the award." Is that your language? Was that your language?
> A. It's the language that's in this letter.
> Q. And you signed the letter; right?
> A. Uh-huh.
> Q. What did you mean by "lending your name to the award" when you signed this letter with that language in it?
> A. Lending as opposed to what?
> Q. Anything else?
> A. In my mind, lending and giving are a little different. I mean if you lend your name — this was obviously something that was new to both us and Dick, and obviously, if the marriage didn't last, then I wouldn't expect him to give his name forever for something that wasn't going to work out. So "lending" to me is the correct term.
> Q. When you signed this letter and sent it —
> A. And I would guess — let me just continue that thought. And I would guess that that was agreed to by the board or whoever helped write this letter or reviewed the letter.
>
> . . .
>
> Q. When you approached Mr. Butkus about his association with DACO, was it your understanding that he owned the rights to use his name?
>
> . . .
>
> A. I would think I own the rights to use my name, if that answers the question. I think anybody owns the rights to their name.

SEND

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	CV 07-2507 PA (JWJx)	Date	March 31, 2008
Title	Richard Butkus v. Downtown Athletic Club of Orlando, Inc.		

Q. So you understood that Mr. Butkus owned his — the rights to his name?
A. Sure.
Q. Did you ever, prior to sending this letter, ask Mr. Butkus for a permanent right to use his name?
A. No.
Q. Did you ask him to transfer any ownership right in his name to DACO?
A. No.
Q. Was it your intention to get an irrevocable right to use his name?
A. No.
Q. Was it your intention to obtain a permanent right to use his name?
A. No.
Q. Did Mr. Butkus say or do anything that led you to believe that he meant to grant permanent rights in his name to DACO?
A. No.

Finley Depo., p. 24, l. 12 to p. 26, l. 25. Similarly, in her May 30, 1997 letter to Butkus, Pempel reiterated that the DACO would not use Butkus' name and likeness without his permission. See Helfing Decl. in Support of Reply, Ex. 3 ("Should you decide to move forward with a new award in Chicago and not participate in the Butkus Award® program here in Central Florida, we will, or course, refrain from using your name or image in our activities. It is not our intention to compromise your reputation or name in any way.").

In addition to arguing that Butkus lacks substantive evidence that the consent was procured fraudulently, DACO asserts that Butkus' fraudulent procurement claim is barred by the doctrine of laches or the applicable statute of limitations. The Lanham Act provides that an action to cancel a fraudulently procured registration may be brought "[a]t any time." 15 U.S.C. § 1064(3). Nevertheless, cancellation proceedings are subject to equitable defenses, including laches. 15 U.S.C. § 1069; see also Lappert's Ice Cream, Inc. v. Lappert's, Inc., No. C-06-1296 SC, 2007 WL 2221071, at *2 (N.D. Cal. Aug. 2, 2007); but see Marshak v. Treadwell, 240 F.3d 184, 1092-95 (3d Cir. 2001) (finding that there was no temporal limitation on bringing a cancellation proceeding on the basis of fraudulent procurement as a result of § 1064(3)'s "at any time" language but failing to address the applicability of § 1069's reference to the doctrine of laches).

If the finder of fact agrees following trial that DACO fraudulently procured Butkus' consent by leading him to mistakenly believe that he retained the ability to prevent DACO from using the mark without his permission, it is possible that the finder of fact could also determine that Butkus was not on notice of DACO's position that it possessed rights superior to his until 2007 when DACO unequivocally took the position that it could continue using the Butkus Award mark even without Butkus' continuing consent. As a result, the Court cannot determine, as a matter of law, that laches precludes Butkus'

fraudulent procurement claim. See Beaty v. Selinger, 306 F.3d 914, 928 (9th Cir. 2002) ("'Because the application of laches depends on a close evaluation of all the particular facts in a case, it is seldom susceptible of resolution by summary judgment.'") (quoting Couveau v. Am. Airlines, 218 F.3d 1078, 1083 (9th Cir. 2000)).

The same factual dispute which prevents the Court from granting DACO's summary judgment on Butkus' second claim for declaratory judgment also precludes, at least at this stage of the proceedings, the issuance of a declaration in DACO's favor on its counterclaim. The Court simply cannot declare that DACO is the sole owner of the Butkus Award mark when the possibility exists that the mark will be canceled. Also, based on Finley's testimony, the finder of fact could determine that the intent of the parties was for Butkus to retain superior rights to the mark. See 15 U.S.C. § 1065 (excepting from incontestability a mark which "infringes a valid right acquired under the law of any State or Territory by use of a mark or trade name continuing from a date prior to the date of registration"); see also Marshak, 240 F.3d at 198 n.10 ("Even if a junior user's mark has attained incontestable status, such status does not cut off the rights of a senior user."). Indeed, the trier of fact may find that under whatever contract existed between the parties, Butkus, rather than DACO, is the constructive owner of the mark notwithstanding DACO's registration of it, and that Butkus could and did validly revoke DACO's consent to use the mark. See Garden v. Parfumerie Rigaud, Inc., 151 Misc. 692, 693-94, 271 N.Y.S. 187, 188-89 (N.Y. Sup. Ct. 1933) ("The court cannot lend itself to defendant's claim that, having trade-marked the article and invested considerable money to popularize it, no revocation is possible."); see also Rano v. Sipa Press, Inc., 987 F.2d 580, 585 (9th Cir. 1993) ("Under California contract law, agreements of non-specified duration are terminable at the will of either party."); Trace Minerals Research, L.C. v. Mineral Res. Int'l, Inc., 505 F. Supp. 2d 1233, 1241 (D. Utah 2007) ("A [trademark] license containing no time frame is generally terminable at will.") (citing Bunn-O-Matic Corp. v. Bunn Coffee Serv., Inc., 88 F. Supp. 2d 914, 922 (C.D. Ill. 2000)).

The Court therefore grants Butkus' Motion for Summary Judgment on his first claim for declaratory judgment. Butkus, and not DACO, has the right to commercially exploit Butkus' name and image. The Court denies DACO's Motion for Summary Judgment on Butkus' second claim for fraudulent procurement of the Butkus Award mark and its own counterclaim for declaratory relief. The Court cannot determine, at this stage of the proceedings, who, if anyone, owns the Butkus Award mark or what those ownership rights might include.

B. Claims for Misappropriation of Publicity Rights

In his third through seventh claims, Butkus alleges that DACO's continued use of his name and likeness after he terminated his consent, constitutes violations of his rights of publicity under federal and state statutory and common law. Both parties seek summary judgment in their favor on these claims.

Butkus' third claim for relief alleges that DACO has violated the Lanham Act by falsely implying that Butkus endorsed the Butkus Award. The Lanham Act provides:

SEND

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	CV 07-2507 PA (JWJx)	Date	March 31, 2008
Title	Richard Butkus v. Downtown Athletic Club of Orlando, Inc.		

> Any person who, on or in connection with any goods or services . . . uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which . . . is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person . . . shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

15 U.S.C.A. § 1125(a)(1); Waits v. Frito-Lay, Inc., 978 F.2d 1093, 1110 (9th Cir. 1992) ("A false endorsement claim based on the unauthorized use of a celebrity's identity is a type of false association claim, for it alleges the misuse of a trademark, i.e., a symbol or device such as a visual likeness, vocal imitation, or other uniquely distinguishing characteristic, which is likely to confuse consumers as to the plaintiff's sponsorship or approval of the product.").

Butkus' fourth claim alleges a violation of his common law rights of publicity. "California has long recognized a common law right of privacy for protection of a person's name and likeness against appropriation by others for their advantage." Downing v. Abercrombie & Fitch, 265 F.3d 994, 1001 (9th Cir. 2001). To sustain a common law cause of action for commercial misappropriation, a plaintiff must prove: "(1) the defendant's use of the plaintiff's identity; (2) the appropriation of plaintiff's name or likeness to defendant's advantage, commercially or otherwise; (3) lack of consent; and (4) resulting injury." Eastwood v. Superior Court, 149 Cal. App. 3d 409, 417, 198 Cal. Rptr. 342, 347 (1983).

Butkus' fifth claim alleges a violation of California Civil Code section 3344, which is a statutory complement to California's common law right of publicity. See Abdul-Jabbar v. General Motors Corp., 75 F.3d 1391, 1398 (9th Cir. 1996). Section 3344 provides:

> Any person who knowingly uses another's name, voice, signature, photograph, or likeness, in any manner, on or in products, merchandise, or goods, or for purposes of advertising or selling, or soliciting purchases of, products, merchandise, goods or services, without such person's prior consent . . . shall be liable for any damages sustained by the person or persons injured as a result thereof.

Cal. Civ. Code § 3344(a). "In addition to the common law elements, the statute requires two further allegations: 1) knowing use; and 2) a "'direct connection . . . between the use and the commercial purpose.'" Abdul-Jabbar, 75 F.3d at 1398 (quoting Eastwood, 149 Cal. App.3d at 417-18, 198 Cal. Rptr. at 347).

SEND

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	CV 07-2507 PA (JWJx)	Date	March 31, 2008
Title	Richard Butkus v. Downtown Athletic Club of Orlando, Inc.		

Butkus' sixth and seventh claims for common law and statutory unfair competition are based on the underlying allegations that DACO has violated Butkus' publicity rights. See Century 21 Real Estate Corp. v. Sandlin, 846 F.2d 1175, 1180 (9th Cir. 1988) ("Prevailing on a state trademark infringement claim also entails prevailing on the state unfair competition claim, since 'common law and statutory trade-mark infringements are merely specific aspects of unfair competition,' and 'trade name infringement . . . is part of the larger tort of unfair competition and it is based on considerations similar to trade-mark infringement.'") (quoting New West Corp. v. NYM Co., 595 F.2d 1194, 1201 (9th Cir. 1979).

In support of his claims that DACO has misappropriated his publicity rights, Butkus relies on DACO's continued use of his likeness as embodied in the Butkus Award trophy, statements available through DACO's website that "the Butkus Award® carries the name and support of one of the greatest middle linebackers in football history, Dick Butkus," photographs of Butkus and the Butkus Award trophy in the 2007 Butkus Award program, biographical information about Butkus in that program, and repeated references to Butkus on DACO's website. See Colby Decl., Exs. 6, 8, 10, & 26. DACO apparently made no effort to remove references on its website to Butkus, or his support for the award, after he withdrew his consent to use his name and likeness in April 2007. Nor did DACO remove Butkus' name and jersey number from the Butkus Award trophy it presented in December 2007.

DACO asserts that it cannot be liable for misappropriating Butkus' publicity rights because "any uses made by DACO of Mr. Butkus' name have only been in conjunction with its service mark . . . ." In essence, DACO appears to argue that its asserted ownership of the Butkus Award mark allows it to use Butkus' name and likeness to describe its mark. To the extent DACO is arguing that it is entitled to a "fair use" defense, that argument must fail. The California Supreme Court has concluded that "a wholesale importation of the fair use doctrine into right of publicity law would not be advisable." Comedy III Prods., Inc. v. Gary Saderup, Inc., 25 Cal. 4th 387, 404, 106 Cal. Rptr. 2d 126, 139 (2001). Moreover, even if the fair use doctrine were applicable, it is limited to situations in which "only so much of the mark or marks may be used as is reasonably necessary to identify the product or service [and] the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder." New Kids on the Block v. News Am. Publ'g, Inc., 971 F.2d 302, 308 (9th Cir. 1992). By using his name, likeness, jersey number, and biographical information, including where he lives and the names of his wife and children, DACO's continuing use of Butkus' name and likeness go well beyond that "necessary to identify" the Butkus Award mark. Additionally, and as a matter of law, the statements on DACO's website, in its 2007 award program, and the trophy itself, both expressly and

SEND

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	CV 07-2507 PA (JWJx)	Date	March 31, 2008
Title	Richard Butkus v. Downtown Athletic Club of Orlando, Inc.		

implicitly, suggest that Butkus endorses the award.[1/] Accordingly, to the extent the fair use defense might apply, it does not shield DACO from liability in this instance.

Although not stated as such, DACO could be arguing that its uses of Butkus' name and likeness are entitled to protection under the First Amendment. Claims for misappropriation of publicity rights are subject to a First Amendment defense. In situations where a celebrity's right to control his or her image conflicts with another's right to free expression, courts apply a balancing test "based on whether the work in question adds significant creative elements so as to be transformed into something more than a mere celebrity likeness or imitation." Comedy III Prods., 25 Cal. 4th 387 at 391, 106 Cal. Rptr. 2d at 129; see also id. at 405, 106 Cal. Rptr. 2d at 140 ("When artistic expression takes the form of a literal depiction or imitation of a celebrity for commercial gain, directly trespassing on the right of publicity without adding significant expression beyond that trespass, the state law interest in protecting the fruits of artistic labor outweighs the expressive interests of the imitative artist.").

In assessing whether a work is "significantly transformative" such that it qualifies for First Amendment protection:

> [C]ourts may find useful a subsidiary inquiry, particularly in close cases: does the marketability and economic value of the challenged work derive primarily from the fame of the celebrity depicted? If this question is answered in the negative, then there would generally be no actionable right of publicity. When the value of the work comes principally from some source other than the fame of the celebrity—from the creativity, skill, and reputation of the artist—it may be presumed that sufficient transformative elements are present to warrant First Amendment protection. If the question is answered in the affirmative, however, it does not necessarily follow that the work is without First Amendment protection—it may still be a transformative work.

[1/] Without any supporting authority, DACO contends that because it owns the intellectual property rights associated with the trophy, its use of the trophy cannot constitute an unlawful appropriation of Butkus' publicity rights. DACO's position is no different than the artist in Comedy III Prods., Inc., who, despite whatever intellectual property rights he might have possessed as the creator of an artistic work, was nevertheless held to have infringed the publicity rights of the Three Stooges by selling and creating artwork featuring their famous images. 25 Cal. 4th at 408, 106 Cal. Rptr. 2d at 143 ("As is the case with fair use in the area of copyright law, an artist depicting a celebrity must contribute something more than a "'merely trivial' variation, [but must create] something recognizably 'his own'" in order to qualify for legal protection.").

SEND

UNITED STATES DISTRICT COURT
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CIVIL MINUTES - GENERAL

Case No.	CV 07-2507 PA (JWJx)	Date	March 31, 2008
Title	Richard Butkus v. Downtown Athletic Club of Orlando, Inc.		

> In sum, when an artist is faced with a right of publicity challenge to his or her work, he or she may raise as affirmative defense that the work is protected by the First Amendment inasmuch as it contains significant transformative elements or that the value of the work does not derive primarily from the celebrity's fame.

Id. at 407, 106 Cal. Rptr. 2d at 142. Similar to claims for misappropriation of publicity rights, Lanham Act claims require a balancing of a celebrity's right to control his or her image with a defendant's First Amendment rights. Courts must construe "the Lanham Act 'to apply to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression.'" Mattel, Inc. v. Walking Mountain Prods., 353 F.3d 792, 807 (9th Cir. 2003) (quoting Rogers v. Grimaldi, 875 F.2d 994, 999 (2d Cir. 1989)). This balancing test "prohibits application of the Lanham Act to titles of artistic works unless the title 'has no artistic relevance to the underlying work whatsoever or, if it has some artistic relevance, unless the title explicitly misleads as to the source or the content of the work.'" Id. (quoting Rogers, 875 F.2d at 999).

Here, there is little if any artistic or informative value in either the trophy or the use of Butkus' name, likeness, and biographical material separate from his notoriety as a famous football player and the legitimacy and stature that fame imparts to the Butkus Award ceremony and mark. Both through its specific uses of Butkus' name and likeness, and viewed as a whole, DACO's use of Butkus' name and likeness impermissibly creates the false impression that Butkus continues to endorse DACO's presentation of the award. As a result, DACO is not entitled to First Amendment protection for its use of Butkus' name and likeness.

In reaching this conclusion, the Court does not determine that any use by DACO of Butkus' name and likeness, should the Court eventually determine that DACO does own the mark, would violate his rights of publicity. Instead, the Court only finds that the specific manner in which DACO has used Butkus' name and likeness since 2007 has violated his publicity rights. Accordingly, the Court grants summary judgment on the issue of liability for Butkus' third through seventh claims in favor of Butkus.

CONCLUSION

For all of the foregoing reasons, the Court grants summary judgment in favor of Butkus on his first claim for declaratory judgment and finds that DACO is liable on Butkus' third through seventh claims. The Court denies DACO's Motion for Summary Judgment on Butkus' second claim for declaratory judgment and DACO's second and third counterclaims.

IT IS SO ORDERED.

SEND

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

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