

A FANTASTIC “NEW NATIONAL PASTIME”: COPYRIGHT PREEMPTION AND THE PUBLIC DOMAIN

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I. INTRODUCTION

A. *Fantasy Sports in the Mainstream*

It is not clear when fantasy sports moved into the mainstream; however, in light of reported participation and revenue levels, it has become clear that they have arrived. *BusinessWeek Online* reports that more than fifteen million United States adults play fantasy sports, generating between \$1 billion and \$2 billion “on publication subscriptions, paid league entrance fees, mail-order draft kits, and fantasy software and other products.”¹ The group is not merely sizable, however—it also represents a significant, sought-after demographic, leaving observers to conclude that the importance of this group will only continue to grow.²

Fantasy sports are so popular that some analysts have expressed concern that they may have become detrimental to productivity in the workplace “as

¹ Catherine Holahan, *Fantasy Football 2.0*, BUS. WK. ONLINE, Sept. 1, 2006, http://www.businessweek.com/technology/content/sep2006/tc20060901_880554.htm.

² *Id.* The article describes the “dream demographic” as men under the age of 35. *Id.* “About 86% of the participants in fantasy leagues are male and 63% are under age 40, according to a 2005 study from the Pew Internet & American Life project....” *Id.* The object is on-line advertising dollars. *Id.* For more information on the so-called “dream demographic”, see Paul R. La Monica, *Fantasy Football...Real Money*, CNNMONEY.COM, Aug. 11, 2006, <http://money.cnn.com/2006/08/11/news/companies/fantasyfootball/index.htm>. The article quotes Scott Linzer, a director of media with a digital marketing firm, who discusses just what is so dreamy about this demographic in this article: “Advertisers are really keeping an astute eye on fantasy football. It’s a very loyal market.” *Id.*; see Data Memo from Lee Rainie, Director, PEW Internet Project (June 2005), http://www.pewinternet.org/pdfs/PIP_Fantasy_leagues.pdf (providing empirical findings of survey questionnaire outcomes supporting this position). Not only is this demographic predominantly male and under forty, but they are also flush with disposable income and regularly surfing the web. La Monica, *supra*. “[M]arketing research has shown the average fantasy football player to be predominantly male, married, in a high income bracket and more likely to do research or make purchases online.” *Id.* La Monica describes the basic business approaches of fantasy sites as being structured around advertising revenue: “several media companies are recognizing that it is more lucrative to not charge fantasy players since free games draw more traffic . . . and hence, more advertising revenue.” *Id.* He notes that Yahoo has consistently followed this general approach, always “promoting a basic, free service even when competitors were charging fees to set up leagues.” *Id.* It would seem that significant dollars are available simply through corporate sponsorship. *Id.* Giants like Visa and General Motors’ GMC unit are the main advertising sponsors of Yahoo’s fantasy football game. *Id.*

more workers take time out of their workday to play fantasy sports.”³ Fantasy sports aficionados spend more time than most on the Internet.⁴ Such an investment of time in fantasy sports at the workplace suggests a significant effect on advancing the cause of the employer.⁵ With the continuing growth in popularity of fantasy sports, and with most enthusiasts spending significant time daily monitoring their team’s performance and weekly managing their roster, the effect on workplace productivity continues to grow.⁶ One report estimates the cost to employers for the lost productivity to be as high as \$1.1 billion.⁷

As a further example of the growing addiction to fantasy sports, consider its inclusion in and effect on our high school classrooms and math curricula. John Hagen, a former software engineer and present high school teacher, leverages fantasy football as an instructional tool with his Foothill High School algebra class.⁸ The class runs largely in the same manner as a fantasy league—students conduct a draft, make trades, pick starting lineups and compete against each other for total points.⁹ “But in order for the students to add up their fantasy points each week, they first have to plug their football statistics into mathematical formulas. They cannot figure out their total points, or their classmates’ points, until they first do the math.”¹⁰ Hagen believes that fantasy sports help his students hit higher marks on state proficiency examinations.¹¹ Many other similar school programs are based on the work of Daniel Flockhart who, in the

³ Jim Hu, *Let the Fantasy Sports Games Begin -- At Work*, CNET NEWS.COM, Sept. 27, 2004, http://www.news.com/Let+the+fantasy+sports+games+begin--at+work/2100-1038_3-5381539.html.

⁴ *See id.* Hu’s article cites a study performed by ComScore Media Metrix, a firm that provides usage data based upon their online measurements. *Id.* The study suggests that between October 2003 and May 2004 seven million Americans “visited on average 200 fantasy sports Web pages per person per month.” *Id.* Compare this figure to 107 pages for standard sport visits, 148 pages for entertainment visits, and 75 for news visits. *Id.*

⁵ *Id.*

⁶ Fantasy Football Sacks Productivity, Challenger, Gray & Christmas, Inc. (Aug. 16, 2006), http://mithras.itworld.com/download/book_chapters_and_wps/challengergray/060801_fantasyfootball.pdf.

⁷ Tim Lemke, *Fantasy Leagues Costly For Companies*, WASH. TIMES, Aug. 18, 2006, at C2.

⁸ John Barr, *Fantasy Football Adds Up for Students*, ESPN, Nov. 29, 2006, <http://sports.espn.go.com/espn/news/story?id=2680335>. The article highlights other teachers with the same strategy, putting fantasy sports to instructional use. *Id.*

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.*

early 1990s, developed a math curriculum around fantasy sports.¹² He now markets a full line of mathematic instructional materials based on football fantasy sports and plans to release baseball, basketball and soccer fantasy sports-based materials in the near future.¹³

Fantasy sports are everywhere; they have become so embedded in our culture that it is difficult for even non-participants to avoid the “fantasy vortex.”¹⁴ Those who have miraculously avoided the vortex have now had fantasy sports thrust upon them in a public court of law.¹⁵ Fantasy sports emerged in federal court litigation in St. Louis, Missouri in the high-profile case *C.B.C. Distribution & Marketing, Inc. v. Major League Baseball Advanced Media, L.P.*¹⁶ *C.B.C.* launched fantasy sports services, and the leagues they support, into the public’s consciousness through substantial media coverage.¹⁷ The matter has been kept alive in the public’s consciousness through appeals to the district court and the U.S. Court of Appeals for the Eighth Circuit.¹⁸

B. What is at Stake in the *C.B.C. Case*?

Perhaps the most remarkable thing about fantasy sports is how they found their way into the center of the debate on the scope of the public domain

¹² Ellen R. Delisio, *Fantasy Game Helps Students “Pass” Math*, EDUC. WORLD, Nov. 30, 2005, http://www.educationworld.com/a_issues/chat/chat162.shtml.

¹³ *Id.* The Fantasy Sports and Mathematics program and materials are available online at, Fantasy Sports and Mathematics, <http://www.fantasysportsmath.com/> (last visited Sept. 30, 2007).

¹⁴ See LeeAnn Prescott, *Fantasy Sports Online*, IMEDIA CONNECTION, May 19, 2006, <http://www.imediainconnection.com/content/9599.asp> (discussing the centrality of fantasy sports to camaraderie in the workplace).

Clearly the fantasy sports player is highly involved in this leisure activity, and data show that players value the camaraderie they gain from participating in fantasy sports leagues. Forty percent of Dr. Beason’s survey respondents agreed with the statement “fantasy sport participation increases the camaraderie among employees at my workplace,” and 57 percent agreed with the statement “I talk to other employees about fantasy sports during my lunch/supper breaks.”

Id.

¹⁵ *C.B.C. Distrib. & Mktg., Inc. v. Major League Baseball Advanced Media, L.P.*, 443 F. Supp. 2d 1077 (E.D. Mo. 2006).

¹⁶ *Id.*

¹⁷ See *Fantasy Leagues Permitted to Use MLB Names, Stats*, ESPN, <http://sports.espn.go.com/mlb/news/story?id=2543720> (last visited Sept. 30, 2007).

¹⁸ *C.B.C. Distrib. & Mktg., Inc. v. Major League Baseball Advanced Media, L.P.*, 505 F.3d 818 (8th Cir. 2007).

as defined by preemption principles. The current debate raises a fundamental question that has been asked and answered throughout the years: Are there certain “informational materials” or “speech goods” that must be available for common use and be “legally beyond the reach of property regimes?”¹⁹ Should there be certain types of “speech goods” available for the use of all?²⁰ These questions must be considered in light of the public policy in favor of providing appropriate incentives for creative endeavor.²¹

The *C.B.C.* case raises questions about the public domain and public discourse.²² The dispute embodies an attempt on the part of major league sports, through the mechanism of the right of publicity, to obtain protection for “speech goods” for which their status, as somehow privately controlled, is dubious at best.²³ Are these “speech goods” subservient to the right of publicity, or are

¹⁹ Diane Leenheer Zimmerman, *Is There a Right to Have Something to Say? One View of the Public Domain*, 73 *FORDHAM L. REV.* 297, 298 (2004). Professor Zimmerman (Samuel Tilden Professor of Law at the New York University School of Law) defines “speech goods” as a term:

[I]ntended to capture a range of inputs from external sources—the bits and pieces that make up the raw material of speech—that, when assembled in an individual’s mind, become the fodder for his or her own knowledge base as well as that on which he or she draws to express him or herself to others. Sometimes things, such as inventions, may also be referred to as “in the public domain” in the sense that they can be replicated by anyone without a license, but the term “public domain”...applies only to speech goods.

Id. at 298 n.2. Professor Zimmerman suggests in this article that there are certain pieces of information that “want to be free.” *Id.* at 297 n.1. The *C.B.C.* case is about this exact matter—information that “wants to be free.” This paper will suggest that, in a large measure, it is the role of copyright preemption to maintain the necessary balance in copyright law, ensuring appropriate incentives are in place to “promote the progress of science” while at the same time leaving for public use and discourse those “speech goods” that have not been provided for within the metes and bounds of the Copyright Act. U.S. CONST. art. I, § 8, cl. 8; 17 U.S.C. § 101 (2006).

²⁰ Zimmerman, *supra* note 19, at 298.

²¹ *Id.*

²² *C.B.C. Distrib. & Mktg., Inc. v. Major League Baseball Advanced Media, L.P.*, 443 F. Supp. 2d 1077 (E.D. Mo. 2006).

²³ *C.B.C.*, 443 F. Supp. 2d at 1082. Major League Baseball Advanced Media (MLBAM) is a subsidiary of Major League Baseball and responsible for Major League Baseball’s internet presence and broadcast concerns. *Id.* at 1080. The NFL, NBA, NHL and stock car racing all joined in amicus support of MLBAM and the Major League Baseball Players’ Association (MLBPA). See Brief of Amici Curiae NBA Properties, Inc. et al., *C.B.C. Distrib. & Mktg., Inc. v. Major League Baseball Advanced Media, L.P.*, Nos. 06-3357, 06-3358 (8th Cir. Oct. 16, 2007).

they, through preemption principles, destined to be free for the use and enjoyment of all?²⁴

The importance and “centrality of a rich public domain” has never historically been questioned.²⁵ There was always an appreciation for “the importance of keeping as much communicative material as possible out of private control.”²⁶ A broad and deep public domain, even at the expense of intellectual property, “was understood to be the preferred or natural state for speech goods.”²⁷ This historical presupposition was called onto the field of debate in recent years and experienced substantial erosion. It was suggested that the law and economics movement—a surge that began its rise in the early 1960s through the work of Ronald Coase and Guido Calabresi and continued its development and expansion of its influence through today—had a substantial impact on the erosion of the public domain.²⁸

The law and economics school of thought tends to weigh more heavily against the public domain, “arguing that information resources are more likely to be created and exploited at optimal levels under a comprehensive private control regime than under one that relies on a large public domain.”²⁹ This position is founded on the proposition that “speech goods” are first and foremost profit drivers and, as such, are better left in the hands of a private owner with a moti-

²⁴ *C.B.C.*, 443 F. Supp 2d at 1083.

²⁵ Zimmerman, *supra* note 19, at 301.

²⁶ *Id.*

²⁷ *Id.* at 302 (describing describes vigorous protests in Britain sparked by a proposal to lengthen the term of British copyright in the 19th century). See CATHERINE SEVILLE, LITERARY COPYRIGHT REFORM IN EARLY VICTORIAN ENGLAND 24, 30, 46–48 (1999). “Many argued that increasing the term of the property right in expression was unacceptable because it would have potential deleterious effects on public education.” Zimmerman, *supra* note 19, at 302 n.16; see SEVILLE, *supra* at 21–22, 105–09.

²⁸ See Zimmerman, *supra* note 19, at 307–08, 336. Ronald Coase is a British economist and emeritus law professor at the University of Chicago School of Law. See generally, Ronald Coase, Wikipedia, <http://en.wikipedia.org/wiki/Coase> (last visited Oct. 1, 2007). His article *The Problem of Social Cost* made the seminal argument that formed the basis for the nascent law and economics movement. *Id.* Guido Calabresi is thought to be, along with Coase, the father of the law and economics movement. See generally, Guido Calabresi, Wikipedia, <http://en.wikipedia.org/wiki/Calabresi> (last visited Oct. 1, 2007). Calabresi is the son of Italian immigrants, arriving in the United States in 1939. *Id.* Following his education at the Yale Law School, Calabresi served as a law clerk for United States Supreme Court Justice Hugo Black before taking up a professorship at Yale Law School—where he would later serve as Dean until 1994. *Id.* In 1994, President Bill Clinton named Calabresi to the United States Court of Appeals for the Second Circuit where he serves today. *Id.*

²⁹ Zimmerman, *supra* note 19, at 307.

vation to exploit them.³⁰ The opposing viewpoint, favoring placing “speech goods” in an information commons, advances the risks to imagination and innovation if the public domain is not staunchly protected.³¹ While the trajectory migrates towards the commoditization of “speech goods,” the discussion is ongoing and the long-term outcome is uncertain.³²

The *C.B.C.* case ultimately deals with what is and is not injected into or withdrawn from the public domain. It discusses whether “speech goods” will be managed privately to drive profit (and in so doing create an incentive for even greater creative output), or managed through an information commons (and in so doing avoid the deleterious effect of commoditization of certain “speech goods”).³³ This paper will examine the interface between copyright preemption and the right of publicity. It will consider the role of copyright preemption as a gatekeeper, moderating a balance in intellectual property policy. The policy balances the creation and maintenance of incentives to produce against the protection and encouragement of public discourse by ensuring “the existence of a large, protected commons of communicative materials.”³⁴

Part II of this paper will describe fantasy sports in general and explain the facts and outcome of the *C.B.C.* case at both the district and circuit courts. Part III will specifically examine the competing positions relating to the copyright preemption issue raised in the *C.B.C.* case. Part IV will provide critical commentary on the competing positions, will explain which side is “right,” and will conclude by “connecting the dots” from the copyright preemption concerns to the larger public domain and discourse issues. It will also suggest how the Supreme Court should handle the preemption arguments that may be raised should the matter be further appealed and granted certiorari.

³⁰ *Id.* The development of the internet and the digitization of information offered “new opportunities for great private gain whenever individuals and entities can increase the kinds or scope of control they enjoy over various subsets of speech goods.” *Id.* at 304.

³¹ *Id.* at 308.

³² *Id.* at 363 n.283.

³³ *C.B.C. Distrib. & Mktg., Inc. v. Major League Baseball Advanced Media, L.P.*, 443 F. Supp. 2d 1077, 1082–83 (E.D. Mo. 2006); Zimmerman, *supra* note 19, at 308. “Whenever speech goods can be used only with permission, or even merely with payment, some things that might be said or written or painted or otherwise given expressive form by individuals will not be produced.” Zimmerman, *supra* note 19, at 310.

³⁴ Zimmerman, *supra* note 19, at 301.

II. FANTASY SPORTS AND THE *C.B.C.* CASE

A. *Fantasy Sports*

The irony of this growing sports phenomenon is that in order to play, one need not put on a batting glove or helmet. Fantasy sports involve holding mock drafts to assemble rosters of real players, monitoring their performance and tabulating points based on statistical output of the players during real games.³⁵ The “draft day” decisions are based on the participant’s belief, which is usually based on a substantial amount of research, that the individual selected will perform well during the season.³⁶ Statistics for individual players from specified teams are readily available through public channels, not only in the written press but also online.³⁷ Many sports statistics sites post actual performance almost in real time.³⁸

Statistics from previous years are a valuable foundation in the team selection process. Real-time performance statistics are critical to the maintenance of a team and in the determination of the standings of the teams at any given time during the season.³⁹ For many participants, the information they receive on their players’ status and performance carries more weight than perhaps it should. The “Clinton Portis Incident” aptly illustrates the significance of this information both within the fantasy league context and within the general context of the participant’s life.⁴⁰ On Thursday September 9, 2004, on *SportsLine.com*, for a reported five minutes, the site published a story about Clinton Portis of the Washington Redskins.⁴¹ The site described an injury that would

³⁵ Hu *supra* note 3.

³⁶ Holahan, *supra* note 1.

³⁷ See Fantasy Sport, Wikipedia, http://en.wikipedia.org/wiki/Fantasy_sports (last visited Oct. 1, 2007).

³⁸ *Id.*

³⁹ Jack F. Williams, *Who Owns the Back of a Baseball Card?: A Baseball Player’s Rights in His Performance Statistics*, 23 CARDOZO L. REV. 1705, 1708 (2002).

[T]he center of the fantasy league concept is access to real life/real time performance statistics. Without access to these actual performance statistics and the names of players, the game loses its real feel. Thus, the question of whether performance statistics are some form of protected intellectual property becomes vital.”

Id.

⁴⁰ Rick Aristotle Munariz, *Fake Football Follies*, THE MOTLEY FOOL, Sept. 13, 2004, <http://www.fool.com/investing/small-cap/2004/09/13/fake-football-follies.aspx>.

⁴¹ *Id.*

keep Portis off the field for half of the professional football season.⁴² The injury was actually not as serious as it was originally described, causing reverberations in fantasy leagues across the country.⁴³ Apparently, this short news snippet caused a flurry of activity among fantasy team owners who traded Clinton Portis for his backup Ladell Betts.⁴⁴

An understanding of the history of the fantasy sports phenomena is instructive as to why the intellectual property issues have not previously emerged. Fantasy sports' noble past had its beginnings in the board game Strat-O-Matic.⁴⁵ Strat-O-Matic first hit retail stores in 1963.⁴⁶ The game included special baseball cards that listed the statistics from the most recent seasons.⁴⁷ In this popular board game, players leave actual rosters intact or develop fantasy rosters from the cards.⁴⁸ Strat-O-Matic evolved over time into "Rotisserie" leagues in the 1980s.⁴⁹

⁴² *Id.*

⁴³ *Id.*

⁴⁴ *Id.* The Managing Editor of SportsLine.com issued a near immediate retraction:

Contrary to a CBS SportsLine.com breaking news bulletin from CBS Sports insider Billy Devaney, Washington Redskins running back Clinton Portis will not miss significant time this season with an injury.

CBS Sports, Devaney and SportsLine.com regret the error, which was prominently displayed on CBS SportsLine's home page for about 5 minutes late Thursday afternoon. It was egregious and, frankly, unforgivable, and we apologize to our readers, Portis and to the Redskins for publishing the misinformation.

Accurate information is a user and reader commodity we take very seriously, and this story did not meet those standards.

Again, please accept our apology.

Mark Swanson, *Portis Not Injured, as Reported by CBS SportsLine.com*, CBS SPORTSLINE.COM, Sept. 9, 2004, <http://www.sportsline.com/general/story/7663908>. This perhaps over-the-top retraction can be understood considering "that fantasy football helped the site's subscriptions and premium services soar by 40% last season, accounting for nearly half of SportsLine's fourth-quarter revenues." Munarriz, *supra* note 40.

⁴⁵ Fantasy Baseball, Wikipedia, http://en.wikipedia.org/wiki/Fantasy_baseball (last visited Oct. 1, 2007).

⁴⁶ *Id.*

⁴⁷ *Id.*

⁴⁸ *Id.* The game is still available. More can be learned about the game and the game itself can be purchased at <http://www.strat-o-matic.com>. Strat-O-Matic, <http://www.strat-o-matic.com> (last visited Oct. 1, 2007).

⁴⁹ Fantasy Baseball, *supra* note 45.

Daniel Okrent, viewed by many as the godfather of fantasy sports, took the game out of the living room and into public venues where groups of friends could get together to play over the full expanse of the baseball season.⁵⁰ Okrent's media contacts contributed to the spread of popularity among sports journalists.⁵¹ The name "Rotisserie" is based on the venue for Okrent and his band of fantasy brothers—a now-defunct East Side New York restaurant named La Rotisserie Francaise.⁵² The change involved drafting teams from current Major League Baseball rosters and scoring based on actual performance of the rosters assembled during the current season.⁵³ This was revolutionary in the realm of fantasy sports and formed the basis for fantasy games as they are known and understood today.⁵⁴ The current statistics of players were being used and outcomes were unknown.⁵⁵ The team "owners" managed their roster as a real general manager would, taking into consideration injuries and expected performance trends in making playing time decisions.⁵⁶

⁵⁰ See generally, Daniel Okrent, Wikipedia, http://en.wikipedia.org/wiki/Daniel_Okrent (last visited Oct. 1, 2007). Daniel Okrent is known as "the inventor of Rotisserie Baseball." *Id.* Okrent appears to take this odd wellspring of fame in stride: "I feel the way J. Robert Oppenheimer felt after having invented the atomic bomb: If I'd only known this plague that I've visited upon the world. . . . Though on one level I'm proud, certainly, to have created something that millions of people want to do. It's a contribution of sorts." Chris Ballard, *Fantasy World*, SPORTS ILLUSTRATED, June 21, 2004, at 83.

⁵¹ Fantasy Baseball, *supra* note 45.

⁵² Fantasy Baseball, *supra* note 45. La Rotisserie Francaise was the meeting place for the Phillies Appreciation Society—the group to which Okrent belonged and formed the core group that launched the first "Rotisserie League." Ballard, *supra* note 50, at 83. Before the 1980 season got off the ground, the eleven owners of the ten teams gathered at the Corlies Smith's home for the first Rotisserie draft. *Id.* The ten teams bore names as unique as the nascent fantasy approach: the Okrent Fenokees (owned by Daniel Okrent), the Smith Coronas (owned by Corlies Smith, "a book editor for Viking Press"), the McCall Collects (owned by Bruce McCall, "a writer-illustrator and contributor to *The New Yorker*"), the Sklar Gazers (owned by Bob Sklar, "a professor of cinema studies at NYU"), the Getherswag Goners (co-owned by Peter Gethers, "a screenwriter, novelist and editor," and Glenn Waggoner, "a Columbia administrator" and later "an editor at *ESPN the Magazine*"), the Flambés (owned by Valerie Salembier, "now publisher of *Harper's Bazaar*"), the Pollet Burros (owned by Michael Pollet, "a lawyer"), the Eisenberg Furriers (owned by Lee Eisenberg, "author and then *Esquire* editor"), the Guinzburg Burghers (owned by Tom Guinzburg, "then president of Viking Press"), and the Fleder Mice (owned by Rob Fleder, "now an executive editor at SI"). *Id.*

⁵³ Fantasy Baseball, *supra* note 45.

⁵⁴ *Id.*

⁵⁵ *Id.*

⁵⁶ *Id.*

Rotisserie baseball used very simple baseball statistics—statistics that could be culled from the box scores of daily papers.⁵⁷ With the advent and rapid development of the Internet, however, a more substantial quantity of baseball statistical data became available in an automated manner, which participants could easily use.⁵⁸ Technological developments permitted the game to move towards real-time, with automated updates and scoring, affording participants a more realistic experience of running a Major League Baseball operation.⁵⁹

Fantasy sports' shift to an Internet environment created an easily distributed product and a service that facilitated broad involvement and economic opportunities. It should be noted that major league sports had little interest in fantasy sports and their operations until the industry became lucrative.⁶⁰ This amalgam of passionate devotees and big business is the backdrop in front of which the *C.B.C.* case played out. The centrality of statistics and performances of the players in fantasy sports is certainly at the center of the controversy, but, as will be discussed below, it is not the main event.

B. *The C.B.C. Case*

1. Factual Background

It all started to unravel when Major League Baseball Players Association's (MLBPA) licensing approach to the rights to the players' statistics and profiles began to shift.⁶¹ *C.B.C.*, a provider of fantasy sports products and ser-

⁵⁷ *Id.*

⁵⁸ *Id.*

⁵⁹ *Id.*

⁶⁰ See Memorandum of Amicus Curiae Fantasy Sports Trade Association in Opposition to Players Association's Motion for Summary Judgment and in Support of Plaintiff's Cross Motion for Summary Judgment, *C.B.C. Distrib. & Mktg., Inc. v. Major League Baseball Advanced Media, L.P.*, 443 F. Supp. 2d 1077, (E.D. Mo. 2006) (No. 4:05-CV-00252-MLM), available at <http://www.svmedialaw.com/fantasy%20league%20amicus%20brief.pdf>.

⁶¹ Alan Schwarz, *Baseball Is a Game of Numbers, but Whose Numbers Are They?*, N.Y. TIMES, May 16, 2006, at A1, D4, available at http://www.nytimes.com/2006/05/16/sports/baseball/16license.html?_r=2&ex=%201305432000&en=2beb4a18f66a2f06&ei=5090&partner=rssuserland&emc=rss&oref=slogin&oref=slogin.

Major League Baseball Advanced Media . . . purchased the players' Internet and wireless rights from the players union in January 2005 . . . [and] decreased its numbers of licensees from dozens in 2004 to 19 last season to 7 this year, focusing on large multimedia outlets like CBS SportsLine and cut-

vices, had been operating since 1992 under the brand name CDM Fantasy Sports and offering online subscription fantasy games to other media outlets, including well-known channels like *USA Today*, *Sports Weekly*, *The Sporting News*, *SNBC* and others.⁶² C.B.C. had a licensing agreement with the MLBPA, with the most recent terms, expiring in December of 2004, covering “rights to names, nicknames, numbers, likenesses, signatures, pictures, playing records and biographical data.”⁶³ C.B.C. used these rights in constructing its fantasy baseball offering.⁶⁴ Their use continued until January of 2005 when Major League Baseball Advanced Media (MLBAM) purchased the players’ wireless and Internet rights for \$50 million over five years.⁶⁵

ting out many of the four-figure licenses that had covered smaller operators’ use of only names and statistics.

Id. An immediate fear was that:

[T]hings will be dramatically different under the MLBAM’s approach if they are given exclusive rights to the use of statistics in fantasy games. MLBAM would almost certainly set license fees to extract the largest possible profit from fantasy baseball providers. But in order to create that highest value, they must provide market power positions for those few larger providers. And that will be the result of MLBAM’s intent to reduce the number of license holders to a handful, which . . . MLBAM has already expressed it will do in the media. . . . The result for fantasy baseball enthusiasts will be reduced quantity of providers and games, much higher prices . . . and arguably reduced diversity in alternatives.

Expert Report of Rodney Douglas Fort, *C.B.C.*, 443 F. Supp. 2d 1077 (No. 4:05-CV-00252-MLM), 2006 WL 1587248.

⁶² Complaint for Declaratory Judgment, *C.B.C.*, 443 F. Supp. 2d 1077 (No. 4:05-CV-00252-MLM), 2005 WL 453742.

⁶³ *Id.* ESPN reported that CBC had a relationship with the MLBPA from 1995 through 2004, paying “9 percent of gross royalties to the association.” *Fantasy Leagues Permitted to Use MLB Names, Stats*, ESPN, Aug. 8, 2006, <http://sports.espn.go.com/mlb/news/story?id=2543720>. CBC also had negotiated and executed license agreements with the National Football League Players Association, the National Hockey League Players Association, and NBA Media Ventures, LLC to support its fantasy offerings in football, hockey and basketball, respectively. Memorandum in Support of MLB Advanced Media, L.P.’s Motion for Summary Judgment, *C.B.C.*, 443 F. Supp. 2d 1077 (No. 4:05-CV-00252-MLM), 2006 WL 1351767.

⁶⁴ *Id.*

⁶⁵ Press Release, Major League Baseball Advanced Media, MLB Advanced Media and Major League Baseball Players Association Reach Exclusive Agreement, (Jan. 19, 2005), available at http://www.mlb.com/news/press_releases/press_release.jsp?ymd=20050119&content_id=932415&vkey=pr_mlbcom&fext=.jsp.

In January of 2005, the MLBPA provided MLBAM the exclusive right to “exploit and/or sublicense MLBPA’s asserted rights in and to the names, nicknames, likenesses, signatures, pictures, playing records, and/or biographical data of active Major League Baseball players who are subject to a then-currently effective commercial authorization agreement with MLBPA . . . via the Internet and other interactive media.”⁶⁶

Upon signing this licensing agreement, MLBAM reduced its number of business partners, effectively paring the number of licensees with whom they would continue to do business—moving from nineteen in 2004 to only seven in 2006.⁶⁷ Glenn Colton, who wrote an amicus brief on behalf of the Fantasy Sports Trade Association, believes that the convergent strategy was a means by which MLBAM would obtain greater control and revenue from fantasy sports opportunities.⁶⁸

Soon after signing the agreement with the MLBPA, MLBAM asserted what it believed to be its exclusive right as licensee and sublicensor of players’ statistics and profiles with respect to interactive media fantasy sports games.⁶⁹ George Klivakoff, Senior Vice President for Major League Baseball, sent an e-mail on January 19, 2005 to Charles Wiegert, Vice President of C.B.C., requesting the immediate cessation of all uses without a license:

[T]his morning, MLB Advanced Media (“Major League Baseball” or “MLB.com”) and the Major League Baseball Players Association (“MLBPA”) announced that they have agreed to a relationship whereby Major League Baseball will be the exclusive licensee and sublicensor of the MLB player’s [sic] rights Please also be aware that Major League Baseball has not yet issued any applicable licenses for the MLB Rights and other related fan activities for the 2005 season and, except for certain licenses in the wireless Licensed Media, the MLBPA has not issued any applicable licenses for the PA Rights for 2005. Please be advised that if your Company is using the above-described rights without a license, all such uses must cease immediately.⁷⁰

This electronic message also informed C.B.C. and other providers that a request for proposal (RFP) would be sent out “to solicit your proposal to become a li-

⁶⁶ Memorandum in Support of MLB Advanced Media, *supra* note 63.

⁶⁷ *Fantasy Leagues Permitted to Use MLB Names, Stats*, *supra* note 63.

⁶⁸ *Id.* (“‘The idea on MLB’s part is if you can scare all of the little companies out of the market,’ Colton said, ‘you can collect more money.’”).

⁶⁹ Complaint for Declaratory Judgment, *supra* note 62.

⁷⁰ *Id.* (citing Klivakoff email).

censee” under MLBAM’s exclusive license.⁷¹ The RFP described MLBAM’s business approach and sought responses to questions that would assist MLBAM in evaluating companies “best suited to participate in the licensing program.”⁷²

Klivakoff’s e-mail was followed by a letter sent to *USA Today*, penned by Michael Mellis, concerning its five fantasy baseball games, all provided by C.B.C.⁷³ The letter expressed “surprise” that *USA Today* had been soliciting and accepting applications for its 2005 fantasy baseball season.⁷⁴ In light of *USA Today*’s continuing fantasy operations, MLBAM opted out of meetings to discuss the possibility of *USA Today* participating in the licensing program.⁷⁵ “[The] RFP requires that prospective licensees be in good standing with MLBAM. Since *USA Today* is not in good standing . . . we must adjourn the [meeting] that had been previously scheduled.”⁷⁶

USA Today was in a difficult position. To deploy its fantasy baseball products for the 2005 season, it was necessary for the offering to be in the marketplace by February.⁷⁷ Pitchers and catchers report for spring training in Major League Baseball in mid-February, with position players reporting within the week following.⁷⁸ Spring training is not only the beginning of the season, but also the opening salvo for the fantasy season online. Perhaps *USA Today* should have waited for the RFP process to play out. Not having done so exposed the

⁷¹ Complaint for Declaratory Judgment, Exhibit A, Email from George T. Kliavkoff to Charlie Weigert, C.B.C. Distrib. & Mktg., Inc. v. Major League Baseball Advanced Media, L.P., 443 F. Supp. 2d 1077, (E.D. Mo. 2006) (No. 4:05-CV-00252-MLM).

⁷² *Id.*

⁷³ Complaint for Declaratory Judgment, Exhibit C, Letter from Michael J. Mellis, Senior Vice President & General Counsel, Major League Baseball Advanced Media, to Thomas L. Chapple, Senior Vice President, CEO & General Counsel, USA Today, C.B.C., 443 F. Supp. 2d 1077 (No. 4:05-CV-00252-MLM).

⁷⁴ *Id.*

⁷⁵ *Id.* This action makes it appear that MLBAM’s expected all parties would go into a holding pattern in their development and deployment of their 2005 fantasy baseball offerings awaiting the outcome of the RFP process.

⁷⁶ *Id.*

⁷⁷ See RotoWire 2007 Fantasy Baseball Guide, RotoWire, available http://www.rotowire.com/magazine/index_MLB2007.htm (last visited Nov. 1, 2007) (showing a target street date of February 15 for a 2007 fantasy baseball publication).

⁷⁸ See Press Release, Major League Baseball, Spring Training Reporting Dates Announced (Jan. 23, 2006), available at http://mlb.mlb.com/news/press_releases/press_release.jsp?ymd=20060123&content_id=1299557&vkey=pr_mlb&fext=.jsp.

business to legal risk.⁷⁹ However, as is often the case, business risks are assumed so that a significant opportunity is not foregone. It is impossible for anyone outside the organization to know for certain the risk assessment and decision-making process. It is not difficult, however, to imagine how it might have played out with an affirmative decision to forge ahead under the expectation that an agreement would be reached. Under this scenario, the development and deployment process would have advanced parallel to the negotiations with MLBAM.

Some commentators have questioned the soundness of MLB's business decision-making, notwithstanding the legal issues involved in light of what has been viewed as a "revenue revolution" in sports:

MLB and MLBPA through MLBAM, are making a fundamental business mistake that may hurt them for some time. Their approach to the licensing issue in the fantasy league scenario is short-sighted. Recall the fundamental drivers of professional sports--(1) content is everything and (2) technology (including but not limited to the internet) delivers content. Those that can develop a revenue model that integrates both drivers will succeed. Additionally, a professional sports league must recognize that the value they add in the business endeavor is not the game itself; it is the fan's experience with the game. Keeping these fundamental principles in mind, a more robust, long-term business plan would recognize that the content in question is not access to the association between player name and player statistics, but the experience as an owner in accessing a software program that allows easy manipulation of that association. Moreover, the technology is not the internet per se; the technology is that ability to experience the game of baseball from an entirely new and different perspective; to see the game afresh. Thus, online providers such as C.B.C. provide a platform to grow fan base, to strengthen fan loyalty, to introduce fans to teams and players not on the home team, and to increase attendance. This technology should be encouraged and fostered. The tool for MLB to encourage the growth of its fan base through fantasy leagues is the non-exclusive license with relatively low licensing fees. MLB could then contract to include its MLB.com online store, for example, on the websites of licensed fantasy league service providers.⁸⁰

It is difficult to criticize Major League Baseball without an appreciation for its long-term strategic plan, of which fantasy sports are only one piece in the puzzle.⁸¹ It still appears, however, to be a strategic error on the part of Major

⁷⁹ See Complaint for Declaratory Judgment, Exhibit C, *supra* note 73 ("we believe that USA Today's marketing of its 2005 fantasy baseball game services . . . constitute false and/or deceptive advertising and trade practices").

⁸⁰ Jack F. Williams, *The Coming Revenue Revolution in Sports*, 42 WILLAMETTE L. REV. 669, 705 (2006).

⁸¹ See *id.* (explaining traditional still-developing revenue models for professional sports).

League Baseball. In explaining their convergent strategy, MLB officials claimed that “[w]e’re interested in people who invest and innovate and promote fantasy baseball.”⁸² Such a quote belies an exceptionally poor understanding of the history of fantasy sports, which has a tradition of innovation from smaller parties rather than large investors.⁸³

C.B.C. was not left out altogether, though the negotiations did not go forward as it might have expected. Through ongoing discussions, C.B.C. *was* offered a license, but certainly not the license it had been seeking.⁸⁴ On February 4, 2005, MLBAM offered C.B.C. a license to promote MLBAM’s fantasy games on C.B.C.’s site in exchange for a ten percent share of related revenues.⁸⁵ MLBAM sought to leverage C.B.C.’s customer relationships and online presence to promote its games.⁸⁶ MLBAM was *not* offering C.B.C. a license to pursue its own fantasy offerings.⁸⁷ C.B.C. was denied a license to continue using players’ statistics and profiles within its products and services.⁸⁸

Nineteen days after Major League Baseball’s press release describing the new deal with MLBAM, and with concern for drawing a suit if it attempted to deploy its 2005 fantasy offerings without a license, C.B.C. filed an action in the United States District Court for the Eastern District of Missouri seeking declaratory judgment.⁸⁹ C.B.C. filed the action “alleg[ing] that it has a reasonable apprehension that it will be sued by Advanced Media if it continues to operate its fantasy baseball games.”⁹⁰ The thrust of the concern was that Major League Baseball would exert its purported “exclusive ownership of statistics associated with players’ names and that it can, therefore, preclude all fantasy sports league providers from using this statistical information to provide fantasy baseball games to the consuming public.”⁹¹ “Ultimately, determining whether there is a

⁸² Chris Isidore, *Fantasy ‘Rights’ and Wrong*, CNNMONEY.COM, Oct. 4, 2006, <http://money.cnn.com/2006/08/11/commentary/sportsbiz/index.htm> (quoting Bob Bowman, CEO of Major League Baseball Advanced Media).

⁸³ *Id.* (“But you never really know where innovation will come from. . . . Restricting who can offer fantasy sports will limit the growth of these games and I think that’s a bad business strategy for professional sports leagues.”).

⁸⁴ *C.B.C. Distrib. & Mktg., Inc. v. Major League Baseball Advanced Media, L.P.*, 443 F. Supp. 2d 1077, 1081 (E.D. Mo. 2006).

⁸⁵ *Id.*

⁸⁶ *Id.*

⁸⁷ *Id.*

⁸⁸ *Id.*

⁸⁹ *Id.* (C.B.C. filed their complaint for declaratory judgment on February 7, 2005).

⁹⁰ *Id.*

⁹¹ *Id.*

protectable intellectual property interest in an athlete's performance statistics is central to assessing the legal status of fantasy sports providers or anyone who utilizes sports statistics for their product."⁹² This is exactly what the district court attempted to do.

2. The Litigation and Decision of the District Court

C.B.C.'s complaint sought declaration that its business of providing and running fantasy teams did not violate the Lanham Act, did not infringe any copyright owned or controlled by Major League Baseball (or affiliated businesses), did not violate the right to publicity alleged to be owned or controlled by Major League Baseball (or affiliated businesses) and did not violate any state unfair competition or false advertising laws.⁹³ Finally, it sought the court's assistance in enjoining Major League Baseball (and its affiliates) from interfering with C.B.C.'s fantasy sports business, either directly or indirectly.⁹⁴

MLBAM responded with counterclaims, and the MLBPA later joined the counterclaims, "alleging violations of state trademark and unfair competition laws, state false advertising laws, and the Lanham Act" in addition to violations of the players' rights of publicity.⁹⁵ MLBAM also claimed a contract violation based on a past licensing agreement.⁹⁶ As a result, MLBAM and the MLBPA sought injunctive relief and exemplary and punitive damages.⁹⁷ C.B.C. and MLBAM agreed on a stipulation.⁹⁸ C.B.C. dismissed three of the four counts in its complaint, counts I (pursuant to the Lanham Act), II (pursuant to copyright law), and IV (pursuant to state unfair competition laws or false advertising law).⁹⁹ MLBAM dismissed its counterclaims "alleging violations of state trademark and unfair competition laws, state false advertising laws, and the Lanham Act."¹⁰⁰ The court wisely requested a teleconference to bring the dispute into focus, and in the process effectively narrowed the dispute.¹⁰¹

⁹² Adam L. Sheps, *Swinging for the Fences: The Fallacy in Assigning Ownership to Sports Statistics and Its Effect on Fantasy Sports*, 38 CONN. L. REV. 1113, 1115 (2006).

⁹³ Complaint for Declaratory Judgment, *supra* note 62.

⁹⁴ *Id.*

⁹⁵ *C.B.C.*, 443 F. Supp. 2d at 1082.

⁹⁶ *Id.*

⁹⁷ *Id.*

⁹⁸ *Id.*

⁹⁹ *Id.*

¹⁰⁰ *Id.*

¹⁰¹ *Id.*

This flurry of activity left the court with quite a few issues with which to wrestle:

[W]hether the players have a right of publicity in their names and playing records as used in CBC's fantasy games; whether, if the players have such a right, CBC has, and is, violating the players' claimed right of publicity; whether, if the players have a right of publicity and if this right has been violated by CBC, such a violation is preempted by copyright law; whether, if the players have a right of publicity which has been violated by CBC, the First Amendment applies and, if so, whether it takes precedence over the players' claimed right of publicity; and whether CBC has breached the 2002 Licensing Agreement.¹⁰²

These questions are in four distinct areas: the right of publicity, the First Amendment, breach of contract and copyright preemption.¹⁰³ The court's treatment and resolution of each is discussed below.

a. Right of Publicity

The right of publicity owes its genesis and continuing existence to state and common law.¹⁰⁴ Therefore, each state that recognizes the right of publicity has its own permutation. There are certain commonalities, however, that tie the varying approaches to one another. Generally, liability will attach to an individual who uses another's commercial identity without consent.¹⁰⁵ Missouri followed this general approach in the state supreme court case *Doe v. TCI Cablevision*.¹⁰⁶ For liability to attach under a right of publicity cause of action, the defendant must have: "(1) . . . used [the] plaintiff's name as a symbol of his identity, (2) without consent (3) and with the intent to obtain a commercial advantage."¹⁰⁷

¹⁰² *Id.* at 1082–83.

¹⁰³ *Id.*

¹⁰⁴ See generally *Zacchini v. Scripps-Howard Broad. Co.*, 433 U.S. 562, 566 (1977) (recognizing a publicity right cause of action under Ohio state law); *Gionfriddo v. Major League Baseball*, 94 Cal. App. 4th 400, 408–09 (Cal. Ct. App. 2001) (recognizing publicity rights under California state law as both a common law right and a statutory right); *Doe v. TCI Cablevision*, 110 S.W.3d 363, 369 (Mo. 2003) (recognizing a publicity right cause of action under Missouri state law).

¹⁰⁵ RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 46 (1995).

¹⁰⁶ *TCI Cablevision*, 110 S.W.3d at 368–69.

¹⁰⁷ *Id.* at 369.

i. Commercial Advantage

Since C.B.C. was undoubtedly using Major League Baseball players' names and playing records without permission, the court focused on whether C.B.C. intended to use "the players' names as a symbol of their identities to obtain a commercial advantage and, if so, whether there [was] resulting injury."¹⁰⁸ The court established its standard for comparison, drawing from the aforementioned *TCI* case.¹⁰⁹ Indicia sufficient to support a finding in favor of commercial advantage include any evidence showing "that a defendant *intended to create an impression that a plaintiff is associated* with the defendant's product."¹¹⁰ Furthermore, "using a plaintiff's name 'to attract attention to [a] product' is evidence supporting a conclusion that a defendant sought to obtain a commercial advantage."¹¹¹ The use, however, must be more than merely incidental and employed with the intent to obtain a commercial advantage.¹¹²

The court rejected the argument that C.B.C. had sought a commercial advantage. "[T]here is nothing about CBC's fantasy games which suggests that any Major League baseball player is associated with CBC's games" or that there was any whisper of sponsorship, quipping that the Major League player is no more associated with C.B.C.'s fantasy games than he is with a newspaper box score.¹¹³ The court noted several cases where there was "an appropriation of a *likeness* to create the impression that a famous person endorsed a product."¹¹⁴ However, C.B.C.'s use in no way resembled such cases and did not create the impression of player endorsement of its fantasy games.¹¹⁵

¹⁰⁸ *C.B.C.*, 443 F. Supp. 2d at 1085.

¹⁰⁹ *Id.*

¹¹⁰ *Id.*

¹¹¹ *Id.* (quoting *TCI Cablevision*, 110 S.W.3d at 371).

¹¹² *Id.* at 1086 (citing *TCI Cablevision*, 110 S.W.3d at 375).

¹¹³ *Id.*

¹¹⁴ *Id.* at 1087.

¹¹⁵ *Id.* at 1087 (citing several cases involving the use of likenesses for endorsement of a product, "See e.g., *Abdul-Jabbar v. Gen. Motors Corp.*, 85 F.3d 407, 415 (9th Cir. 1996) (holding that use of a basketball star's name in conjunction with his *likeness* could be construed as his endorsement of a product); *Cardtoons, L.C. v. Major League Baseball Players' Ass'n*, 95 F.3d 959, 968 (10th Cir. 1996) (holding that defendant's use of players' *likenesses* in parody trading cards violated their right of publicity); *Toney v. L'Oreal USA*, 406 F.3d 905, 910 (7th Cir. 2005) (holding that the defendant's use of a model's *likeness* in connection with the packaging and promotion of its hair care product violated the right of publicity)").

ii. Identity

The court, upon dispatching the question of commercial advantage, turned to the identity element of the right of publicity.¹¹⁶ The matter of identity is critical in evaluating the right of publicity because the person's identity is at the core of the right.¹¹⁷ The court considered the nature and extent of the identifying characteristics used, namely Major League players' names and their playing records.¹¹⁸ This use was not sufficient to establish an equivalency to the players' identities as it "does not involve the character, personality, reputation, or physical appearance of the players."¹¹⁹ Rather, the identifying characteristics are historical facts about the players, "such as their batting averages, home runs, doubles, triples, etc."¹²⁰ These prosaic data points simply do not implicate the persona or identity of any player.¹²¹

iii. Policy Considerations

Finally, the court reviewed policy considerations before concluding its discussion of the right of publicity.¹²² The court identified five justifications for the right of publicity for purposes of evaluating the policy considerations.¹²³ The justifications include:

¹¹⁶ *C.B.C.*, 443 F. Supp. 2d at 1088–89.

¹¹⁷ *Id.* at 1088.

One's persona is most significant in a right of publicity cause of action. *Carson v. Here's Johnny Portable Toilets, Inc.*, 698 F.2d 831, 835 (6th Cir. 1983) ("The right of publicity has developed to protect the commercial interest of celebrities in their *identities*.") (emphasis added); *Rosemont Enters., Inc. v. Urban Sys., Inc.*, 72 Misc.2d 788, 340 N.Y.S.2d 144, 146 (N.Y. Sup. Ct. 1973) ("There is no question but that a celebrity has a legitimate proprietary interest in his public *personality*.") (emphasis added); *Ali v. Playgirl, Inc.*, 447 F. Supp. 723, 728 (S.D.N.Y. 1978) ("The distinctive aspect of the common law right of publicity is that it . . . protects [a prominent person's] proprietary interest in the profitability of his public reputation or '*persona*.'") (emphasis added).

C.B.C., 443 F. Supp. 2d at 1088.

¹¹⁸ *C.B.C.*, 443 F. Supp. 2d at 1089.

¹¹⁹ *Id.*

¹²⁰ *Id.*

¹²¹ *Id.*

¹²² *Id.* at 1089–91.

¹²³ *Id.* at 1089–90.

(1) protection of “an individual’s interest in personal dignity and autonomy”; (2) “secur[ing] for plaintiffs the commercial value of their fame”; (3) “prevent[ing] the unjust enrichment of others seeking to appropriate” the commercial value of plaintiffs’ fame for themselves; (4) “prevent[ing] harmful or excessive commercial use that may dilute the value of [a person’s] identity”; and (5) “afford[ing] protection against false suggestions [of] endorsement or sponsorship.”¹²⁴

These justifications drive the harmful and excessive commercial use of a celebrity’s persona, leading to dilution of value. The court concluded, however, that C.B.C.’s use did not affect the players’ ability to earn a living and probably enhanced their marketability.¹²⁵

The court found that C.B.C. did not use the players’ names and playing records with the intent to gain a commercial advantage.¹²⁶ The nature of the identifying characteristics used, which amounted to little more than historical facts, did not evoke the players’ identity or persona.¹²⁷ Therefore, the court held that C.B.C. was not violating the players’ right of publicity.¹²⁸

b. First Amendment

Upon concluding the discussion of the right of publicity, the court turned to the First Amendment issues.¹²⁹ C.B.C. argued that, even if they had violated the players’ right of publicity, the use was speech and is protected under the First Amendment which, under the circumstances, would trump any publicity rights.¹³⁰ The players’ responded by arguing that the use in question was not speech and therefore the First Amendment does not apply.¹³¹ The court agreed with C.B.C.’s assertion that the First Amendment applies.¹³² The players’ names and records “are available to the public at large by watching games and are disseminated to the public in newspapers and by statistics providers” and hence were historical information that was already in the public domain.¹³³ Interestingly, the court found an educational component to C.B.C.’s use, as it

¹²⁴ *Id.* (quoting the RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 46 cmt. c (1995)).

¹²⁵ *C.B.C.*, 443 F. Supp. 2d at 1090–91.

¹²⁶ *Id.* at 1091.

¹²⁷ *Id.*

¹²⁸ *Id.*

¹²⁹ *Id.* at 1091–100.

¹³⁰ *Id.* at 1091–92.

¹³¹ *Id.* at 1092.

¹³² *Id.* at 1095.

¹³³ *Id.*

“encourages game participants to learn about players’ playing records and can be said to provide an education in baseball.”¹³⁴ The profit motive driving the fantasy sports industry—an industry within which C.B.C. held a substantial market presence—did not preclude the use of players’ names and records from First Amendment protection.¹³⁵

The court concluded its discussion of the First Amendment issues by balancing C.B.C.’s First Amendment rights with the players’ right of publicity.¹³⁶ The court described the task as balancing “the right to be protected from unauthorized publicity . . . against the public interest in the dissemination of news and information consistent with the democratic processes under the constitutional guaranties of freedom of speech and of the press.”¹³⁷ The court noted the inherent tension between the right of publicity and the freedom of speech and resolved the conflict by “‘balanc[ing] the magnitude’ of restricting the expression at issue ‘against the asserted governmental interest in protecting’ the right of publicity.”¹³⁸

Because C.B.C.’s use did “not interfere with the players’ ability to reap financial reward from [their] endeavors,” such a use “d[id] not go to the heart of the players’ ability to earn a living.”¹³⁹ Additionally, the court stated that C.B.C.’s use did not eviscerate the economic incentive or inducement to produce.¹⁴⁰ In light of the multimillion dollar salaries in this arena, “even without the right of publicity the rate of return to stardom in the entertainment and sports fields is probably high enough to bring forth a more than ‘adequate’ supply of creative effort and achievement.”¹⁴¹ Further, the court noted that the use in question did not involve advertising and, as such, did not undercut efficient al-

¹³⁴ *Id.*

¹³⁵ *Id.* at 1080, 1093.

¹³⁶ *Id.* at 1095–100.

¹³⁷ *Id.* at 1095 (quoting *Gionfriddo v. Major League Baseball*, 94 Cal. App. 4th 400, 409 (Cal. Ct. App. 2001)).

¹³⁸ *C.B.C.*, 443 F. Supp. 2d at 1096 (quoting *Cardtoons, L.C. v. Major League Baseball Players Ass’n*, 95 F.3d 959, 972 (10th Cir. 1996)).

¹³⁹ *C.B.C.*, 443 F. Supp. 2d at 1097.

¹⁴⁰ *Id.* at 1097–98.

¹⁴¹ Michael Madow, *Private Ownership of Public Image: Popular Culture and Publicity Rights*, 81 CAL. L. REV. 127, 210 (1993). See also Bill Brashler, *Boooooooooooooooooo! Let’s Hear It For Pampered, Preening, Overpaid Whiners: The Jocks*, CHI. TRIB., July 28, 1996 (Magazine), at 12 (noting that the average major league baseball player salary in 1996 was \$1,176,967).

location of resources.¹⁴² The players' identity is not being diluted for repeated use.¹⁴³

Finally, there is no consumer deception involved since there is no suggestion that the players are being used to sell a product.¹⁴⁴ There is also no unjust enrichment since C.B.C. is merely using information already in the public domain.¹⁴⁵ The public's interest in the dissemination of news and information weighs heavily in favor of C.B.C. because the information at issue is simply factual data concerning the athletic performance of the players.¹⁴⁶ C.B.C.'s use informs the public about the history of baseball.¹⁴⁷ These interests were balanced by the court in favor of the First Amendment.¹⁴⁸

c. Breach of Contract

The Licensing Agreement

The MLBPA asserted claims that C.B.C.'s present use was in violation of its 2002 licensing agreement, wherein C.B.C. agreed not to use any of the rights subject to the agreement beyond the agreement's term.¹⁴⁹ The agreement contained a warranty that the MLBPA had the authority to grant licenses, and also included a no-contest clause.¹⁵⁰ C.B.C. argued that, because the MLBPA did not have the right to license the use of the players' names in conjunction with their playing records, the MLBPA had no right to enforce the 2002 agreement.¹⁵¹

The court refused to enforce the contractual provisions, finding a strong federal policy favoring full and free competition in the use of ideas in the public domain.¹⁵² The court discussed the inapplicability of licensee estoppel under circumstances where "the equities of the licensor do not weigh very heavily when they are balanced against the important public interest in permitting full

¹⁴² *C.B.C.*, 443 F. Supp. 2d at 1098.

¹⁴³ *Id.*

¹⁴⁴ *Id.*

¹⁴⁵ *Id.*

¹⁴⁶ *Id.* at 1098–99.

¹⁴⁷ *Id.* at 1099.

¹⁴⁸ *Id.*

¹⁴⁹ *Id.* at 1103.

¹⁵⁰ *Id.*

¹⁵¹ *Id.*

¹⁵² *Id.* at 1106–07.

and free competition in the use of ideas which are in reality a part of the public domain.”¹⁵³ While this logic originated in the field of patent law, it also applied in the publicity rights realm.¹⁵⁴ In both cases, “(l)icensees may often be the only individuals with enough economic incentive to challenge [a license]. If they are muzzled, the public may continually be required to pay tribute to would-be monopolists without need or justification.”¹⁵⁵ The court supported this extension, noting:

‘Lear itself recognized that federal policy embodied in the law of intellectual property can trump even explicit contractual provisions. . . . Lear makes clear that courts should weigh the federal policy embodied in the law of intellectual property against even explicit contractual provisions and render unenforceable those provisions that would undermine the public interest.’ (emphasis added).¹⁵⁶

d. Copyright Preemption

In view of the issues considered previously—the right of publicity, First Amendment and breach of contract/licensing agreement—C.B.C. had a complete sweep. The court, however, did not look as kindly on copyright preemption, which was perhaps the most important issue before it. C.B.C. argued that “even if the players’ [sic] have a right of publicity and this right was violated, federal copyright law preempts this right.”¹⁵⁷

The Copyright Act includes an express preemption provision.¹⁵⁸ This provision provides that “all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright . . . are governed exclusively by [the Copyright Act].”¹⁵⁹ According to the Eighth Circuit,

[a] state cause of action is preempted [by the Copyright Act] if: (1) the work at issue is within the subject matter of copyright as defined in §§ 102 and 103 of the Copyright Act, and (2) the state law created right is equivalent to any of

¹⁵³ *Id.* at 1104 (quoting *Lear, Inc. v. Adkins*, 395 U.S. 653, 670 (1969)). This balance counters “the ‘general rule of licensee estoppel provides that when a licensee enters into an agreement to use the intellectual property of a licensor, the licensee effectively recognizes the validity of that property and is estopped from contesting its validity in future disputes.’” *Id.* at 1004, n.35 (citing *Idaho Potato Comm’n v. M & M Produce Farm & Sales*, 335 F.3d 130, 135 (2d Cir. 2003)).

¹⁵⁴ *C.B.C.*, 443 F. Supp. 2d at 1105.

¹⁵⁵ *Id.* at 1104–05, (quoting *Lear*, 395 U.S. at 670).

¹⁵⁶ *C.B.C.*, 443 F. Supp. 2d at 1105 (citing *M & M Produce*, 335 F.3d at 137).

¹⁵⁷ *C.B.C.*, 443 F.Supp.2d at 1100.

¹⁵⁸ 17 U.S.C. § 301(a) (2006).

¹⁵⁹ *Id.*

the exclusive rights within the general scope of copyright as specified in § 106.¹⁶⁰

Therefore, there are essentially two questions a court must consider when evaluating the applicability of copyright preemption: 1) whether the subject matter at issue is within the subject matter of copyright; and 2) whether the right sought under state law is equivalent to those rights protected by copyright law.¹⁶¹

i. Subject Matter

The district court referred to the United States Supreme Court case *Feist Publications, Inc. v. Rural Telephone Service Co.*¹⁶² while evaluating whether or not the subject matter element of copyright preemption had been met.¹⁶³ Under *Feist*, the Court held “that compilations of facts are within the subject matter of copyright.”¹⁶⁴ The district court noted that identity or persona have been viewed as outside the scope of copyright.¹⁶⁵ But the court also observed that it had already found the use of the players’ names with their statistics insufficient to establish an equivalency to identity or persona.¹⁶⁶ According to the court, the use was unrelated to matters invariably associated with identity or persona: character, personality, reputation or physical appearance.¹⁶⁷ The court did find, however, that the use of names with playing records involved compilations of facts.¹⁶⁸ As such, the court determined that the names and playing records of Major League baseball players are within the subject matter of copyright.¹⁶⁹

¹⁶⁰ *Nat’l Car Rental Sys., Inc. v. Computer Assocs. Int’l, Inc.*, 991 F.2d 426, 428 (8th Cir. 1993).

¹⁶¹ *C.B.C.*, 443 F. Supp. 2d at 1100 (relying upon *Nat’l Car Rental*, 991 F.2d at 429).

¹⁶² 499 U.S. 340 (1991).

¹⁶³ *C.B.C.*, 443 F. Supp. 2d at 1100–01.

¹⁶⁴ *Feist*, 499 U.S. at 345.

¹⁶⁵ *C.B.C.*, 443 F. Supp. 2d at 1100–01 (“A persona is not a ‘writing’ of an ‘author’ within the meaning of the Copyright Clause . . . A fortiori, it is not a ‘work of authorship’ under the Act . . . Because the content of the protected right does not fall within the subject matter of copyright, there is no categorical preemption of the right of publicity.” (quoting 1 MELVILLE B. NIMMER & DAVID NIMMER, *NIMMER ON COPYRIGHT* § 1.01[B][1][c] (2007))).

¹⁶⁶ *C.B.C.*, 443 F. Supp. 2d at 1101.

¹⁶⁷ *Id.*

¹⁶⁸ *Id.*

¹⁶⁹ *Id.* at 1103.

ii. Equivalency

Even with the finding that the compilations of facts are within the subject matter of copyright, there would be no preemption unless the second prong of the test was also satisfied.¹⁷⁰ The court described its task in light of the second prong as determining whether or not the players' names and playing records are copyrightable.¹⁷¹ The court noted that facts are not copyrightable as they lack the requisite characteristic of originality.¹⁷² Additionally, historical or biographical news of the day are also not copyrightable as they are a part of the public domain and are available for the use of all persons.¹⁷³ The court held that the players' names and playing records were not copyrightable because they were factual information otherwise available in the public domain.¹⁷⁴ In addition, the court held that the names and records lacked originality because they rely on facts alone and do not incorporate any expression or description of the game.¹⁷⁵

The court found that “while the players' names and playing records in the context of C.B.C.'s fantasy games are arguably within the subject matter of copyright, the players' names and playing records as used by C.B.C. in its fantasy games are not copyrightable.”¹⁷⁶ The court concluded that, under the circumstances, copyright preemption did not apply.¹⁷⁷

3. The Decision of the Eighth Circuit

The appeals court did agree with the district court on the outcome, but it did not agree with lower court in its entirety.¹⁷⁸ The appeals court held—contrary to the district court—that the MLBPA had offered sufficient evidence to make out a cause of action for violation of the rights of publicity of the players.¹⁷⁹ The court also held—in consonance with the district court—that the First

¹⁷⁰ *Id.*; see *Nat'l Car Rental Sys., Inc. v. Computer Assocs. Int'l, Inc.*, 991 F.2d 426, 428–29 (8th Cir. 1993).

¹⁷¹ *C.B.C.*, 443 F. Supp. 2d at 1103.

¹⁷² *Id.*

¹⁷³ *Id.* at 1102.

¹⁷⁴ *Id.*

¹⁷⁵ *Id.* at 1103.

¹⁷⁶ *Id.*

¹⁷⁷ *Id.*

¹⁷⁸ *C.B.C. Distrib. & Mktg., Inc. v. Major League Baseball Advanced Media, L.P.*, 505 F.3d 818, 822, 825 (8th Cir. 2007).

¹⁷⁹ *Id.* at 822–23.

Amendment trumps any such rights that might exist under the facts of this case.¹⁸⁰ Further, and significantly in light of the thrust of this paper, the appeals court remained silent on the preemption issues.¹⁸¹

a. Right of Publicity

With respect to the right of publicity claim, the appeals court came to a different conclusion than the district court. The district court, reviewing the *Doe* factors, found—element-for-element—that the claim must fail.¹⁸² The appeals court, considering the same factors, held that enough evidence existed for a prima facie case to be made.¹⁸³ While there was no dispute with respect to the absence of consent, the appellate court found that the players’ names were being used as a symbol of their identity:

Here, we entertain no doubt that the players’ names that CBC used are understood by it and its fantasy baseball subscribers as referring to actual major league baseball players. . . . We think that by reasoning that “identity,” rather than “mere use of a name,” “is a critical element of the right of publicity,” the district court did not understand that when a name alone is sufficient to establish identity, the defendant’s use of that name satisfies the plaintiff’s burden to show that a name was used as a symbol of identity.¹⁸⁴

The court also took issue with the district court’s analysis of the commercial advantage element.¹⁸⁵ The appeals court noted that while the facts “[did] not fit neatly into the more traditional categories of commercial advantage, namely, using individuals’ names for advertising and merchandising purposes,” C.B.C. still accrued a commercial advantage.¹⁸⁶

[T]he Restatement, which the Missouri Supreme Court has recognized as authority in this kind of case, also says that a name is used for commercial advantage when it is used “in connection with services rendered by the user” and

¹⁸⁰ *Id.* at 824.

¹⁸¹ *Id.*

¹⁸² *C.B.C. Distrib. & Mktg., Inc. v. Major League Baseball Advanced Media, L.P.*, 443 F. Supp. 2d 1077, 1084–89 (E.D. Mo. 2006). The appellate court summarized that “[t]he court reasoned that CBC’s fantasy baseball products did not use the names of major league baseball players as symbols of their identities and with an intent to obtain a commercial advantage, as required to establish an infringement of a publicity right under Missouri law.” *C.B.C.*, 505 F.3d at 821.

¹⁸³ *C.B.C.*, 505 F.3d at 822–23.

¹⁸⁴ *Id.* at 822.

¹⁸⁵ *Id.* at 822–23.

¹⁸⁶ *Id.* at 822.

that the plaintiff need not show that “prospective purchasers are likely to believe” that he or she endorsed the product or service.¹⁸⁷

By finding use of players’ identities for profit, the court found that the identities were being used for commercial advantage.¹⁸⁸ As such, the court believed that the players had made a proper case for a right of publicity claim in Missouri.¹⁸⁹ This alone, however, was not enough to upset the district court’s decision as the appeals court agreed that First Amendment concerns commanded affirming.¹⁹⁰

b. First Amendment

The appeals court looked primarily to the *Zacchini* case in its analysis of the First Amendment issue, stressing the importance of balancing the state law right of publicity against First Amendment considerations.¹⁹¹ In this balancing effort, the court considered the nature of the information.¹⁹² According to the court, the information had characteristics that favored the interests of the First Amendment.¹⁹³ Not only was the information “all readily available in the public domain,” but it was also speech that entertains and informs and, as such, is deserving of constitutional protection.¹⁹⁴

c. Breach of Contract

The appeals court did not reach the district court’s “unique” application of the *Lear*¹⁹⁵ doctrine in the context of a state right of publicity cause of action because it found “the contested contract terms are unenforceable for a different reason.”¹⁹⁶ The court looked at a section of the contract not discussed in the

¹⁸⁷ *Id.* (citations omitted).

¹⁸⁸ *Id.* at 823–23

¹⁸⁹ *Id.* at 823.

¹⁹⁰ *Id.* at 823–24.

¹⁹¹ *Id.*

¹⁹² *Id.*

¹⁹³ *Id.*

¹⁹⁴ *Id.* at 823. “The court in *Gionfriddo* concluded that the ‘recitation and discussion of factual data concerning the athletic performance of [players on Major League Baseball’s website] command a substantial public interest, and, therefore, is a form of expression due substantial constitutional protection.’ We agree.” *Id.* at 823–24 (citing *Gionfriddo v. Major League Baseball*, 94 Cal. App. 4th 400, 411 (Cal. Ct. App. 2001).

¹⁹⁵ *Lear, Inc. v. Adkins*, 395 U.S. 653 (1969).

¹⁹⁶ *C.B.C.*, 505 F.3d at 825.

briefs to find a breach of warranty of title.¹⁹⁷ Section 8(a) of the agreement between the parties provided that the Players Association “(was) the sole and exclusive holder of all right, title and interest” in the names of the players they represent as they are associated with the statistics each player generates.¹⁹⁸ The court held that this was a warranty that was unenforceable by the Association:

This is quite obviously a representation or warranty that the Players Association did in fact own the state law publicity rights at issue here. . . . [T]he Players Association did not have exclusive “right, title and interest” in the use of such information, and it therefore breached a material obligation that it undertook in the contract.¹⁹⁹

As a result of this breach of warranty, the appeals court held that the Association could not enforce its contract’s “no-use and no-challenge provisions.”²⁰⁰

4. What the Appeals Court Did Not Address

The appeals court chose not to address the copyright issues raised by the parties at the district court level.²⁰¹ The preemption issues, however, may be raised again should further appeals occur. A spokesman for the MLBPA has announced that the association is “considering [its] options.”²⁰² As the preemption questions are still unresolved, both sides of the issue will be explained and evaluated.

III. THE COMPETING POSITIONS

Both copyright and the right of publicity provide incentives for creative activity. Because of their close proximity to one another, they often conflict.²⁰³ As the right of publicity expanded—covering not only photographs and other images but also persona—the potential for conflict expanded concomitantly.²⁰⁴ Litigation has begun to test the limits as to just how far these causes of action

¹⁹⁷ *Id.* C.B.C. raised a breach of warranty argument but based the argument around a section of the agreement which was not actually breached. *Id.*

¹⁹⁸ *Id.*

¹⁹⁹ *Id.*

²⁰⁰ *Id.*

²⁰¹ *Id.* at 824.

²⁰² Michael McCarthy, *Fantasy Sports Ruling Could Have Wide Impact*, USA TODAY, Oct. 16, 2007, http://www.usatoday.com/sports/fantasy/2007-10-16-fantasy-ruling_N.htm.

²⁰³ See Jennifer E. Rothman, *Copyright Preemption and the Right of Publicity*, 36 U.C. DAVIS L. REV. 199, 204–06 (2002).

²⁰⁴ *Id.*

can be stretched.²⁰⁵ A cause of action that once was dominated by advertisements for goods and services or general merchandising has gradually developed to include works of entertainment.²⁰⁶

This expansion of the right of publicity has reached conflict with copyright law, and the public domain that copyright law, in part, protects:

In theory, at least, the right of publicity does not extend to the use of a person's identity in news reporting, commentary, entertainment, works of fiction or nonfiction, or advertising for these works. Even though the expansion of the right of publicity to these generally protected areas is primarily a First Amendment issue, the fact that such an expansion is taking place puts more and more of copyright law at risk.²⁰⁷

Rights of publicity are neither always immune from nor always subsumed by preemption principles generally and copyright preemption specifically.²⁰⁸ A case-by-case approach is necessary to evaluate how preemption may play out for a given set of facts.²⁰⁹ However, in order to perform such an evaluation, it is important to understand the arguments on both sides of the issue. How can federal copyright law both preempt and not preempt some assertions of the right of publicity, and under what circumstances can these situations occur?

A. *Copyright Preemption Unavailable*

Several arguments have been made regarding the unavailability of copyright preemption in the context of the right of publicity. Such arguments include: 1) the subject matter involved in right of publicity actions is not the same as in copyright; 2) copyright preemption eviscerates the right of publicity; and 3) co-existence of both copyright and right of publicity regimes is imperative to the maintenance of optimal creative production in our society. Each of these arguments is discussed separately below.

²⁰⁵ See *Wendt v. Host Int'l, Inc.*, 125 F.3d 806 (9th Cir. 1997) (claiming robots infringed actors' rights of publicity); *White v. Samsung Elecs. Am., Inc.*, 971 F.2d 1395 (9th Cir. 1992) (claiming robot in advertisement infringed an actress's right of publicity); *Waits v. Frito-Lay, Inc.*, 978 F.2d 1093 (9th Cir. 1992) (claiming imitation of voice in radio advertisement infringed a singer's right of publicity); *Carson v. Here's Johnny Portable Toilets, Inc.*, 698 F.2d 831 (6th Cir. 1983) (claiming violation of right of publicity in use of "Here's Johnny" slogan).

²⁰⁶ See Rothman, *supra* note 203, at 206 n.19 (noting several cases where the right of publicity asserted is in a work of entertainment).

²⁰⁷ *Id.* at 206–07.

²⁰⁸ Memorandum of Amicus Curiae Fantasy Sports Trade Association, *supra* note 60, at 9–11.

²⁰⁹ See *id.* at 9.

1. Content of Right of Publicity Claims Not Subject of Copyright

The first argument against copyright preemption in the right of publicity context contrasts the resolution of *Baltimore Orioles, Inc. v. Major League Baseball Players Association*.²¹⁰ The thrust of this argument focuses on the subject matter of both copyright and right of publicity. The subject matter of copyright is “original works of authorship fixed in any tangible medium of expression”²¹¹ The subject matter of right of publicity includes name, voice, likeness, or identity.²¹² If the subject matter of each is different and there is no intrusion of one on the other, there can be no federal preemption of the state right of publicity cause of action.²¹³

The Baltimore Orioles Decision and Criticism

Baltimore Orioles dealt with a dispute over the ownership rights of the broadcasts of baseball players’ performances during games.²¹⁴ After much unproductive wrangling at the negotiating table regarding allocation of revenue from telecasts of the games, “the Players in May of 1982 sent letters to the Clubs, and to television and cable companies with which the Clubs had contracted, asserting that the telecasts were being made without the Players’ con-

²¹⁰ 805 F.2d 663 (7th Cir. 1986).

²¹¹ 17 U.S.C. § 102(a) (2006).

²¹² See CAL. CIV. CODE § 3344(a) (West 2007).

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.

Id.

²¹³ See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 46 (1995).

Personal identities and the indicia by which they are recognized, however, are not generally within the subject matter of copyright. . . . Copyright in a photograph or portrait of an individual, for example, extends only to the particular depiction, not to the underlying likeness of the person depicted. . . . Thus, the subject matter of the right of publicity generally lies outside the scope of copyright. . . . Claims for infringement of the right of publicity are thus not generally preempted by federal law.

Id.

²¹⁴ *Baltimore Orioles*, 805 F.2d at 665.

sent and that they misappropriated the Players' property rights in their performances."²¹⁵ The players sought their share of revenues, arguing that "the game telecasts misappropriated their property rights in their names, pictures, and performances"²¹⁶ The owners disagreed, asserting an exclusive right to broadcast the games, and ownership of the telecasts.²¹⁷

The court found the baseball club was the exclusive owner of the televised performances of Major League Baseball players during Major League Baseball games.²¹⁸ The recorded and broadcast performances were found to be within the scope of the players' employment and, as such, works made for hire pursuant to 17 U.S.C. § 201(b).²¹⁹ Additionally, pursuant to 17 U.S.C. § 301, the court held that the baseball club's copyright in the game as broadcast preempted the players' rights of publicity in their baseball game performances.²²⁰

The court evaluated the dual conditions of § 301(a).²²¹ As discussed above, § 301(a) identifies two conditions for preemption: "First, the work in which the right is asserted must be fixed in tangible form and come within the subject matter of copyright as specified in § 102. Second, the right must be equivalent to any of the rights specified in § 106."²²² Considering the first condition identified in the analysis, the court found the content of the right of publicity at issue to be within the subject matter of copyright as the players' performance and likenesses were fixed in a tangible form upon videotaping.²²³ As

²¹⁵ *Id.*

²¹⁶ *Id.* at 666.

²¹⁷ *Id.* at 665.

²¹⁸ *Id.* at 673.

We thus conclude that there are no genuine issues of material fact as to the ownership of the copyright in the telecasts, and that the parties did not expressly agree to rebut the statutory presumption that the employer owns the copyright in a work made for hire. We, therefore, hold that the Clubs own the copyright in telecasts of major league baseball games.

Id.

²¹⁹ *Id.* at 670.

²²⁰ *Id.* at 674.

²²¹ *Id.* at 674–75.

²²² *Id.*

²²³ *Id.* at 674–75. The players argued unsuccessfully that:

the works in which they claim rights are their performances, rather than the telecasts of the games in which they play, and that performances per se are not fixed in tangible form. They contend that since the works in which they assert rights are not fixed in tangible form, their rights of publicity in their performances are not subject to preemption.

audiovisual works, videotapes come within the ambit of § 102; they are within the subject matter of copyright.²²⁴

Evaluating the second condition in the analysis, the court found that the right of publicity was equivalent to the right to perform an audiovisual work: “Because the exercise of the Clubs’ right to broadcast telecasts of the games infringes the Players’ rights of publicity in their performances, the Players’ rights of publicity are equivalent to at least one of the rights encompassed by copyright, *viz.*, the right to perform an audiovisual work.”²²⁵

The court further spoke to the public policy concerns undergirding both copyright and the right of publicity.²²⁶ The court disagreed with players who argued that their right of publicity was not equivalent to the rights contained in copyright because the right of publicity and copyright serve different interests:

The purpose of federal copyright protection is to benefit the public by encouraging works in which it is interested. To induce individuals to undertake the personal sacrifices necessary to create such works, federal copyright law extends to the authors of such works a limited monopoly to reap the rewards of their endeavors. Contrary to the Players’ contention, the interest underlying the recognition of the right of publicity also is the promotion of performances that appeal to the public. The reason that state law protects individual pecuniary interests is to provide an incentive to performers to invest the time and resources required to develop such performances. In *Zacchini v. Scripps-Howard Broadcasting Co.*, the principal case on which the Players rely for their assertion that different interests underlie copyright and the right to publicity, the Supreme Court recognized that the interest behind federal copyright protection is the advancement of the public welfare through the encouragement of individual effort by personal gain, and that a state’s interest in affording a cause of action for violation of the right to publicity “is closely analogous to the goals of patent and copyright law.”²²⁷

The holding of the *Baltimore Orioles* court, fundamentally, is that to the extent they intrude on the domain of copyright, state right of publicity claims are preempted by the Copyright Act as the content of such right of publicity claims is subsumed by the subject matter of copyright—had the players’ names

Id. The court disagreed, quoting § 101 that “[a] is ‘fixed’ in a tangible medium of expression when its embodiment in a copy . . . is sufficiently permanent and stable to permit it to be perceived, reproduced, or otherwise communicated” *Id.* at 675. The court looked to the videotaped telecast—certainly something that could be perceived, reproduced, and communicated—as the required fixation in tangible form. *Id.*

²²⁴ *Id.* at 674.

²²⁵ *Id.* at 677.

²²⁶ *Id.* at 678–79.

²²⁷ *Id.* at 678–79 (citations omitted).

or likenesses been used without consent to advertise a product, a different result would follow.²²⁸ It is this central holding that is the target for the argument against copyright preemption of the right of publicity.

Critics of the *Baltimore Orioles* decision state that the court failed to make a distinction between two separate events: the performance and the recording of the performance.²²⁹ When evaluating the separate events independently, it becomes clear “that the right of publicity is not preempted because the work that it protects—a public figure’s persona—cannot be fixed in a tangible medium of expression.”²³⁰ Fundamentally, the argument against preemption in the context of the right of publicity is that the content of such a claim does not intrude upon the domain of copyright. Under a right of publicity cause of action, liability attaches when there is a finding of non-consensual use of a person’s name, voice, likeness or identity with intent to gain commercial advantage, none of which are the proper subject of copyright since they are not works of authorship which the Act was intended to protect.²³¹ The fixing or embodi-

²²⁸ See *Toney v. L’Oreal USA, Inc.*, 406 F.3d 905, 910–11 (7th Cir. 2005).

Our decision in *Baltimore Orioles v. Major League Baseball Players Ass’n*, has been widely criticized by our sister circuits and by several commentators. Many interpret the case as holding that the right of publicity as protected by state law is preempted by § 301 in all instances. We take this opportunity to clarify our holding. The case simply does not stand for the proposition that the right of publicity as protected by state law is preempted in all instances by federal copyright law; it does not sweep that broadly. *Baltimore Orioles* holds that state laws that intrude on the domain of copyright are preempted even if the particular expression is neither copyrighted nor copyrightable. Such a result is essential in order to preserve the extent of the public domain established by copyright law. . . . *Baltimore Orioles* itself makes clear that “[a] player’s right of publicity in his name or likeness would not be preempted if a company, without the consent of the player, used the player’s name to advertise its product.”

Id. (citations omitted).

²²⁹ See *NIMMER & NIMMER*, *supra* note 165, § 2.09[F].

²³⁰ *Baltimore Orioles*, 805 F.2d at 678 n.26 (citing *Bi-Rite Enters., Inc. v. Button Master*, 555 F. Supp. 1188, 1201 (S.D.N.Y. 1983); *Factors Etc., Inc. v. Pro Arts, Inc.*, 652 F.2d 278, 279 (2d Cir. 1981) (Mansfield, J., dissenting); *Lugosi v. Universal Pictures*, 603 P.2d 425, 448 (Cal. 1979) (Bird, C.J., dissenting)).

²³¹ See *RESTATEMENT (SECOND) OF TORTS* § 652C (1977); *Toney*, 406 F.3d at 908–09.

The [Illinois Right of Publicity Act (“IRPA”)] states that a person’s “identity” is protected by the statute. Identity is defined to mean “any attribute of an individual that serves to identify that individual to an ordinary, reasonable viewer or listener, including but not limited to (i) name, (ii) signature, (iii) photograph, (iv) image, (v) likeness, or (vi) voice.” In short, the IRPA pro-

ment of name, voice or identity in a work of authorship as in a photograph or audio or film recording does not convert the name, voice or identity into a work of authorship that is a proper subject of copyright.²³²

2. Preemption Leaves Right of Publicity Protections Lifeless

Additionally, those seeking to avoid preemption argue that recognition of preemption in the right of publicity sphere renders protections of such rights meaningless, exposing those who would be otherwise protected to unauthorized commercial exploitation of their identities.²³³ This argument relies extensively on the Supreme Court's decision in *Zacchini v. Scripps-Howard Broadcasting Co.*²³⁴

pects a person's right to publicity. The subject matter of such a claim "is not a particular picture or photograph of plaintiff. Rather, what is protected by the right of publicity is the very identity or persona of the plaintiff . . ." A photograph "is merely one copyrightable 'expression' of the underlying 'work,' which is the plaintiff as a human being. There is only one underlying 'persona' of a person protected by the right of publicity." In contrast, "[t]here may be dozens or hundreds of photographs which fix certain moments in that person's life. Copyright in each of these photographs might be separately owned by dozens or hundreds of photographers." A persona, defined in this way, "can hardly be said to constitute a 'writing' of an 'author' within the meaning of the copyright clause of the Constitution."

Id. (citations omitted).

²³² *Id.* at 910 ("There is no 'work of authorship' at issue in Toney's right of publicity claim. A person's likeness—her persona—is not authored and it is not fixed. The fact that an image of the person might be fixed in a copyrightable photograph does not change this."); see also *Downing v. Abercrombie & Fitch*, 265 F.3d 994 (9th Cir. 2001); *Brown v. Ames*, 201 F.3d 654 (5th Cir. 2000); *Landham v. Lewis Galoob Toys, Inc.*, 227 F.3d 619 (6th Cir. 2000).

²³³ Brief of Appellant, *Toney*, 406 F.3d 905 (2003) (No. 03-2184), 2003 WL 23339921. The brief makes the argument that preempting right of publicity claims would "eviscerate the modeling industry." *Id.* at 17.

For all practical purposes, publicity rights are violated only by capturing someone's name, likeness, or persona for commercial use in fixed works of authorship such as pictures, writings or films. Thus . . . [if] embodying someone's name or likeness in a tangible, fixed work of authorship preempts any right of publicity claim arising out of this use of the name or likeness . . . no meaningful right of publicity remains.

Supplemental Brief of Plaintiff-Appellant June Toney Pursuant to February 3, 2005 Order, *Toney*, 406 F.3d 905 (2003) (No. 03-2184), available at <http://www.howardrice.com/uploads/content/SFrankelToneySupp050905.pdf>.

²³⁴ 433 U.S. 562 (1977).

In *Zacchini*, the plaintiff, Hugo Zacchini, performed a fifteen-second “human cannonball” act at the Geauga County Fair in Ohio, in which he was shot from a cannon and landed in a net some two hundred feet away.²³⁵ His act was filmed and shown on the television news without his consent.²³⁶ Mr. Zacchini brought an action in state court against the defendant, alleging an “unlawful appropriation” of his “professional property.”²³⁷ The Ohio Supreme Court rendered judgment for the defendant, Scripps-Howard Broadcasting, relying on a prior Supreme Court case.²³⁸ The Ohio Court stated:

A TV station has a privilege to report in its newscasts matters of legitimate public interest which would otherwise be protected by an individual’s right of publicity, unless the actual intent of the TV station was to appropriate the benefit of the publicity for some non-privileged private use, or unless the actual intent was to injure the individual.²³⁹

The Supreme Court clarified the *Time* holding, however, and found that the First and Fourteenth Amendments provide no immunity for a news media defendant broadcasting a performer’s entire act without his consent.²⁴⁰ Further, the Court held that the Constitution does not prevent compensation to a plaintiff for a defendant’s broadcasting his act on television.²⁴¹ The Constitution does not privilege a defendant “to film and broadcast a copyrighted dramatic work without liability to the copyright owner . . . where the promoters or the participants had other plans for publicizing the event.”²⁴²

Zacchini accepted and recognized a cause of action with respect to one’s right of publicity in the broadcasting context.²⁴³ Maintenance of the common law right of publicity also reflects Congress’s intent after debating the copyright law revision in 1976, resulting, in part, in adoption of the preemption clause.²⁴⁴ As such, any attempt to uniformly preempt right of publicity causes of

²³⁵ *Id.* at 563.

²³⁶ *Id.* at 564.

²³⁷ *Id.*

²³⁸ *Id.* at 562 (relying on *Time, Inc. v. Hill*, 385 U.S. 374 (1967)).

²³⁹ *Zacchini v. Scripps-Howard Broad. Co.*, 351 N.E.2d 454, 455 (Ohio 1976).

²⁴⁰ *Zacchini*, 433 U.S. at 574–75.

²⁴¹ *Id.* at 575.

²⁴² *Id.*

²⁴³ *Id.* at 575–76.

²⁴⁴ H.R. REP. NO. 94-1476, at 132 (1976), as reprinted in 1976 U.S.C.C.A.N. 5659, 5748 (“The evolving common law rights of ‘privacy,’ ‘publicity,’ and trade secrets . . . would remain unaffected as long as the causes of action contain elements, such as an invasion of personal rights or a breach of trust or confidentiality, that are different in kind from copyright infringement.”).

action would sweep away that which has been expressly acknowledged by both the United States Supreme Court and Congress, leaving a lifeless shell in its wake.

3. Co-Existence of Copyright and Right of Publicity Possible and Necessary

The Supremacy Clause of the Constitution²⁴⁵ does not quash state law right of publicity causes of action—such causes do not impede the accomplishment of the purposes and objectives of Congress.²⁴⁶ Rather, the purposes and objectives of right of publicity laws and copyright dovetail, both focused on promoting artistic production. Furthermore, Congress was clearly aware of right of publicity laws when it enacted § 301 and chose to allow these laws to co-exist with the federal scheme.²⁴⁷ Under these circumstances, the Court found the case for federal copyright preemption of state right of publicity laws “particularly weak.”²⁴⁸ Legislative history clearly indicates not only an awareness of the right of publicity laws, but also of their close yet non-overlapping relationship.²⁴⁹

B. Copyright Preemption Available

Primarily, copyright preemption should not be available based on the express § 301 grounds pursued in the *C.B.C* case, though such grounds do exist and will be discussed below. Instead, copyright preemption should first be premised upon much broader, and perhaps more readily understood grounds—that of field and conflict preemption. Inexplicably, the field and conflict approaches were addressed only by amici curiae briefings and were not addressed by the court in its decision. As these approaches are perhaps more significant than the express preemption discussed in detail by the court, they will be addressed first.

²⁴⁵ U.S. CONST. art. VI, cl. 2 (“This Constitution, and the laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land . . .”).

²⁴⁶ *Zacchini*, 433 U.S. at 576 (“[T]he protection [of state right of publicity laws] provides an economic incentive for . . . the investment required to produce a performance of interest to the public. This same consideration underlies the patent and copyright laws long enforced by this Court.”).

²⁴⁷ H.R. REP NO. 94-1476, at 132.

²⁴⁸ *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 166–67 (1989).

²⁴⁹ See H.R. REP NO. 94-1476, at 132.

1. Preemption Generally

The Supreme Court decided *Bonito Boats* in February of 1999.²⁵⁰ In the broadest sense, *Bonito Boats* dealt with preemption in the intellectual property arena.²⁵¹ The Court held that any state statute seeking to prevent the free exploitation of matter within the public domain is preempted, as it conflicts with the policy and purpose behind the Patent Act.²⁵² While *Bonito Boats* involved preemption of a state statute under the Patent Act, it addressed many issues related to preemption and copyright.²⁵³ Extending the *Bonito Boats* reasoning to the copyright realm, state statutes restricting material in the public domain that would be freely available under copyright law should likewise be preempted regardless of the any analysis under § 301.²⁵⁴

Before discussing the details of *Bonito Boats*, the groundwork and background of preemption must be understood. The Supreme Court has addressed preemption, finding that state law is preempted under the Supremacy Clause of the United States Constitution in three circumstances: 1) “express preemption” when explicitly stated by statute; 2) “field preemption” when not expressly stated by statutes but in a field completely covered by federal regulation; and 3) “conflict preemption” when state law conflicts with a federal scheme.²⁵⁵ Through legislation, Congress can establish “explicitly the extent to which its enactments pre-empt state law.”²⁵⁶ Even in the absence of explicit statutory language, state law will be preempted where it attempts to regulate conduct in a field that Congress intended the federal scheme to solely occupy.²⁵⁷

²⁵⁰ 489 U.S. at 141.

²⁵¹ *Id.*

²⁵² *Id.* at 167.

²⁵³ HOWARD ABRAMS, *Bonito Boats, Inc. v. Thunder Craft Boats, Inc. – The Implications of Bonito Boats*, 1 THE LAW OF COPYRIGHT § 6:18 (2006).

²⁵⁴ *Id.*

²⁵⁵ U.S. CONST. art. VI, cl. 2.; *English v. Gen. Elec. Co.*, 496 U.S. 72, 78–79 (1990).

²⁵⁶ *Gen. Elec.*, 496 U.S. at 78–79 (“Pre-emption fundamentally is a question of congressional intent, and when Congress has made its intent known through explicit statutory language, the courts’ task is an easy one.”).

²⁵⁷ *Id.* at 79.

Such an intent may be inferred from a “scheme of federal regulation . . . so pervasive as to make reasonable the inference that Congress left no room for the States to supplement it,” or where an Act of Congress “touch[es] a field in which the federal interest is so dominant that the federal system will be assumed to preclude enforcement of state laws on the same subject.”

Id. (quoting *Rice v. Santa Fe Elevator Corp.*, 331 U.S. 218, 230 (1947)).

Finally, preemption will apply under circumstances in which state law actually conflicts with federal law, “where it is impossible for a private party to comply with both state and federal requirements” or “where state law ‘stands as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress.’”²⁵⁸

2. Field and Conflict Preemption

The Bonito Boats Analogy

C.B.C. is analogous to *Bonito Boats*.²⁵⁹ *Bonito Boats* addresses preemption conflict with patent rights, and *C.B.C.* addresses preemption conflict with copyright. Both patent and copyright laws are based on systems of exclusive, or monopolistic, rights.²⁶⁰ While monopolies are generally viewed as serious impediments to competition and antithetical to a democratic and capitalistic society, Congress has the power to create time-limited monopolies to promote “the Progress of Science and useful Arts.”²⁶¹ The policy or purpose behind the grant of exclusive rights to practice an invention or work of authorship is both to encourage disclosure of useful knowledge and creative work, and to permit its unrestrained use after the period of exclusive rights.²⁶² The benefits to the in-

²⁵⁸ *Id.* (quoting *Hines v. Davidowitz*, 312 U.S. 52, 67 (1941)).

²⁵⁹ *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141 (1989); *C.B.C. Distrib. & Mktg., Inc. v. Major League Baseball Advanced Media, L.P.*, 443 F. Supp. 2d 1077 (E.D. Mo. 2006).

²⁶⁰ See generally ROGER E. SCHECHTER & JOHN R. THOMAS, *INTELLECTUAL PROPERTY: THE LAW OF COPYRIGHTS, PATENTS AND TRADEMARKS* §§ 2.1, 13.1 (West 2003).

²⁶¹ U.S. CONST. art.1, § 8, cl. 8; see *Slaughter-House Cases*, 83 U.S. 36, 48 (1872).

It was from a country which had been thus oppressed by monopolies that our ancestors came. And a profound conviction of the truth of the sentiment . . . that every man has a right to his own faculties, physical and intellectual, and that this is a right, one of which no one can complain, and no one deprive him—was at the bottom of the settlement of the country by them. Accordingly, free competition in business, free enterprise, the absence of all exactions by petty tyranny, of all spoliation of private right by public authority—the suppression of sinecures, monopolies, titles of nobility, and exemption from legal duties—were exactly what the colonists sought for and obtained by their settlement here, their long contest with physical evils that attended the colonial condition, their struggle for independence, and their efforts, exertions, and sacrifices since.

Id.

²⁶² *Scott Paper Co. v. Marcalus Mfg. Co.*, 326 U.S. 249, 255 (1955). The court stated:

ventor and author are temporary, yet required to obtain the progress sought.²⁶³ Both patent and copyright laws establish the metes and bounds of a monopolistic landscape; any attempt to circumvent the federal standards so created is an impermissible encroachment.²⁶⁴

As both patent and copyright standards are driven by similar policy objectives in similar ways, a parallel comparison is particularly apt:

[C]ompetition is not only accepted, it is an essential and desirable part of the economic and social structure which includes the intellectual property system. The patent monopoly is also an advantageous part of this system because it encourages the creation of new inventions and discoveries which advance our technology, increase the public knowledge and, upon expiration of the patent term, enrich the public domain. However, there are limits on the patent monopoly, in that it cannot be used to deprive the public of knowledge, techniques or processes that are already known. Through the requirements of novelty, nonobviousness and utility that are embodied in the Patent Act, Congress has determined the level of the contribution the patent holder must make to obtain the patent monopoly, thus providing a balance between the rights of inventors and the rights of the public which will hopefully provide overall benefits to both.²⁶⁵

The enactment of these provisions is the mode by which Congress has chosen to carry into effect the policy sanctioned by the Constitution, Article I, s 8, Cl. 8 By the patent laws Congress has given to the inventor opportunity to secure the material rewards for his invention for a limited time, on condition that he make full disclosure for the benefit of the public of the manner of making and using the invention, and that upon the expiration of the patent the public be left free to use the invention. As has been many times pointed out, the means adopted by Congress of promoting the progress of science and the arts is the limited grant of the patent monopoly in return for the full disclosure of the patented invention and its dedication to the public on the expiration of the patent.” (Internal citations omitted).

Id.

²⁶³ See SCHECHTER & THOMAS, *supra* note 260, § 1.3.3.

Although the pace of change in the information environment has become relentless, the fundamental challenge for intellectual property policy remains the same: achieving a balance between the encouragement of the labors that lead to creative expression on the one hand, and insuring that a sufficient amount of the mind remain freely available as building blocks for the future, on the other.

Id.

²⁶⁴ See Arthur R. Miller, *Common Law Protections for Products of the Mind: An “Idea” Whose Time Has Come*, 119 HARV. L. REV. 703, 745–47 (2006).

²⁶⁵ ABRAMS, *supra* note 253.

As with patent law, copyright law is an advantageous part of the intellectual property system, supporting our economic and social structure, encouraging the creation of new, creative works of authorship that advance industry, knowledge and culture—and, upon expiration of their term, fortifying the public domain.²⁶⁶ In a manner similar to the patent monopoly, the copyright monopoly is also not limitless—only original, independently created, minimally imaginative and fixed expressions are eligible for copyright protection.²⁶⁷ Through these requirements, Congress has determined the type and quality of contribution required to obtain a copyright monopoly.²⁶⁸ In so doing, Congress created the balance of rights between authors and the public.

One argument raised in *C.B.C.* in favor of preemption of the right of publicity is based on both a field and conflict preemption analysis.²⁶⁹ This argument stems from the injection of field and conflict preemption into the intellectual property context by *Bonito Boats*.²⁷⁰

i. Factual Background

Bonito Boats involved unpatented and non-copyrightable boat hull designs, created by Bonito Boats, which Thunder Craft copied using a direct molding process, and sold in the marketplace.²⁷¹ Florida had enacted legislation that made it “unlawful for any person to use the direct molding process to duplicate for the purpose of sale any manufactured vessel hull or component part of a vessel made by another without the written permission of that other person.”²⁷² Bonito sued Thunder Craft under this Florida statute and the appellate court held that the direct molding statute was preempted by federal patent law.²⁷³ The appellate court’s decision was upheld by the Florida Supreme Court.²⁷⁴ The

²⁶⁶ SCHECHTER & THOMAS, *supra* note 260, §§ 3.1–3.3.

²⁶⁷ 17 U.S.C. § 102 (2006); *see* SCHECHTER & THOMAS, *supra* note 260, §§ 3.1–3.3.

²⁶⁸ SCHECHTER & THOMAS, *supra* note 260, §§ 3.1–3.3.

²⁶⁹ Memorandum of Amicus Curiae Fantasy Sports Trade Association, *supra* note 60, at 9–19.

²⁷⁰ *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141 (1989).

²⁷¹ *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 487 So. 2d 395, 395 (Fla. Dist. Ct. App. 1986).

²⁷² FLA. STAT. § 559.94 (repealed 1991).

²⁷³ *Bonito Boats*, 487 So. 2d at 395–96 (relying on *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225 (1964), which held that state laws prohibiting the copying of an unpatented object impermissibly obstructs federal patent law).

²⁷⁴ *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 515 So. 2d 220 (Fla. 1987).

United States Supreme Court granted certiorari, noting a conflict with a federal circuit decision upholding a similar California statute.²⁷⁵

ii. Handling By the United States Supreme Court

The United States Supreme Court held that the Florida direct molding statute was preempted by federal patent law.²⁷⁶ The first rationale offered by the Court considered the delicate balance represented in patent law and policy.²⁷⁷ The balance weighs the attractive bargain offered to induce “creative effort and disclosure of the results of that effort” against the “backdrop of free competition in the exploitation of unpatented designs and innovations.”²⁷⁸ The Court noted that free exploitation of ideas is the default position, with the protection of a federal patent available subject to “the novelty and nonobviousness requirements of patentability”²⁷⁹ From a policy standpoint, the end result sought is “to bring new designs and technologies into the public domain through disclosure.”²⁸⁰ Therefore, state laws that provide protections not afforded under the federal system—protections available to designs and technologies already disclosed to the public—would conflict with the purpose of the federal approach as it would reduce “the range of ideas available as the building blocks of further innovation.”²⁸¹ The federal bargain would not perform as efficiently if the state were able to offer substantially similar protections.²⁸²

The court also enunciated what has been called by some commentators a “preemption-by-silence” rationale.²⁸³ “To a limited extent, the federal patent laws must determine not only what is protected, but also what is free for all to use.”²⁸⁴ Preemption-by-silence appears to be a species of field preemption.²⁸⁵

²⁷⁵ *Bonito Boats*, 489 U.S. at 144; see *Interpart Corp. v. Italia*, 777 F.2d 678, 684 (Fed. Cir. 1985) (identifying that protection under a “plug molding” statute, CAL. BUS. & PROF. CODE § 17300 (repealed 1991), did not conflict with federal patent law).

²⁷⁶ *Bonito Boats*, 489 U.S. at 159.

²⁷⁷ *Id.*

²⁷⁸ *Id.* at 151.

²⁷⁹ *Id.*

²⁸⁰ *Id.*

²⁸¹ *Id.*

²⁸² *Id.*

²⁸³ K. David Crockett, *The Salvaged Dissents of Bonito Boats v. Thunder Craft*, 13 GEO. MASON L. REV. 27, 31 (1990).

²⁸⁴ *Bonito Boat*, 489 U.S. at 151. “[A] federal decision to forgo regulation in a given area may imply an authoritative federal determination that the area is best left *un* regulated, and in that

Under field preemption, the silence is filling the field with “white space” leaving the field free from state regulation.

In *Bonito Boats*, the Court applied a bare, more readily identifiable field preemption analysis to the facts.²⁸⁶ The Court found that the Florida statute “br(oke) with the tradition of peaceful co-existence between state market regulation and federal patent policy.”²⁸⁷ Florida was attempting to restrict the ability of the public to exploit unpatented designs, “raising the specter of state-created monopolies in a host of useful shapes and processes for which patent protection has been denied or is otherwise unobtainable.”²⁸⁸ In so doing, the Court believed the state had entered a field pervasively occupied by the federal scheme.²⁸⁹

iii. Making the Connection

The court’s patent analysis is instructive in the copyright context. Similar to patent policy, from the federal standpoint, the main rationale behind copyright is the encouragement of innovative or creative output.²⁹⁰ This delicate balance has the same goal as the balance struck in patent law.²⁹¹ Inducement of creative endeavors must be placed in the context of the significance of a broad and deep public domain, supporting freedom of expression.²⁹² State laws affording protections beyond those found in the federal scheme—protections available to “speech goods” already in the public domain based solely on market rewards—would conflict with the purpose of the federal approach. They, too, would reduce the range of ideas available to support continuing innovative or

event would have as much pre-emptive force as a decision *to* regulate.” Ark. Elec. Coop. Corp. v. Ark. Pub. Serv. Comm’n, 461 U.S. 375, 384 (1983).

²⁸⁵ See Crockett, *supra* note 283, at 34–35.

²⁸⁶ *Bonito Boats*, 489 U.S. at 167.

²⁸⁷ *Id.*

²⁸⁸ *Id.*

²⁸⁹ *Id.* (“The patent statute’s careful balance between public right and private monopoly to promote certain creative activity is a ‘scheme of federal regulation . . . so pervasive as to make reasonable the inference that Congress left no room for the States to supplement it.’” (quoting *Rice v. Santa Fe Elevator Corp.*, 331 U.S. 218, 230 (1947))).

²⁹⁰ See *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975) (“The immediate effect of our copyright law is to secure a fair return for an ‘author’s’ creative labor. But the ultimate aim is, by this incentive, to stimulate artistic creativity for the general public good.”).

²⁹¹ U.S. CONST. art.1, § 8, cl. 8 (“To promote the Progress of Science and useful Arts . . .”).

²⁹² See Zimmerman, *supra* note 19.

creative endeavors. As in the patent environment, such conflicts with the federal bargain adversely affect the efficiency of the approach and create potential imbalance in the system.

Protection granted particular “speech goods” under the law of publicity rights should thus be limited only to contexts where: 1) disincentives for creativity and achievement are created; 2) unjust enrichment is likely to result; or 3) a false impression of a personal endorsement are likely to result. The “speech goods” themselves should be freely exploited in all other contexts. Thus, this manner of thinking does not sweep away all right of publicity causes of action.²⁹³ Rather, it focuses such causes based on the use of persona to advertise or market a product.²⁹⁴ Such causes would remain outside the range of federal preemption.²⁹⁵ Where “speech goods” have been derived from a copyrighted work but are not being used in an advertising or marketing context, such “speech goods” should enjoy the benefits of federal preemption as it may function to keep them in the public domain for public discourse. In *C.B.C.*, if no evidence is offered establishing that the use of players’ names and statistics within a fantasy site has decreased the commercial value of the players’ identity or the financial motivation to produce, or created an impression of endorsement, then the right of publicity claims would be the proper subject of preemption.²⁹⁶

State regulation in the intellectual property arena must bow to the authority of the balance struck by Congress: “The tension between the desire to freely exploit the full potential of our inventive resources and the need to create an incentive to deploy those resources is constant. . . . [The balance struck by Congress] is not a judgment the States may second-guess.”²⁹⁷ While the specific subject matter at issue in *Bonito Boats* was a direct molding process for boat hulls and the governing patent laws, the same principle should apply in a copyright context.²⁹⁸ Conflict preemption analysis in the intellectual property realm

²⁹³ See Memorandum of Amicus Curiae Fantasy Sports Trade Association, *supra* note 60, at 9.

²⁹⁴ *Id.* at 17–18.

²⁹⁵ *Id.*

²⁹⁶ *C.B.C. Distrib. & Mktg., Inc. v. Major League Baseball Advanced Media, L.P.*, 443 F. Supp. 2d 1077, 1086 (E.D. Mo. 2006).

²⁹⁷ *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 152 (1989).

²⁹⁸ *Compcorp v. Day-Brite Lighting, Inc.*, 376 U.S. 234, 237 (1964).

[W]hen an article is unprotected by a patent or a copyright, state law may not forbid others to copy that article. To forbid copying would interfere with the federal policy, found in Art. I, s 8, cl. 8, of the Constitution and in the implementing federal statutes, of allowing free access to copy whatever the federal patent and copyright laws leave in the public domain.

Id.

is anchored in the United States Constitution, Article I, Clause 8, which in significant part enables Congress to determine the scope of rights available to copyright holders.²⁹⁹

3. Express Preemption

Perhaps the most solid preemption arguments rely on field and conflict preemption principles. There is much to be said, however, for the express preemption analysis put forward within the context of *C.B.C.*³⁰⁰ “[I]f the statute contains an express preemptive clause, the plain wording of that clause necessarily contains the best evidence of a preemptive intention.”³⁰¹ Therefore, a state law may be preempted in order to give effect to the achievement of the identified federal purpose and intent.³⁰²

The Copyright Act has an express preemption provision that is relevant to the analysis of *C.B.C.*³⁰³ Under § 301, preemption applies if the rights asserted involve subject matter within the exclusive scope of copyright.³⁰⁴

On and after January 1, 1978, all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 in works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified by sections 102 and 103, whether created before or after that date and whether published or unpublished, are governed exclusively by this title. Thereafter, no person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State.³⁰⁵

Legislative history suggests that Congress intended for this section to be broadly construed and sweeping with respect to state legal authorities that cross swords with the federal copyright approach:

The intention of section 301 is to preempt and abolish any rights under the common law or statutes of a State that are equivalent to copyright and that extend to works coming within the scope of the Federal copyright law. The declaration of this principle in section 301 is intended to be stated in the clearest and most unequivocal language possible, so as to foreclose any conceivable misinterpretation of its unqualified intention that Congress shall act preempt-

²⁹⁹ *Id.*

³⁰⁰ See Memorandum of Amicus Curiae Fantasy Sports Trade Association, *supra* note 60, at 15.

³⁰¹ 2 NORMAN J. SINGER, SUTHERLAND STATUTORY CONSTRUCTION § 36:9 (6th ed.) (2006).

³⁰² *Id.*

³⁰³ 17 U.S.C. § 301 (2006).

³⁰⁴ *Id.*

³⁰⁵ § 301(a).

tively, and to avoid the development of any vague borderline areas between State and Federal protection.³⁰⁶

As discussed above, *C.B.C.* outlined the standard put forth in *National Car Rental System, Inc. v. Computer Associates International, Inc.*³⁰⁷ This standard first requires a determination that the work in question is within the subject matter of copyright, and then a determination as to whether or not the right asserted is equivalent to any of the exclusive rights within the scope of copyright law.³⁰⁸ The district court in *C.B.C.* found the work within the subject matter of copyright, but that the right asserted failed the equivalency prong.³⁰⁹ In the analysis of the express copyright question, the district court did not correctly apply the standard.³¹⁰ An alternate analytical approach is discussed below and could be a model for future courts dealing with the express copyright question.

a. Subject Matter

Section 101 of the Copyright Act includes the broadcast of sporting events in the subject matter of copyright.³¹¹ The courts have carried this intent forward.³¹² In fact, in *National Basketball Association v. Motorola, Inc.*, the court addressed not only the broadcast of the game but also the underlying facts of the performance, rejecting ‘partial preemption’ as turning Congressional intent—protecting broadcasts under copyright while leaving the underlying events in the public domain—“on its head by allowing state law to vest exclusive rights

³⁰⁶ H.R. REP. NO. 94-1476, at 130 (1976), as reprinted in 1976 U.S.C.C.A.N. 5659, 5746.

³⁰⁷ 991 F.2d 426 (8th Cir. 1993); see *supra* notes 160–62 and accompanying text.

³⁰⁸ *Nat'l Car Rental Sys.*, 991 F.2d at 428.

³⁰⁹ *C.B.C. Distrib. & Mktg., Inc. v. Major League Baseball Advanced Media, L.P.*, 443 F. Supp. 2d 1077, 1101–03 (E.D. Mo. 2006).

³¹⁰ See *id.* at 1102–03.

³¹¹ The Committee on the Judiciary noted:

Under the bill, the concept of fixation is important since it not only determines whether the provisions of the statute apply to a work, but it also represents the dividing line between common law and statutory protection. . . . The bill seeks to resolve, through the definition of ‘fixation’ in section 101, the status of live broadcasts—sports, news coverage, live performances of music, etc.—that are reaching the public in unfixed form but that are simultaneously being recorded.

H.R. REP. NO. 94-1476, at 52.

³¹² See *Nat'l Basketball Ass'n v. Motorola, Inc.*, 105 F.3d 841, 847 (2d Cir. 1997); *Baltimore Orioles, Inc. v. Major League Baseball Players Ass'n*, 805 F.2d 663, 668 (7th Cir. 1986); *Nat'l Football League v. McBee & Bruno's, Inc.*, 792 F.2d 726, 731–32 (8th Cir. 1986).

in material that Congress intended to be in the public domain and to make unlawful conduct that Congress intended to allow.³¹³ Such a result would “expand significantly the reach of state law claims and render the preemption intended by Congress unworkable.”³¹⁴ The *Motorola* court chose to follow the reasoning of *Baltimore Orioles*.³¹⁵ Quoting the *Baltimore Orioles* decision, the *Motorola* court stated “[o]nce a performance is reduced to tangible form, there is no distinction between the performance and the recording of the performance for the purposes of preemption under § 301(a).”³¹⁶

While an entire piece of work may be within the subject matter of copyright, some elements contained within that work may, themselves, not be copyrightable.³¹⁷ Copyrightable material often contains non-copyrightable subject matter, “but Section 301 preemption bars state law misappropriation claims with respect to uncopyrightable as well as copyrightable elements.”³¹⁸ As the Major League Players Association was attempting to protect factual elements—players’ records or statistics—enveloped in a copyrighted work, the subject matter prong of the *National Car Rental Systems* test was satisfied.³¹⁹

b. Equivalency

Satisfying the subject matter prong is the first of two conditions that must be fulfilled.³²⁰ The second condition is equivalency.³²¹ A showing must be made that the right asserted is equivalent to one of the exclusive rights available under copyright law.³²² The inquiry has been reduced to a simple question: will

³¹³ *Motorola*, 105 F.3d at 849.

³¹⁴ *Id.*

³¹⁵ *Id.*

³¹⁶ *Id.* (quoting *Baltimore Orioles*, 805 F.2d at 675).

³¹⁷ *Motorola*, 105 F.3d at 849.

³¹⁸ *Id.*

³¹⁹ Memorandum of Amicus Curiae Fantasy Sports Trade Association, *supra* note 60, at 16.

³²⁰ *Nat’l Car Rental Sys., Inc. v. Computer Assocs. Int’l, Inc.* 991 F.2d 426, 428 (8th Cir. 1993).

³²¹ *Id.*

³²² 17 U.S.C. § 106 (2007).

[T]he owner of a copyright under this title has the exclusive rights to do and to authorize any of the following:

- (1) to reproduce the copyrighted work in copies or phonorecords;
- (2) to prepare derivative works based upon the copyrighted work;
- (3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending;

the right in question be “infringed by the mere act of reproduction, performance, distribution or display?”³²³ An extra element being required “instead of, or in addition, to the acts of reproduction, performance, distribution, or display, in order to constitute a state-created cause of action, . . . does not lie ‘within the general scope of copyright,’ and there is no preemption.”³²⁴ Courts, however, must look beyond the cause of action to determine the rights sought to be protected:

Thus, in order to avoid preemption, a state law claim must have an “extra element” that changes the nature of the action so that it is qualitatively different from a copyright infringement claim. In other words, a cause of action will not be saved from preemption merely by elements such as awareness, intent, or commercial immorality, which alter the action's scope but not its nature. Rather, a Court must look beyond the “label affixed” to the cause of action, and must determine “what plaintiff seeks to protect, the theories in which the matter is thought to be protected and the rights sought to be enforced.”³²⁵

(4) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly;

(5) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly; and

(6) in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission.

Id.

³²³ 1 NIMMER & NIMMER, *supra* note 165, § 1.01[B].

³²⁴ *Id.*; see *Nat'l Car Rental Sys.*, 991 F.2d at 431; see also *Rubin v. Brooks/Cole Publ'g. Co.*, 836 F. Supp. 909, 923 (D. Mass. 1993).

The second consideration for preemption, and the point of argument here, is whether the state law creates “legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified in section 106 of the Act.” This requirement has been construed to mean:

“[w]hen a right defined by state law may be abridged by an action which, in and of itself, would infringe one of the exclusive rights [in section 106], the state law in question must be deemed preempted. Conversely, when a state law violation is predicated upon an act incorporating elements beyond mere reproduction or the like, the rights involved are not equivalent and preemption will not occur.”

Id. (citations omitted).

³²⁵ *Rubin*, 836 F. Supp at 923 (citations omitted).

Right of publicity claims focus on marketing or advertising conduct and go beyond mere reproduction, distribution and display of material within the subject matter of copyright.³²⁶ The right of publicity as applied to such conduct is not subject to preemption as discussed herein.³²⁷ If, however, the right of publicity claim is based on no more than one or more of the exclusive rights of copyright, preemption will attach.³²⁸ The key, then, is to focus on the alleged problematic behavior—is it mere display or use or is there an effort to leverage for purposes of marketing and advertising?

Here, the right being asserted by the MLBPA does not have the extra element necessary to avoid express copyright preemption. The challenged or allegedly violative conduct is the mere display and use . . . of player statistics derived from recorded broadcasts of baseball games. They do not allege that their names and statistics are being used to market or advertise products. They do not allege that fantasy sports operators obtained the information in violation of any breach of confidence or trust. And they do not allege that fantasy sports operators' use of the information causes customers to believe that the players are endorsing the product. Thus, to the extent MLBPA claims that a state law right of publicity prohibits any of (1) the display of the players' statistical data on a fantasy sports website, (2) copying of the names and statistics to input them into the software programs that keep track of fantasy league standings, or (3) distribution of recompiled statistical information about players—acts which, in and of themselves, implicate one of the exclusive rights provided by federal copyright law—such claim is preempted.³²⁹

Thus, not only is the subject matter element satisfied, but the equivalency element is satisfied as well.

IV. WHO HAS IT RIGHT AND WHY?

The preemption issues are the most important issues in *C.B.C.* While otherwise reaching the correct result, the district court erred in finding that preemption did not apply.³³⁰ The same must be said for the appeals court; while the correct result was reached, it was an error not to address preemption. Both sides of the preemption issue have been discussed above.³³¹ *Bonito Boats* should act

³²⁶ Memorandum of Amicus Curiae Fantasy Sports Trade Association, *supra* note 60, at 17.

³²⁷ *Id.*

³²⁸ *See* *Baltimore Orioles, Inc. v. Major League Baseball Players Ass'n*, 805 F.2d 663, 677 (7th Cir. 1986).

³²⁹ Memorandum of Amicus Curiae Fantasy Sports Trade Association, *supra* note 60, at 19.

³³⁰ *C.B.C. Distrib. & Mktg., Inc. v. Major League Baseball Advanced Media, L.P.*, 443 F. Supp. 2d 1077, 1103 (E.D. Mo. 2006).

³³¹ *See supra* Part II.

as a guideline for applying patent-type preemption to copyright law.³³² The *Bonito Boats* analogy is apt—the Supreme Court recognized the free exploitation of ideas as a starting point, with federal protection for ideas given only under statutorily prescribed circumstances.³³³

If this analysis is brought to bear in a copyright context it may answer the fundamental question raised previously in considering the true stakes of the *C.B.C.* litigation. If future litigation revisits the preemption analysis in view of *Bonito Boats*, the deciding court should hold that there are certain “informational materials” or “speech goods” that must be available for common use and be “legally beyond the reach of property regimes,” and that there are certain sorts of “speech goods” available for the use of all.³³⁴ Major League Baseball’s argument that “speech goods” warrant protection is suspect, and ought to be rejected. To the same end, this rejection will rectify the *C.B.C.* analysis of express preemption.

V. CONCLUSION

A. *The Dictates of Preemption Jurisprudence*

Preemption jurisprudence requires that where the federal law is clear, state legal authority cannot thwart the federal approach. Under United States copyright law, only “original works of authorship fixed in any tangible medium of expression” are proper subjects of copyright.³³⁵ Facts that may be contained in such works are not copyrightable.³³⁶ “Thus, in a baseball context, the recorded broadcast of a baseball game is protected by copyright law, but the underlying facts one can glean from the broadcast (including the statistics) are not protected.”³³⁷ The principles of conflict preemption militate against protecting publicity rights that might be claimed to exist in players’ names and associated statistics, as this would result in protection of that which is unprotectable under the law. Factual information is available for public use regardless of whether or not such use involves direct copying of another’s work.³³⁸ Sports statistics, even

³³² See *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141 (1989).

³³³ *Id.* at 167–68.

³³⁴ See Zimmerman, *supra* note 19, at 298.

³³⁵ 17 U.S.C. § 102(a) (2006).

³³⁶ § 102(b).

³³⁷ Memorandum of Amicus Curiae Fantasy Sports Trade Association, *supra* note 60, at 2.

³³⁸ *Feist Publ’n, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 348–51 (1991).

as they may be associated with the name of an individual player, are facts and available for all to exploit from the instant of recordation.

Through the Copyright and Patent Clause, Congress was empowered to establish the metes and bounds of copyright. Congress acted to exclude facts and ideas from protection and, in so doing, made such subject matter available to all for exploitation in public speech. Any law that provides protection for such subject matter is in direct conflict with the federal copyright law.

State law claims restricting the mere display, reproduction, distribution and similar use of factual data about professional athletes cannot be squared with federal copyright law. In carrying out its mandate to give the public appropriate access to the work product of copyright holders, Congress exercised its Constitutional grant of authority and determined that the ideas and factual information contained within copyrightable subject matter are freely available for public exploitation. Enforcement of state laws that grant monopolistic rights to such information would violate the Supremacy Clause. Such state laws are therefore unenforceable under principals of conflict preemption.³³⁹

Congress has struck a balance between free exploitation of facts and protection of ideas, and no state law in conflict can clash with the established balance.³⁴⁰ A clash would certainly exist if factual information is made an object of private ownership.

B. Express Preemption

A § 301 analysis also calls for preemption in the *C.B.C.* case. The subject matter requirement is met because the players' names and playing records

It is this bedrock principle of copyright that mandates the law's seemingly disparate treatment of facts and factual compilations. "No one may claim originality as to facts." This is because facts do not owe their origin to an act of authorship. The distinction is one between creation and discovery: The first person to find and report a particular fact has not created the fact; he or she has merely discovered its existence. To borrow from Burrow-Giles, one who discovers a fact is not its "maker" or "originator." "The discoverer merely finds and records." Census takers, for example, do not "create" the population figures that emerge from their efforts; in a sense, they copy these figures from the world around them. Census data therefore do not trigger copyright because these data are not "original" in the constitutional sense. The same is true of all facts-scientific, historical, biographical, and news of the day. "[T]hey may not be copyrighted and are part of the public domain available to every person."

Id. at 347–48 (citations omitted).

³³⁹ Memorandum of Amicus Curiae Fantasy Sports Trade Association, *supra* note 60, at 9.

³⁴⁰ *Id.*

fall within the ambit of copyright protection.³⁴¹ The notion of “partial preemption,” however, is inconsistent with the Copyright Act.³⁴² The differential treatment of a game’s broadcast and the underlying performances does not compel a distinction between the two in the preemption analysis of a right of publicity case. As was found in *Baltimore Orioles* and *Motorola*, it should be the case that “[o]nce a performance is reduced to tangible form, there is no distinction between the performance and the recording of the performance for the purposes of preemption under § 301(a).”³⁴³ As all Major League Baseball games are videotaped, the players’ performances are fixed in a tangible form, and asserted rights of publicity in their performances under copyright should be preempted. Similarly to conflict and field preemption discussed above, express preemption functions to maintain the balance struck by Congress. That delicate balance may easily be upset; both free exploitation of the public domain and provision of meaningful incentives to create are important goals. They can be achieved under the right circumstances while continuing to recognize right of publicity causes of actions. In this instance, however, the public domain must prevail.

³⁴¹ *Id.* at 14–16.

³⁴² *Id.* at 15.

³⁴³ *Nat’l Basketball Ass’n v. Motorola, Inc.*, 105 F.3d 841, 849 (2d Cir. 1997) (quoting *Baltimore Orioles, Inc. v. Major League Baseball Players Ass’n*, 805 F.2d 663, 675 (7th Cir. 1986)).