

AN END TO THE NCAA’S EXPLOITATION OF FORMER STUDENT-ATHLETES: HOW *O’BANNON V. NCAA* HIGHLIGHTS THE NEED FOR AN INALIENABLE REVERSIONARY INTEREST IN THE RIGHT OF PUBLICITY FOR FORMER STUDENT- ATHLETES[♦]

INTRODUCTION	347
I. O’BANNON V. NCAA.....	350
II. THE RIGHT OF PUBLICITY	353
III. COPYRIGHT AND TERMINATION OF THE GRANT OF A TRANSFER	357
IV. THE REASONING FOR COPYRIGHT’S INALIENABLE RIGHT TO TERMINATE A TRANSFER APPLIES TO A TRANSFER OF RIGHT OF PUBLICITY	360
A. O’Bannon’s Antitrust Claim Should Encourage the NCAA to Take Preemptive Action.....	363
CONCLUSION.....	367

INTRODUCTION

The National College Athletic Association’s (NCAA) regular use of student-athletes’ likenesses, which helps generate licensing revenue of \$4 billion per year,¹ is neither remarkable nor particularly controversial. What is controversial is that the NCAA also uses the likeness of former student-athletes who are bound to agreements in which they assign their rights of publicity in perpetuity.² The NCAA regularly licenses the right to rebroadcast classic and memorable moments from previous championships,³ sell jerseys and other

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¹ *History, THE COLLEGIATE LICENSING COMPANY*, <http://www.clc.com/clcweb/publishing.nsf/Content/history.html> (last visited Feb. 19, 2011) [hereinafter CLC Statistics Page]. Despite being a nonprofit organization, the NCAA itself collects approximately \$800 million a year. Joe Nocera, *Here’s How TO Pay Up Now*, N.Y. TIMES, Jan. 12, 2012, § MM (Magazine), at 30.

² Consolidated Amended Class Action Complaint at 16, 17-19, *Keller v. Elec. Arts, Inc.*, No. C 09-01967 CW, 2010 WL 908883 (N.D. Cal. Mar. 10, 2010) [hereinafter Complaint].

³ Michael McCann, *NCAA Faces Unspecified Damages, Changes in Latest Anti-trust Case*, SPORTS ILLUSTRATED (July 21, 2009, 6:12 PM), http://sportsillustrated.cnn.com/2009/writers/michael_mccann/07/21/ncaa/index.html.

memorabilia that indicate a former student-athlete's identity,⁴ and develop video games that feature classic NCAA teams and its players.⁵ This last effort to capitalize on the likenesses of former student-athletes represented the proverbial straw that broke the camel's back.⁶

In *O'Bannon v. NCAA*, Ed O'Bannon, a former University of California – Los Angeles (UCLA) Bruins basketball player, is the lead plaintiff in a class action against the NCAA alleging anti-competitive behavior.⁷ Specifically, O'Bannon claims that the NCAA conspires to fix the price of former student-athletes' images used in products in the collegiate licensing market at zero,⁸ effectively barring them from licensing their rights of publicity.⁹ A California district court ruled on the NCAA's motion to dismiss, and held that O'Bannon had sufficiently pleaded a claim of unreasonable restraint of trade against the defendant.¹⁰

The right of publicity is the right of an individual to control the commercial use of his name, image, likeness or other aspects of identity.¹¹ As an intellectual property right, it seeks to prevent commercial exploitation of a person's likeness by an entity that does not have permission to do so.¹² The justification for this is based on the premise that a person should have a right to control how, if at all, his persona is commercialized.¹³ Typically, the right of publicity has commercial implications for advertising and merchandising.¹⁴

Copyright is a set of rights granted to the original creator of an expression,¹⁵ and is balanced against the public's interest in fair use.¹⁶ Like the right of publicity, copyright gives owners the right to exercise control over the expression for a specific period of time, after which it enters the public domain.¹⁷ The reasoning for this protection is found in

⁴ Dan Wetzel, *Making NCAA Pay?*, YAHOO! SPORTS (July 21, 2009), <http://rivals.yahoo.com/ncaa/basketball/news?slug=dw-ncaasuit072109>.

⁵ McCann, *supra* note 3.

⁶ *See id.*

⁷ *O'Bannon v. Nat'l Collegiate Athletic Ass'n*, Nos. C 09-1967 CW, C 09-3329 CW, C 09-4882 CW, 2010 WL 445190, at *1 (N.D. Cal. Feb. 8, 2010).

⁸ Complaint, *supra* note 2, at 219, 231.

⁹ *O'Bannon*, 2010 WL 445190, at *2.

¹⁰ *Id.* at *5. A business practice is generally perceived to be an unreasonable restraint of trade if it suppresses free competition that ultimately harms purchasers and consumers. *See Apex Hosiery Co. v. Leader*, 310 U.S. 469, 493 (1940).

¹¹ *ETW Corp. v. Jireh Publ'g, Inc.*, 332 F.3d 915, 930 (6th Cir. 2003) (citing RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 46 (1995)).

¹² *See Eastwood v. Superior Court*, 149 Cal. App. 3d 409, 417 (Cal. 2d Dist. Ct. App. 1983) (listing "lack of consent" as an element for a cause of action), *superseded by* Cal. Civ. Code § 3344.1 (2008).

¹³ *See White v. Samsung Elecs. Am., Inc.*, 971 F.2d 1395, 1399 (9th Cir. 1992) ("The law protects the celebrity's sole right to exploit this value.").

¹⁴ RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 47 cmt. a, b (1995).

¹⁵ 17 U.S.C. § 102(a) (2006).

¹⁶ *Id.* § 107 ("[T]he fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright.").

¹⁷ *Id.* §§ 302(a), 304.

the U.S. Constitution, which gives Congress the power “[t]o 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.”¹⁸ In short, copyright incentivizes the creation of original work, which may ultimately provide the author with a pecuniary benefit.¹⁹

Under copyright law, authors (and their heirs) can terminate earlier assignments and licenses of a copyright during a five-year window regardless of agreements to the contrary, making further grants of these copyrights unenforceable.²⁰ These provisions were included in the Copyright Act of 1976 (“1976 Act”) because publishers, given the difficulty of predicting whether a new author would be successful, leveraged their strong bargaining positions and insisted that authors assign both their original and renewal copyright terms, which undermined the very purpose of the renewal right.²¹

This Note argues for providing a similar limitation on the transfer of rights of publicity by student-athletes. Copyright law gives owners of an original expression the inalienable right to terminate a transfer, and the foundation for this measure addresses the unequal bargaining position between publishers and new authors. The NCAA and student-athletes are in a similar relationship. Thus, even if the NCAA has a concurrent right of publicity for the likenesses of student-athletes, the alleged anti-competitive behavior exhibited by the NCAA in exercising that right, as well as basic notions of fairness and equity, demand that the right of publicity should revert to a student-athlete at the end of his amateur status.

Part I discusses *O'Bannon* and its potential impact on how NCAA member institutions operate their athletic programs, as well as the NCAA's ability to license a student-athlete's likeness. Part II generally discusses the right of publicity, which allows an individual to control and economically benefit from the use of his likeness. Part III discusses copyright, and in particular, the 1976 Act's provisions that aim to safeguard a creator against unremunerative transfers, a unique set of statutes that recognize an unequal bargaining position. Finally, Part IV demonstrates that the reasoning behind the inalienable right to terminate a transfer of copyright applies to a former student-athlete's transfer of

¹⁸ U.S. CONST. art. I, § 8, cl. 8.

¹⁹ *Mazer v. Stein*, 347 U.S. 201, 219 (1954) (“The economic philosophy behind the clause empowering Congress to grant patents and copyrights is the conviction that encouragement 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.’”).

²⁰ 17 U.S.C. §§ 203(a), 304(c).

²¹ The ability to terminate would allow authors another window of opportunity to exploit their work. However, the author typically never got this second chance because “[he] assigned contingent rights in the renewal term well before . . . her rights vested, and the assignee reaped the benefits of the renewal term if the author survived until the renewal vested.” U.S. COPYRIGHT OFFICE, GENERAL GUIDE TO THE COPYRIGHT ACT OF 1976, at 6:1 (1977).

his right of publicity, and how the NCAA should respond to potential antitrust liability.

I. O'BANNON V. NCAA

The NCAA has grown to be one of the most dominant participants in all of sports entertainment. Currently, the market for collegiate-licensed merchandise is \$4 billion per year.²² Increasingly, the success of this industry is attributed to star athletes, who often receive national attention and obtain celebrity status akin to their professional counterparts.²³ The NCAA may argue that because most athletic programs run at a deficit, there is a need to license the likenesses of current student-athletes to help subsidize their operations.²⁴ But it is not clear that these same arguments apply with equal force, if at all, to the use of the likenesses of former student-athletes.

The NCAA consists of over a thousand schools and their student-athletes,²⁵ and ostensibly, it is devoted to administering and governing intercollegiate athletics.²⁶ It was initially created to ensure the welfare of student-athletes and amateurism.²⁷ The NCAA states that its "core purpose is to govern competition in a fair, safe, equitable and sportsmanlike manner, and to integrate intercollegiate athletics into higher education so that the educational experience of the student-athlete is paramount."²⁸ Since its founding in the early 1900s, the NCAA has established a broad, wide-reaching governing structure that covers regulation of athletic competition, participants' eligibility, guidelines for recruitment, championship events, and television and licensing agreements.²⁹

The purpose of the NCAA "is to maintain intercollegiate athletics as an integral part of the educational program and the athlete as an integral part of the student body and, by so doing, retain a clear line of demarcation between intercollegiate athletics and professional sports."³⁰

²² CLC Statistics Page, *supra* note 1.

²³ See Sean Hanlon & Ray Yasser, "J.J. Morrison" and His Right of Publicity Lawsuit Against the NCAA, 15 VILL. SPORTS & ENT. L.J. 241, 266–67 (2008) (discussing the prevalence of the exploitation of star "prime-time-players").

²⁴ See ALLEN L. SACK & ELLEN J. STAUROWSKY, COLLEGE ATHLETES FOR HIRE: THE EVOLUTION AND LEGACY OF THE NCAA'S AMATEUR MYTH 91 (1998).

²⁵ Who We Are, NCAA, <http://www.ncaa.org/wps/wcm/connect/public/ncaa/about+the+ncaa/who+we+are+landing+page> (last visited Feb. 19, 2011).

²⁶ Orion Riggs, Note, *The Façade of Amateurism: The Inequities of Major College Athletics*, 5 KAN. J.L. & PUB. POL'Y 137, 140 (1996).

²⁷ Rodney K. Smith, *A Brief History of the National Collegiate Athletic Association's Role in Regulating Intercollegiate Athletics*, 11 MARQ. SPORTS L. REV. 9, 12 (2000).

²⁸ *About the NCAA*, NCAA, <http://www.ncaa.org/wps/wcm/connect/public/ncaa/about+the+ncaa> (last visited Feb. 19, 2012).

²⁹ See generally Smith, *supra* note 27; see also 2010-11 NCAA Division I Manual (2010), available at <http://www.ncaapublications.com/DownloadPublication.aspx?download=D111.pdf> [hereinafter NCAA MANUAL].

³⁰ NCAA MANUAL, *supra* note 29, art. 1.3.1, at 1.

In encouraging its members to “adopt eligibility rules to comply with satisfactory standards,”³¹ the NCAA broadly expounds on the importance of the student-athlete’s well-being,³² amateurism,³³ and eligibility.³⁴

Despite these lofty ideals, the NCAA has simultaneously pursued the objective of trying to generate as much income as possible. Although it has been criticized for maintaining this contradictory mission,³⁵ the NCAA continues to argue that the ideals of amateurism and student-athlete welfare have not been hurt.³⁶ Unfortunately, there have been numerous incidents that indicate otherwise.³⁷ Over the last few decades, intercollegiate athletics has grown into a multi-billion dollar industry, and the NCAA has aggressively sought to capture all available revenue.³⁸ This contradicts the principle that “student-athletes should be protected from exploitation by professional and commercial enterprises,”³⁹ especially since the NCAA itself actively participates in the exploitation through its licensing arrangements. Regardless of the circumstances surrounding the NCAA’s use of a student-athlete’s likeness, *O’Bannon* highlights the need to end the use in perpetuity; in light of a viable antitrust claim, the exclusive right to a student-athlete’s likeness should revert back to the student-athlete once he is no longer playing college sports.

Ed O’Bannon was a star forward for the UCLA men’s basketball team from 1991 to 1995.⁴⁰ In his final year, he led the Bruins to the national championship, and was named the most valuable player of the Final Four.⁴¹ Although O’Bannon went on to play professionally, he

³¹ *Id.* art. 1.2(c), at 1.

³² *See id.* art. 2.2, at 3 (“The Principle of Student-Athlete Well-Being”).

³³ *See id.* art. 2.9, at 4 (“The Principle of Amateurism”).

³⁴ *See id.* art. 2.12, at 5 (“Eligibility requirements shall be designed to assure proper emphasis on educational objectives, to promote competitive equity among institutions and to prevent exploitation of student-athletes.”).

³⁵ *See* Ray Yasser, *A Comprehensive Blueprint for the Reform of Intercollegiate Athletics*, 3 MARQ. SPORTS L.J. 123, 155–56 (1993).

³⁶ *See* Interview with Mark Emmert, President, NCAA (Feb. 14, 2011), available at <http://www.pbs.org/wgbh/pages/frontline/money-and-march-madness/interviews/mark-emmert.html> (“[I]n our case, what amateurism really means, again, is this preprofessional notion that these young men and women are students; they’ve come to our institutions to gain an education and to develop their skills as an athlete and to compete at the very highest level they’re capable of. And for them, that’s a very attractive proposition.”).

³⁷ *See, e.g., Outside the Lines: Cleaning House* (ESPN television broadcast Jan. 3, 2010), available at <http://www.espnmediazone3.com/us/2009/12/30/enterprise-journalsim-release-december-30-2009/>. John Calipari, after being given a \$30 million contract to coach the University of Kentucky men’s basketball team, is believed to have pushed six student-athletes off the team to make room for his own recruits by telling them they would not have an opportunity to play, and thus may not have their scholarships renewed.

³⁸ Yasser, *supra* note 35, at 156.

³⁹ NCAA MANUAL, *supra* note 29, art. 2.9, at 4.

⁴⁰ Paul Gutierrez, *UCLA Hero Ed O’Bannon is Right at Home in Las Vegas Selling Cars*, SPORTS ILLUSTRATED (Mar. 18, 2009, 2:09 PM), http://sportsillustrated.cnn.com/2009/writers/the_bonus/03/18/obannon/index.html.

⁴¹ *Id.* (The “Final Four” are the final two games of the tournament’s semi-final round.).

was not as successful in the National Basketball Association (NBA).⁴² Currently, he works for a car dealership in Las Vegas.⁴³ Exactly how O'Bannon came to be the named plaintiff for a civil action against the NCAA is not clear, but according to one recent commentary, O'Bannon "was moved to take action when he saw a friend's child playing a video game featuring classic college teams."⁴⁴ Although it did not use his name, the video game allowed a player to choose the '95 Bruins, which featured a left-handed starting forward, wearing O'Bannon's former jersey number.⁴⁵ As part of an agreement made with the NCAA in 2005 to be the exclusive maker of college sports video games,⁴⁶ Electronic Arts (EA) produced and marketed a video game that used life-like replicas of former NCAA student-athletes, complete with nearly identical facial features as well as accurate height and weight measurements.⁴⁷ As a result, gamers control their favorite college basketball stars, which is an experience for which professional athletes, through their players associations, would be entitled to a substantial portion of the revenue.⁴⁸

O'Bannon is joined by other former student-athletes in a class action against the NCAA and the Collegiate Licensing Company (CLC).⁴⁹ The former student-athletes seek to end the NCAA's infringement on their right of publicity.⁵⁰ Specifically, they are charging the NCAA with preventing them from licensing their own images for television (including rebroadcasts of classic games), DVDs (on-demand sales and rentals), videos for advertising, photographs, action figures, trading cards, posters, and various apparel,⁵¹ amounting to anti-competitive behavior that is a violation of federal antitrust law.⁵²

⁴² O'Bannon spent all of three seasons in the NBA, averaging 5.0 points and 2.5 rebounds per game. *Ed O'Bannon Stats*, ESPN, http://espn.go.com/nba/player/stats/_id/610/ed-obannon (last visited Feb. 19, 2012).

⁴³ Gutierrez, *supra* note 40.

⁴⁴ Dan Wetzel, *O'Bannon Case Could Be a Game Changer*, YAHOO! SPORTS (Feb. 8, 2010), <http://rivals.yahoo.com/ncaa/basketball/news?slug=dw-obannon020810>. *But see* Pete Thamel, *N.C.A.A. Sued Over Licensing Practices*, N.Y. TIMES, July 22, 2009, at B15 (O'Bannon states that he was approached to be the lead plaintiff in the lawsuit by Sonny Vaccaro, a former sneaker executive and long-time adversary of the NCAA that has known O'Bannon since his time at a Nike basketball camp. For several years, he has pushed for amateur athletes to be able to share in the revenue generated by college sports and has been known to thrive on tormenting the NCAA).

⁴⁵ *See* Thamel, *supra* note 44, at B15.

⁴⁶ Chris Morris, *EA Secures College Football Rights: Video Game Publisher Now Has Exclusive Deals with NCAA and NFL*, CNNMONEY (Apr. 11, 2005), http://money.cnn.com/2005/04/11/technology/personaltech/ea_ncaa.

⁴⁷ *See* Complaint, *supra* note 2, at 181–82.

⁴⁸ *See, e.g., NFL Players Ass'n Licensees*, NFL PLAYERS ASS'N, <http://www.nflplayers.com/About-us/Sponsors--Licensees> (last visited Feb. 19, 2012).

⁴⁹ Although it is an independently incorporated business, CLC serves as the NCAA's licensing arm and is essentially an agent of the NCAA. *See generally* RESTATEMENT (THIRD) OF AGENCY § 2.02 (2006).

⁵⁰ Complaint, *supra* note 2, at 234.

⁵¹ *Id.* at 14.

⁵² *O'Bannon v. Nat'l Collegiate Athletic Ass'n*, Nos. C 09-1967 CW, C 09-3329 CW, C 09-4882 CW, 2010 WL 445190, at *1 (N.D. Cal. Feb. 8, 2010). To establish a violation pursuant to section 1 of the Sherman Act, "a plaintiff must show 1) that there was a contract, combination, or

The crux of the suit focuses on the NCAA's continued use of former college players' images, long after they have ceased to be student-athletes, and seeks to enjoin the NCAA from making licensing arrangements.⁵³

In order to participate in a school's athletic scholarship program, a student must retain his amateur status, which means adherence to a set of enumerated rules and regulations.⁵⁴ These include authorization for the NCAA to "use the name or picture of an enrolled student-athlete to generally promote NCAA championships . . . activities or programs."⁵⁵ The class action is based on the NCAA's use of likenesses of student-athletes, who are no longer subject to this authorization, in an anti-competitive manner.⁵⁶ By dominating the college licensing market of their images,⁵⁷ the NCAA is accused of preventing former student-athletes from marketing and distributing licenses to their rights of publicity, resulting in an unreasonable restraint on trade.⁵⁸ Essentially, O'Bannon argues that the NCAA should not be allowed to profit from an amateur athlete once his amateur status has ended.⁵⁹

In February 2010, the U.S. District Court for the Northern District of California denied the NCAA's motion to dismiss.⁶⁰ In doing so, the court has opened the door to discovery, which will force the NCAA to reveal financial records, contracts, and business arrangements that may expose an abuse of power exercised over former student-athletes.⁶¹ The NCAA should be concerned; not only does an adverse verdict allow for a substantial penalty under the Sherman Act,⁶² but the court can issue an order requiring an overhaul as to how the NCAA operates its athletic programs.⁶³

II. THE RIGHT OF PUBLICITY

The right of publicity is the right to exclusive commercial use of one's own identity.⁶⁴ It originates from an invasion of privacy tort that

conspiracy, 2) that the agreement unreasonably restrained trade under either a *per se* rule of illegality or a rule of reason analysis and 3) that the restraint affected interstate commerce." *Bhan v. NME Hosps., Inc.* 929 F.2d 1404, 1410 (9th Cir. 1991).

⁵³ Complaint, *supra* note 2, at 23–24.

⁵⁴ See NCAA MANUAL, *supra* note 29, art. 12.

⁵⁵ *Id.* art. 12.5.1.1.1, at 76.

⁵⁶ *O'Bannon*, 2010 WL 445190, at *1.

⁵⁷ See Press Release, *IMG to Acquire Collegiate Licensing Company*, THE COLLEGIATE LICENSING COMPANY (May 1, 2007), <http://www.clc.com/clcweb/publishing.nsf/Content/IMG+TO+ACQUIRE+COLLEGIATE+LICENSING+COMPANY> ("CLC member institutions collectively represent more than 75 percent of all annual collegiate merchandise retail sales.").

⁵⁸ *O'Bannon*, 2010 WL 445190, at *6.

⁵⁹ Wetzel, *supra* note 4 ("Once you're done, you physically, as well as your likeness, should leave the university and the NCAA.").

⁶⁰ *O'Bannon*, 2010 WL 445190, at *8.

⁶¹ See Wetzel, *supra* note 4.

⁶² 15 U.S.C. §15(a) (2006) (damages are trebled).

⁶³ See McCann, *supra* note 3.

⁶⁴ See *ETW Corp. v. Jireh Publ'g, Inc.*, 332 F.3d 915, 928 (6th Cir. 2003).

protects against “an interference with the right . . . ‘to be let alone,’”⁶⁵ and involves the “exploitation of attributes of the plaintiff’s identity.”⁶⁶ A defendant is liable if he “appropriates the commercial value of a person’s identity by using without consent the person’s name, likeness, or other indicia of identity for purposes of trade.”⁶⁷ In *Haelan Laboratories, Inc. v. Topps Chewing Gum, Inc.*, the court reasoned that “a man has a right in the publicity value of his photograph,” and that “many prominent persons (*especially . . . ball-players*) . . . would feel sorely deprived if they no longer received money for authorizing advertisements.”⁶⁸ The *Haelan* court is the first to recognize a right of publicity that is distinct and separate from the right of privacy, regardless of whether it arises out of similar conduct on the part of the defendant.⁶⁹ The reasoning for protecting the right of publicity is to incentivize the creation of a valuable commodity; such reasoning is prevalent in intellectual property law.⁷⁰ Although it varies from state to state, the scope of protection for the right of publicity is generally broad.⁷¹

While professional athletes receive an immediate benefit for their efforts because they are paid to play, student-athletes may only receive funding for an education, and perhaps national exposure as well as an opportunity to develop raw talent into refined playing skills,⁷² but absolutely no compensation for the often demanding commitment of participating in a college program.⁷³ The right of publicity provides an economic benefit⁷⁴ that student-athletes, compared to their professional

⁶⁵ William L. Prosser, *Privacy*, 48 CAL. L. REV. 383, 389 (1960).

⁶⁶ *Id.* at 401.

⁶⁷ RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 46 (1995).

⁶⁸ *Haelan Labs., Inc. v. Topps Chewing Gum, Inc.*, 202 F.2d 866, 868 (2d Cir. 1953) (emphasis added).

⁶⁹ See Sheldon W. Halpern, *The Right of Publicity: Commercial Exploitation of the Associative Value of Personality*, 39 VAND. L. REV. 1199, 1208 (1986) (discussing an independent right of publicity that stems from *Haelan*).

⁷⁰ See, e.g., *Cardtoons, L.C. v. MLB Players Ass’n*, 95 F.3d 959, 973 (10th Cir. 1996) (“[P]ublicity rights induce people to expend the time, effort, and resources to develop the talents prerequisite to public recognition.”); Christopher M. Holman, *Learning from Litigation: What Can Lawsuits Teach Us About the Role of Human Gene Patents in Research and Innovation?*, 18 KAN. J.L. & PUB. POL’Y 215, 221–22 (2009) (“[P]atent protection could prove critical in providing the necessary incentive for the development of drugs based on newly identified human genes.”).

⁷¹ See, e.g., IND. CODE ANN. § 32-36-1-1(c)(3) (2004) (Indiana not only protects the name and likeness of a person, but her voice, signature, gestures or mannerisms “in connection with the broadcast or reporting of an event or a topic of general or public interest.”).

⁷² But see Ian Powers, *Top Recruit’s Dilemma: Mid-Major vs. High-Major*, NBADRAFT.NET (Apr. 6, 2010), <http://www.nbadraft.net/node/20131> (explaining that some basketball players risk loss of exposure in order to increase their playing time).

⁷³ See Ray Josephs, *Time to Be Candid About 20-hour Rule*, NCAA (Jan. 1, 2006, 1:01 AM), <http://fs.ncaa.org/Docs/NCAANewsArchive/2006/Editorial/time%2Bto%2Bbe%2Bcandid%2Babout%2B20-hour%2Brule%2B-%2B1-2-06%2Bncaa%2Bnews.html> (noting that that many student-athletes routinely commit more than twenty hours a week toward team activities). Although grant-in-aid is allowed as part of the scholarship, student-athletes are strictly forbidden from receiving any type of payment, directly or indirectly, for participation in the school’s athletic program. See NCAA MANUAL, *supra* note 29, arts. 12, 15.5, 16.

⁷⁴ See *Gionfriddo v. Major League Baseball*, 94 Cal. App. 4th 400, 973 (Cal. 1st Dist. Ct. App.

counterparts, arguably have a greater need for because it is the prospect of one day becoming a professional athlete that encourages them to spend considerable time and effort to develop the skills needed to play at the higher level.⁷⁵ What is salient for the plaintiffs in *O'Bannon* is that the value of their identities as student-athletes cannot be realized at the time of their participation in college athletics.⁷⁶ Student-athletes simply may not collect an income for playing in their colleges' sports programs.⁷⁷

Just as a trespasser cannot appropriate the value of another's right in real property, no person can gain unjust enrichment from the unlawful use of an athlete's likeness.⁷⁸ There would be "no social purpose . . . served by having the defendant get free some aspect of the plaintiff that would have market value,"⁷⁹ a value student-athletes cannot realize without violating NCAA bylaws because the prohibition against compensation prevents a student-athlete from allowing an entity to use his likeness in return for payment.⁸⁰ While the alleged antitrust violation in *O'Bannon* addresses the NCAA's continued use of student-athletes' likenesses through an anti-competitive business model, anything short of the right of publicity reverting back to the former student-athlete for his exclusive use would be fundamentally unfair. The purpose of the right of publicity is to "secure[] . . . the commercial value of their fame and prevent[] the unjust enrichment of others seeking to appropriate that value for themselves,"⁸¹ whatever that value may be, monetary or otherwise.⁸²

In order to claim an unlawful use of a right of publicity, a student-athlete must demonstrate the following: (1) the defendant used his identity; (2) his identity has commercial value; (3) the defendant appropriated that commercial value for purposes of trade; (4) lack of consent; and (5) a resulting commercial injury.⁸³

The identity element of a right of publicity considers "whether

2001) ("The right is thought to further economic goals such as stimulating athletic and artistic achievement . . .").

⁷⁵ Professional athletes receive financial benefits directly from participating in sports, and don't primarily rely on the value of their identities. See *Cardtoons, L.C.*, 95 F.3d at 973.

⁷⁶ See *infra* Part IV.

⁷⁷ This restriction has successfully been upheld even where the student-athlete's income was not tied to the particular sport he participated in. See, e.g., *Bloom v. Nat'l Collegiate Athletic Ass'n*, 93 P.3d 621 (Colo. 2004). Jeremy Bloom competed as a skier in the 2002 Winter Olympics, and went on to play football at the University of Colorado but declined his scholarship in order to collect income from endorsement deals he signed subsequent to his success as a skier. The Colorado Court of Appeals ruled for the NCAA, and stated there was a "clear and unambiguous intent to prohibit student-athletes from endorsements and paid media appearances . . ." *Id.* at 626.

⁷⁸ See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 46 (1995).

⁷⁹ Harry Kalven, Jr., *Privacy in Tort Law - Were Warren and Brandeis Wrong?*, 31 LAW & CONTEMP. PROB. 326, 331 (1966).

⁸⁰ NCAA MANUAL, *supra* note 29, art. 12.5.1.5(c), at 77.

⁸¹ RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 46 cmt. c (1995).

⁸² See *Doe v. TCI Cablevision*, 110 S.W.3d 363, 371 (Mo. 2003).

⁸³ RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 46 cmt. c (1995).

there is a sufficient link between the particular plaintiff and the defendant's use" of his likeness.⁸⁴ In other words, is the NCAA referring to the student-athlete for its merchandising and promotional sales?⁸⁵ For O'Bannon, this is not in dispute. When an NCAA Classics video game includes, for example, a strikingly accurate characterization of a left-handed starting forward for the '95 Bruins wearing the same jersey number Ed O'Bannon used, it is referring to Ed O'Bannon. The use of student-athletes' characteristics and identifying features is understood as referring to the actual players.⁸⁶

The second and third elements focus "on the defendant's intent or purpose to obtain a commercial benefit from use of the plaintiff's identity."⁸⁷ To satisfy these elements, it is not required that "prospective [consumers] are likely to believe" that a student-athlete endorsed the video game,⁸⁸ nor is it of relevance that the video game did not sell particularly well.⁸⁹ The defining factor is whether "a defendant appropriates a[n] [identity] for his own commercial advantage, [and] necessarily derives a benefit from its use."⁹⁰ For O'Bannon, one can presume the NCAA negotiated for favorable economic terms when they licensed the use of his and other student-athletes' likenesses to EA.

The fourth element is based on consent. Under NCAA bylaws governing amateurism, a student-athlete is prohibited from making any commercial use of his name or identity,⁹¹ and he cannot accept any money or give permission for the use of his name or image by a third party to promote or use in a commercial product or service.⁹² Only the NCAA may use a student-athlete's likeness for commercial purposes.⁹³ The NCAA obtains consent from the student-athlete through Part IV of Form 08-3a,⁹⁴ which arguably should terminate when the student-athlete is no longer participating in the institution's athletic program.

The *O'Bannon* plaintiffs incurred a commercial injury because the NCAA did not protect them from exploitation, but rather, actively participated in this behavior to the plaintiffs' detriment.⁹⁵ The NCAA's

⁸⁴ Richard T. Karcher, *The Use of Players' Identities in Fantasy Sports Leagues: Developing Workable Standards for Right of Publicity Claims*, 111 PENN ST. L. REV. 557, 576 (2007).

⁸⁵ *Id.*

⁸⁶ See Wetzel, *supra* note 4.

⁸⁷ *TCI Cablevision*, 110 S.W.3d at 370–71.

⁸⁸ RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 47 cmt. a (1995).

⁸⁹ *TCI Cablevision*, 110 S.W.3d at 370–71 ("[I]t is irrelevant whether defendant . . . actually succeeded in obtaining a commercial advantage from using plaintiff's name . . .").

⁹⁰ *Henley v. Dillard Dep't Stores*, 46 F. Supp. 2d 587, 596 (N.D. Tex. 1999).

⁹¹ NCAA MANUAL, *supra* note 29, art. 12.5.1.5(c), at 77.

⁹² See *id.* arts. 12.5.1.5(a)–(b), at 77.

⁹³ See *id.* art. 12.5, at 75–79.

⁹⁴ *Student-Athlete Statement – Division I*, UK ATHLETICS (June 26, 2008), available at http://www.ukathletics.com/doc_lib/compliance0809_sa_statement.pdf. Repeating language from the NCAA Manual, this document "authorize[s] the NCAA . . . to use [a student-athlete's] . . . name or picture to generally promote NCAA championships or other NCAA events, activities or programs." *Id.*

⁹⁵ See Complaint, *supra* note 2; see also Vladimir P. Belo, Note, *The Shirts Off Their Backs: Colleges Getting Away with Violating the Right of Publicity*, 19 HASTINGS COMM. & ENT. L.J.

actions related to the developing and marketing of the video game was for the sole purpose of gaining financial rewards that it did not share with the plaintiffs.

III. COPYRIGHT AND TERMINATION OF THE GRANT OF A TRANSFER

Copyright is the exclusive right of an author to publish or sell his literary work.⁹⁶ Under the Copyright Act of 1909 ("1909 Act"), an author possessed the right for a twenty-eight year term and could renew for an additional twenty-eight years before the work fell into the public domain.⁹⁷ However, the author's rights were not inalienable; in *Fred Fisher Music Co. v. M. Witmark & Sons*, the Supreme Court held that the 1909 Act did not prohibit an author from assigning his renewal right,⁹⁸ and this essentially subsumed his future interest once a grant was made. Congress later addressed this ruling, noting the "reversionary feature of the present renewal system has largely failed to accomplish its primary purpose . . . to require that the renewal interest be made unassignable in advance."⁹⁹ The 1976 Act grants authors the right to terminate an assignment of copyright.¹⁰⁰ More importantly, the statute gives creators a chance to exhibit substantial control over the copyright by ensuring the termination may be effected regardless of any agreement to the contrary.¹⁰¹ This provision safeguards authors against unremunerative transfers.¹⁰² The necessity of this kind of protection became evident in the now often cited case concerning the original creators of Superman, who assigned all rights (including the right to renew) to the popular comic book hero for a mere \$130 in 1938.¹⁰³ Therefore, at the expiration of the original term in 1966, when the copyright was worth substantially more than the previously negotiated price, the authors no longer had the option to renegotiate for a better deal, and saw little of the millions eventually made by the grantee.¹⁰⁴

The Copyright Act of 1831 first introduced the notion of reversion

133, 148 (1996) ("It seems fairly evident that a degree of exploitation of the college athlete takes place through the marketing of certain merchandise clearly identifying the player as well as the school.").

⁹⁶ *Fox Film Corp. v. Doyal*, 286 U.S. 123, 130 (1932).

⁹⁷ Jessica D. Litman, *Copyright, Compromise, and Legislative History*, 72 CORNELL L. REV. 857, 888 (1987).

⁹⁸ *Fred Fischer Music Co. v. M. Witmark & Sons*, 318 U.S. 643, 657 (1943).

⁹⁹ STAFF OF H. COMM. ON THE JUDICIARY, 87TH CONG., REP. ON THE GENERAL REVISION OF THE U.S. COPYRIGHT LAW 53–54 (Comm. Print 1961).

¹⁰⁰ 17 U.S.C. §§ 203(a), 304(c) (2006).

¹⁰¹ *Id.* §§ 203(a)(5), 304(c)(5).

¹⁰² *See Mills Music, Inc. v. Snyder*, 469 U.S. 153, 172–73 (1985) ("[T]he termination right was expressly intended to relieve authors of the consequences of ill-advised and unremunerative grants . . . made before the author had a fair opportunity to appreciate the true value of his work [This] general purpose is plainly defined in the legislative history and . . . inferable from the text of § 304 . . .").

¹⁰³ *Siegel v. Warner Bros. Entm't, Inc.*, 542 F. Supp. 2d 1098, 1107 (2008).

¹⁰⁴ *See id.* at 1111–13. Congress recognized in enacting the original 1909 Act that often, an author sells her copyright outright to a publisher for a comparatively small sum. H.R. REP. NO. 60-2222, at 14–15 (1909).

via renewal rights of assignees.¹⁰⁵ The purpose was to

protect the author and those naturally dependent upon his bounty from the supposed imprudence of authors in business matters. Authors frequently assign their copyrights for sums which have no relation to the true monetary value of the work if it should be successful. The renewal term of copyright is the law's second chance to the author and his family to profit from his mental labors.¹⁰⁶

Going back further, England's Copyright Act of 1709, in seeking to return ownership to the original creators, provided that "the *sole* right of printing or disposing of copies [be] returned to the author."¹⁰⁷ The length of the term was based on the fourteen-year period set in the Statute of Monopolies,¹⁰⁸ which established patent protection.¹⁰⁹

It has been suggested that the fourteen-year term under the Statute of Monopolies "would be sufficient to accomplish the purpose of the monopoly, regardless of whether it was to introduce and encourage the working of the invention within the realm or whether it was to recompense the inventor for expenses incurred and risks taken."¹¹⁰ Notwithstanding the particular length of the term, a transfer of intellectual property rights, prior to termination, affords the assignee a monopoly for its use. The purpose of protecting intellectual property is to promote the progress of the arts and sciences,¹¹¹ and a limitation on a transfer of the right to that intellectual property ensured that the original creator, not an opportunistic assignee, retained the ultimate benefit of his work. This concept is a pillar of modern copyright law in the United States.¹¹²

The 1909 Act contained a renewal provision that allowed for ownership of a copyright to revert to the author or his heirs, assuming a claim was registered within twenty-eight years of the original term.¹¹³ Thus, the 1909 Act's copyright protection existed in a dual term format, which provided for an original twenty-eight year term and a renewal term of an additional twenty-eight years.¹¹⁴ Theoretically, this gave

¹⁰⁵ Seymour M. Bricker, *Renewal and Extension of Copyright*, 29 S. CAL. L. REV. 23, 24 (1955) (citing Act of February 3, 1831, ch. 16, 4 Stat. 436, available at http://ellenwhite.info/copyright_law_us_1831.htm).

¹⁰⁶ *Id.* at 27.

¹⁰⁷ *Id.* at 24 n.4 (emphasis added).

¹⁰⁸ Tyler T. Ochoa & Mark Rose, *The Anti-Monopoly Origins of the Patent and Copyright Clause*, 84 J. PAT. & TRADEMARK OFF. SOC'Y 909, 913 (2002).

¹⁰⁹ *Id.* at 912–13.

¹¹⁰ Edward C. Walterscheid, *Defining the Patent and Copyright Term: Term Limits and the Intellectual Property Clause*, 7 J. INTELL. PROP. L. 315, 325 (2000).

¹¹¹ Brandon Grzandziel, Note, *A New Argument for Fair Use Under the Digital Millenium Copyright Act*, 16 U. MIAMI BUS. L. REV. 171, 172–73 (2008).

¹¹² *See id.* at 173–74.

¹¹³ Litman, *supra* note 97, at 888.

¹¹⁴ *See id.*

authors or their heirs a second opportunity to gain benefit from the creation of an original work. In practice, however, this was not the case. Neither the author nor his heirs ever got this second chance because “the author [typically] assigned the contingent rights in the renewal term well before his or her rights vested, and the assignee reaped the benefits of the renewal term if the author survived until the renewal vested.”¹¹⁵ A goal for revising the 1909 Act was to protect the artist and to correct this problem, which came about because artists had unequal bargaining power and an inability to accurately determine the value of their work at the time of the grant.¹¹⁶

When publishers took advance assignments of future renewal rights, they effectively “thwarted” the underlying purpose behind the renewal and reversion process.¹¹⁷ Notwithstanding this practice, a report on the revisions to the 1909 Act listed several reasons for eliminating the reversionary provision, such as the notion that “authors do not need or want to be treated as incompetent to handle their business affairs,” and that “[m]any of them band[] [to] . . . negotiate standard contracts providing for continuing royalties [where] . . . assignments can be and often are given for limited periods of time.”¹¹⁸ While the report recognizes that this may not be the situation for most creators,¹¹⁹ it notes that there were legitimate interests of grantees at stake.¹²⁰

Regarding the reversionary interest, the proponents argued that “because most authors are in no position to insist on favorable conditions at the time they transfer their rights, and because the profit potential of a work is generally unknown at that time, the right to renegotiate their assignments is essential to the authors’ interests.”¹²¹ Conversely, publishers refuted the premise that authors are in a poor bargaining position, mostly because they do not assume any financial risk in the distribution and commercialization of their work.¹²² They argued that:

a reversion provision would violate the freedom of the parties to contract among themselves without limitations, and they objected particularly to a system under which assignments would

¹¹⁵ U.S. COPYRIGHT OFFICE, GENERAL GUIDE TO THE COPYRIGHT ACT OF 1976, at 6:1 (1977).

¹¹⁶ See 3 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 9.02, at 9-8 (LexisNexis 2003) (“[U]nlike real property and other forms of personal property, [a copyright] is by its very nature incapable of accurate monetary evaluation prior to its exploitation.”).

¹¹⁷ STAFF OF H. COMM. ON THE JUDICIARY, 87TH CONG., REP. ON THE GENERAL REVISION OF THE U.S. COPYRIGHT LAW 53 (Comm. Print 1961).

¹¹⁸ *Id.* at 54.

¹¹⁹ *Id.*

¹²⁰ See *id.* (stating that among other reasons, “[a]ssignees should have assurance that the rights acquired by them will not be cut off by the death of the author”).

¹²¹ STAFF OF H. COMM. ON THE JUDICIARY, 89TH CONG., SUPPLEMENTARY REP. ON THE GENERAL REVISION OF THE U.S. COPYRIGHT LAW 72 (Comm. Print 1965).

¹²² *Id.*

automatically terminate by operation of law, thus placing the burden on the publisher, producer, or other user to seek out the author or his heirs in order to continue using the work.¹²³

A compromise between authors and publishers settled a time-frame for which an author's work may revert back to an original creator,¹²⁴ but the nature of the reversion interest itself necessarily involved further negotiation. Under the 1909 Act, reversion occurred automatically upon the expiration of the initial twenty-eight year term, but authors could assign their renewal expectancies in advance.¹²⁵ Authors sought to replace the renewal provisions with either an outright limitation on the duration of any transfer¹²⁶ or with an inalienable automatic reversion.¹²⁷ Publishers opposed both proposals.¹²⁸ After protracted negotiations, representatives struck a deal, where in exchange for revising the definition of works made for hire, which were not subject to termination, there would be a provision allowing authors to terminate transfers notwithstanding any contract.¹²⁹

The revised copyright statute is a paternalistic law that seeks to protect authors from making bad deals. The prototypical example would be that of a young, starving artist, who transfers copyright to his novel on mostly unfavorable terms to a publisher that exercises its stronger bargaining position. Unfortunately, if that same novel were to become immensely popular, causing the writer to become the next J.K. Rowling,¹³⁰ he would likely face the same situation as the creators of Superman, and be unable to stop the publisher from exclusively capitalizing on consumer interest, no matter how much time had passed since he initially relinquished the copyright.

IV. THE REASONING FOR COPYRIGHT'S INALIENABLE RIGHT TO TERMINATE A TRANSFER APPLIES TO A TRANSFER OF RIGHT OF PUBLICITY

While there are many sound arguments as to why current student-athletes should no longer be subject to rules and regulations that exploit their likenesses for the exclusive benefit of the NCAA and its member institutions,¹³¹ this Note does not advocate that participants in college

¹²³ *Id.*

¹²⁴ Litman, *supra* note 97, at 892–93.

¹²⁵ See *supra* note 98 and accompanying text.

¹²⁶ STAFF OF H. COMM. ON THE JUDICIARY, 88TH CONG., DISCUSSION AND COMMENTS ON REP. ON THE GENERAL REVISION OF THE U.S. COPYRIGHT LAW 105 (Comm. Print 1963).

¹²⁷ See *id.* at 413 (written comments of Writers Guild of America).

¹²⁸ See *id.* at 104–05 (remarks of Joseph Dubin, Universal Pictures).

¹²⁹ See H.R. REP. NO. 89-2237, § 203, at 14 (1966).

¹³⁰ Rowling, the creator of the popular Harry Potter series of novels, is estimated to have amassed a net worth of over \$1 billion. *The World's Billionaires*, FORBES (Mar. 10, 2010, 6:00 PM), [http://www.forbes.com/lists/2010/10/billionaires-2010_Joanne-\(JK\)-Rowling_CRTT.html](http://www.forbes.com/lists/2010/10/billionaires-2010_Joanne-(JK)-Rowling_CRTT.html).

¹³¹ See, e.g., Stephen M. Schott, *Give Them What They Deserve: Compensating the Student-Athlete for Participation in Intercollegiate Athletics*, 3 SPORTS LAW. J. 25, 34 (1996) (“Critics of the current system of NCAA rules and regulations propose that these rules unfairly discriminate

athletic programs receive compensation prohibited by NCAA regulations. Despite the NCAA's numerous flaws, including the organization's seemingly hypocritical practice of promoting amateurism while simultaneously increasing its revenue through licensing arrangements, there is value to maintaining the athletic program as a component of academic scholarship and the overall educational experience.¹³² Instead, this note proposes an equitable and fair arrangement for former student-athletes by which an institution is afforded an exclusive grant of a student-athlete's right of publicity. In exchange, the student-athlete has the opportunity to develop his playing skills and gain national exposure that would otherwise be unavailable to him, and if the school so desires, a scholarship to attend the institution. Then, once he ceases to be a student-athlete, that right of publicity reverts back to him, the original owner.

The main purpose for providing a student-athlete an inalienable reversionary interest in his right of publicity is the same as it is for providing an author an inalienable right to terminate a transfer of his copyright. The student-athlete, as the original owner of the intellectual property right, deserves to fully realize the ultimate benefit of his right of publicity, which he is unable to do when he agrees to participate in intercollegiate athletics. There are numerous similarities between the prototypical starving young writer, desperate to catch a break in publishing, and a highly skilled new prospect starting his freshman year at a Division I program.¹³³ First, both are likely to be young and without any exposure to the field of high stakes contract formation. Second, neither is likely to have experienced professional success that involves a potentially large monetary gain. And third, both are vulnerable when engaging with their counterparties because of a lack of bargaining power due, in part, to the inability to assign a value to their intellectual property rights. The key difference between the two is that the lack of bargaining power has been recognized for the author, but not the student-athlete.¹³⁴

against college athletes.”).

¹³² See NCAA MANUAL, *supra* note 29, art. 2.9, at 4 (“[P]articipation should be motivated primarily by education and by the physical, mental and social benefits to be derived.”); see also *Nat’l Collegiate Athletic Ass’n v. Bd. of Regents Univ. Okla.*, 468 U.S. 85, 101 (1984) (recognizing the unique status of the NCAA and its role in the preservation of intercollegiate amateur athletics).

¹³³ There are numerous alternatives for these two particular placeholders. Although this Note has primarily referred to authors, the importance of copyright protection applies equally to all creators, including composers, painters and actors, because they share the same motivation of realizing the full potential of their original expressions. For student-athletes, the concern for perpetual and unfair use of their rights of publicity is of course not limited to basketball players but all participants who agree to abide by the NCAA’s bylaws concerning amateurism.

¹³⁴ Arguably, student-athletes are at a considerable disadvantage compared to authors; undiscovered writers can at least shop a manuscript around to multiple publishers, but all student-athletes are subject to the same bylaws governing amateurism, regardless of what sport they play or where they go to school. See NCAA MANUAL, *supra* note 29, art. 2.9 (rules governing amateurism apply to all member institutions).

It is important to understand the precise nature of the agreement that student-athletes are currently held to when they first transfer their rights of publicity. The Letter of Intent and Statement of Financial Aid, which contains the conditions and amount of the scholarship (if any), provide the basis for the contractual relationship between the university and the student-athlete.¹³⁵ The school promises to pay for the educational fees and expenses incurred by the student-athlete,¹³⁶ assuming the student-athlete receives an athletic scholarship, and the student-athlete promises to participate in the school's athletic program and adhere to the NCAA's rules.¹³⁷ There is a common misconception that student-athletes are awarded a scholarship for the entire time it takes to complete a degree, but the NCAA actually limits the period to one year.¹³⁸ Not only does this one-year policy undermine academic integrity by incentivizing coaches to remove scholarship recipients that do not perform well,¹³⁹ but it also exemplifies the inequitable terms of the contract: the student-athlete is forced to relinquish his right of publicity in perpetuity¹⁴⁰ with no guarantee that the scholarship will be renewed.

As part of the agreement, student-athletes may only participate in competitive sports if they sign Form 08-3a every year and comply with its provisions.¹⁴¹ Form 08-3a gives the NCAA exclusive use of the student-athlete's likeness.¹⁴² While a prominent athletic program can provide a student-athlete with intensive training and preparation, as well as instant national exposure,¹⁴³ it is insufficient compensation for a permanent loss of an intellectual property right¹⁴⁴ that is so intimately tied to the student-athlete's identity. This is especially true considering the likelihood that a former student-athlete will not earn significant

¹³⁵ Louis Hakim, *The Student-Athlete vs. the Athlete Student: Has the Time Arrived for an Extended-Term Scholarship Contract?*, 2 VA. J. SPORTS & LAW 145, 169 (2000).

¹³⁶ See *id.* at 165–66.

¹³⁷ See *id.* at 165.

¹³⁸ NCAA MANUAL, *supra* note 29, art. 15 (listing procedures and regulations for financial aid).

¹³⁹ Hakim, *supra* note 135, at 166 (“Many student-athletes are ‘run off’ campus because the academic mission of the college experience is distorted when coaches disregard the valuable educational opportunity available to students at the college level.”); see also Monica L. Emerick, Comment, *The University/Student-Athlete Relationship: Duties Giving Rise to a Potential Educational Hindrance Claim*, 44 UCLA L. REV. 865, 895 (1997) (discussing the common trait of student-athletes being unable to obtain a meaningful education).

¹⁴⁰ See Complaint, *supra* note 2, at 219, 230–31.

¹⁴¹ Student-Athlete Statement – Division I, *supra* note 94.

¹⁴² See NCAA MANUAL, *supra* note 29, art. 12.5.2.1 (a student-athlete may not “[a]ccept[] any remuneration for or permit[] the use of his . . . name or picture to advertise, recommend or promote directly the sale or use of a commercial product or service of any kind; or . . . [r]eceive[] remuneration for endorsing a commercial product or service through . . . [his] use of such product or service”).

¹⁴³ See Hanlon & Yasser, *supra* note 23, at 242–43.

¹⁴⁴ While Form 08-3a is only valid for the one year period, and notwithstanding that it is not clearly stated in the document, “signing the statement . . . relinquish[es] in perpetuity all future rights in the NCAA’s licensing of [student-athletes’] images and likenesses.” McCann, *supra* note 3 (emphasis added).

income as a professional athlete.¹⁴⁵

The basis for protecting an individual's right of publicity is to prevent this sort of unjust enrichment, which constitutes a "theft of goodwill."¹⁴⁶ Revenues for merchandise and licensing of student-athletes' identities have grown considerably, and it would be unfair to allow the NCAA to bargain for a benefit that leaves former student-athletes without recourse. Considering the nature of the intellectual property right, which is closely connected to the former student-athlete's identity and persona, indefinite use by a grantee runs counter to the policy of preventing entities from "reaping what others have sown."¹⁴⁷

A. O'Bannon's Antitrust Claim Should Encourage the NCAA to Take Preemptive Action

The Supreme Court has held that the Sherman Act does not prohibit all restraints on trade, but rather only those that are unreasonable.¹⁴⁸ The courts have recognized two categories of restraint, those that are *per se* unreasonable because they "appear[] to be one that would always or almost always tend to restrict competition and decrease output,"¹⁴⁹ and those that are judged unreasonable through a balancing test that weighs competitive benefits against alleged anti-competitive effects.¹⁵⁰ In prior suits, the NCAA has been successful in part because the courts were deferential to the NCAA in light of its goal of maintaining amateurism in intercollegiate athletics.¹⁵¹ For example, in *NCAA v. Board of Regents of the University of Oklahoma*, the first and only Supreme Court case to address the NCAA's antitrust liability,¹⁵² the Court found that "most of the regulatory controls of the NCAA are justifiable means of fostering competition among amateur athletic teams and therefore procompetitive because they enhance public interest in intercollegiate athletics."¹⁵³

Subsequent challenges looked at whether the restraints in question created anti-competitive effects that were outweighed by the benefit of preserving amateurism. In *McCormack v. NCAA*, a group of football

¹⁴⁵ Approximately 1 percent of student-athletes go on to play professionally, and most of those that do so have short careers. See Stacy A. Teicher, *College Athletes Tackle Their Financial Future*, THE CHRISTIAN SCIENCE MONITOR, Oct. 3, 2005, at 13.

¹⁴⁶ *Zacchini v. Scripps-Howard Broad. Co.*, 433 U.S. 562, 576 (1977).

¹⁴⁷ Kenneth E. Spahn, *The Right of Publicity: A Matter of Privacy, Property, or Public Domain?*, 19 NOVA L. REV. 1013, 1029 (1995) (internal quotation marks omitted).

¹⁴⁸ *Bd. of Trade v. United States*, 246 U.S. 231, 238 (1918) ("The true test of legality is whether the restraint imposed is such as merely regulates and perhaps thereby promotes competition or whether it is such as may suppress or even destroy competition.").

¹⁴⁹ *Broad. Music, Inc. v. Columbia Broad. Sys., Inc.*, 441 U.S. 1, 19–20 (1979).

¹⁵⁰ See *Bd. of Trade*, 246 U.S. at 238.

¹⁵¹ See, e.g., *Jones v. Nat'l Collegiate Athletic Ass'n*, 392 F. Supp. 295, 298 (D. Mass. 1975).

¹⁵² *Nat'l Collegiate Athletic Ass'n v. Bd. of Regents Univ. Okla.*, 468 U.S. 85, 88 (1984).

¹⁵³ *Id.* at 117.

players challenged a rule that limited benefits for student-athletes,¹⁵⁴ claiming that awarding scholarships vitiates any notion of amateurism.¹⁵⁵ The court ruled against them, reasoning that although the “NCAA has not distilled amateurism to its purest form[, this] does not mean its attempts to maintain a mixture containing some amateur elements are unreasonable.”¹⁵⁶ For the *O’Bannon* plaintiffs’ claim to be successful, they will have to overcome the NCAA’s defense that its actions are aimed at preserving amateurism.¹⁵⁷

Primarily, the NCAA will likely argue that payment for use of a student-athlete’s likeness hurts the principle of amateurism by removing the distinction between collegiate athletics and professional sports.¹⁵⁸ The argument is about incentives; rather than learning about the sport by competing as a member of a team and gaining an education, the student-athlete would be preoccupied with the value of his identity in order to maximize future revenue potential.¹⁵⁹ In addition, the NCAA’s exclusive licensing of the likenesses of former student-athletes generates revenue that allows member institutions to subsidize numerous amateur athletic programs that would not otherwise exist. The Supreme Court has previously recognized the benefit of restrictions that in turn create new products.¹⁶⁰

Perhaps the biggest hurdle for *O’Bannon* is the disparity in value of former student-athletes’ rights of publicity at the time of signing the contract. For those former student-athletes that received a year’s worth of educational expenses, did revenue from sales of products consisting of their likenesses, on average, actually exceed the cost of tuition, fees, room, and board? The NCAA can argue that a year-long scholarship is fair compensation for perpetual rights to the average player’s likeness because only a small number of elite players have likenesses that are legitimately worth more than the amount of a college scholarship.¹⁶¹ For the vast majority of former student-athletes, there are no anti-competitive effects because the market for their likenesses does not exist. Also, since it is impossible to determine what a student-athlete’s likeness will be worth over the course of his career, at the time of signing, a deal that transfers his right of publicity, even in perpetuity, represents a fair bargain.

O’Bannon, however, can legitimately argue that the NCAA as an

¹⁵⁴ *McCormack v. Nat’l Collegiate Athletic Ass’n*, 845 F.2d 1338, 1340 (5th Cir. 1988).

¹⁵⁵ *Id.* at 1345.

¹⁵⁶ *Id.*

¹⁵⁷ Pete Thamel, *N.C.A.A. Fails To Stop Licensing Lawsuit*, N.Y. TIMES, Feb. 9, 2010, at B14.

¹⁵⁸ *McCann*, *supra* note 3.

¹⁵⁹ *Id.*

¹⁶⁰ *See Broad. Music, Inc. v. Columbia Broad. Sys., Inc.*, 441 U.S. 1, 21–23 (1979).

¹⁶¹ The disparity in value of the likeness of student-athletes also creates a problem with *O’Bannon*’s proposed remedy of creating a trust, *McCann*, *supra* note 3, because it would be difficult, if not impossible, to administer such a trust without a determination of the exact monetary value of each athlete.

institution has become much more concerned with increasing its revenue than promoting amateurism in student-athletes, and thus should no longer receive deference from the courts when trying to avoid antitrust liability. Discovery from litigation may exhibit the exact manner in which NCAA member institutions have consciously disregarded educational goals in favor of commercial ones.¹⁶² Former NCAA president Myles Brand himself recognized the shift in focus, stating that his “concerns are over the potential inconsistency between our making certain requirements on student-athletes about endorsements, namely they cannot take any, and the schools themselves then using what would be endorsement material for revenue.”¹⁶³ Finally, O'Bannon has a unique advantage in his attempt at defeating the NCAA's claim of promoting amateurism because his suit is solely on behalf of former student-athletes who are no longer required to maintain amateur status.

Considering the litigation costs and the risk of a substantial penalty, the NCAA would be wise to settle the case and offer to implement a manageable solution. A logical choice is to modify Form 08-3a so as to restrict the transfer of the right of publicity to the duration of a student-athlete's participation in the school's athletic program. All other tenets of the original agreement would stay in place, including the obligation to fully participate in the program and comply with the rules and eligibility requirements, which give the NCAA unfettered ability to use a student-athlete's likeness for commercial purposes in exchange for an annual scholarship award, if applicable.¹⁶⁴ The only difference is that once a student-athlete becomes a former student-athlete, the right of publicity reverts to the original holder, thereby eliminating the NCAA's ability to simultaneously exercise the same right and engage in anti-competitive behavior.

This is a logical arrangement. Like the original holders of a copyright, a student-athlete, regardless of how heavily he is recruited, is in an unequal bargaining position when he first signs with an NCAA member institution because he too lacks the ability to adequately exploit his likeness or even envision the extent of potential commercialization his images can harvest.¹⁶⁵ Because this transfer results in, at most, a

¹⁶² See *Gaps 'Narrowing Slightly' in Study of NCAA Teams' Graduation Rates*, ASSOCIATED PRESS (Mar. 17, 2008), available at <http://sports.espn.go.com/ncb/ncaatourney08/news/story?id=3297989> (“North Carolina was the only school among the four No. 1 seeds in the NCAA men's tournament to graduate at least 50 percent of its players.”).

¹⁶³ Marcia Chambers, *Sales of College Stars' Jerseys Raise Ethics Concerns*, N.Y. TIMES, Mar. 31, 2004, at D1.

¹⁶⁴ Not all players receive an athletic scholarship to participate in intercollegiate athletics. See NCAA MANUAL, *supra* note 29, art. 15.01.7, at 194 (“Division I may establish limitations on the number of financial aid awards a member institution may provide to countable student-athletes.”). In every program, there are student-athletes that do not receive a scholarship and often simply “walk-on” to the team.

¹⁶⁵ See 2 NIMMER, *supra* note 116.

one-year scholarship, it can easily be considered an analogous “unremunerative transfer” from which he needs to be safeguarded against. The termination provision that was added to the 1976 Act, which removed an author’s ability to contract away his renewal rights before they vested, is a chance to revalue and correctly renegotiate the copyright transfer arrangement. The student-athlete is equally deserving of a “second bite at the apple” for his right of publicity.

Reversions of the rights of publicity for all former student-athletes, however, presents a different problem that is based on economies of scale and the inefficiency resulting from an individual who attempts to gain a commercial advantage from his right of publicity. The value of a former student-athlete’s right of publicity, in practical terms, would only exist if used in association with the likenesses of all other former student-athletes and NCAA member institutions.¹⁶⁶ While the NCAA can continue to control licensing for all current student-athletes,¹⁶⁷ there needs to be a separate process that does the same for former student-athletes in order to meet the demand for items, such as classic video games¹⁶⁸ and replica jerseys of college stars. Therefore, an arrangement where a former student-athlete receives royalties for products that include his likeness once he ends participation in college athletics is the most logical solution.¹⁶⁹

The NCAA should follow in the footsteps of publishers and composers and create an entity that mirrors Broadcast Music, Inc. (BMI). BMI was formed because owners of copyrighted works were numerous and widespread and use of the work by others was fleeting.¹⁷⁰ As a practical matter, it was impossible for individual copyright owners to negotiate for and license their work.¹⁷¹ BMI solves this problem by collecting licensing fees on behalf of the composers and publishers it represents, and distributes those fees as royalties, essentially acting as a clearing house that aggregates licenses for millions of copyright owners.¹⁷² Like BMI, the NCAA should operate through blanket or

¹⁶⁶ It is unlikely that a viable market exists for a video game that solely features Ed O’Bannon, and excludes any and all references to his teammates on the UCLA Bruins or the rest of the NCAA men’s basketball teams.

¹⁶⁷ Regarding unfairness to current student-athletes, many have suggested formation of a trust that would allow the NCAA and its member schools to continue licensing students’ likenesses but share the income. See, e.g., Julia Brighton, Note, *The NCAA and the Right of Publicity: How the O’Bannon/Keller Case May Finally Level the Playing Field*, 33 HASTINGS COMM. & ENT. L.J. 275, 288 (2011). A trust would eliminate the unfairness of student-athletes inability to profit from their intellectual property while allowing the NCAA to maintain its goal of amateurism by only distributing the funds after a student has left the athletic program. *Id.*

¹⁶⁸ See Andrew Carter, *Colleges Profit from Video Game’s Success*, ORLANDO SENTINEL, Aug. 7, 2006, at D1.

¹⁶⁹ O’Bannon proposes a group licensing agreement, similar to what professional athletes have for sharing revenues. Complaint, *supra* note 2, at 22.

¹⁷⁰ See *Broad. Music, Inc. v. Columbia Broad. Sys., Inc.*, 441 U.S. 1, 4–5 (1979).

¹⁷¹ See *id.*

¹⁷² See *About BMI*, BROADCAST MUSIC INC., <http://www.bmi.com/about/entry/538061> (last visited Feb. 19, 2012).

group licenses, and authorize use of all former student-athletes' identities in exchange for a negotiable dollar amount that is based on the extent of use of their likenesses. Regarding individual compensation amounts to former student-athletes, this new entity, in order to allow for a simplified but equitable process, can offer the licensors tiered rates. Similar to the NCAA's arrangement with its member schools,¹⁷³ former student-athletes would be organized into different compensation groups based on an agreed-upon metric, such as amount of playing time.¹⁷⁴

CONCLUSION

O'Bannon's class action represents the first time in NCAA history the organization has faced a serious risk of antitrust liability. The NCAA should reform its stance on maintaining exclusive control over a former student-athlete's right of publicity by considering the reasoning for copyright law's provision establishing an inalienable right to terminate transfers.

A new author was essentially forced to sign away his renewal right under the original 1909 Act, mostly as a consequence of unequal bargaining power. Similarly, a student-athlete is subject to an NCAA rule that transfers ownership of his right of publicity in perpetuity for the same reasons. Therefore, the justification for the 1976 Act's inalienable right to terminate a transfer of copyright is equally applicable to a former student-athlete and his right of publicity.

As the commercial market for NCAA merchandise grows, so too does the financial value of student-athletes' rights of publicity. If for no other reason other than self-preservation, the NCAA should recognize a former student-athlete's rights and allow for an automatic reversion of his right of publicity. Given the increasing demand, and the likelihood that a former student-athlete will look to capitalize on the market for his likeness, a clearing house that arranges for the licensing of merchandise and other items is a fair and logical compromise.

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¹⁷³ Carter, *supra* note 168.

¹⁷⁴ *See id.* (For NCAA Football '06, the amount of money each school received was based on which tier it belonged to, but "[g]enerally, . . . the better the program is in real life, the greater the royalties." For example, Florida State University received \$130,000 in royalties but the University of Central Florida only received \$13,000).

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Frischmann for introducing me to this topic and for advising the research that led to this Note. I am especially grateful for the invaluable assistance of the staff and editors of the *Cardozo Arts & Entertainment Law Journal* in developing and refining this piece. © 2012 Nabeel Gadit.