Celebrity Misrepresentation & the Federal Lanham Act: The Public Fights Back

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CELEBRITY MISREPRESENTATION &
THE FEDERAL LANHAM ACT:
THE PUBLIC FIGHTS BACK

ADAM HIRSCHFELD†

INTRODUCTION

America is a nation built upon notions of autonomy and
inimitability, so it is only natural that the country should be free
from the establishment of a national religion.1 Despite the great
diversity of the United States, there is a form of idolatry shared
by many of its citizens: the worship of celebrities.2 Celebrities
are viewed as role models. We trust their opinions, and we even
want to be them. These are essential qualities in the advertising
of commercial products,3 so the celebrity is granted massive
potential for financial gain by choosing to associate his or her
persona with various products. In fact, celebrity endorsements4
are such a “precious commodity”5 that they have frequently been

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1 The Establishment Clause of the Constitution states that “Congress shall
make no law respecting an establishment of religion.” U.S. CONST. amend. I.
2 See Ziauddin Sardar, Trapped in the Human Zoo, NEW STATESMAN, Mar. 19,
2001, at 27 (expressing the opinion that we cannot help but feel fascinated with the
celebrity as a means of “escapism” from our ordinary lives).
3 Advertising is primarily intended to “persuade and influence,” rather than to
“inform.” Ralph S. Brown, Jr., Advertising and the Public Interest: Legal Protection
of Trade Symbols, 108 YALE L.J. 1619, 1623 (1999). Celebrities often have the
capacity to increase a product’s selling power. For example, Seagram’s used Bruce
Willis’ endorsement to give its wine coolers a “hip, grown-up image.” Andrea Gabor
et al., Star Turns That Can Turn Star-Crossed, U.S. NEWS & WORLD REP., Dec. 7,
1987, at 57.
4 An “endorser” is distinguished from a “spokesperson.” See In re Diamond
Mortgage Corp. of Ill., 118 B.R. 588, 592–93 (Bankr. N.D. Ill. 1989). An
“endorsement” is “any advertising message...which...consumers are likely to
believe reflects the opinions...of a party other than the sponsoring advertiser.” 16
C.F.R. § 255.0 (2002).
5 Trebor Lloyd & Marc Lieberstein, Protecting the Celebrity Persona
Trademark, INTELL. PROP. TODAY, June 1995, at 8.
stolen. The general perception of such instances is that financial rewards that rightly belonged to the celebrity have been stolen through this form of exploitation. The celebrity is said to own the right to his or her likeness as a “right of publicity.” A celebrity whose likeness has been misappropriated may even be entitled to recover compensatory damages for emotional distress or a damaged reputation.

However, it is not just the celebrity who has been harmed by a false endorsement, for the consumer is deceived into purchasing through false celebrity endorsements. What

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7 Relief may be granted for a false designation of origin that is used in commercial advertising or would be likely to cause confusion to consumers. This would apply to advertisements that use a false celebrity endorsement, for which the celebrity could recover because of profits lost to the advertiser. This is because the consumer is likely to purchase advertised goods out of the erroneous belief that they are actually endorsed by the celebrity. See Federal Lanham Act, 15 U.S.C. § 1125 (2000). Additionally, entertainers have a “right to control [their] performance”; individuals are not permitted to use the performance for commercial gain without payment to the entertainer who owns the rights to it. See Zacchini v. Scripps-Howard Broad. Co., 433 U.S. 562, 565–66, 572 n.9 (1977) (holding that an entertainer famous for a “human cannonball” act could recover against a television station for broadcasting his performance without authorization because of the right of performance (citing Ettore v. Philco Television Broad. Corp., 229 F.2d 481, 490 (3rd Cir. 1956))).

8 Haelan Labs., Inc. v. Topps Chewing Gum, Inc., 202 F.2d 866, 868 (2d Cir. 1953) (creating the term “right of publicity” with reference to the right of “prominent persons” to control the money received from their advertising endorsements). But see Lugosi v. Universal Pictures, 603 P.2d 425, 431 (Cal. 1979) (holding that the right of publicity is personal to the artist and must be used during his or her lifetime, and it is therefore not a property right).

9 California law allows recovery for mental distress. See Waits v. Frito-Lay, Inc., 978 F.2d 1093, 1103 (9th Cir. 1992) (holding that singer Tom Waits was entitled to recovery of “mental distress damages” against snack-food corporations that misappropriated his voice for use in radio commercials). New York courts applying the law of the forum with the greatest policy interest in the outcome of the case in otrt actions, which has predominantly meant California, would reach the same conclusion. See Clark v. Celeb Publ’g, Inc., 530 F. Supp. 979, 982 (S.D.N.Y. 1981).

10 See Waits, 978 F.2d at 1104 (“We have no doubt... that where the misappropriation of identity causes injury to reputation, compensation for such injury is appropriate.”).

11 See generally Roberta Rosenthal Kwall, The Right of Publicity vs. the First
distinguishes a celebrity most significantly from members of the general public is that the celebrity is a composite of two personas: the private self and the public self. The right of privacy purports to protect the seclusion of the celebrity from "unwarranted and undesired publicity,"12 except when celebrities choose to exploit their identities for financial gain.13 The right of publicity evolved out of the right of privacy to protect the financial interests of celebrities who chose to interject their presence into the public eye.14 While the right of privacy protects the private self of the celebrity and the right of publicity protects the public self, both rights seem to be fundamentally designed for the benefit of the public figure.15

This Note will advance the position that when there has been a false celebrity endorsement, consumers should be entitled to compensatory relief and devoted fans should be entitled to injunctive relief.16 Section 43(a) of the Federal Lanham Act provides a civil remedy to "any person who believes that he or she is likely to be damaged" by a false designation of origin,17 which has been interpreted to include members of the general public.

-Amendment: A Property and Liability Rule Analysis, 70 IND. L.J. 47, 75–76 (1994) (positing that the right of publicity is meant to protect the consumer).


13 See Lugosi, 603 P.2d at 428 (holding that actor Bela Lugosi could have chosen to exercise his right of publicity during his lifetime).

14 Prosser listed the following four elements of a right of privacy cause of action: (1) intrusion upon the plaintiff's seclusion or solitude or into his private affairs; (2) public disclosure of embarrassing private facts about the plaintiff; (3) publicity that places the plaintiff in a false light in the public eye; (4) appropriation, for the defendant's advantage, of either the plaintiff's name or likeness. This fourth element gave rise to the concept of a right of publicity. WILLIAM PROSSER, LAW OF TORTS 802, 804 (4th ed. 1971). In Haelan Laboratories, 202 F.2d 866, 868 (2d Cir. 1953), the term "right of publicity" was first coined. See supra note 8; see also RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 46 (1995) (discussing the right of publicity and "the commercial value of a person's identity").

15 See Carson v. Here's Johnny Portable Toilets, Inc., 698 F.2d 831, 834 (6th Cir. 1983) (discussing the right of privacy and the right of publicity differ).

16 There are numerous reasons why only injunctive relief should be awarded for non-economic harm. See infra text and accompanying notes 102–06.

public. More troublesome is the issue of whether or not the general public is capable of bringing such actions when the injury is not economic, since courts have explicitly prohibited standing under the Lanham Act for such injuries, unless an individual has a reasonable basis for a belief of damage and a "real interest" in the proceedings.

Part I of the Note proposes two different forms of public standing as satisfactory under the Federal Lanham Act. First, there is a reconciliation of the ambiguities concerning consumer standing under the Act. Second, there is an argument in favor of extending public standing beyond economic injuries to encompass the public's response to scandalous misrepresentations of celebrities. Part II of the Note addresses potential First Amendment objections to public standing under the Lanham Act. Finally, Part III proposes safeguards in order to prevent an excess of frivolous litigation that would occur if public standing were found to exist in either form.

18 The Federal Lanham Act has been interpreted broadly to include the purpose of preventing the deception of consumers through commercial misrepresentation. See Yameta Co. v. Capitol Records, Inc., 279 F. Supp. 582, 586–87 (S.D.N.Y. 1968) (holding that musician Jimi Hendrix and his licensed recording company were entitled to an injunction to stop two unendorsed recording companies from selling his recordings because of the likelihood that consumers would be misled into believing that these recordings were endorsed by Hendrix), rev'd, 393 F.2d 91 (2d Cir. 1968); see also Maternally Yours, Inc. v. Your Maternity Shop, Inc., 234 F.2d 538, 546 (2d Cir. 1956) (stating that the language of the Federal Lanham Act should be construed broadly). But see Colligan v. Activities Club of New York, Ltd., 442 F.2d 686, 691–92 (2d Cir. 1971) (interpreting the Federal Lanham Act narrowly by holding that a group of students suing for false descriptions of a ski tour lacked standing because consumers were not intended to be covered by the Lanham Act).

19 See Barrus v. Sylvania, 55 F.3d 468, 470 (9th Cir. 1995) (holding that consumers lacked standing to bring a false advertising action in response to misrepresentations used by a light bulb company because there was no commercial or competitive injury).

20 There need only be a belief that damage could occur, not an actual showing of damage. See Ritchie v. Simpson, 170 F.3d 1092, 1097 (Fed. Cir. 1999) (granting standing to a Christian challenging the endowment of a trademark for the name "O.J. Simpson" because of the name's scandalous association with spousal abuse, which offended the plaintiff's moral values).

21 A "real interest" is defined as "a personal interest in the proceeding beyond that of the general public." Id. at 1095.

22 See infra Part I.A.

23 See infra Part I.B.
I. Standing

Article III of the Constitution requires that there be a genuine "case or controversy" in order for any case to be heard in federal court. Therefore, the party bringing an action must meet the following requirements: (1) the plaintiff must have a personal stake in the litigation, (2) the injury must have been directly caused by the defendant's actions, and (3) the court must have the capacity to redress the plaintiff's injury. Of these requirements, only the first poses an obstacle to public standing, and the hurdle is extremely significant. Exceptions to the general rule requiring a personal stake in the litigation have included representational standing, standing of a disinterested party on behalf of the interested party when there is a special relationship between them, and taxpayer standing. Although objections by members of the general public to instances of false celebrity endorsements do not specifically fall within one of these exceptions, they are not precluded from bringing suit.

24 U.S. CONST. art. III, § 2, cl. 1.
25 The prohibition on third parties bringing an action as "concerned bystanders" on behalf of the parties that are truly injured exists in order to "prevent[] the judicial process from becoming no more than a vehicle for the vindication of the value interests of concerned bystanders." United States v. Students Challenging Regulatory Agency Procedures, 412 U.S. 669, 687 (1973).
26 This requirement exists to prevent plaintiffs from claiming an injury that actually "results from the independent action of some third party not before the court." Simon v. E. Ky. Welfare Rights Org., 426 U.S. 26, 42 (1976).
27 Cf. L.A. v. Lyons, 461 U.S. 95, 111-12 (1983) (holding that a man injured by a policeman for a minor traffic infraction was not entitled to an injunction against the police officer because there was no showing that the victim would be subjected to future injuries by the policeman, so the remedy would not redress the injury).
28 When the injury to the public welfare is related to the purpose of an organization, then each member of the organization is said to have an injury capable of warranting standing. See Sierra Club v. Morton, 405 U.S. 727, 738-39 (1972) (holding that Sierra Club lacked standing to seek injunctive relief when it alleged only a "special interest" in preventing federal approval of a skiing development in the Sequoia National Forest but recognizing that if the club had asserted an individualized harm to its members or itself it would not be precluded from bringing suit).
29 See, e.g., Evans v. Kelley, 977 F. Supp. 1283, 1302-03 (E.D. Mich. 1997) (holding that doctors and clinics had standing to challenge the constitutionality of Michigan's "partial-birth abortion" statute, even though women who wanted to have abortions seemed to be the interested parties).
30 See, e.g., Flast v. Cohen, 392 U.S. 83, 101-03 (1968) (holding that federal taxpayers had standing to challenge Congress's financing of instruction and educational materials for religious schools because such action is barred by the Establishment Clause).
exceptions, the public is fundamentally injured by such deceptions. 31

A. Consumer Standing

In order to determine the merits of a famous individual's claim for unfair competition under the Lanham Act, courts examine the consumer's likelihood of confusion in response to a false designation of origin. 32 Peculiarly enough, while each of the factors considered in the likelihood-of-confusion test 33 appear to be examined on behalf of the consumer, this test is only initiated by the celebrity bringing a legal action. 34 The flaw in this application is the implication that consumers exist solely for the benefit of the celebrity, as opposed to the converse. The right of publicity "does not entitle [celebrities] to control their fans' use of their own money." 35

Certainly no one would dispute that an individual with a "commercial interest" 36 in competition with the defendant has standing under the Lanham Act, 37 but this conclusion does not

31 See Tawnya Wojciechowski, Letting Consumers Stand on Their Own: An Argument for Congressional Action Regarding Consumer Standing for False Advertising Under Lanham Act Section 43(a), 24 SW. U. L. REV. 213, 244 (1994) (examining consumer standing under Section 43(a) of the Lanham Act and the need for Congress to clear up the ambiguity surrounding this section's intended application to consumers).

32 See Newton v. Thomason, 22 F.3d 1455, 1461-62 (9th Cir. 1994) (stating that a claim for unfair competition is actionable only when there is an affirmative showing of a likelihood of consumer confusion).

33 The following factors are commonly considered in determining the likelihood of consumer confusion: "(1) strength of the plaintiff's mark; (2) relatedness of the goods; (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used; (6) likely degree of purchaser care; (7) defendant's intent in selecting the mark; (8) likelihood of expansion of the product lines." White v. Samsung Elecs. Am., Inc., 971 F.2d 1395, 1400 (9th Cir. 1992) (citing AMF, Inc. v. Sleekcraft Boats, 599 F.2d 341, 348-49 (9th Cir. 1979)).

34 See, e.g., Condit v. Star Editorial, Inc., 259 F. Supp. 2d 1046, 1051-52 (E.D. Cal. 2003) (holding that a non-celebrity who was the subject of an allegedly false tabloid article suffered no injury to her commercial interests and therefore lacked standing to bring a false association claim because she never stated that she intended to make commercial use of her identity).

35 New Kids on the Block v. News Am. Publ'g, Inc., 971 F.2d 302, 309 (9th Cir. 1992).


37 There is standing to sue for a "competitive injury" when the plaintiff and defendant are in economic competition. See Hutchinson v. Pfeil, 211 F.3d 515, 520 (10th Cir. 2000) (quoting Stanfield v. Osborne Indus., Inc., 52 F.3d 867, 873 (10th Cir. 1995)).
negate the additional possibility that an individual lacking a competitive interest with the defendant is capable of developing standing. In *Arnesen v. Raymond Lee Organization*, the United States District Court for the Central District of California held that consumers have standing to sue under the Lanham Act and need not rely solely upon the Federal Trade Commission for a remedy. In *Arnesen*, the court assessed the plain language of the Lanham Act and stated that “it applies to any person who is or is likely to be damaged.” The court went on to point out that the Lanham Act defines “person” as both a juristic person and a natural person, such that economic competitors are clearly not the only ones intended to be protected by the Act.

There are two limitations imposed on claims for false advertising under the Lanham Act. First, the defendant’s statement must have been false; second, this false statement must have affected a portion of the buying public. If a celebrity is required to show that consumers are affected by his or her false endorsement, then this should mean that consumers are part of the class of persons “likely to be damaged” by the false endorsement. Thus, the Lanham Act should afford consumers

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40 Id. at 117, 120 (holding that a consumer had standing to sue a company that charged a fee to help inventors with processing patent applications, given that the company falsely stated that no other services would be needed by the inventor than the ones it provided to consumers).
41 Id. at 120. In determining whether the consumer is deceived, the Federal Trade Commission considers the following factors: (1) whether there is a “representation, omission or practice that is likely to mislead the consumer,” (2) whether that act or practice would be deceiving to the reasonable consumer, (3) whether that act or practice is material or would be “likely to affect a consumer’s conduct.” Letter from James C. Miller III, Chairman, Federal Trade Commission, to The Honorable John D. Dingell, Chairman, Committee on Energy and Commerce (Oct. 14, 1983), http://www.ftc.gov/bcp/policystmt/ad-decept.htm (last visited Oct. 24, 2003).
42 *Arnesen*, 333 F. Supp. at 120 (emphasis added).
44 *Arnesen*, 333 F. Supp. at 120.
46 See supra text accompanying note 17.
protection and not merely benefit the celebrity whose endorsement has been misappropriated.

B. Public Standing for Non-Economic (Scandalous) Injury

1. Reasonable Basis for Belief in Damage

Largely for First Amendment reasons, courts have generally found that mere disapproval with the means in which a celebrity likeness is used is an inappropriate basis for legal action; however, such actions have been allowed for tarnished trademarks. One possible reason why courts have come out so differently on this issue is that a trademark has no private self with which to become insulted by inappropriate usage. However, a celebrity does not merely have a pecuniary worth, for the celebrity carries a massive cultural significance, acts as a role model, and wields considerable influence. So, for

47 See supra note 20.
48 Grant v. Esquire, Inc., 367 F. Supp. 876, 883 (S.D.N.Y. 1973) ("[T]he publisher is in no different position than a painter who feels he needs certain pigments and oils to create a contemplated masterpiece."). So long as the unauthorized usage of a celebrity's image is only incidentally for commercial gain, and primarily for creative usage, the usage cannot be challenged. Comedy III Prods., Inc. v. Gary Saderup, Inc., 21 P.3d 797, 807-11 (Cal. 2001) (holding that because the defendant used the likeness of the Three Stooges on lithographic prints and T-shirts primarily for commercial gain, the plaintiff's "right of publicity" was violated).
49 See, e.g., Ann-Margret v. High Soc'y Magazine, 498 F. Supp. 401, 405-06 (S.D.N.Y. 1980) (holding that actress Ann-Margret could not challenge a depiction of her nude from the waist up, taken out of the context of a tasteful movie in which she appeared, simply on the basis of mere disapproval with the manner in which she was depicted in the magazine).
50 See, e.g., Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd., 604 F.2d 200, 205 (2d Cir. 1979) (holding that an adult movie that featured blatant references to members of the Dallas Cowboy cheerleaders violated the trademark of that organization under section 43(a) of the Lanham Act due to the likelihood of confusion between the actual cheerleading organization and the tawdry film).
52 See generally Rosemary J. Coombe, Publicity Rights and Political Aspiration: Mass Culture, Gender Identity, and Democracy, 26 NEW ENG. L. REV. 1221 (1992) (referring throughout to the "celebrity image" as representative of the cultural phenomenon that is the celebrity's persona).
53 See Darryl C. Wilson, The Legal Ramifications of Saving Face: An Integrated Analysis of Intellectual Property and Sport, 4 VILL. SPORTS & ENT. L.J. 227, 228-29 (1997) (discussing the manner in which athletes, who are in the public eye, are commonly perceived as role models).
54 When a celebrity gets tested for a medical illness, it encourages members of
example, a false endorsement for condoms featuring an actor well-known for starring in family movies will clearly create an association that could substantially mislead the general public.\textsuperscript{55}

False celebrity endorsements used in commercial advertising have the capacity to dilute the mark of the celebrity.\textsuperscript{56} The Federal Lanham Act bars legal action to recover for non-commercial dilution,\textsuperscript{57} but this does not mean that a non-economic injury, such as offense taken to an advertisement, caused by an economic injury, such as a false endorsement, would be barred because such an injury is based upon public deception.\textsuperscript{58} There is also the potential for public harm when a celebrity is portrayed through advertising in a manner that would qualify as defamation.\textsuperscript{59} Although such alleged
defamation has often been dressed up as beneficial to the public, the ridicule which President Clinton was exposed to while he was in office, for example, was arguably defamatory. These statements served to undermine the public confidence in our central political leader. Thus, if an advertiser for the pornography industry were to misappropriate Clinton's likeness in order to endorse their sleazy business, this should be actionable by the public under the Lanham Act.

2. "Real Interest" in the Proceedings

The Supreme Court has held that no economic injury need be shown in order to establish standing when an "aesthetic injury" can be found instead. The fundamental principle of an "aesthetic injury" is that a harm can denote standing despite Sullivan, 376 U.S. 254, 279-80 (1964) (holding that there must be a showing that the individual who made the alleged defamatory statement either knew it was false or acted with a "reckless disregard" toward the truthfulness of the statement). A higher standard is held to "public figures" than private individuals because of the "assumption that public officials and public figures have voluntarily exposed themselves to increased risk of injury" and the fact that public figures often have a better chance of rebutting the defamatory statement than private individuals. Gertz v. Robert Welch, Inc., 418 U.S. 323, 344-45 (1974).


If characterizations of Clinton's affair with Monica Lewinsky went too far beyond allegations of perjury and into attacks on his character, then the relevancy to newsworthiness was lacking, and the news media was little different from the tabloids that commercially exploit the likenesses of public figures. See Rodney A. Smolla, Qualified Intimacy, Celebrity, and the Case for a Newsgathering Privilege, 33 U. RICH. L. REV. 1233, 1239-41 (2000). One Internet humor page even went so far as to post the following joke: "Why can't Bill Clinton file a defamation of character suit against his critics? Because Bill Clinton has no character to defame." The Bill Clinton (a.k.a. Slick Willie) Funnies Home Page, at http://www.srv.net/~printery/clinton.html (last visited July 28, 2003).

Public confidence is eroded when an independent counsel "[p]asses] judgment on Clinton's character and behavior," since "[t]hat is the right of the American public." Mortimer B. Zuckerman, Mr. Starr's Desperate Hours, U.S. NEWS & WORLD REP., July 21, 1997, at 64.

See supra note 21.

United States v. Students Challenging Regulatory Agency Procedures, 412 U.S. 669, 686-87 (1973) (holding that students had standing to challenge the Interstate Commerce Commission's decision not to suspend a surcharge on interstate freight trains, since the high rates discouraged manufacturers from recycling, thereby promoting increased pollution, an injury to the recreational interests of the students).
being shared by a large group of people. Although this type of injury has typically been used to refer to environmental harms, where pollution has threatened to impair the public's ability to enjoy natural beauty, it has become an increasingly flexible standard in recent years.

If the violation of something deemed aesthetically pleasing is sufficient to cause injury to an individual, then a harm inflicted upon the aesthetic value of a celebrity with massive appeal should qualify as “damage” within the meaning of the Lanham Act. For instance, many individuals took offense at witnessing actor Fred Astaire being resurrected from the grave in order to endorse the Dirt Devil vacuum cleaner in an advertisement. Since Astaire's surviving relatives did not endorse the advertisement, the public should have an actionable non-economic injury through the interpretation of the Lanham Act advocated in this Note.

Additionally, there is an evidentiary issue involved in proving that the members of the public suing for non-economic injury caused by a false celebrity endorsement truly have an affiliation that warrants such a claim. In United States v. Students Challenging Regulatory Agency Procedures, a harm could be shown to the recreational interests of the students suing because all were members of an organization whose interests were affected. Perhaps organizational standing for devoted

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65 Id. at 686.
66 Cf. Animal Legal Def. Fund v. Glickman, 154 F.3d 426, 431–33 (D.C. Cir. 1998) (holding that the principle of an “esthetic injury” could be extended to cover the right of an individual not to witness animals being kept in inhumane conditions on a game farm).
67 Cf. Harjo v. Pro Football, Inc., 30 U.S.P.Q. 2d (BNA) 1828, 1830 (T.T.A.B. 1994) (holding that Native Americans had standing to challenge the trademark of the Washington Redskins under Section 2(a) of the Lanham Act, since it consists of “scandalous matter”); see also 15 U.S.C. § 1052 (2000) (barring the registration of a trademark containing any matter that might “falsely suggest a connection with persons” and is “immoral, deceptive, or scandalous”).
68 See Joseph J. Beard, Clones, Bones and Twilight Zones: Protecting the Digital Persona of the Quick, the Dead and the Imaginary, 16 BERKELEY TECH. L.J. 1165, 1228 (2001); cf. Rogers v. Grimaldi, 875 F.2d 994, 1001 (2d Cir. 1989) (quoting Frederico Fellini, director of “Ginger and Fred,” in explaining that Fred Astaire and leading lady Ginger Rogers were “glamorous and care-free symbol[s]” of their time). This “care-free” nature of Astaire’s dance style was certainly never used in the movies to sell products like vacuum cleaners, and many people, therefore, believe that it is an offensive association.
70 Each member of the organization (SCRAP) was adversely affected by injuries
fans of a celebrity could be shown by membership in a particular fan club for that celebrity.\footnote{By showing affiliation with an organization, a member suing on behalf of the "public interest" is more than just a "concerned bystander." \textit{Id.} at 687.}

\section*{II. THE FIRST AMENDMENT CONFLICT}

When there is a public expectation about the type of performance that a celebrity will give based on the prior roles that the celebrity has had—for example, John Wayne starring as the classic tough guy—then the celebrity is analogous to a fictional character for which there is a trademark in his or her likeness.\footnote{See Estate of Presley v. Russen, 513 F. Supp. 1339, 1358 (D.N.J. 1981). Since the persona of a celebrity is a commercially constructed entity designed to "induce the consumer to buy goods for reasons independent of the intrinsic value or quality of the goods themselves," the "commercial persona" is essentially identical to a trademark, warranting the same types of protection. Lloyd and Lieberstein, \textit{supra} note 5, at 8 n.2. \textit{See}, e.g., McFarland v. Miller, 14 F.3d 912, 922 (3d Cir. 1994) (holding that the financial gains from usage of the character "Spanky McFarland" from the Little Rascals belonged to actor George McFarland and were descendible to his survivors, since the name had become "entwined in the public mind" with the actor). It may not even be necessary to use the name or likeness of the celebrity in order to violate the celebrity's rights, for courts have allowed recovery when an identifiable aspect of a celebrity's personality is robbed. See Landham v. Lewis Galoob Toys, Inc., 227 F.3d 619, 623 (6th Cir. 2000); \textit{see also} Ali v. Playgirl, Inc., 447 F. Supp. 723, 726–27 (S.D.N.Y. 1978) (holding that renowned boxer Muhammad Ali was entitled to an injunction against Playgirl magazine for printing a picture of a nude black male in a boxing ring identified solely as the "Mystery Man," but accompanied by the phrase "the Greatest," because the context of this picture clearly identified Ali).} The problem with actors who have become so engrained in popular culture, however, is that they have become representative of certain symbols or concepts\footnote{See \textit{supra} note 52.} and are therefore part of the public domain. On the other hand, a fictionalized character is a product that belongs specifically to its creator, for which any violation is actionable.\footnote{See, e.g., Walt Disney Prods. v. Air Pirates, 581 F.2d 751, 755 (9th Cir. 1978) (holding that there was a copyright infringement of the characters of Walt Disney when they were used without authorization in several adult comic books, since these characters have "unique elements of expression" and are not "unprotected idea[s]".)} Therefore, while an individual or a company owns the rights to a copyrighted
character, the public essentially owns the rights to the celebrity.\textsuperscript{75}

Allowing public standing for offensive portrayals of celebrities could have paradoxical effects. The public would be at opposition with itself, between those individuals offended by a particular instance and those who think that the challenged instance should be permitted as a valid form of expression protected by the First Amendment. In copyright cases, courts apply a "total concept and feel test"\textsuperscript{76} in order to determine if the essence of the copyrighted material or character has been copied or if there has been a valid creative expression under the First Amendment.\textsuperscript{77} Perhaps this test can be adopted to determine when the thin line between creative expression and harm to the fans of celebrities has been crossed. In \textit{Winter v. DC Comics},\textsuperscript{78} the court considered a portrayal of the famous musicians, the Winter Brothers, as characters, depicted as monsters, in a comic book.\textsuperscript{79} Applying a "transformative use" test,\textsuperscript{80} the court analyzed whether the creative gain or financial gain was

\textsuperscript{75} The public is generally responsible for making the celebrity who he or she is, for without the "public choice" favoring a particular celebrity and giving him or her fame, there cannot be a "celebrity." See Steven C. Clay, \textit{Starstruck: The Overextension of Celebrity Publicity Rights in State and Federal Courts}, 79 MINN. L. REV. 485, 502–03 (1994) (discussing that because the public "determines a celebrity's role and image in our popular culture," the public's "property rights" in that celebrity should not be ignored).

\textsuperscript{76} The test is applied from the perspective of the "ordinary observer," in which the work is considered as a whole. Roth Greeting Cards v. United Card Co., 429 F.2d 1106, 1110 (9th Cir. 1970) (holding that the similarities of the art work, lettering, arrangement of words, and the particular mood conveyed by the message of greeting cards produced and sold by different companies constituted trademark infringement).

\textsuperscript{77} \textit{See supra} note 49.

\textsuperscript{78} 69 P.3d 473 (Cal. 2003).

\textsuperscript{79} \textit{Id.} at 479–80.

\textsuperscript{80} \textit{Id.} at 477–80. This test has largely been adopted from the purpose and character of the "fair use" defense under copyright law. \textit{See} 17 U.S.C. § 107 (2000). For instance, the "fair use" defense was raised in connection with Dustin Hoffman's lawsuit in order to defend \textit{Los Angeles Magazine}'s publication of a photograph of Hoffman dressed in designer clothing. \textit{See} Hoffman v. Capital Cities/ABC, Inc., 33 F. Supp. 2d 867, 875 (C.D. Cal. 1999), \textit{rev'd}, 255 F.3d 1180 (9th Cir. 2001). This defense failed since, as Judge Tevrizian stated, the use of Hoffman's name and likeness "crossed over the line between editorial content and advertising" and that Hoffman was "violated by technology." \textit{California Court Awards Dustin Hoffman $3 Million for Use of Name, Likeness}, MEALEY'S LITIG. REP.: INTELL. PROP., Vol. 7, Feb. 1, 1999. There is often a thin line between creative expression and financial pursuit, but it is the court's task to decide which of these goals is primary.
incidental.\textsuperscript{81} When the creative expression is primary, the celebrity is in no position to sue because the public's right to self-expression must be protected. The court, however, failed to consider that members of the public could be offended by this portrayal of the musicians, choosing only to examine the rights of the celebrities.\textsuperscript{82}

In this Note, a two-part test is proposed to determine when the public is entitled to bring an action for non-economic harm. First, there is a portrayal of a celebrity that would cause harm to the public. Second, the portrayal is used primarily for the economic gain of the defendant. The "aesthetic injury" of the public is still the fundamental injury, but it becomes actionable only when presented in a form that is primarily for financial gain, rather than as protected creative expression.\textsuperscript{83} Another possible approach is to conclude that First Amendment interests can be completely discarded in the interest of ensuring consumer protection.\textsuperscript{84} Courts have generally not permitted individuals attempting to make false statements to seek protection under the blanket of the First Amendment.\textsuperscript{85} To this extent, the second element of the test previously advocated can be modified as follows: the portrayal need not be used primarily for the economic gain of the defendant. Thus, for either economic or non-economic injuries caused to the public, such a wrong is actionable when there was a misleading presentation of a celebrity that could confuse the public.\textsuperscript{86} There is good cause to expand the law beyond its current form to cover the non-economic injuries of the public, but with significant limitations to prevent an onslaught of excessive and unnecessary litigation.\textsuperscript{87}

\textsuperscript{81} Winter, 69 P.3d at 478.
\textsuperscript{82} See id.
\textsuperscript{83} See supra note 80.
\textsuperscript{84} "Advertising that is false, deceptive, or misleading . . . is subject to restraint. Since the advertiser knows his product and has a commercial interest in its dissemination, we have little worry that regulation to assure truthfulness will discourage protected speech." Bates v. State Bar of Arizona, 433 U.S. 350, 383 (1977) (citation omitted).
\textsuperscript{85} See, e.g., Castrol, Inc. v. Pennzoil Co., 987 F.2d 939, 949 (3d Cir. 1993) (holding that it is constitutional to restrain deceptive advertising, so long as it is not merely "puffery").
\textsuperscript{86} If a celebrity appears in a movie without having given the authorization for his or her appearance, this is also misleading to the public. For instance, footage of President Clinton was used without his approval in the film "Contact." Beard, supra note 68, at 1206.
\textsuperscript{87} See infra Part III.
Without such limitations, the rights of the public would become superior to those of the celebrity, making a mockery of the concepts of the right to privacy and the right of publicity, which were intended to protect both the personal and financial interests of the celebrity.

III. SEALING OFF THE FLOODGATES OF EXCESSIVE LITIGATION

A. General Substantive Safeguard Measures

In order to prevent excessive litigation by the public, certain safeguards are necessary or else the celebrity's rights are in danger of becoming subservient to those of the public. One of these safeguards should be to permit celebrities to tarnish their own image through whatever commercial association they see fit without fear of reprisal by members of the general public. After all, the Federal Lanham Act was only designed to prevent "any false designation of origin," not simply an undesirable statement, yet an undesirable statement coupled with a false designation of origin should still be actionable on the basis of its offensive nature because the influence over the general public is then a deception.

The public must also be restrained from bringing legal action when the public figure whose name or likeness has been misappropriated is not a "celebrity." For the purpose of this Note, a "celebrity" is any individual with a well-known and celebrated reputation that is financially viable. As important as an individual may be to the functioning of society, such as a politician, only those who are well known by the public can be considered "celebrities." This is not to say that individuals who

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88 Wojciechowski, supra note 31, at 227.
89 But see Alice Trillin, Blowing Smoke, THE NATION, July 19, 1999, at 6 (arguing that celebrities should not smoke in their movies because it encourages youths to purchase more cigarettes through an attempt to identify with the celebrity).
91 See supra note 58.
92 Bill Clinton is an example of a well-known politician that would qualify as a "celebrity" within this definition. See supra note 62 and accompanying text. In fact, famous politicians have appeared in advertisements, such as Bob Dole's endorsements of Pepsi and Viagra. Beard, supra note 68, at 1206 n.223. An individual of economic importance that would not qualify as a "celebrity" is the former president of the New York Stock Exchange, Richard Grasso. Since most people do not know who Grasso is, and of those people who do, most would not
are not in the public eye are incapable of bringing a legal action for defamation, but merely that such individuals lack a right of publicity.

B. Procedural Safeguards

1. Determination of Damages

Consumers attempting to recover for purchases made as a result of a false celebrity endorsement should be entitled to compensatory damages, as if there were an economic injury sustained. It remains to be seen how this measure of damages can be calculated. A contract is created between the manufacturer and the purchaser whenever a consumer buys a product, such that a product that fails to live up to its expectations creates an action for breach of contract. For a misrepresentation, plaintiffs are awarded their reliance interest, the value that the consumer spent on the faulty product, as opposed to their expectation interest, the value of

believe that his name could be associated with the posting of crude messages on the Internet, the likelihood of confusion test cannot be satisfied in this situation. See generally N.Y. Stock Exch., Inc. v. Gahary, 196 F. Supp. 2d 401, 409–11 (S.D.N.Y. 2002) (discussing the likelihood-of-confusion test and explaining, “If no one has any idea who Richard Grasso is, Gahary cannot be accused of trying to free-ride on the former’s name”).

See supra note 59. If statements could not possibly “give rise to an impression that they are true,” then there cannot be a defamatory statement in the first place. Cf. Frank v. Nat’l Broad. Co., 119 A.D.2d 252, 257, 506 N.Y.S.2d 869, 872–73 (2d Dep’t 1986) (holding that there was no defamation where an unknown tax consultant believed himself to be mocked by a comedy sketch program on television that used his name, since there could be no impression that the character portrayed in the routine was actually referring to the plaintiff).

There is an implied warranty of merchantability on all goods sold, provided that the seller is knowledgeable about the type of good sold. See U.C.C. § 2-314 (2002). This implied warranty ensures that the goods be “fit for the ordinary purposes for which such goods are used.” U.C.C. § 2-314(2)(c). When there is a material misrepresentation of the quality of the goods as promised, a plaintiff may recover for breach of contract. VICTOR E. SCHWARTZ, PROSSER, WADE AND SCHWARTZ’S TORTS 1009–10 (Robert C. Clark ed., 10th ed. 2000).

The “reliance interest” is defined as that measure of damages necessary to put the plaintiff “in as good a position as he would have been in had the contract not been made.” RESTATEMENT (SECOND) OF CONTRACTS § 344(b) (2001); see, e.g., Baker v. Burlington Coat Factory Warehouse, 175 Misc. 951, 954–55, 673 N.Y.S.2d 281, 283–84 (Yonkers City Ct. 1998) (holding that a consumer could recover the cost spent on a fur coat that shed excessively, allegedly promoting plaintiff’s allergies).

Provided that there is an implied warranty of merchantability, consumers can recover all appropriate costs, including the purchase price. U.C.C. § 2-714.
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the product if the representations by the defendant were true. Yet there is nothing actually wrong with a product purchased through reliance upon a false celebrity endorsement, except that the famous individual trusted by a consumer did not give his or her seal of approval, which the celebrity is often not qualified to do anyway.98

In order to determine the compensatory damages for a false celebrity endorsement, the expectation interest is what matters, since the consumer bought a product based on the expectation that the celebrity approved of its usage.99 Therefore, this can be calculated as follows: the difference between the value of the product if it were actually endorsed by the celebrity and the actual value of the product that is not endorsed by the celebrity.100 In other words, if a celebrity's endorsement is valuable in considering whether to make a purchase,101 then there is a large difference between what the consumer expected and what was actually received, so damages should be high. On the other hand, if the only advantage the defendant seller received from the false celebrity endorsement was the benefit of attaching a celebrity's name to the product, then there is a relatively small difference between what was expected and what was actually received, so damages should be small.

When the injury sustained is not purely "economic,"102 only injunctive relief should be granted. There are several reasons to impose such a restriction. First, if the public were allowed to

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97 The "expectation interest" is defined as that measure of damages necessary to put the plaintiff "in as good a position as he would have been in had the contract been performed." RESTATEMENT (SECOND) OF CONTRACTS § 344(a).

98 For instance, if an athlete were to endorse a product affiliated with sports in some way, then the celebrity's endorsement of that product is valuable in influencing the consumer's decision whether or not to purchase it. Cf. Palmer v. Schonhorn Enters., Inc., 232 A.2d 458, 462 (N.J. Super. Ct. Ch. Div. 1967) (holding that renowned professional golfers could enjoin the makers of a golf game that contained data about the golfers without their permission, since the celebrities may not want to capitalize on their athletic recognition). On the other hand, if a celebrity like Tom Cruise were to endorse a cooking utensil, as opposed to the famous chef Emeril Lagasse, then the celebrity's opinion about the product would be less valuable, even though the admiration of the celebrity would probably still motivate sales.

99 See supra note 4 and accompanying text.

100 This would put the consumer back in the position that he or she would have been in if the contract had been properly performed—had the celebrity truly endorsed the product. See supra note 97.

101 See supra note 98.

102 See supra Part I.A.
bring class actions\textsuperscript{103} for compensatory relief whenever offended, there would be extensive payoffs and a surplus of frivolous litigation. On the other hand, if a member of the public were suing for injunctive relief, he or she would have nothing to gain from obtaining an injunction other than to alleviate future personal offense, and that individual could sue on behalf of the entire community of devoted fans. Second, despite the possibility that an action brought by members of the general public would be moot if a celebrity had already filed for an injunction to stop the offending message,\textsuperscript{104} a celebrity may fail to exercise his or her existing legal remedies,\textsuperscript{105} in which case the public would continue to remain deceived. Third, the public is often in a better position than the celebrity to judge when a false endorsement has gone too far, since the public is responsible for determining who gets to be a “celebrity.”\textsuperscript{106}

2. Res Judicata Problems

A further dilemma in awarding relief to the public lies in the potential for parties to take advantage of prior holdings through principles of res judicata.\textsuperscript{107} For instance, a celebrity may choose to wait until a member of the general public brings an action for injunctive relief on the issue of whether the offending advertisement deceived the public in order to lock in compensatory damages without even having to prove the merits

\textsuperscript{103} See FED. R. CIV. P. 23.

\textsuperscript{104} Cf. DeFunis v. Odegaard, 416 U.S. 312, 316–17 (1974) (holding that an action initiated by a student against a law school for racial discrimination was moot because the student’s graduation from the law school was already imminently pending, and any decision of the Court would be nothing more than an advisory opinion).

\textsuperscript{105} Cf. id. at 319 (stating that although petitioner could not exercise a legal remedy, it would not preclude any other individual affected by the unlawful practice from seeking legal redress).

\textsuperscript{106} See supra note 75.

\textsuperscript{107} Parties or their “privies” are forbidden to relitigate an issue that has already been determined. Bernhard v. Bank of Am. Nat'l Trust & Sav. Ass'n, 122 P.2d 892, 894 (Cal. 1942) (holding that the executor of an estate could not sue a bank where beneficiaries under the will had previously brought an action and the executor could have joined in it, being in “privity” with the beneficiaries). A “privity” can be defined as any individual who is “directly interested in the subject matter, and had a right to... control the proceeding.” Id. (internal quotations omitted). Thus, the celebrity would be in privity with an individual of the public suing for the use of that celebrity’s false endorsement because the public would stand in the shoes of the celebrity in bringing an action.
of his or her claim.\textsuperscript{108} This problem could also work contrary to the interests of the celebrity, such as when the advertiser defeats a suit brought by a member of the public and then tries to bar the celebrity from later suing on that same claim. It is unlikely, however, that either attempt at preclusion would be successful.\textsuperscript{109}

**CONCLUSION**

While the law in its current form is ambiguous on the issue of public standing, the plain language of the Lanham Act supports the proposition that consumers should be entitled to bring actions for false celebrity endorsements.\textsuperscript{110} The legislature must take an explicit stance on this issue in order for the courts to determine how to rule.\textsuperscript{111} The public has a unique relationship with the celebrity that warrants public protection from deception in advertising\textsuperscript{112} and from unendorsed celebrity statements that could have an adverse impact on the public at large.\textsuperscript{113}

\textsuperscript{108} See id. (stating that a plea of res judicata may be asserted against a party who is "bound by the earlier litigation in which the matter was decided").

\textsuperscript{109} See Parklane Hosiery Co. v. Shore, 439 U.S. 322, 329–31 (1979) (holding that non-mutual offensive collateral estoppel is not permitted when the plaintiff could have joined in the earlier action and was adopting a wait-and-see attitude to cash in on a certain victory); Hardy v. Johns-Manville Sales Corp., 681 F.2d 334, 338 (5th Cir. 1982) (noting that in order to be precluded in a subsequent action, the party must have been a party to or in privity with a party to the previous action).

\textsuperscript{110} See 15 U.S.C. § 1125(a) (2000) (providing a civil remedy for "any person who believes that he or she is likely to be damaged by [the deceptive] act") (emphasis added).

\textsuperscript{111} Congress previously considered amending the language of the Federal Lanham Act to include consumers. H.R. 5372, 100th Cong. (2d Sess. 1988).

\textsuperscript{112} See supra Part I.A.

\textsuperscript{113} See supra Part I.B.