

Protecting the Rights of Publicity of Michael Jordan, Pele, and Muhammad Ali

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It is a pleasure to have a chance to speak with you this afternoon. I would like to talk with you about several cases that I brought involving misappropriation of the rights of publicity of Michael Jordan, Pele, and Muhammad Ali.

Michael Jordan was the NBA's most valuable player five times. He was an NBA All Star fourteen times. He still has the highest career scoring average in the history of the NBA. He led the Chicago Bulls to six NBA championships. He was a member of the 1984 and 1992 United States gold medal Olympic basketball teams. He was inducted into the Basketball Hall of Fame. He was named the greatest North American athlete of the 20th century by ESPN.

So, after a lifetime of work and accomplishment, what is Michael Jordan's most valuable asset? It is the use of his identity. To put this in perspective, in 2015, the year I tried the *Jordan v. Dominick's* case, he earned in excess of \$100 million from licensing the use of his identity. That is more than he earned from all of his basketball contracts over his entire career. The advertisement at issue in this case was published in a commemorative edition of *Sports Illustrated* magazine that was published in connection with Michael's induction into the Basketball Hall of Fame. A supermarket chain, based in Chicago, was given the opportunity to have a free, congratulatory ad in the issue.

The advertisement included the Dominick's name, its logo, a photo of its "Rancher's Reserve" steak, and a coupon. It also included Jordan's name, his iconic number twenty-three, the black and red colors of the Chicago Bulls, and a silhouette that resembles the Jumpman logo used for the Jordan Brand at Nike. And there is a message linking Michael Jordan to the steak: "You Are a Cut Above."

Why did we bring this lawsuit? Simply put, if you do not protect the use of your identity, its value disappears. The purpose of the case was to protect Michael Jordan's right to control who can use his identity and how they can use it. The defense in this case was straightforward. The defendants argued they did not take that much and so they should not have to pay that much. In fact, there were less than 150,000 copies of the commemorative issue distributed, and slightly over 40,000

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copies sold. Our response was an argument that Michael's agent, David Falk, had used over the years, which he called the "Hope Diamond theory."

If you want the Hope Diamond, you have to buy the whole thing. You cannot just chip a little piece off. If you can, everyone will do that. You will lose control and there will be nothing left. The evidence we presented is that Michael only enters into contracts in the range of ten million dollars. He does not enter into small, one-off contracts of the kind that Dominick's wanted to use to value what it had taken. The jury's verdict was for \$8.9 million dollars. Of note, Michael donated all the proceeds to twenty-three charities in Chicago. He had decided to do that well in advance of the trial, but we were unable to tell the jury that was his intention. This confirms that the case was not about personal enrichment, but about maintaining his control of the use of his identity.

I want to mention another case that grew out of the same commemorative issue. At issue was an advertisement for Jewel-Osco. Jewel-Osco was the other major supermarket chain in the greater Chicago area at the time. They sold everything a supermarket would sell and everything a drugstore would sell. In this advertisement Jewel-Osco used a trademark with the design Jewel uses as its brand logo. Its advertising slogan was "Good Things Are Just Around the Corner." Jewel incorporated the slogan into the advertisement's statements about Michael Jordan, by describing him as also being "just around the corner."

The district court was not impressed with Jordan's claim that the advertisement violated the state's Right of Publicity Act.¹ The court granted summary judgment for the defendants, holding that the advertisement was noncommercial speech fully protected by the First Amendment.² In so holding, the district court focused on the fact that the advertisement did not refer to any specific product or service.³ According to the court, "readers would have been at a loss to explain what they have been invited to buy."⁴ The Seventh Circuit reversed.⁵

The Seventh Circuit addressed Jewel's products and services specifically in the opinion.⁶ There are many advertisements that do not refer to any specific product or service, but that are clearly commercial speech. In our presentation to the court, we highlighted a few such exemplars. Consider the famous Marlboro ad. Of course, there is no product in the ad, just the Marlboro man. One of Apple's advertisements merely depicts a woman in an aviator's cap. There is neither a computer nor any other product. Another was one of the Nike Jordan Jumpman ads, with the Jumpman logo on the bottom right corner. The ad has no product—it is just a picture of Michael with his championship rings. Finally, we showed a Gatorade ad with Michael—a still shot of him about to dunk—with the Gatorade trademark visible, but again no product.

1. *Jordan v. Jewel Food Stores, Inc.*, 851 F. Supp. 2d 1102 (N.D. Ill. 2012).

2. *Id.* at 1111.

3. *Id.* at 1110.

4. *Id.* at 1107.

5. *Jordan v. Jewel Food Stores, Inc.*, 743 F.3d 509 (7th Cir. 2014).

6. *See id.* at 518–20.

Recognizing that brand advertising *is* commercial speech, the Seventh Circuit stated: “An advertisement is no less ‘commercial’ because it promotes brand awareness or loyalty rather than explicitly proposing a transaction in a specific product or service.”⁷ Responding directly to the district court’s statement that it is difficult to explain what readers were invited to buy, the Seventh Circuit stated: “What does it invite readers to buy? Whatever they need from a grocery store—a loaf of bread, a gallon of milk, perhaps the next edition of *Sports Illustrated*—from *Jewel-Osco*, where ‘good things are just around the corner.’”⁸ The Seventh Circuit concluded that to view the ad “as constitutionally immune noncommercial speech would permit advertisers to misappropriate the identity of athletes and other celebrities with impunity.”⁹ Shortly after the Seventh Circuit’s opinion, and after the verdict in the *Dominick*’s case, the *Jewel* case settled.

I want to briefly discuss a case I handled in which we represented the former soccer player Pele.¹⁰ At issue was a full page advertisement purporting to feature Pele that ran in *The New York Times* and also in *Fortune*, *Forbes*, *The Economist*, and *The Wall Street Journal*. The person in the advertisement was not Pele, but he looked very much like him. The advertisement showed a Samsung TV with a soccer player executing a version of the “scissors” or “bicycle” kick for which Pele is famous. Less than two years before Samsung ran the advertisement, Samsung nearly entered into a license agreement for the use of Pele’s identity, but it backed away at the last minute. This case recently settled.¹¹

Finally, I would like to talk about the *Muhammad Ali Enterprises v. Fox Broadcasting Company* case.¹² Fox broadcast a video in its pregame show before its broadcast of the 2017 Super Bowl and again in the post-game show. The first half of the video is a tribute to Muhammad Ali and his accomplishments, stressing the theme of “greatness” and “the greatest.” The second half, while continuing those themes, celebrates a series of NFL legends. The video ends with the Super Bowl logo, licensed from the NFL, and some final footage of Muhammed Ali. Fox spent a lot of time and effort with an outside agency producing it.

Fox moved for judgment on the pleadings on the grounds the video was noncommercial speech.¹³ Fox initially characterized the video as a mere “tribute” to Muhammad Ali.¹⁴ Later, however, they acknowledged to the court that the video

7. *Id.* at 518.

8. *Id.* at 519.

9. *Id.* at 520.

10. *Pele IP Ownership LLC v. Samsung Electr. Co., Ltd.*, No. 16-03354 (N.D. Ill., amended complaint filed May 25, 2016).

11. See Jonathan Stempel, *Soccer Legend Pele Sues Samsung Over Image in Newspaper Ad*, REUTERS (Mar. 29, 2016, 3:01 PM), <https://perma.cc/7LQB-FDZ7>.

12. No. 17-7273, 2017 WL 4516708 (N.D. Ill., complaint filed Oct. 10, 2017). The case was later transferred to the Northern District of California. See *Agreed Motion to Transfer Venue, Muhammad Ali Enters. LLC v. Fox Broad. Co.*, No. 17-0949, 2017 WL 7793205 (N.D. Ill. Nov. 13, 2017).

13. See *Defendant’s Notice of Motion and Motion for Judgment on the Pleadings at 15, Muhammad Ali Enters. LLC v. Fox Broad. Co.*, No. 17-06949, 2018 WL 663189 (N.D. Cal. Jan. 16, 2018).

14. See *id.* at 1.

does promote Fox Broadcasting¹⁵—indeed, it was shown in the pregame show just before the Super Bowl. But Fox argued that as a broadcaster it has a “blanket license” to promote its products and services using any individual’s identity, without their consent.¹⁶ We argued that although a broadcaster has the right to show the players in a sports event, that does not give them the right to use the identity of someone who is not part of the event, or not related to it, to promote it.¹⁷ It is of course undisputed, that Muhammad Ali had nothing to do with the Super Bowl or football. During argument, Fox’s counsel was asked what the relationship is between Ali and the Super Bowl. Fox’s counsel responded that he’s an athlete and the Super Bowl is an athletic contest.¹⁸ My response was that is only one step away from saying that Muhammad Ali and football players are both people. After the hearing on Fox’s motion, during which the judge did not appear to be receptive to Fox’s argument, the case settled.¹⁹

15. See Defendant’s Notice of Motion and Motion for Judgment on the Pleadings at 12, *Muhammad Ali Enters.*, 2018 U.S. Dist. LEXIS 119375 (N.D. Cal. Dec. 5, 2017).

16. See *id.* at 11 (citing a statutory exception under Illinois law that protects sports broadcasting).

17. Plaintiff’s Opposition and Response to Anti-SLAPP Motion at 6-7, *Muhammad Ali Enters.*, 2018 U.S. Dist. LEXIS 119375 (N.D. Cal. Apr. 16, 2018).

18. Fox made this same argument in their papers submitted to the court. See Defendant’s Notice of Motion and Motion for Judgment on the Pleadings at 1, 5, *Muhammad Ali Enters.*, 2018 U.S. Dist. LEXIS 119375 (N.D. Cal. Dec. 5, 2017).

19. See *Muhammad Ali Enters. LLC v. Fox Broad. Co.*, 2018 U.S. Dist. LEXIS 119375 (N.D. Cal. July 17, 2018).