
**TRANSFORMING WITH AVATARS: VIDEO GAME DEVELOPER
LICENSING CONSIDERATIONS**

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I. INTRODUCTION

This article addresses a developer's licensing issues pertaining to video game avatars. Specifically, it examines the independent and overlapping legal and licensing considerations of the developer with respect to avatar creation using preexisting characters, celebrities, developer creations, player creations, and various combinations thereof. The developer's roles include those of licensee, author and licensor.

Video games are a unique genre apart from other multi-media. As explained in the 2013 WIPO publication *The Legal Status of Video Games*:

Video games are complex works of authorship – containing multiple art forms, such as music, scripts, plots, video, paintings and characters – that involve human interaction while executing the game with a computer program on specific hardware.¹

Their use is widespread, with approximately 150 million Americans and at least one person in each of approximately 65% of the households in the United States regularly playing video games three or more hours per week.² This amount of play grabbed a reported \$30.4 billion of consum-

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¹ ANDY RAMOS, LAURA LÓPEZ, ANXO RODRÍGUEZ, TIM MENG & STAN ABRAMS, *THE LEGAL STATUS OF VIDEO GAMES: COMPARATIVE ANALYSIS IN NATIONAL APPROACHES*, 7 (2013), http://www.wipo.int/export/sites/www/copyright/en/activities/pdf/comparative_analysis_on_video_games.pdf.

² *Industry Facts*, ENTERTAINMENT SOFTWARE ASSOCIATION, <http://www.theesa.com/about-esa/industry-facts> (last visited Jan 6, 2018).

ers' money in 2016.³ Video games can generally be categorized as one of three broad types: game worlds, which provide a structured entertainment setting for the player; open worlds, which are more social in nature, allowing the player to roam freely in the virtual world; and hybrid worlds, which have characteristics from both. Within these worlds, players employ and interact with avatars existing in numerous variable ways as discussed below.

This article discusses those avatars, in particular, avatar intellectual property licensing considerations from the perspective of the video game developer. Following this introduction, Part II provides background information on video games and their avatars. Part III explains the current state of copyright protections for characters and character avatars. Part IV discusses the current law surrounding publicity rights protection and how it affects celebrity avatars. Additionally, Part IV addresses the overlap of publicity rights and copyright in celebrity characters. Part V summarizes various end user licensing terms and how these state law obligations affect developer avatar licensing considerations. Part VI examines and analyzes avatar licensing considerations of the developer with respect to copyright law and right of publicity law, as well as state contract law governing end user license agreements. This discussion identifies the particular copyright and right of publicity permissions the developer needs to secure from others, identifies the rights the developer secures in its own creations, and identifies the licensing relationship the developer has to its sublicensees, like publishers and players. Part VII contains concluding comments.

II. BACKGROUND

A. Development and Types of Video Games

Broad consumer enthusiasm for electronic games can be traced to the quick rise in popularity of Atari Interactive's 1972 *Pong*, first a coin operated arcade game and later a two-player home TV console game.⁴ Other arcade games, often single-player, like Taito's *Space Invaders*, Atari's *Home Run*, and Namco's *Pac-Man*, followed *Pong* in the late 1970s, and participated in the movement of video games from limited to mainstream entertainment.⁵ The mid-1980s console games were the second genera-

³ ENT'MT SOFTWARE ASS'N, 2017 SALES, DEMOGRAPHIC AND USAGE DATA, ESSENTIAL FACTS ABOUT THE COMPUTER AND VIDEO GAME INDUSTRY 15 (2017).

⁴ Paul R. Messinger, Eleni Stroulia & Kelly Lyons, Research Paper: *A Typology of Virtual Worlds: Historical Overview and Future Directions*, 3 J. VIRTUAL WORLDS RESEARCH 3 (2008), <https://journals.tdl.org/jvwr/index.php/jvwr/article/view/291>.

⁵ *Id.*; *Space Invaders*, WIKIPEDIA, https://en.wikipedia.org/wiki/Space_Invaders (last edited Nov. 7, 2017); Kate Feldman, *As Strat-O-Matic Goes Digital Tracing*

tion, initially single-player and later multi-player.⁶ Importantly, their later renditions were based on CD-rom platforms (including CD-i) to permit better two dimensional and early three dimensional graphics. Some of the popular early console games included Electronic Arts's *John Madden Football*, Capcom's *Megaman* and Nintendo's *Super Mario Brothers*.⁷

Moving fully into social interactivity, the 1990s and early 2000s saw local area network and internet-connected console games take off with the various generations of Microsoft Xbox, Sony PlayStation and Nintendo machines.⁸ These tools enabled many users to participate in action adventure games like those in the Rockstar Games' *Grand Theft Auto* series, fighter games like those in Nintendo's *Super Smash Brothers* series, and action role playing games like those in Nintendo's *Legend of Zelda* series.⁹ The computing and graphical abilities of the early 2000s platforms, and of later platforms provided by the Apple App Store, Google Play, and Steam, are credited as the main reason these game genres have flourished.¹⁰

While not all games are interactive and online, many are just that, employing various types of avatar creations to interact with others within the game's setting.¹¹ Online interactive games continue independently from any one player given the many, sometimes millions, of other online

the History of the Best Baseball Video Games, DAILY NEWS (Jan. 18, 2016), <http://www.nydailynews.com/sports/baseball/history-best-baseball-video-games-article-1.2500749>; *Pac-Man*, WIKIPEDIA, <https://en.wikipedia.org/wiki/Pac-Man> (last edited Nov. 7, 2017).

⁶ Messinger et al., *supra* note 4.

⁷ *1980s in Video Gaming*, WIKIPEDIA, https://en.wikipedia.org/wiki/1980s_in_video_gaming (last edited Sept. 30, 2017).

⁸ Messinger et al., *supra* note 4, at 4; Eddie MaKuch, *Video Game History: The Defining Moments from the Last 20 Years*, GAMESPOT (May 28, 2016), <http://www.gamespot.com/gallery/video-game-history-the-defining-moments-from-the-l/2900-667/21>; ZACHARY STREBECK, VIDEO GAME LAW 101 (2016).

⁹ MaKuch, *supra* note 8; *Grand Theft Auto*, WIKIPEDIA, https://en.wikipedia.org/w/index.php?title=Grand_Theft_Auto&oldid=740264640 (last edited Sept. 20, 2016); *Super Smash Bros.*, WIKIPEDIA, https://en.wikipedia.org/w/index.php?title=Super_Smash_Bros.&oldid=740179767 (last edited Sept. 19, 2016); *The Legend of Zelda*, WIKIPEDIA, https://en.wikipedia.org/w/index.php?title=The_Legend_of_Zelda&oldid=740358517 (last edited Sept. 20, 2016).

¹⁰ MaKuch, *supra* note 8; STREBECK, *supra* note 8. Games involving professional players who play their games live to millions of electronic onlookers will not be covered in this article, which will instead focus on games created for the non-professional player. For more information about professional player games, see Adam Levy, *PWND or OWNED? The Right of Publicity and Identity Ownership in League of Legends*, 6 PACE INTELL. PROP. SPORTS & ENT. L.F. 163 (2016).

¹¹ Yen-Shyang Tseng, Note, *Governing Virtual Worlds: Iteration 2.0*, 35 WASH. U. J.L. & POL'Y 547, 549-50 (2011).

players.¹² Typically for any of the multi-player games, for example in the massively multiplayer online role-playing game (“MMORPG”), massive multiplayer online game (“MMOG”), or action massive multiplayer online game (“Action MMO”),¹³ the flow of data is between the game systems loaded on player computers and the servers supporting the game.¹⁴ To elaborate, the game system is made up of the software loaded on a player’s local computer, the playing board, and the window used to view the game.¹⁵ The player exercises control of the game through user interface procedures which are also part of the local computer and software mechanisms.¹⁶ The software creates the audiovisual game play through the application of algorithms both to files and databases on each player’s computer and on the server.¹⁷ The game’s servers, located throughout the world and often geographically segregated among different player populations, provide interactive operability by taking in information across the internet from each remote player’s game play.¹⁸ In turn, the servers compare and assimilate the game progress of connected player advancements then return to each player system instructions about how to graphically display all players’ current progressions and positions.¹⁹

For non-interactive games, the video game play results from the simpler interplay of the video game software and the platform, which will be either a personal computing device or a video game console.²⁰ Specifically, the game’s software codes, which must be particularized for the type of platform, are interpreted and displayed on the device as the player interacts as allowed by the game’s software.²¹ Some of the genres found in

¹² *Id.*

¹³ See *MMORPG, Games – All MMO Games*, MMORPG, <http://www.mmorpg.com/gamelist.cfm/show/allCol/genreUCsOrder/desc> (last visited Oct. 31, 2017) (additional MMO games include collectible card game multi-user dungeon (“CCG MUD”), massively multiplayer online real-time strategy (“MMORTS”), massively multi-player online first person shooter (“MMOFPS”), multiplayer online battle arena (“MOBA”), competitive online role-playing game (“CORPG”), online sport games, online first person shooter games (“Online FPS”), and online third person shooter games (“Online TPS”)); see *Video Game Genre Abbreviations*, ALL-ACRONYMS, https://www.allacronyms.com/video_game_genre/abbreviations for definitions (last visited Jan. 3, 2018).

¹⁴ Tracy V. Wilson, *How MMORPGs Work*, HOW STUFF WORKS (Nov. 12, 2007), <http://electronics.howstuffworks.com/mmorpg.html>.

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ *How Do Video Games Work?*, REFERENCE, <https://www.reference.com/hobbies-games/video-games-work-ac7c0a94b27bccfc#> (last visited Jan. 3, 2018).

²¹ *Id.*

offline games are offline action role playing games (“Offline Action RPG”), offline first person shooter games (“Offline FPS”), and offline sports games (“Offline Sports”).²²

Both online and offline virtual worlds are generally separated into three main types: game worlds, open worlds and hybrid worlds.²³ A game world is the most common setting across all genres, with popular examples of *World of Warcraft* and *Halo*.²⁴ The game world genre has underpinnings in university launched multiplayer dungeon and dragon games, which were originally text-based and later became graphics-based.²⁵ In such a game, a player begins with an undeveloped or little-developed avatar at an entry level, and must buttress skills, possessions and accomplishments to advance through higher levels.²⁶

On the other hand, in an open world, also called a free roam, such as *Grand Theft Auto*, *Skyrim* and *The Sims*, a player has various creative resources to design and develop his or her avatar and possessions, and then use his or her imagination to advance in any order desired within stories and/or social structures of the game.²⁷ While subject to each game’s computer graphics limitations and player rules, open worlds have no specific level or goal achievement required to progress within the virtual world.²⁸ Instead they have as their fundamental purpose the promotion of individual creativity, storytelling and successful quests.²⁹

A hybrid world, of which there are several variations, is one based on a game world goal model, but which incorporates some aspects of an open world. For example, a hybrid world may adopt an open world’s real world purchase and sale of virtual assets from the game or a micro-transaction

²² See *Video Game Genre Abbreviations*, *supra* note 13 (additional types of game genres include offline role-playing game (“Offline RPG”) and collectible card game multi-user dungeon (“CCG MUD”)).

²³ Tseng, *supra* note 11, at 553-54.

²⁴ *Id.* at 552-53; *World of Warcraft*, WIKIPEDIA, https://en.wikipedia.org/w/index.php?title=World_of_Warcraft&oldid=747549200 (last edited Nov. 3, 2016); *Halo (series)*, WIKIPEDIA, [https://en.wikipedia.org/w/index.php?title=Halo_\(series\)&oldid=748195907](https://en.wikipedia.org/w/index.php?title=Halo_(series)&oldid=748195907) (last edited Nov. 8, 2016).

²⁵ Daniel C. Miller, Note, *Determining Ownership in Virtual Worlds: Copyright and License Agreements*, 22 REV LITIG. 435, 439-40 (2003).

²⁶ Tseng, *supra* note 11, at 553.

²⁷ *Id.* at 554 n.40; *Culture of Second Life*, WIKIPEDIA, https://en.wikipedia.org/wiki/Culture_of_Second_Life (last edited Oct. 27, 2017); *What Is Second Life*, SECOND LIFE, <http://secondlife.com/whatis> (last visited Oct. 31, 2017); Bec Oakley, *What Is Minecraft All About*, MINIMUM, <http://minimum.com/what-is-minecraft> (last visited Oct. 31, 2017); *The Sims*, WIKIPEDIA, https://en.wikipedia.org/wiki/The_Sims (last edited Oct. 30, 2017).

²⁸ Tseng, *supra* note 11, at 554.

²⁹ *Id.* at 554 nn.37, 38; *Open World*, WIKIPEDIA, https://en.wikipedia.org/wiki/Open_world (last edited Nov. 2, 2106).

system where power and advancement through specified levels require the purchase of virtual currency and other items to succeed.³⁰ Examples of this are *World of Warcraft* and *Clash of Clans*.³¹

B. Avatars Explained

In the broadest context, a video game avatar may be any two or three dimensional audiovisual object or character which acts upon or is acted upon by other avatars.³² Most often, however, and for purposes of this discussion, an avatar is considered to be a three dimensional audiovisual rendering of either the player or the player's alter ego, acting as the player's representative or game piece (sometimes multiple game pieces) within the game, and enabling the player to enter into and act within the game.³³ More specifically, it is an electronic audiovisual image within a video game which acts under a player's direction, but subject to the rules of the game and the end user licensing agreement provisions.³⁴

In some cases the player will have little to no control over the characteristics of the avatar, and in other cases the player will have a great deal of control over those characteristics; the precise place on this continuum is determined by the type and purpose of game in which the avatar exists.³⁵ In a conference publication for the Digital Games Research Association, this was referred to as the closed avatar and the open avatar, where the closed avatar has fully distinguished attributes from the beginning of the game, leaving no avatar character development to the player, and the

³⁰ Tseng, *supra* note 11, at 554-55.

³¹ See *World of Warcraft*, *supra* note 24; *Clash of Clans*, WIKIPEDIA, https://en.wikipedia.org/w/index.php?title=Cash_of_Clans&oldid=747539166; (last edited Nov. 2, 2016).

³² Woodrow Barfield, *Intellectual Property Rights In Virtual Environments: Considering the Rights of Owners, Programmers and Virtual Avatars*, 39 AKRON L. REV. 649, 651-53 (2006).

³³ Miller, *supra* note 25, at 440; Daniel Kromand, Avatar Categorization, Situated Play 400 (2007) (Proceedings of DiGRA 2007 Conference), <http://www.digra.org/dl/db/07311.16435.pdf>; Tyler T. Ochoa, *Who Owns an Avatar? Copyright, Creativity, and Virtual Worlds*, 14 VAND. J. ENT. & TECH. L. 959, 961-62 (2012); see *Avatar (computing)*, Wikipedia, [https://en.wikipedia.org/wiki/Avatar_\(computing\)](https://en.wikipedia.org/wiki/Avatar_(computing)) (last visited Oct. 1, 2016) ("AVATAR" is an acronym for advanced video terminal assembler and recreator). (Note that long before its use in the computer world, avatar was a Hindu term meaning a manifestation of a deity or released soul in bodily form on earth; an incarnate divine teacher.) *Avatar*, WIKIPEDIA, <https://en.wikipedia.org/wiki/Avatar> (last edited Nov. 2, 2017).)

³⁴ Kromand, *supra* note 33.

³⁵ *Id.* at 401.

open avatar depends upon the player's selections for definition of some or all aspects of physicality, personality and abilities.³⁶

The open and closed categories can assist in an understanding of how the avatar is created, what the avatar represents, and what party(ies) might be considered its creator. A closed avatar is a developer-devised character avatar with attributes and abilities determined solely by the developer.³⁷ These characters range from more simplistic, like Pac-Man, and Mario, to the more complex, like *Legend of Zelda's* Link, *Half Life's* Gordon Freeman, *The Godfather's* Dons, and *Rambo's* John Rambo.³⁸ A defining characteristic is that the pre-set abilities of these avatars require the player to master skills in maneuvering and executing them, generally accessing higher capabilities as the player advances levels to successfully master the game's challenges.³⁹ These avatars' appearances are set by the developer, and in most of these games the player chooses, to different extents, among skills and abilities. In *Legend of Zelda*, the player can choose from various developer-created versions of Link for any given game, then possess skills through items like bombs and bows.⁴⁰ In *Half Life*, Gordon Freeman, a silent protagonist player-avatar like that of *Zelda's* Link, defeats opponents with various weapons, various semi-automatic guns and famously a crow-bar.⁴¹ In *Godfather*, whether single-

³⁶ *Id.* Player video game avatars have also been characterized on the basis of the player's emotional relationship and personal identification with his or her avatar. This identification has been categorized as central on one hand, where the player identifies with the avatar as themselves, and acentral on the other hand, where the player sees the avatars as third persons. Typically where a player participates in a game with one avatar acting on behalf of him- or herself, the identification is central. Where the player participates by controlling multiple avatars including various groups of them, who also have needs of their own and who are affected indirectly by a player's choices about provisions to the avatar or the avatar's environment, the identification is acentral. *Id.*; see also PLAYING TO WIN: SPORTS, VIDEO GAMES AND THE CULTURE OF PLAY 141 (Robert Alan Brookey & Thomas P. Oats eds., 2015). This categorization is not material to the focus of this paper and thus will not be further discussed herein.

³⁷ Kromand, *supra* note 33, at 403.

³⁸ *Id.*; *The 50 Greatest Video Game Characters*, EMPIRE, <http://www.empireonline.com/movies/features/50-greatest-video-game-characters> (last updated Mar. 6, 2017, 20:15 PM); *Rambo: The Video Game*, WIKIPEDIA, https://en.wikipedia.org/w/index.php?title=Rambo:_The_Video_Game&oldid=742773120 (last edited Oct. 5, 2016); *The Godfather II (video game)*, WIKIPEDIA, [https://en.wikipedia.org/w/index.php?title=The_Godfather_II_\(video_game\)&oldid=743549615](https://en.wikipedia.org/w/index.php?title=The_Godfather_II_(video_game)&oldid=743549615) (last edited Oct. 10, 2016).

³⁹ Kromand, *supra* note 33, at 403.

⁴⁰ *Wanna Start Playing The Legend of Zelda*, NINTENDO, <https://play.nintendo.com/news-tips/tips-tricks/start-playing-legend-zelda> (last visited Jan. 3, 2018).

⁴¹ *Half-Life Wiki, Category: Weapons*, HALF-LIFE WIKI, <http://half-life.wikia.com/wiki/Category:Weapons> (last visited Jan. 3, 2018).

player or online multi-player mode, the player is responsible for taking charge of various avatar characters to maintain control of his or her crime world, having the ability only to differentiate its gun power.⁴² Finally, *Rambo*'s John Rambo can gain through level advancement improved skills like weaponry and toughness, and perks like more ammunition, faster weapon re-load capability, and better and faster agility.⁴³ As these avatars depend solely on developers for creation, and limit player definition to only the access of pre-defined skill sets, abilities and tools, intellectual property ownership clearly lies on the developer side, vested in the developer and possibly one or more licensors.⁴⁴

The open avatar is typical for role playing games, where an avatar is often the alter-ego of the player him- or herself.⁴⁵ Success or failure may be a function of the character created by the player, which not only includes numerous design choices but also numerous attribute choices to achieve tasks and missions within the game.⁴⁶ The player typically has many choices in creating this avatar including many appearance features, skills, behaviors and dialogue.⁴⁷ A typical open avatar first must obtain its archetype, often choosing from types of heroes or types of villains.⁴⁸ Next it may choose different powers, some related to the archetype and others individually chosen, sometimes upon various achievements within the

⁴² *Godfather II*, *supra* note 38.

⁴³ *Rambo The Video Game Skills and Perks*, RAMBO THE VIDEO GAME, <http://www.rambothevideogame.com/skills-and-perks> (last visited Jan. 3, 2018).

⁴⁴ See discussion on developer-created avatar intellectual property rights, *infra* Section VI.B.1. The *Godfather* game is an example of a game requiring licensing of appropriate rights from both the novelist and the film producer.

⁴⁵ Kromand, *supra* note 33, at 402-03; Sheng-Yi Hsu, Yu-aHan Huang, Chuen-Tsai Sun, *Main(s) and Alts: Multiple Character Management in World of Warcraft*, in PROCEEDINGS OF DiGRA NORDIC 2012 CONFERENCE: LOCAL AND GLOBAL – GAMES IN CULTURE AND SOCIETY, at 1 (2012).

⁴⁶ See *The Witcher 3 Wiki, Skills and Talent Trees*, THE WITCHER 3, <http://thewitcher3.wiki.fextralife.com/Skills+and+Talent+Trees> (last visited Oct. 31, 2017); *The Witcher 3 – How to Use Skills, Signs and Magic*, THE WITCHER 3, <http://www.usgamer.net/articles/the-witcher-3-wild-hunt-how-to-use-skills-signs-and-mutagens> (last visited Oct. 17, 2017); Jeff Corker, *The Essential Skills (And The Ones to Avoid) in Rise of the Tomb Raider*, GAMEINFORMER (Nov. 10, 2015, 11:35 AM), <http://www.gameinformer.com/b/features/archive/2015/11/10/the-essential-skills-and-the-ones-to-avoid-in-rise-of-the-tomb-raider.aspx?PostPageIndex=1>.

⁴⁷ Ochoa, *supra* note 33, at 962.

⁴⁸ See *Character Creation (Skyrim)*, ELDER SCROLLS WIKI, [http://elderscrolls.wikia.com/wiki/Character_Creation_\(Skyrim\)](http://elderscrolls.wikia.com/wiki/Character_Creation_(Skyrim)) (last visited Oct. 1, 2017); Laryn Bell, *Fallout 4: Character Customization Guide*, US GAMER (Mar. 10, 2015), <http://www.usgamer.net/articles/fallout-4-character-customization-guide> (last visited Jan. 5, 2018).

game.⁴⁹ The choices of body styles, including specific body parts and skin color, can be in the millions, including in some games the ability to achieve gradual modification of attributes through the process of a “slider” or similar mouse-driven mechanism.⁵⁰ There are sometimes even esoteric attribute choices like “auras” that accompany the avatar at specified times.⁵¹ Lastly, an avatar name is chosen by the player.⁵² Examples of open avatars are player-created avatars in Linden Lab’s long-running MMORPG *Second Life*, with fully open character creation abilities; Activision Blizzard’s MMORPG *World of Warcraft*, with many recent customization choices; *The Sims*, where players create families and control their lives; and the more recently released Glu Mobile game *Kim Kardashian Hollywood*.⁵³

Ownership of the open avatar is not as clear cut as it is for the closed avatar. Ownership is generally addressed in end user license agreements (“EULA”), where some like that for *The Sims* grant the publisher and/or its licensors and licensees blanket intellectual property rights (either through ownership or licensing), including to all avatar characteristics depicted above, and give the user the right to use those creations in-game only, subject to other player’s in-game use rights.⁵⁴ Linden Lab’s *Second Life*, purports to have a different intellectual property arrangement, but, in the end is similar to that of *The Sims*. *Second Life* is an open world game, where creativity is a fundamental activity.⁵⁵ Accordingly, the promotional materials represent that players are granted intellectual property protection for their creations, from avatars to figures to products.⁵⁶ How-

⁴⁹ Ochoa, *supra* note 33, at 962-63; *see* note 46 *supra* and accompanying text (discussion of *Witcher* and *Tomb Raider* skills).

⁵⁰ *How to Play the Sims 4*, WIKIHOW, <http://www.wikihow.com/Play-The-Sims-4> (last visited Jan 5, 2018); Ochoa, *supra* note 33, at 963; *see* note 48 *supra* (discussions of *Skyrim* and *Fallout*).

⁵¹ Ochoa, *supra* note 33, at 964.

⁵² *Id.*; *see* *How to Play the Sims 4*, *supra* note 50; note 48 *supra* (discussion of *Skyrim* and *Fallout*).

⁵³ *Second Life*, *supra* note 27; *World of Warcraft*, WIKIPEDIA, https://en.wikipedia.org/w/index.php?title=World_of_Warcraft&oldid=742774042 (last edited Oct. 5, 2016); *Character Creation*, *supra* note 48; *How to Play the Sims 4*, *supra* note 50; Kromand, *supra* note 33, at 403-04; *Kim Kardashian: Hollywood*, WIKIPEDIA, https://en.wikipedia.org/w/index.php?title=Kim_Kardashian:_Hollywood&oldid=734802288 (last edited Aug. 26, 2016); *Minecraft: Story Mode*, WIKIPEDIA, https://en.wikipedia.org/w/index.php?title=Minecraft:_Story_Mode&oldid=740981088 (last edited Sept. 24, 2016).

⁵⁴ Ochoa, *supra* note 33, at 964; *Electronic Arts User Agreement*, ELECTRONIC ARTS, <http://www.ea.com/terms-of-service> [hereinafter *Sims EULA*] (last edited Aug. 18, 2017).

⁵⁵ *See* *Second Life*, *supra* note 27.

⁵⁶ *Id.*

ever, the permissions granted to the player by the EULA are conscribed, granting the player only full *licensed* rights anywhere in the *Second Life* virtual world, while granting unlimited in-game use licenses to other players and retaining intellectual property ownership in Linden Lab; thus, the player is left with simply a non-exclusive license in its intellectual property.⁵⁷ With both developer and player creative contributions to the open avatar, the EULA plays an important role in determining ownership and intellectual property rights therein, with its enforceability sometimes in question.⁵⁸ This topic is explored in greater depth below at Section V.

Several avatars have traits from both open and closed categories.⁵⁹ Bungie's *Halo* player-avatar, Master Chief, which historically had only weapons choices, more recently has evolved to provide limited Spartan customization in terms of the appearance of the first person player-avatar's armor, helmet, visor and armor color, plus assassinations, stances and weapon skins.⁶⁰ Another is the *Rise of the Tomb Raider's* adventure survivalist player avatar Lara Croft. For her first person player-avatar there are numerous look and style choices including for clothing, hair jewelry and makeup.⁶¹ There are also leveled weapon choices and dozens of skill choices from three broad categories labeled "brawler" (essentially combat), "hunter" and "survivalist."⁶²

Other cross-over examples of these avatars are those based on pre-existing characters, like comic book characters and novel based characters, which have some but not total customization features. A group of blended avatars exists in Irrational Games' still popular *Freedom Force*, which is a real-time superhero-based tactical game allowing role playing.⁶³ A player starts by choosing a team of pre-set super heroes loosely based on those of DC Comics and Marvel Comics, and then modifies them with new and/or expanded powers based on achievements.⁶⁴ In addition, using a character editor a player can make his own characters for his superhero squad, using

⁵⁷ *Id.* at 437-38; Yuval Karniel, *Copyright in Second Life*, 20 ALB. L.J. SCI & TECH. 433, 437 (2010).

⁵⁸ Ochoa, *supra* note 33, at 965.

⁵⁹ Kromand, *supra* note 33, at 405.

⁶⁰ Greg, *Customizing Your Spartan in Halo 5 Multiplayer*, TENTON HAMMER (OCT. 22, 2015), <http://www.tentonhammer.com/guides/customizing-your-spartan-in-halo-5-multiplayer>; *Halo MCC – All Customization Options for Multiplayer! – Armour, Skins, Nameplates, Avatars . . .*, YOUTUBE, <https://www.youtube.com/watch?v=1I4lozmVmQs> (last visited Jan. 5, 2018).

⁶¹ *GTA 5 Online - Tomb Raider/Lara Croft Outfit and Customization*, YOUTUBE, <https://www.youtube.com/watch?v=6FNWYfasaR0> (last visited Jan. 5, 2018).

⁶² See *Tomb Raider Essential Skills*, *supra* note 46.

⁶³ Trent Moore, *The 12 Best Superhero Video Games You Can Play Right Now* (Jan. 3, 2016), SYFYWIRE, <http://www.blastr.com/2016-6-3/12-best-superhero-video-games-you-can-play-right-now>.

⁶⁴ *Id.*

numerous available powers, and looks.⁶⁵ Several other games permit a player to create and play with famous comic book superheroes as well,⁶⁶ with a current version found within Gazillion Entertainment's action MMORPG *Marvel Heroes 2016*.⁶⁷ This game's avatars come from over 100 pre-set characters and a player has the ability to build his or her own character from libraries of powers, gear and costumes.⁶⁸ For Geralt in the *Witcher* series, the skills and abilities have multiplied with each version. CD Projekt Red's current *Witcher 3: Wild Hunt* has the most yet of the *Witcher* games, allowing the player to select hundreds of armor and weapons upgrades for Geralt, the monster-slayer for hire, and up to seventy total skills (with up to twelve interchangeable at one time) from four different skill categories (combat, signs, alchemy and general).⁶⁹

Hybrid avatars may give rise to opposing claims of intellectual property rights. For the developer-created character who has well-defined and consistently recognizable attributes, the developer clearly has intellectual property rights in the graphical display of each avatar's appearance, demeanor, skills and personality.⁷⁰ But a player may also lay such claim to his or her customizations of these avatars.⁷¹ For pre-existing characters from comic books and novels, additional intellectual property rights lie with the original character model's copyright holder. Either or both subsequent works may qualify as derivative works.⁷² In any event, many end user licensing agreements capture possible player intellectual property rights in the publisher and its licensors, namely the developer, and possibly others prior in time.⁷³

Yet another type of avatar presentation is found in games which allow a player to choose whether to play sometimes through avatars fixed in form and other times through avatars customizable at specified levels or in total. One example is Activision's *Guitar Hero* and *Band Hero* series,

⁶⁵ Ron Dulin, *Freedom Force Reviews*, GAMESPOT (Mar. 29, 2002), <http://www.gamespot.com/reviews/freedom-force-review/1900-2859351>.

⁶⁶ Moore, *supra* note 63.

⁶⁷ *Id.*

⁶⁸ *Marvel Heroes 2016, About This Game*, STEAM, <http://store.steampowered.com/app/226320> (last visited Oct. 11, 2016).

⁶⁹ *The Witcher 3 New Gameplay Trailer: Walkthrough of Character Customization, Outfits and Side Quests*, YOUTUBE, <https://www.youtube.com/watch?v=0RPXLpqq1x8> (last visited Oct. 31, 2017); Josh Hawkins, *The Witcher 3 – How to Use Skills, Signs and Magic*, US GAMER, <http://www.usgamer.net/articles/the-witcher-3-wild-hunt-how-to-use-skills-signs-and-mutagens> (June 28, 2017); *Skills and Talent Trees*, THE WITCHER 3 WIKI, <http://thewitcher3.wiki.fextralife.com/Skills+and+Talent+Trees> (last visited Jan. 5, 2018).

⁷⁰ Ochoa, *supra* note 33. at 978; see Sections III.B., III.C *infra*.

⁷¹ *Id.*; see Section VI.B.3 *infra*.

⁷² *Id.* at 981-82; see Section III.A.3 *infra*.

⁷³ See Section V *infra*.

where some of the player avatars are depictions of celebrity bands and performers (including Aerosmith, Metallica, No Doubt, Ozzy Osbourne, Kurt Cobain and Taylor Swift), some are player-modified versions of the performers, and others are whole creations of the player.⁷⁴ The player's own musician avatar is of the open type, with numerous customization options, including drawing tools, allowing unlimited graphical choices for the musicians, plus over 3,000 choices for drum set and guitar designs and numerous animation styles and dance moves.⁷⁵ On the other hand, each celebrity avatar belongs in the hybrid open category, offering the player only limited unlocking and customization.⁷⁶ Another example is Electronic Arts *Madden Football*. The closed avatars are the current NFL and famous historical player depictions which are available only to play on a user's team or opponent team.⁷⁷ The open avatars are those devised at the user's discretion, with choices available for type, like coach, owner or athlete, and, as applicable, name, position, jersey, handedness, colleges, body dimensions, numerous uniform details and limited slider customization capabilities.⁷⁸

Both the *Guitar/Band Hero* games and the *Madden* games involve celebrity likenesses, raising publicity rights issues for the developer.⁷⁹ These games also raise potential player rights in creations completely of the player or from unlocked and modified celebrity avatars. The developers own their creative material, but subject to prior licensed rights of the celebrities and any subsequent licensed rights to players.

⁷⁴ *Guitar Hero*, WIKIPEDIA, https://en.wikipedia.org/w/index.php?title=Guitar_Hero&oldid=738524991 (last edited Sept. 9, 2016); *Band Hero*, WIKIPEDIA, https://en.wikipedia.org/w/index.php?title=Band_Hero&oldid=738680513 (last edited Sept. 10, 2016).

⁷⁵ *Guitar Hero World Tour Character Creation*, YOUTUBE, <https://www.youtube.com/watch?v=iG-VKt7gPAg> (last visited Jan. 5, 2018)

⁷⁶ *Guitar Hero, Band Hero*, *supra* note 74.

⁷⁷ *What's New in Ultimate Team*, EA SPORTS, <https://www.easports.com/madden-nfl/ultimate-team/features> (last visited Jan. 5, 2018).

⁷⁸ *Madden NFL 17 Create A Player*, YOUTUBE, <https://www.youtube.com/watch?v=-tJYZvGsqKc> (last visited Jan. 6, 2018).

⁷⁹ See *Brown v. Elecs. Arts, Inc.*, No. 2:09-cv-01598-FMC-RZ (2009, U.S. Dist. LEXIS 131387, at *2-*3 (C.D. Cal. Sept. 23, 2009) (reciting in the factual discussion that developer/publisher Electronic Arts has a licensing agreement for the current NFL players but does not have one for retired player (and plaintiff) Jim Brown); see *No Doubt v. Activision Publ'g, Inc.*, 192 Cal. Rptr. 3d 397, 401-02 (Ct. App. 2011) (reciting and discussing the terms of the license agreement between Activision and No Doubt); see Section IV, *infra*.

III. COPYRIGHT LAW

A. Copyright in General

Copyright is recognized for original works of authorship fixed in a tangible medium, and is most commonly found in the statutorily enumerated categories including literary works, musical works, dramatic works, pictorial, graphic, and sculptural works, and motion pictures and other audiovisual works.⁸⁰ The video game avatar may be found infrequently in a literary work or a graphic work, and is most often going to be found in an audiovisual work — specifically the video game.⁸¹ The copyright office includes video games within the audiovisual work category,⁸² where an audiovisual work is defined as “a series of related images which are intrinsically intended to be shown by the use of machines or devices such as projectors, viewers, or electronic equipment, together with accompanying sounds, if any, regardless of the nature of the material objects, such as films or tapes, in which the works are embodied.”⁸³ As recognized by the World Intellectual Property Organization (WIPO), “video games are not created as single, simple works, but are an amalgamation of individual elements that can each individually be copyrighted (i.e., the characters in a given video game, its soundtrack, settings and other audiovisual parts, etc.) if they achieve a certain level of originality and creativity.”⁸⁴

For the video game avatar to become an individually copyrighted element, it must achieve character status and satisfy the requirements of originality, fixation and authorship. But obtaining character copyright, separate and apart from the overall video game copyright, requires compliance with a specific set of standards. Summarily, for copyright to attach to literary characters, they need to be “highly delineated” and be in and of themselves a “story being told.”⁸⁵ For copyright to attach to visual characters they must possess distinctly and consistently delineated physical and conceptual traits.⁸⁶ While case law treatment for copyright in video game

⁸⁰ 17 U.S.C. § 102 (2012).

⁸¹ See U.S. COPYRIGHT OFFICE, CIRCULAR 61: COPYRIGHT REGISTRATION FOR COMPUTER PROGRAMS 4 (2011), <http://www.copyright.gov/circs/circ61.pdf> [hereinafter CIRCULAR 61]; see U.S. COPYRIGHT OFFICE, COMPENDIUM OF U.S. COPYRIGHT OFFICE PRACTICES §§ 807.7(A).

⁸² *Copyright, Help: Type of Work*, COPYRIGHT, <http://www.copyright.gov/eco/help-type.html> (last visited Jan. 6, 2018).

⁸³ 17 U.S.C. § 101 (2012).

⁸⁴ RAMOS, ET. AL., *supra* note 1; see also COMPENDIUM (THIRD) § 807.7(A).

⁸⁵ *Anderson v. Stallone*, 11 U.S.P.Q.2d (BNA) 1161, 1166-67 (C.D. Cal. 1989); *Metro-Goldwyn-Mayer, Inc. v. Am. Honda Motor Co.*, 900 F. Supp. 1287, 1296 (C.D. Cal. 1995).

⁸⁶ *DC Comics v. Towle*, 802 F.3d 1012, 1021 (9th Cir. 2015).

avatar characters is slim, the standard appears to be similar to that for visual characters and requires distinct delineation.⁸⁷

I. Originality

To satisfy copyright's originality requirement, some minimal level of intellectual or creative thought from the creator's own thought process, something which is clearly an expression of the creator and not copied, must come into fixed existence.⁸⁸ As the Supreme Court said in its 1991 decision of *Feist Publications, Inc. v. Rural Telephone Service*:⁸⁹

[T]he requisite level of creativity is extremely low; even a slight amount will suffice. The vast majority of works make the grade quite easily, as they possess some creative spark, "no matter how crude, humble or obvious" it might be.⁹⁰

Originality is not necessarily something that satisfies a specific subjective level of creativity or artistic talent.⁹¹ In *Bleistein*, the court noted, "[i]t would be a dangerous undertaking for persons trained only to the law to constitute themselves final judges of the worth of pictorial illustrations, outside of the narrowest and the most obvious limits."⁹² Thus a very low level of creativity is required, as long as it is the artist's original creativity. Moreover, "[o]riginality does not signify novelty; a work may be original even though it closely resembles other works so long as the similarity is fortuitous, not the result of copying."⁹³ If two authors, unaware of each other's undertakings, create identical or nearly identical works, each may still have an original copyrightable work, though neither is novel.⁹⁴

Sufficient originality for copyright contemplates individual, particular expression beyond the unprotectable ideas of the work.⁹⁵ While courts differ in how they distinguish between the idea of a work and the expres-

⁸⁷ See *Atari, Inc. v. N. Am. Philips Consumer Elecs. Corp.*, 672 F.2d 607, 617-18 (7th Cir. 1982) (finding *PAC-MAN*'s characters wholly fanciful distinguishable characters); cf. *OG Int'l, Ltd. v. Ubisoft Ent'mt*, No. C 11-04980 CRB, 2011 U.S. Dist. LEXIS 124020, at *12-*13 (N.D. Cal. Oct. 26, 2011) (finding that avatars in a dance video were capable of some expressive variation separate from their function and thus eligible for copyright protection, but not addressing whether the avatars were eligible for character copyright).

⁸⁸ 17 U.S.C. § 102 (2012).

⁸⁹ 499 U.S. 340, 345 (1991).

⁹⁰ *Id.* at 345 (citing MELVILLE B. NIMMER & DAVID NIMMER, 1 NIMMER ON COPYRIGHT § 1.08[C][1] (1990)).

⁹¹ *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 251 (1903).

⁹² *Id.*

⁹³ *Feist*, 499 U.S. 340.

⁹⁴ *Id.* at 345-46 (citing *Sheldon v. Metro-Goldwyn Pictures Corp.*, 81 F.2d 49, 54 (2d Cir. 1936)).

⁹⁵ *Kaplan v. Stock Market Photo Agency, Inc.*, 133 F. Supp. 2d 317, 322-27 (S.D.N.Y. 2001); *Mannion v. Coors Brewing Co.*, 377 F. Supp. 2d 444, 455-61

sive component of the work, they have made it clear that stock characters alone do not embody expression but merely an idea.⁹⁶ When the idea and the expression of the idea are not separable the expression is said to merge into the idea and no copyright protection will be afforded in order to leave that idea open to the public domain.⁹⁷

2. Fixation

Copyright's fixation requirement is defined in the Copyright Act's definitional section which states "[a] work is 'fixed' in a tangible medium of expression when its embodiment in a copy or phonorecord, by or under the authority of the author, is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration."⁹⁸ Where computer-generated audiovisual images are at issue, the work is most likely to be fixed in the form of computer code or a visual image in digital (or even non-digital) format.⁹⁹ Indeed, the Copyright Office recognizes and accepts alternate forms of a fixed copy — including the text of the computer program, and/or the screen displays or pictorial or graphical images of the audiovisual work — in registering a copyright in an audiovisual image generated by a computer program.¹⁰⁰

(S.D.N.Y. 2005); *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 755 (9th Cir. 1978).

⁹⁶ *Air Pirates*, 581 F.2d 751, 755; *Gaiman v. McFarlane*, 360 F.3d 644, 660 (7th Cir. 2004) ("If a drunken old bum were a copyrightable character, so would be a drunken suburban housewife, a gesticulating Frenchman, a fire-breathing dragon, a talking cat, [or] a Prussian officer who wears a monocle and clicks his heels . . . [This would be so] even though such stereotyped characters are the products not of the creative imagination but of simple observation of the human comedy."); *Rice v. Fox Broad. Co.*, 330 F.3d 1170, 1176 (9th Cir. 2003).

⁹⁷ *Herbert Rosenthal Jewelry Corp. v. Kalpakian*, 446 F.2d 738, 742 (9th Cir. 1971).

⁹⁸ 17 U.S.C. § 101 (2012).

⁹⁹ *Ochoa*, *supra* note 33, at 971-72. Although not likely a final version, programmers may render their avatar in descriptive prose fixed in some form of digital or hard copy which could be submitted as copy of a literary work. Another unlikely final version is a photographic or drawn rendition which could be registered as a work of visual art. *See infra* note 100.

¹⁰⁰ *See* CIRCULAR 61, *supra* note 81; U.S. COPYRIGHT OFFICE, CIRCULAR 45, COPYRIGHT REGISTRATION FOR MOTION PICTURES INCLUDING VIDEO RECORDINGS (2014), <https://www.copyright.gov/circs/circ45.pdf> [hereinafter CIRCULAR 45]; COMPENDIUM (THIRD) § 807.7(A), VIDEO GAMES; *see also* U.S. COPYRIGHT OFFICE, CIRCULAR 40, COPYRIGHT REGISTRATION FOR PICTORIAL, GRAPHIC, AND SCULPTURAL WORKS (2015), <https://www.copyright.gov/circs/circ40.pdf> [hereinafter CIRCULAR 40]; U.S. COPYRIGHT OFFICE, CIRCULAR 40A, DEPOSIT REQUIREMENTS FOR REGISTRATION OF CLAIMS TO COPYRIGHT IN VISUAL ARTS MATERIAL (2015), <https://www.copyright.gov/circs/circ4a0.pdf> [hereinafter CIRCULAR 40A];

Accordingly, programmers and their assignees or licensees may look to achieve the fixation requirement for avatars through their copy of the rendering computer program.¹⁰¹ For example, the computer program copy would contain a fixed “set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result.”¹⁰² Where this copy is embodied in a computer’s servers, a hard disk, or another electronic storage or memory device involved in the game, it will be considered “‘fixed’ in a tangible medium of expression,” for purposes of the Copyright Act.¹⁰³ The related requirements of embodiment and non-transitory duration, are satisfied where the copy resides either on the computer’s hard drive or within its random access memory.¹⁰⁴ Case law also recognizes that audiovisual displays which assume a concrete or permanent form in the detailed instruction files of the game known as the MAP files, are sufficiently fixed.¹⁰⁵

Alternatively, a developer/publisher may look to the fixation of an avatar embodied in the audiovisual output generated by the game’s computer program, which is the best alternative where “audiovisual material predominates”; or to a picture or sketch which might come into play for an alternative pictorial or graphic rendition.¹⁰⁶ For the former, case law overlooks both the fact that with each use or display of a video game an audiovisual image generated by its fixed media might be a “new” image, and

COMPENDIUM (THIRD) CHAPTER 900, VISUAL ART WORKS (copy of pictorial or graphical works separate from screen shots are an option for fixation, although less likely where the subject matter is an avatar within a video game (audiovisual work)).

¹⁰¹ CIRCULAR 61, *supra* note 81; Ochoa, *supra* note 33, nn.43, 44 and accompanying text.

¹⁰² 17 U.S.C. § 101 (2012). Ochoa, *supra* note 33, n.53 (“[17 U.S.C.] § 101 (‘Literary works’ are works, other than audiovisual works, expressed in words, numbers, or other verbal or numerical symbols or indicia, regardless of the nature of the material objects . . . in which they are embodied.); H.R. REP. NO. 94-1476, at 54 (1976) (“The term ‘literary works’ . . . also includes computer data bases, and computer programs to the extent that they incorporate authorship in the programmer’s expression of original ideas, as distinguished from the ideas themselves.”).

¹⁰³ *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146, 1160 (9th Cir. 2007); *Stern Elecs., Inc. v. Kaufman*, 669 F.2d 852, 855 n.4 (1982); *Midway Mfg. Co. v. Dirkschneider*, 543 F.Supp. 466 (D. Neb. 1981); *see Miller, supra* note 25, at 483; *cf. Cartoon Network, LP v. CSC Holdings, Inc.*, 536 F.3d 121, 129 (2d Cir. 2008) (refusing to characterize data only embodied in a random-access memory “buffer” for only 1.2 seconds at a time as “fixed”).

¹⁰⁴ *Cartoon Network*, 536 F.3d 121; *Perfect 10*, 508 F.3d 1146 103 (both referencing *MAI Sys. Corp. v. Peak Computer, Inc.*, 991 F.2d 511, 518 (9th Cir. 1993)).

¹⁰⁵ *Micro Star v. Formgen, Inc.*, 154 F.3d 1107, 1112 (9th Cir. 1998).

¹⁰⁶ *See supra* note 100.

that each such image may be slightly changed but otherwise provide substantial repetitive similarity of sights and sounds.¹⁰⁷

3. Authorship

Because copyright attaches to works of authorship, an inquiry into the identity of the author is necessary. As acknowledged throughout copyright case law, “[w]hile an ‘author’ may be viewed as an individual who writes an original composition, the term, in its constitutional sense, has been construed to mean an ‘originator,’ ‘he to whom anything owes its origin.’”¹⁰⁸ In film creations, a person qualifies as an author even if he or she does not “perform with his own hands the mechanical tasks of putting the material into the form distributed to the public.”¹⁰⁹ Where video games are concerned, several authorship claims are possible depending on the various types of contributions to the game and the relationship of the creator-contributors.¹¹⁰ As to characters, the author of a copyrighted literary character is the one who makes the character definite or develops the character as the story, and the author of a graphical or audiovisual character is the one who distinctively and consistently delineates a character’s physical and conceptual traits.¹¹¹

The Copyright Act embodies five general types of authorship, four of which may be relevant to video game avatar creations: sole authorship, joint authorship, derivative works, and works made for hire.¹¹² Sole authorship is straight forward. It is recognized within § 201(a) of the Copy-

¹⁰⁷ *Williams Elecs., Inc. v. Artic Int’l, Inc.*, 685 2d 870, 874 (3d Cir. 1982).

¹⁰⁸ *Goldstein v. California*, 412 U.S. 546, 561 (1973) (citing *Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53, 58 (1884)).

¹⁰⁹ *Lindsay v. Wrecked & Abandoned Vessel R.M.S. Titanic, No. 97-Civ.-9248 (HB)*, 1999 U.S. Dist. LEXIS 15837, at *17 (S.D.N.Y. Oct. 13, 1999) (citing *Andrien v. Southern Ocean Cnty. Chamber of Commerce*, 927 F.2d 132 (3d Cir. 1991)).

¹¹⁰ *Ochoa*, *supra* note 33, at 977-86; *see infra* notes 115-28 and 135-41 and accompanying discussion; *see also* F. Jay Dougherty, *Not a Spike Lee Joint? Issues in the Authorship of Motion Picture Under U.S. Copyright Law*, 49 UCLA L. REV. 240-81 (2001); *see also* F. Jay Dougherty, *The Misapplication of “Mastermind”: A Mutant Species of Work for Hire and the Mystery of Disappearing Copyrights*, 39 COLUM. J.L. & ARTS 463 (2016).

¹¹¹ *Nichols v. Universal Pictures Corp.*, 45 F.2d 119 (2d Cir. 1930); *Warner Bros. Pictures v. Columbia Broad. Sys.*, 216 F.2d 945 (9th Cir. 1954); *DC Comics v. Towle*, 802 F.3d 1012, 1021 (9th Cir. 2015).

¹¹² *See* 17 U.S.C. § 201 (2012) (definition of “initial ownership”); *see id.* § 101 (definitions of “joint work,” “derivative work,” and “work made for hire”); *see Ochoa*, *supra* note 33 at 977-86 (the fifth type of authorship is a collective work which does not typically represent the type of authorship of a video game avatar, but instead represents the type of authorship of a video game as a whole. *Id.* at 983-86.)

right Act and establishes initial ownership of the work in an original sole author or creator.¹¹³ To the sole author goes the copyright rights enumerated in § 106.¹¹⁴

Joint authorship is defined at § 101 of the Copyright Act as “a work prepared by two or more authors with the intention that their contributions be merged into inseparable or interdependent parts of a unitary whole.”¹¹⁵ In determining a joint work, the legislative history and case law require an analysis of the parties’ intentions at the time the work is done; and each author must have intention that the work be a joint work.¹¹⁶ While the contributions do not have to be split evenly or equally substantial, each must rise to a substantial and material level.¹¹⁷ Some courts require that each contribution be separately copyrightable; other authorities do not require this, particularly where the nature of each material contribution is not a stand-alone work, but the combined effort is.¹¹⁸ Most would at least recognize, as discussed by Judge Posner in *Gaiman v. McFarlane*,¹¹⁹ that “where two or more people set out to create a character jointly in such mixed media as comic books and motion pictures and succeed in creating a copyrightable character, it would be paradoxical if though the result of their joint labors had more than enough originality and creativity to be copyrightable, no one could claim copyright.”¹²⁰ In *Richlin v. Metro-Goldwyn-Mayer Pictures, Inc.*,¹²¹ the Ninth Circuit required three findings to permit a conclusion of joint authorship in a motion picture.¹²² First is the shared intent as discussed above, where a contract is not essential, but will be dispositive as to that fact if it exists.¹²³ Second is that the alleged joint author oversaw or “superintended” the

¹¹³ *Id.* § 201(a).

¹¹⁴ *Id.* § 106.

¹¹⁵ *Id.* § 101.

¹¹⁶ 1 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 6.05 (2017).

¹¹⁷ See *Gaiman v. McFarlane*, 360 F.3d 644, 659 (7th Cir. 2004) (discussing 3 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 6.07, at 6-23 (2003)); *Janky v. Lake Cnty. Convention & Visitors Bureau*, 576 F.3d 356, 363 (7th Cir. 2009); 1 WILLIAM F. PATRY, COPYRIGHT LAW AND PRACTICE 365-65 (1994).

¹¹⁸ See *Gaiman*, 360 F.3d 96, at 658-59 (discussing various positions on joint contribution requirements).

¹¹⁹ *Id.*

¹²⁰ *Id.* (noting that where certain creative processes qualify for copyright in the final product, like comic book creation involving a writer, a penciler, an inker and a colorist, or like academic articles involving an idea person and a scribe, the law should award joint author status to each creator even though their separate contributions may not be independently copyrightable).

¹²¹ 531 F.3d 962 (9th Cir. 2008).

¹²² *Id.* at 968.

¹²³ *Id.*

work by exercising control.¹²⁴ And as further explained in *Aalmuhammed v. Lee*,¹²⁵ a case heavily relied upon by the *Richlin* court, this person must be thought of as the “master mind” of the work — generally “someone at the top of the screen credits.”¹²⁶ Third is “the audience appeal of the work” such that each alleged joint author shares undividedly in the public’s attribution of success.¹²⁷

Where joint ownership is found, the law dictates that absent contractual terms to the contrary, each joint author has certain rights.¹²⁸ He or she has an equal, undivided interest in the copyrighted work as a tenant in common, and does not retain an ownership interest in his or her separate contribution, which is deemed merged into the joint copyrightable work.¹²⁹ Any co-owner may use or exploit the joint work without the consent or knowledge of the other, but has a duty to account to other joint owners for profits.¹³⁰ A co-owner cannot grant an exclusive license without the consent of the other co-owner,¹³¹ and if one co-author makes a derivative work based upon a joint work, the other co-author(s) does not have any ownership in that derivative work, but of course continues to co-own the underlying work.¹³² A co-owner can use but not destroy the *res*, and can transfer his or her own interest without consent of or an accounting to the other co-owner.¹³³ Finally, a co-owner of the copyright can sue a joint owner for an accounting but not for infringement.¹³⁴

Section 101 defines a “derivative work” as “a work based upon one or more preexisting works” that exists in any “form in which a work may be recast, transformed, or adapted.”¹³⁵ As explained in the legislative history, “[a] ‘derivative work,’ . . . requires a process of recasting, transforming, or adapting ‘one or more preexisting works’; the ‘preexisting work’ must come within the general subject matter of copyright set forth in Section 102”¹³⁶ Section 103 informs that protection in a derivative work extends only to parts of the work where the preexisting material has been

¹²⁴ *Id.*

¹²⁵ 202 F.3d 1227 (9th Cir. 2000).

¹²⁶ *Id.* at 1233; *see also* *Garcia v. Google, Inc.*, 786 F.3d 733, 741-44 (9th Cir. 2015).

¹²⁷ *Richlin*, 531 F.3d at 970; *see* *Ochoa*, *supra* note 33, at 979-81; *see* *Dougherty*, 49 *UCLA L. REV.*, *supra* note 110, at 252-81; *see* *Dougherty*, 39 *COLUM. J. L. & ARTS*, *supra* note 110.

¹²⁸ 17 U.S.C. § 201(a) (2012); *Richlin*, 531 F.3d at 121; 1 *NIMMER & NIMMER*, *supra* note 116, §§ 6.01, 6.03.

¹²⁹ 1 *NIMMER & NIMMER*, *supra* note 116, §§ 6.03, 6.04.

¹³⁰ *Id.* § 6.06.

¹³¹ *Id.* § 6.10.

¹³² *Weissmann v. Freeman*, 868 F.2d 1313, 1318 (2d Cir. 1989).

¹³³ 1 *NIMMER & NIMMER*, *supra* note 116, §§ 6.10 and 6.11.

¹³⁴ *Id.* § 6.12.

¹³⁵ 17 U.S.C. § 101 (2012).

¹³⁶ H.R. REP. NO. 94-1476, at 57-58 (1976).

lawfully incorporated, and, then, only to the author's newly contributed material where such new contributions create an original new whole.¹³⁷ The standards for copyrightability in derivative works are the same for that of non-derivative works: the work must have "enough expressive variation from public-domain or other existing works to enable the new work to be readily distinguished from its predecessors."¹³⁸ Creative decisions about what images or styles will convey a certain expression, look or feel are sufficient added elements to distinguish the derivative work from the underlying work and thus make it copyrightable.¹³⁹ On the other hand, where a work is simply a copy of a work from one medium to another, with the intent of rendering as near an exact replica as possible in the new medium, no copyrightable derivative work exists.¹⁴⁰

17 U.S.C. § 201(b) provides the legal fiction of work made for hire to allow an employer or commissioning party to be deemed the author and owner of the rights within the copyright, but the parties can agree in writing to the contrary. For the employer, § 201(b) dictates that a work made for hire will exist simply upon an employee's creation of the work within the scope of his or her employment; no writing is necessary. For one commissioning a work, the type of work must fall within one of nine statutory categories, including audiovisual works, and be evidenced by a writing between the parties.¹⁴¹

B. Copyright in Characters

1. Literary Characters

The courts look to two early U.S. cases involving literary characters for the genesis of standards to determine copyright in characters. They are the Second Circuit's 1930 decision in *Nichols v. Universal Pictures Corp.*¹⁴² and the Ninth Circuit's 1954 decision in *Warner Brothers Pictures v. Columbia Broadcasting System.*¹⁴³ In *Nichols*, where the author of the play *Abie's Irish Rose*, sued defendant for alleged infringement by its film *The Cohens and Kellys*, Judge Learned Hand established what has come to be

¹³⁷ 17 U.S.C. § 103 (2012).

¹³⁸ *Schrock v. Learning Curve Int'l, Inc.*, 586 F.3d 513 (7th Cir. 2009) (citing *Bucklew v. Hawkins, Ash, Baptie & Co., LLP*, 329 F.3d 923, 929 (7th Cir. 2003)).

¹³⁹ *Schiffer Publ'g, Ltd. v. Chronicle Books*, No. 03-4962, 2004 U.S. Dist. LEXIS 23052, at *25 (E.D. Pa. Nov. 12, 2004); see *Ochoa*, *supra* note 33, at 981-83; see *Dougherty*, 49 *UCLA LAW REV.*, *supra* note 110, at 249-51.

¹⁴⁰ *Meshwerks, Inc. v. Toyota Motor Sales U.S.A., Inc.*, 528 F.3d 1258, 1265-69 (10th Cir. 2008).

¹⁴¹ 17 U.S.C. § 101 (2012).

¹⁴² *Nichols v. Universal Pictures Corp.*, 45 F.2d 119 (2d Cir. 1930).

¹⁴³ *Warner Bros. Pictures, Inc. v. Columbia Broad. Sys., Inc.*, 216 F.2d 945 (9th Cir. 1954).

known as either the development test or the highly delineated test, recognizing that only well-developed characters may qualify for copyright protection separate from the story's plot.¹⁴⁴ In discussing how literal copying was not the standard for infringement, Judge Hand explained that nonetheless the original character needs to be well developed and beyond a mere stock figure to establish copyright protection; only then will similarities for purposes of infringement will be analyzed.¹⁴⁵ In *Warner Brothers*, the copyright in the "writings" of mystery-detective novel *The Maltese Falcon* was conveyed to Warner Brothers for use in movies, radio, and television, and the author later used and assigned to others various rights to use the story's Sam Spade and other leading characters.¹⁴⁶ In considering whether the characters were part of the overall grant of copyright to Warner Brothers or whether the characters were separate copyrightable elements of the work, the court stated that where the character is merely the "chessman in the game of telling the story," versus the story being told themselves, it is "not within the area of protection afforded by the copyright."¹⁴⁷ Once a character meets the *Nichols* or *Warner Brothers* standards, protection attaches notwithstanding that such character is not in and of itself a separately and independently copyrighted work.¹⁴⁸

2. Graphical Characters

For visually depicted characters like cartoon characters, the courts take a more relaxed approach given the visual depiction in combination with conceptual qualities.¹⁴⁹ This can be attributed to the relative ease with which these graphic characters meet the established standards.¹⁵⁰ Cartoon characters are protected under copyright simply because they are visual characters, as long as their uniquely delineated physical and conceptual qualities contain original and distinctive expressive elements.¹⁵¹ In

¹⁴⁴ *Nichols*, 45 F.2d at 121.

¹⁴⁵ *Id.* at 121-22.

¹⁴⁶ *Warner Bros.*, 216 F.2d at 946-48.

¹⁴⁷ *Id.* at 950.

¹⁴⁸ *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 754 (9th Cir. 1978); see Leslie A. Kurtz, *Fictional Characters and Real People*, 51 U. LOUISVILLE L. REV. 435, 447 n.105 (2013) (the 1909 Act applied to this case wherein Section 3 provided for copyright in "all the copyrightable component parts of the work copyrighted"); see Missy G. Brenner, *Shadow of the Bat[Mobile]: Character Copyright After DC Comics v. Towle*, 57 SANTA CLARA L. REV. 481, 487 (2017) ("Characters cannot be separately registered for copyright protection, although they may receive protection as part of the broader work if they contain sufficient original authorship") (citing COMPENDIUM (THIRD) § 313.4(H) (3d ed. 2014)).

¹⁴⁹ Kurtz, *supra* note 148, at 444-49.

¹⁵⁰ Ochoa, *supra* note 33, at 970.

¹⁵¹ Kurtz, *supra* note 148, at 445.

the 1978 case of *Walt Disney Productions v. Air Pirates*,¹⁵² *Air Pirates* used Disney characters in its crass comic book renderings.¹⁵³ In determining copyright in Disney's characters, the court declined to apply the *Warner Brothers* "story being told" standard because of the visual depiction of Disney's cartoon characters.¹⁵⁴ Instead it applied only the highly delineated test, stating that a comic book character "which has physical as well as conceptual qualities, is more likely to contain some unique elements of expression."¹⁵⁵

A later comic figure case came in 2004 with *Gaiman v. McFarlane*.¹⁵⁶ In upholding the trial court's finding that a scriptwriter was a co-owner of defendant's graphical characters, the Seventh Circuit Court of Appeals touched on numerous preliminary considerations concerning copyright in characters.¹⁵⁷ *Gaiman* is instructive for its clarification of the limitations of prior literary character copyright standards and its recognition of the differences between characters portrayed in a visual manner as opposed to a literary manner.¹⁵⁸ The court explained that despite even lengthy literary character descriptions, a reader is still left to complete many of the pictorial features of such a character in his mind; whereas a graphical character completes the picture for the viewer.¹⁵⁹ Accordingly, the *Warner Brothers* "story being told" analysis is inappropriate where graphic illustration is provided.¹⁶⁰ *Gaiman* is also instructive in explaining how the doctrine of *scènes à faire* applies to commonplace or stock characters.¹⁶¹ The decision acknowledged that characters that are "so rudimentary, commonplace, standard, or unavoidable that they do not serve to distinguish one work within a class of works from another," i.e., "stock characters,"

¹⁵² 581 F.2d 751.

¹⁵³ *Id.* at 753.

¹⁵⁴ *Id.* at 755; see Kurtz, *supra* note 148, at 444-45 (explaining that the *Air Pirates* case left the validity of the "story being told" standard in question); see Brenner, *supra* note 148, at 491 ("The [*Air Pirates*] court . . . seemed to confine the use of the 'Sam Spade test' to literary characters, while approving another test for visual characters that hinged on an author's ability to 'delineate distinctively,' likely using visual expressions").

¹⁵⁵ *Air Pirates*, 581 F.2d at 755; see also *Fleischer Studios, Inc. v. A.V.E.L.A., Inc.*, 654 F.3d 958, 962 (9th Cir. 2011) ("[C]haracters that are 'especially distinctive' or the 'story being told' receive protection apart from the copyrighted work,' . . . Betty Boop became a separate copyrightable component of one of Original Fleisher's 1930 films . . .").

¹⁵⁶ *Gaiman v. McFarlane*, 360 F.3d 644 (7th Cir. 2004).

¹⁵⁷ *Id.* at 657.

¹⁵⁸ *Id.* at 658-60.

¹⁵⁹ *Id.* at 660-61.

¹⁶⁰ *Id.* at 660.

¹⁶¹ *Id.* at 659-60.

are not copyrightable.¹⁶² *Gaiman*'s characters had, as to Cogliostro, a specific name, appearance, and physical features, and, as to Medieval Spawn, a costume, manner of speech and distinguishable medieval background, and was only later named; both were sufficiently distinctive for copyright protection.¹⁶³

3. Audiovisual Characters

The case law involving audiovisual works began with the search for a standard requiring more than the mere fact of visual depiction while also incorporating criteria akin to the *Nichols* and *Warner Brothers* tests. In 1989's *Anderson v. Stallone*,¹⁶⁴ the Ninth Circuit acknowledged that both older and newer precedent left unclear whether satisfying the stringent literary tests was necessary for movie characters, which could be more easily afforded copyright protection because of their visual nature.¹⁶⁵ Nonetheless, "out of an abundance of caution," the Court examined protectability under both tests. The court focused on the *Rocky* characters as a group and found them to be protectable under both standards, having enough specificity under the *Nichols* test and constituting the story being told under the *Warner Brothers* test.¹⁶⁶ Specifically it noted that the interrelationships and development of each of the main characters was central to all three prior *Rocky* movies; that the Rocky Balboa character was a highly delineated character with his name as the movies' title, and his speaking, physical and other character traits distinctly belonging to him; and that the *Rocky* characters were highly developed and central to the purpose of the movies such that they "constituted the story being told."¹⁶⁷

Like in *Anderson*, the U.S. District Court for the Central District of California expressed six years later in *Metro-Goldwyn-Mayer, Inc. v. American Honda Motor Co., Inc.*,¹⁶⁸ a case involving Honda's use of a James Bond-type character in a commercial, its uncertainty as to what current standards applied to assess when audiovisual characters may be found to hold copyright, noting as well the recent ambiguity in the Ninth Cir-

¹⁶² *Id.*

¹⁶³ *Id.* at 659-61 ("Although *Gaiman*'s verbal description of Cogliostro may well have been of a stock character, once he was drawn and named and given speech he became sufficiently distinctive to be copyrightable.")

¹⁶⁴ 11 U.S.P.Q.2d (BNA) 1161 (C.D. Cal. 1989).

¹⁶⁵ *Id.* at 1165-66.

¹⁶⁶ *Id.* at 1166-67.

¹⁶⁷ *Id.* at 1166-67 (quoting *Warner Bros. Pictures, Inc. v. Columbia Broad. Sys., Inc.*, 216 F.2d 945, 950 (9th Cir. 1954)).

¹⁶⁸ *Metro-Goldwyn-Mayer, Inc. v. Am. Honda Motor Co., Inc.*, 900 F. Supp. 1287 (C.D. Cal. 1995) (9th Cir. 1988)).

cuit's *Olson v. National Broadcasting Co.*¹⁶⁹ In a conclusory fashion, it held that both of the standard tests for character-copyright — the “story being told” and the “fully delineated” tests — were satisfied by the James Bond character, with “characters visually depicted in a television series or in a movie” entitled to more protection than purely literary characters.¹⁷⁰ In finding that the circumstances were “more like Rocky than Sam Spade,” it found that there were definitive character traits developed over time throughout the sixteen Bond films (the “highly delineated test”), and that movie-goers watch James Bond more to see their heroes at work than to appreciate the story.¹⁷¹

In a case involving World Wrestling Federation's (“WWF”) well-developed character wrestlers who were given trade names, and whose “personalities, histories, relationships, personas, and visual appearances” were widely recognized by and popular among wrestling fans, the U.S. District Court for the District of Connecticut did not struggle with audiovisual character copyright standards and simply applied a distinctly-delineated and uniquely-developed test.¹⁷² The *Titan Sports* court found character copyright because of the well-developed and distinctive characters WWF had built, stating:

Plaintiff sufficiently alleges that the Diesel character is a developed and distinctive character worthy of copyright protection. Plaintiff described in detail Diesel's trade dress, costumes, hair color, and style, all of which were unique among wrestlers and recognizable by wrestling fans. Plaintiff devoted almost three pages of the Amended Complaint to explaining how the Diesel character developed into a fully independent character and ultimately became integral to the story lines of many televised events.¹⁷³

Nonetheless, audiovisual character copyright standards continued to fluctuate. Two audiovisual cases decided after *Titan Sports* — *Rice v. Fox Broadcasting Co.*¹⁷⁴ and *Halicki Films, LLC v. Sanderson Sales &*

¹⁶⁹ *Metro-Goldwyn-Mayer*, 900 F. Supp. at 1295-96 (in part citing *Olson v. Nat'l Broad. Co.*, 855 F.2d 1446, 1451-52 n.6 (9th Cir. 1988)).

¹⁷⁰ *Id.* at 1296-97.

¹⁷¹ *Id.*

¹⁷² *Titan Sports, Inc. v. Turner Broad. Sys., Inc.*, 981 F. Supp. 65, 66-67 (D. Conn. 1997).

¹⁷³ *Id.* at 68-69 (citations omitted) (the recognition of the Diesel character's integral nature to the story lines of the televised wrestling events is reminiscent to the Warner Bros “story being told” test).

¹⁷⁴ 330 F.3d 1170 (9th Cir. 2003) (citing *Toho Co., Ltd. v. William Morrow & Co., Inc.*, 33 F. Supp 2d 1206, 1215 (C.D. Cal. 1998) (Godzilla character), *Metro-Goldwyn-Mayer, Inc.*, 900 F. Supp. at 1297, and *Anderson v. Stallone*, No. 87-0592WDKGX, 1989 WL 206431, *7 (1989), for its test of sufficient delineation with consistent and widely identifiable traits; finding this test not met by a home video's magician dressed in what it called standard tuxedo magician garb revealing magic

*Mktg.*¹⁷⁵ — employed a similar highly-delineated and consistently-developed test, and provided the majority of the precedent on which the Ninth Circuit based its analysis in the recent and notable *DC Comics v. Towle* case.¹⁷⁶ However, arguably adding to confusion in the area, *Rice* included the story being told test while *Halicki* relied on *Air Pirates* to eliminate that test for a graphical character. Then, in *Towle*, a decision described as furthering the subjectivity and hence inconsistency of character copyright determination, and blurring the lines between character and *scènes à faire*, or expression and ideas,¹⁷⁷ the court, like in *Halicki*, relied upon *Air Pirates* to distinguish literary character copyright standards, and narrow visual character analysis to the requirement of uniquely expressed physical and conceptual qualities;¹⁷⁸ this became the first of its three-prong test.¹⁷⁹ *Towle* then added the requirement from *Rice* that the character be “‘sufficiently delineated’ to be recognizable as the same character whenever it appears.”¹⁸⁰ Finally, *Towle* included the requirement from *Halicki* that “‘the character must be ‘especially distinctive’ and ‘contain some unique elements of expression.’”¹⁸¹

In applying each part of this three-prong test, the court relied upon the district court’s factual findings.¹⁸² First, the court stated the Batmobile’s two-dimensional graphic comic book rendition and its three-dimensional audiovisual rendition demonstrated the Batmobile “has ‘physical as well as conceptual qualities,’ and is thus not a mere literary character.”¹⁸³ Second, the Batmobile’s repeat characteristics since its 1941 comic book debut through its decades-later television and motion picture renditions, including its consistently bat-like appearance, its crime-fighting

tricks; and alternately finding that the magician was merely the “chessman in the game of telling the story . . .” rather than the “story being told”).

¹⁷⁵ 547 F.3d 1213 (9th Cir. 2008) (*Olson v. Nat’l Bank*, 855 F.2d 1446, 1452 (9th Cir. 1988)), and *Rice v. Fox Broad.*, 330 F.3d 1170, 1175 (9th Cir. 2003), for an especially-distinctive, consistently- and widely-identifiable standard; finding that movie character Eleanor the car may meet that standard, and qualifying the matter for remand and a fact-intensive inquiry).

¹⁷⁶ 802 F.3d 1012, 1019-21 (9th Cir. 2015).

¹⁷⁷ Brenner, *supra* note 148, at 503-13; Matthew D. Bunker & Clay Calvert, *Copyright in Inanimate Characters: The Disturbing Proliferation of Microworks and the Negative Effects on Copyright and Free Expression*, 21 COMM. L. & POL’Y 288-93 (2016).

¹⁷⁸ 802 F.3d at 1019 (citing *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 755 (9th Cir. 1978)).

¹⁷⁹ *Id.* at 1021 (citing *Air Pirates*, 581 F.2d at 755).

¹⁸⁰ *Id.* (citing *Rice*, 330 F.3d at 1175).

¹⁸¹ *Id.* (citing *Halicki Films, LLC v. Sanderson Sales & Mktg.*, 547 F.3d 1213, 1224 (9th Cir. 2008)).

¹⁸² *Id.*

¹⁸³ *Id.*

abilities, its sleek and powerful stature with extraordinary maneuverability and jet engine propulsion, and its outfitting with the most up-to-date weaponry and technology, all added up to meet the Rice sufficient delineation standard requiring “‘consistent, identifiable character traits and attributes.’”¹⁸⁴ Third, the court found that because of the consistent attributes stated above and their uniqueness, as well as the Batmobile’s constant role as Batman’s “loyal bat-themed sidekick,” and its “unique and highly recognizable name,” the Batmobile was “‘especially distinctive.’”¹⁸⁵

C. *Copyright in Character Avatars*

A character avatar must meet the appropriate original-expression test discussed in Section III.B, above, as well as the basic copyright framework discussed in Section III.A. Thereafter, the appropriate standard for assessing whether a video game avatar alone amounts to original expression capable of receiving copyright protection comes from *Air Pirates* and its lineage, through *Gaiman*, *Titan Sports*, *Halicki* and then *Towle*. Each of these cases declined to employ the “story being told” test and instead applied a delineation test to the avatar’s graphical depiction.¹⁸⁶ Following *Towle*, copyright protection may be awarded to an avatar which exhibits an original combination of physical and conceptual qualities, exhibits sufficient and consistent delineation of character traits, and is uniquely distinctive — including its own name, distinct physical features, distinct clothing or costume, a distinct manner of speech, and other identifying attributes — so as to be a distinctly recognizable character.¹⁸⁷ The avatar must clearly go beyond stock character depiction to attain copyright protection.¹⁸⁸ This was recognized in the *Atari*¹⁸⁹ infringement decision wherein the court found that the characters were one feature which gave the Pac-Man video game producer distinguishable copyrightable expression within the game.¹⁹⁰ These characters were the “gobbler” central figure and the “ghost monsters” pursuit figures which distinguished Pac-Man from conceptually similar video games.¹⁹¹ Relying on *Air Pirates*, the court found

¹⁸⁴ *Id.* at 1021-22.

¹⁸⁵ *Id.* at 1022.

¹⁸⁶ *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 754; *Gaiman v. McFarlane*, 360 F.3d 644, 660 (7th Cir. 2004); *Titan Sports, Inc. v. Turner Broad. Sys.*, 981 F. Supp. 65, 66-67 (D. Conn. 1997); *Halicki*, 547 F.3d at 1124; *Towle*, 802 F.3d at 1019.

¹⁸⁷ *Towle*, 802 F.3d at 1021.

¹⁸⁸ *See Gaiman*, 360 F.3d at 659-60; *Rice*, 330 F.3d at 1174-76.

¹⁸⁹ *Atari, Inc. v. N. Am. Philips Consumer Elecs. Corp.*, 672 F.2d 607, 617-18 (7th Cir. 1982).

¹⁹⁰ *Id.*

¹⁹¹ *Id.*

the characters to be wholly fanciful creations, without reference to real world counterparts.¹⁹²

Notwithstanding *Towle*'s, abrogation of the “story being told” test for visually depicted characters, if such a test is applied to certain types of avatars, for example, to those like Geralt in the *Witcher* games, Lara Croft in *Tomb Raider* games, or a player-created avatar in *World of Warcraft* or *Second Life*, protection may yet attach upon the premise that it is the viewing of such heroes or player characters at work which draw players to those games.¹⁹³

The most common type of work entitling an original character avatar to copyright protection will be an audiovisual work, followed by a graphic work or a literary work, all recognized as copyrightable subject matter.¹⁹⁴ Accordingly, an avatar's fixed nature will most likely derive from a combination of computer hardware and software.¹⁹⁵ As previously discussed, computer images have been seen as fixed when they are embodied in either a computer server or storage device, or even random access memory if for any period of time long enough to be perceived.¹⁹⁶ Because a video game avatar is a computer-based graphical audiovisual representation which is central to and often continuously shown within any game display, it should easily meet the fixation test.¹⁹⁷ A related form of fixation is in what is known as machinima or snapshot techniques used for recording game play.¹⁹⁸ And even though it may not be fixed in the copyright holder's own computer hardware or software devices, copyright will still exist.¹⁹⁹ Under the Copyright Act, a “material object” separates a copy

¹⁹² *Id.*; cf. *OG Int'l, Ltd. v. Ubisoft Ent'mt*, 2011 U.S. Dist. LEXIS 124020, at*12-*13 (N.D. Cal. Oct. 26, 2011).

¹⁹³ *Metro-Goldwyn-Mayer, Inc. v. Am. Honda Motor Co., Inc.*, 900 F. Supp. 1287 (C.D. Cal. 1995).

¹⁹⁴ 17 U.S.C. § 102(a)(5),(6) (2012); see notes 81-83 *supra* and accompanying text; Sections III.B.1-3 *supra*.

¹⁹⁵ See *supra* notes 14-22, 98-107 and accompanying text.

¹⁹⁶ See *supra* note 103.

¹⁹⁷ See *supra* notes 14-22 and accompanying text.

¹⁹⁸ See note 347 *infra* and accompanying text (discussing *Second Life* TOS and *Witcher* EULA). Machinima is created by using a video game engine, its settings and characters, to record a film, sometimes including reproduced video game play. *Machinima*, WIKIPEDIA, <https://en.wikipedia.org/wiki/Machinima> (last visited Jan. 6, 2018).

¹⁹⁹ *London-Sire Records, Inc. v. Does*, 542 F. Supp. 2d 153, 171 (D. Mass. 2008); 17 U.S.C. § 202 (2012) (“[o]wnership of a copyright . . . is distinct from ownership of any material object in which the work is embodied.”); *Jim Marshall Photography, LLC v. Varvatos*, No. CV 13-04460-GHK (MRWx), 2013 U.S. Dist. LEXIS 92471, at *28 (N.D. Cal. June 28, 2013) (citing *Kim Seng Co. v. J & A Imps., Inc.*, 810 F. Supp. 2d 1046, 1056 (C.D. Cal. 2011)) (rejecting contention that photographer conveyed ownership of copyright in photograph by “delivering the photographic negative” to plaintiff's predecessor in interest) (citing 17 U.S.C. § 202); [a]s

from the abstract original work, allowing ownership of avatar creations by an author whether or not it owns or controls the medium.²⁰⁰ Two alternate forms of fixation are a canvas or paper medium display of a graphical or pictorial image, or a printed textual description of the character avatar within a literary work.²⁰¹

Authorship of an avatar can rest in the developer, in a person or entity prior to the developer, and/or in a player, which is important because copyright in a protected work vests initially in its author.²⁰² As to authorship by the developer, which is likely to be a business entity, avatar creation is probably going to be as a work made for hire on behalf of the developer entity.²⁰³ As to avatar characters developed prior to a developer's input, authorship will lie in the prior creator or entity attributed with authorship. For example, where Frankenstein, Harry Potter, or various comic book super heroes are used as figures in a video game, prior creator rights exist.²⁰⁴ Other preexisting material, which may be used for developer avatar creation are photographs, film footage or sound recordings.²⁰⁵ If the resulting character borrows the copyright-protected elements of preexisting copyrighted materials, as opposed to just using them for informational or general idea purposes, then authorship is said to remain with the pre-developer creator, requiring the developer to secure or ensure the existence of necessary rights, either for direct use of the copyright or a derivative work.²⁰⁶ In certain cases, where an item scan, motion scan or use embodies the scanner/designer's original creation, it may hold either rights in a derivative work or rights in a completely new work.²⁰⁷

further explained in the legislative history of the 1976 Act, "copyright ownership and ownership of [the] material object in which the copyrighted work is embodied are entirely separate things." (citing H.R. REP. NO. 94-1476, at 124 (1976)).

²⁰⁰ 17 U.S.C. § 202 (2012); see *London-Sire Records*, 542 F. Supp. 2d 153.

²⁰¹ CIRCULARS 40, 40a and 61, *supra* notes 81, 100; COMPENDIUM (THIRD) CHAPTER 700, LITERARY WORKS and CHAPTER 900, VISUAL ART WORKS; see Section III.B.1 *supra*.

²⁰² 17 U.S.C. § 201(a) (2012); see *supra* notes 108-110 and accompanying discussion.

²⁰³ See *supra* note 141 and accompanying paragraph.

²⁰⁴ See *Frankenstein (video game)*, WIKIPEDIA, [https://en.wikipedia.org/wiki/Frankenstein_\(video_game\)](https://en.wikipedia.org/wiki/Frankenstein_(video_game)) (last edited Sept. 24, 2017); *List of Harry Potter-related topics*, WIKIPEDIA, https://en.wikipedia.org/wiki/List_of_Harry_Potter-related_topics (last edited Dec. 20, 2017).

²⁰⁵ Kurtz, *supra* note 148, at 472.

²⁰⁶ *Id.* at 477; 17 U.S.C. § 103(b) (2012).

²⁰⁷ Kurtz, *supra* note 148, at 477-79 (where these copyrighted elements include a person's likeness, for example where they are the subject of a copyrighted photograph or film, publicity rights may also be at issue). See publicity rights discussion at Section IV *infra*; cf. *Meshwerks, Inc. v. Toyota Motor Sales U.S.A., Inc.*, 528 F.3d 1258 (10th Cir. 2008).

The player may also have an authorship role. Where the player contributes sufficient original expression by applying avatar creation tools to non-copyrighted developer contributions, he or she will have creative authorship within the avatar.²⁰⁸ For example, where the stock avatar creation tools provided by the developer result in millions or trillions of options, as in *Second City*, or unlimited numbers of choices from the use of customization sliders in *The Sims 4*, the player is certainly creating an original character expression.²⁰⁹ A player may also contribute potentially copyrightable original expression to copyrighted developer works, but will only achieve copyright in his or her original expression and where he or she has a license to create a derivative work.²¹⁰ Depending on the starting point of the player's avatar creation, the player's copyright capabilities may exist in the form of sole, derivative or joint rights.²¹¹

IV. RIGHT OF PUBLICITY LAW

A. Background

Throughout the United States, the right of publicity derives from one of four state-law based²¹² privacy rights,²¹³ and recognizes the inherent right of every person to control the commercial use of his or her identity by preventing the unauthorized use of his or her name or likeness to promote another's products or services.²¹⁴ While it derived from privacy law, it is "essentially an economic right."²¹⁵ It may apply to "a person's nickname, signature, physical pose, characterizations, singing style, vocal characteristics, body parts, frequently used phrases, car, performance style,

²⁰⁸ See Section II.B *supra*.

²⁰⁹ *Id.*; see Section III.A.3 *supra*; Ochoa, *supra* note 33, at 975-76, 982-83; *Second Life* § 3 (*Residents and Avatars*), WIKIPEDIA, https://en.wikipedia.org/w/index.php?title=Second_Life&oldid=747547496 (last edited Nov. 3, 2016); *The Sims 4 Create a Sim Demo*, <https://www.ea.com/games/the-sims/the-sims-4/pc/create-a-sim-demo> (last visited Jan 6, 2018).

²¹⁰ *Micro Star v. Formgen, Inc.*, 154 F.3d 1107 (9th Cir. 1998); Ochoa, *supra* note 33, at 981-82; see note 137 *supra* and accompanying text.

²¹¹ See Ochoa, *supra* note 33, at 977-83 for a discussion of authorship models most likely apply to player contributions. Keep in mind that a player is least likely to co-author a joint work because of the requirement that the developer has the intention to jointly create with the player. *Id.* at 980-81; see also notes 108-110 and accompanying discussion.

²¹² See 5 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §§ 28.16, 28.17 (4th ed. 1996) (State Law Sources of Right of Publicity Law) (the right of publicity is currently recognized under common law and/or statutory law in thirty-one states, although it is not consistent among all states, especially with respect to statutory rights).

²¹³ *Zacchini v. Scripps-Howard Broad. Co.*, 433 U.S. 562, 571-72 (1977).

²¹⁴ *Gignilliat v. Gignilliat, Savitz & Bettis, L.L.P.*, 684 S.E.2d 756, 759 (S.C. 2009).

²¹⁵ *Winter v. DC Comics*, 69 P.3d 473, 478 (Cal. 2003).

mannerisms and gestures, provided that these are distinctive and publicly identified with the person claiming the right.”²¹⁶ “What the right of publicity holder possesses is not a right of censorship, but a right to prevent others from misappropriating the economic value generated by the celebrity’s fame through . . . merchandising”²¹⁷

While the right of publicity laws are not homogeneous throughout the states, the typical elements are (1) use of another’s name, image, likeness or personal attributes; (2) for one’s commercial advantage; (3) without consent; and (4) some injury (including absence of payment) to one whose name or likeness is so used.²¹⁸ In California, the elements of a prima facie statutory publicity rights violation are (1) a knowing use of certain specified elements of a plaintiff’s protected identity;²¹⁹ (2) for commercial purposes; (3) where there is a direct connection between the use and the commercial purpose.²²⁰ California’s common law is more lenient, requiring (1) the defendant’s use of the plaintiff’s identity, (2) the appropriation of plaintiff’s name or likeness to defendant’s advantage, commercially or otherwise, (3) lack of consent, and (4) resulting injury.²²¹ In New York the elements of a prima facie statutory publicity rights violation are: (1) the use of a person’s name, portrait, picture or voice (2) within the State of New York (3) for advertising purposes or purposes of trade, (4) without written consent.²²² New York has no common law right of publicity.²²³ No matter which law applies, appropriate consent is required. California requires oral or written, and permits implied, prior consent.²²⁴ New York requires prior written consent.²²⁵

²¹⁶ Kurtz, *supra* note 148, at 453 (citing Rosemary J. Coombe, *Authorizing the Celebrity: Publicity Rights, Postmodern Politics, and Unauthorized Genders*, 10 *CARDOZO ARTS & ENT. L.J.* 365, 367 (1992)).

²¹⁷ *Winter*, 69 P.2d 173.

²¹⁸ 5 *McCARTHY*, *supra* note 212, § 28.7.

²¹⁹ Protected identity elements are name, voice, signature, photograph, or likeness. (CAL. CIV. CODE § 3344; *see Alberghetti v. Corbis Corp.*, 263 F.R.D. 571, 576 (C.D. Cal. 2010) (both celebrities and non-celebrities may recover).

²²⁰ CAL. CIV. CODE § 3344; *Newcombe v. Adolf Coors Co.*, 157 F.3d 686, 692 (9th Cir. 1993) (discussing Cal. Civ. Code § 3344 and common law misappropriation involving Coors’ advertising use of an artist’s rendition of a photo of major league baseball player Don Newcombe); *see also Polydoros v. Twentieth Century Fox Film Corp.*, 67 Cal. App. 4th 318 (Cal. Ct. App. 1997) (finding no commercial purpose where the use of one’s identity was loosely tied to a fictionalized movie which enjoyed First Amendment protection).

²²¹ *White v. Samsung Elecs. Am., Inc.*, 971 F.2d 1395, 1397 (9th Cir. 1992).

²²² *Nussenzweig v. diCorcia*, 832 N.Y.S.2d 510, 516, n.4 (1st Dep’t 2007), *aff’d*, 878 N.E.2d 58 (N.Y. 2007).

²²³ *See McCARTHY*, *supra* note 212, §§ 28.32.

²²⁴ *Newton v. Thomason*, 22 F.3d 1455 (9th Cir. 1994).

²²⁵ N.Y. CIV. RIGHTS LAW § 50 (McKinney 2016).

The 1953 case of *Haelan Laboratories, Inc. v. Topps Chewing Gum, Inc.*²²⁶ is considered by some to have started the modern age of publicity rights law. *Haelan* involved a plaintiff chewing-gum seller that had licensed from baseball players the right to use their photographs on statistical baseball cards included with the gum packaging.²²⁷ Defendant gum seller did the same, arguing it had that right because all plaintiff had obtained from the baseball players was a release of liability, which the defendant had also obtained.²²⁸ While the court would not characterize what the baseball players possessed as a property right, it certainly characterized it as an economic right:

This right might be called a “right of publicity.” For it is common knowledge that many prominent persons (especially actors and ball-players), far from having their feelings bruised through public exposure of their likenesses, would feel sorely deprived if they no longer received money for authorizing advertisements, popularizing their countenances, displayed in newspapers, magazines, busses, trains and subways. This right of publicity would usually yield them no money unless it could be made the subject of an exclusive grant which barred any other advertiser from using their pictures.

We think the New York decisions recognize such a right.²²⁹

Building on this was the early publicity rights case of *Zacchini v. Scripps-Howard Broadcasting Co.*,²³⁰ which made it all the way to the Supreme Court.²³¹ In that case, plaintiff Zacchini’s fifteen-second “human cannonball” act was filmed by Scripps-Howard, which then, without permission, aired it on its 11 p.m. news.²³² Zacchini sued, claiming a misappropriation of his professional property.²³³ Denying Scripps-Howard’s asserted defenses of the First Amendment right of free speech and the Fourteenth Amendment right of free press, the court allowed Zacchini’s state law claim to prevent the unauthorized broadcast to proceed.²³⁴ This was not a typical right of publicity case because an entire professional act as opposed to a name or likeness was misappropriated.²³⁵ Accordingly, the court explained that the rationale for right of publicity protection was simply to prevent unjust enrichment through illegal takings of good will, and that this presented the strongest case of it because it took the “very

²²⁶ 202 F.2d 866 (2d Cir. 1953); Kurtz, *supra* note 148, at 455.

²²⁷ *Haelan Labs.*, 202 F.2d at 867.

²²⁸ *Id.*

²²⁹ *Id.* at 868.

²³⁰ 433 U.S. 562, 571-72 (1977).

²³¹ *Id.*

²³² *Id.* at 564.

²³³ *Id.*

²³⁴ *Id.* at 578-79.

²³⁵ *Id.* at 576.

activity by which the entertainer acquired his reputation.”²³⁶ Importantly, it set the stage in future decisions for a required balancing of First Amendment rights against publicity rights.²³⁷

Following *Zacchini*, several Federal Courts of Appeals defined what aspects of a celebrity’s identity are protectable. In 1983, *Carson v. Here’s Johnny Portable Toilets, Inc.*,²³⁸ held that defendant toilet manufacturer’s use of comedian Johnny Carson’s talk show introductory phrase “Here’s Johnny” misappropriated his “identity.”²³⁹ The court cited as justification the prevention of unjust enrichment and the now less favored view of encouraging celebrity achievement.²⁴⁰ *Midler v. Ford Motor Co.*²⁴¹ was another defining case. Here, Bette Midler had declined Ford’s request to sing in one of its car commercials, so Ford hired a similar-sounding Midler back-up singer instead.²⁴² Holding that “[a] voice is as distinctive and personal as a face,” and that “[t]o impersonate her voice is to pirate her identity,” the court reversed the district court’s summary judgment dismissal in favor of defendants and allowed the claim to go to trial.²⁴³

On the other hand, statistical information about a famous athlete is generally not protectable. In *C.B.C. Distribution and Marketing, Inc. v. Major League Baseball Advanced Media, L.P.*,²⁴⁴ the court considered Missouri right-of-publicity claims of Major League Baseball players in C.B.C.’s fantasy baseball game. As guided by the Supreme Court in *Zacchini*, the court balanced state law rights of publicity against First Amendment considerations and concluded the use by C.B.C. in its interactive fantasy baseball game of “names, nicknames, likenesses, signatures, pictures, playing records, and/or biographical data of each player” was not a violation of the professional baseball players’ rights.²⁴⁵ Citing *Gionfriddo v. Major League Baseball*,²⁴⁶ the court found high public interest in the specific player statistical information used and therefore characterized it as “a form of expression due substantial constitutional protection.”²⁴⁷

²³⁶ *Id.*

²³⁷ *Hart v. Elec. Arts, Inc.* 717 F.3d 141, 152-53 (3d Cir. 2013).

²³⁸ *Carson v. Here’s Johnny Portable Toilets, Inc.*, 698 F.2d 831, 836 (6th Cir. 1983).

²³⁹ *Id.* at 836.

²⁴⁰ *Id.* at 837.

²⁴¹ 849 F.2d 460 (9th Cir. 1988).

²⁴² *Id.* at 461.

²⁴³ *Id.* at 463.

²⁴⁴ 505 F.3d 818 (8th Cir. 2007).

²⁴⁵ *Id.* at 823-24; *but see Hart, infra* notes 323-40 and accompanying discussion, and *Keller, infra* notes 341-49 and accompanying discussion.

²⁴⁶ 114 Cal. Rptr. 2d 307 (Cal. App. 2001).

²⁴⁷ *C.B.C. Distribution*, 505 F.3d at 823-24.

In the federal district court case of *Burck v. Mars*²⁴⁸ the court addressed the right under New York law of a celebrity to protect a fictional character, but it was a character he created in person and not a graphical character.²⁴⁹ It held that New York's statutes addressing "nonconsensual commercial appropriations of the name, portrait or picture of a living person," do not extend to such fictitious characters because they are not a "person."²⁵⁰ The likeness must resemble the actual person versus a character played by the person.²⁵¹

Historically, two cases very important to video game avatar publicity rights issues are *Comedy III Productions, Inc. v. Gary Saderup, Inc.*,²⁵² and *Winter v. DC Comics*²⁵³ wherein the "transformative use" test was firmly established.²⁵⁴ Comedy III was the registered owner of the Three Stooges personality rights and brought suit against artist Gary Saderup for one of his many celebrity charcoal drawings embodied on T-shirts and lithographs depicting likenesses of the Three Stooges.²⁵⁵ In searching for an appropriate test, the California Supreme Court discussed several prior right of publicity cases but settled on adopting the first of the statutory fair use factors, the "purpose and character of the use."²⁵⁶ Applying that test to the Three Stooges lithographs and T-shirts the court concluded that it found no significant transformative creation because the overall purpose of Saderup's creation was to make literal and conventional depictions of the comedians to exploit their fame.²⁵⁷ The court thought it was important to maintain this type of activity within the scope of publicity right protections.²⁵⁸

In *Winter v. DC Comics*,²⁵⁹ the California Supreme Court used the *Comedy III* transformative use test to address name and likeness misappropriation claims brought by famous musicians Johnny and Edgar Winter. At issue was DC Comics' use of the Winter brothers names and likenesses in depicting the "villainous half-worm, half-human offspring" comic book characters Johnny and Edgar Autumn.²⁶⁰ After a thorough recap of the reasoning in *Comedy III*, the court found the decision in this

²⁴⁸ 571 F. Supp. 2d 446 (S.D.N.Y. 2008).

²⁴⁹ *Id.* at 448-49, 452-54.

²⁵⁰ *Id.* at 450, 453.

²⁵¹ *Id.* at 454.

²⁵² 21 P.3d 797 (Cal. 2001).

²⁵³ 69 P.3d 473 (Cal. 2003).

²⁵⁴ *Comedy III*, 21 P.3d 797; *Winter*, 69 P.3d 473.

²⁵⁵ *Comedy III*, 21 P.3d at 800.

²⁵⁶ *Id.* at 404.

²⁵⁷ *Id.* at 409.

²⁵⁸ *Id.*

²⁵⁹ 69 P.3d 743.

²⁶⁰ *Id.* at 886.

case straightforward because it could easily ascertain that the comic books contained “significant expressive content other than plaintiff’s mere likenesses,” and not mere “conventional depictions” of plaintiffs.²⁶¹ Additionally the court acknowledged the overall creative nature of the work, explaining that the plaintiffs were “cartoon characters . . . in a larger story, which is itself quite expressive.”²⁶²

B. Copyright and Right of Publicity Overlap

An important issue arising within courts’ treatment of publicity rights cases is the overlap of copyright considerations, sometimes clearly, other times more nuanced, and often concerning preemption pursuant to § 301.²⁶³ Although *Zacchini* brought his action under a right of publicity claim, that case was more concerned with the overall publicity value of the performance rather than a right to use Zacchini’s name or likeness because it went straight to the heart of plaintiff’s ability to earn a living.²⁶⁴ The court’s acknowledgement that the rights at issue were more similar to copyright than ordinary rights of publicity set the stage for future consideration of the overlap of the two.²⁶⁵ As case law has advanced, the tensions between the two have often arisen in performer publicity rights cases involving the characters played.

One type of overlap arises where a famous actor has become identified with a copyrighted character depicted in film or television. Leslie Kurtz’ summarized this in her article *Fictional Characters and Real People*:

The area in which the rights of copyright owners and the rights of performers are most likely to conflict involves performers playing characters they did not create themselves. When an actor portrays a fictional character, the character is going to look (in the absence of lots of makeup) and sound very much like the actor. And the character, with its name, may become identified, to a greater or lesser extent, with the actor. It may be difficult to separate that which belongs to the copyright owner and that which belongs to the performer.”²⁶⁶

An early decision addressing the copyright-publicity rights overlap can be found in the California Supreme Court case of *Lugosi v. Universal Pictures*.²⁶⁷ After securing rights from the copyright holders of the 1897 novel and the 1927 play, Universal Pictures produced and copyrighted the

²⁶¹ *Id.* at 890.

²⁶² *Id.*

²⁶³ 17 U.S.C. § 301 (2012).

²⁶⁴ Kurtz, *supra* note 148, at 463 (citing *Zacchini v. Scripps-Howard Broad. Co.*, 433 U.S. 562, 575-77 (1977)).

²⁶⁵ *Id.*

²⁶⁶ *Id.* at 467.

²⁶⁷ 603 P.2d 425 (Cal. 1979).

movie *Dracula* in which Bela Lugosi was contracted to play Dracula.²⁶⁸ Thereafter, Universal licensed the Lugosi *Dracula* to merchandisers and Lugosi's heirs brought suit to recover for Universal's alleged violations of the Lugosi publicity rights.²⁶⁹ The court was willing to permit Lugosi to recognize a right of publicity in the *Dracula* character, but characterized that right as one of the four invasion of privacy torts, personal only to Lugosi, and, as such, not available after his death.²⁷⁰ This resulted in reversal of the trial court's award of damages to Lugosi's heirs.²⁷¹ Importantly, concurring Justice Mosk highlighted that Lugosi should not have been entitled to rights in Universal's merchandise licensing of the Lugosi *Dracula* character because Universal had exploited only the character from its licensed production and not Lugosi himself.²⁷² Dissenting Justice Bird acknowledged the tension between copyright and right of publicity, but held that the Copyright Act did not result in preemption.²⁷³ Rather, Universal's rights were only in the film it produced rather than Lugosi's personal image.²⁷⁴ Justice Bird equated an actor's portrayal of a fictional character with the actor's right to control his own natural likeness, reasoning that the actor's identity value had been fused into the *Dracula* character's commercial use, and there exploited posthumously in violation of this right.²⁷⁵

In 1992's controversial case, *White v. Samsung Electronics America, Inc.*,²⁷⁶ game-show host Vanna White brought a right of publicity claim against Samsung in connection with its VCR commercial using a robot with similarities to those of White in her role as *Wheel of Fortune* hostess.²⁷⁷ The majority held that although the robot did not strictly appropriate White's name or likeness — the most obvious forms of using another's

²⁶⁸ *Id.* at 427.

²⁶⁹ *Id.*

²⁷⁰ *Id.* at 429-31.

²⁷¹ *Id.* at 431.

²⁷² *Id.* at 433-34 (Mosk, J., concurring).

²⁷³ *Id.* at 448-49 (Bird, C.J., dissenting).

²⁷⁴ *Id.* at 444-45.

²⁷⁵ *Id.*

²⁷⁶ *White v. Samsung Elecs. Am., Inc.*, 971 F.2d 1395 (9th Cir. 1992); see Arlen W. Langvardt, *The Troubling Implications of a Right of Publicity "Wheel" Spun out of Control*, 45 U. KAN. L. REV. 329 (1997) (calling for a rejection of the *White* approach to bring the right of publicity into a reasonable sense of control); Lauri S. Thompson, *Even "Dumb Luck" Can Create a Right of Publicity: Vanna White v. Samsung*, 12 J. CONTEMP. LEGAL ISSUES 605, 605 (2001) (personal "identifiability" alone can infringe a right of publicity); Tom Bellamore, *Is Vanna White Really So Dangerous? An Empirical Assessment of the Impact of White v. Samsung Electronics on Parody and Advertising*, 11 U. MIAMI BUS. L. REV. 53, 78 (2003) (the *White* decision was controversial in its treatment of publicity rights).

²⁷⁷ *White*, 971 F.2d at 1396-97.

identity — the right of publicity was broad enough to accommodate a combination of graphical elements which together evoked Vanna White.²⁷⁸ In doing so, it pointed out that prior cases were in accord, where neither voice, signature, nor photograph was necessary to appropriate one's identity.²⁷⁹ The court explained that the celebrity must retain her right to exploit her value for profit.²⁸⁰ The dissent in this case, distinguishing between Vanna White the person and Vanna White as *Wheel of Fortune* hostess, was highly critical of the majority and its award of protection for anything that reminds an observer of the celebrity.²⁸¹ It explained that the game-show set was what evoked Ms. White's identity and that that was properly the copyright of the show's producers.²⁸² It pointed out that too much intellectual property protection is harmful to creativity by removing too much expression from the public domain, and that the majority struck the balance in the wrong place.²⁸³

In *McFarland v. Miller*,²⁸⁴ the estate of George "Spanky" McFarland, of the *Our Gang* and later *Little Rascals* films, appealed the district court's grant of summary judgment to "Spanky McFarland's" restaurant owner Joseph Miller with respect to the alleged unauthorized use of McFarland's name and image to identify Miller's restaurant.²⁸⁵ The court had to answer whether George McFarland was identified with his Spanky character, and, if so, whether a right of publicity flowed from the character to the performer.²⁸⁶ Finding similarity in prior cases, the court acknowledged that certain actors may develop their own characters and when they do they have the right to exploit that character at least superior to third parties who are otherwise unconnected with the character.²⁸⁷ The film copyright holder was not involved in the suit, leaving unknown whether McFarland's right of publicity would have outweighed their copyright entitlement. The court though was clear that the restaurateur had inferior rights, stating that the name "Spanky McFarland's" clearly identified plaintiff McFarland such that Spanky was inseparable from McFarland's own public image.²⁸⁸

²⁷⁸ *Id.* at 1399.

²⁷⁹ *Id.* at 1398.

²⁸⁰ *Id.* at 1399.

²⁸¹ *Id.* at 1405 (Alarcon, C.J., dissenting).

²⁸² *Id.*

²⁸³ *Id.* at 1408 (Alarcon, C.J., dissenting).

²⁸⁴ 14 F.3d 912 (3d Cir. 1994).

²⁸⁵ *Id.* at 913-14.

²⁸⁶ *Id.* at 920.

²⁸⁷ *Id.* at 920-21.

²⁸⁸ *Id.*

A case which informs when a right of publicity claim is preempted by federal copyright law is *Fleet v. CBS, Inc.*²⁸⁹ Plaintiffs, actors in a film to which CBS had purchased the distribution rights, including copyright ownership, alleged that because they had not been paid by the film's producers or their indemnitors, CBS did not have permission to use their name or likeness in promoting the film.²⁹⁰ The court held that because the performances were “‘dramatic work[s]’ ‘fixed in [a] tangible medium of expression’ that could be ‘perceived, reproduced, or otherwise communicated’ through ‘the aid of a machine or device,’” they “came within the scope or subject matter of copyright law protection,” with sufficient creative elements to be governed by and thus preempted by copyright, provided the rights asserted under state law were equivalent to rights exclusive to the Copyright Act.²⁹¹ The *Fleet* court explained that to determine if preemption exists the work's — in this case the film's — overall creative aspects must first be separated from the underlying subject matter — in this case the actors dramatic performance; then, if the underlying subject matter is copyrightable, federal-copyright-equivalent state claims are preempted.²⁹² Because the actors' work resulted in a consensual copyrighted work, the Copyright Act applied to it, preventing the actors from asserting state right-of-publicity claims.²⁹³ The court highlighted that the permission of the actor-author was necessary to finding the protected work in favor of CBS, and that Plaintiffs could have obtained the protection they sought by retaining a copyright interest in the film.²⁹⁴ Importantly, the *Fleet* court would look no further than the copyrightability of plaintiff's underlying work to determine preemption.²⁹⁵

²⁸⁹ 58 Cal. Rptr. 2d 645 (Ct. App. 1996).

²⁹⁰ *Id.* at 647.

²⁹¹ *Id.* at 647, 652.

²⁹² *Id.* at 652.

²⁹³ *Id.*

²⁹⁴ *Id.*

²⁹⁵ *Id.* at 652-53 (referencing *Baltimore Orioles v. Major League Baseball Player*, 805 F.2d 663 (7th Cir. 1986) (“By virtue of being videotaped . . . the players’ performances are fixed in tangible form, and any rights of publicity in their performances that are equivalent to the rights contained in the copyright of the telecast are preempted”); *id.* at 675; *Brown v. Twentieth Century Fox Film Corp.*, 799 F. Supp. 166 (D.D.C. 1992) (“Because defendants lawfully acquired the right to use the [television] Show performance . . . the alleged violation of the right of publicity cannot be based on their use of that performance.” *Id.* at 172; *Rooney v. Columbia Pictures Indus., Inc.*, 538 F. Supp. 211 (S.D.N.Y. 1982) (“Any such rights were assigned or waived by the contracts granting defendants all rights in the pre-1960 films.”); *id.* at 230; *Muller v. Walt Disney Prods.*, 871 F. Supp. 678 (S.D.N.Y. 1994) (the conductor in Walt Disney’s *Fantasia* gave up all rights in his performance in his contract with Disney; hence federal copyright law preempted his publicity rights claim); *id.* at 685; 1 NIMMER & NIMMER, *supra* note 116, § 1.01[B][1], at 1-14.

In *Wendt v. Host International, Inc.*,²⁹⁶ Host International obtained the copyright from *Cheers* television show producer Paramount to construct a chain of *Cheers*-themed bars.²⁹⁷ Each bar was to have life-sized robotic figures named “Hank” and “Bob” which resembled “Norm” and “Cliff,” played by actors George Wendt and John Ratzenberger, respectively.²⁹⁸ Even though Host had constructed the robots to avoid resembling the actors and, instead, merely placed them in a similar position at the bar and depicted traits from Paramount’s writers and creators rather than the actors, the court held in *Wendt* and Ratzenberger’s suit that the likeness of the Host characters to Wendt and Ratzenberger was a material issue of fact.²⁹⁹ Furthermore, despite Paramount’s intervention as the show’s copyright holder, the court held that the Copyright Act did not preempt plaintiffs’ rights because their appropriation claims did not involve their copyrighted on-screen performances.³⁰⁰ Instead, specific allegations of publicity rights violations were at issue.³⁰¹ This case was thus another of several to recognize publicity rights over copyright and an advancement of the right to recover where a likeness is not identical or photographic, but instead suggestive.³⁰²

Some have criticized that the *Wendt* case granted publicity rights to the actors in the characters “Norm” and “Cliff” and that the case’s distinction and dismissal of Paramount’s copyright preemption claim was unfounded, improperly limiting the television producer from further licensing its copyrighted works.³⁰³ That is the reasoning of Judge Kozinski’s dissent in the subsequent en banc rehearing request. Judge Kozinski also said that the court’s ruling allowed Wendt and Ratzenberger to limit Paramount’s use of the characters and that that could not “be squared with the right of the copyright holder to recreate Norm and Cliff however it sees fit,” also superseding federal copyright law in violation of the Supremacy Clause.³⁰⁴ This was the other side of Justice Bird’s dissent in *Lugosi v. Universal Pictures* wherein she would limit Universal’s copyright protection to just its movies, and exploitation thereof, and not to exploitation of the Lugosi Dracula within that movie.³⁰⁵

²⁹⁶ 125 F.3d 806 (9th Cir. 1997).

²⁹⁷ *Id.* at 809.

²⁹⁸ *Id.* at 809, 811.

²⁹⁹ *Id.* at 811.

³⁰⁰ *Id.* at 810.

³⁰¹ *Id.*

³⁰² *Wendt v. Host Int’l, Inc.*, 125 F.3d 806, 811 (9th Cir. 1990); see Michael J. Albano, Note, *Nothing to “Cheer” About: A Call for Reform of the Right of Publicity in Audiovisual Characters*, 90 GEO. L.J. 253, 265 (2001).

³⁰³ Albano, *supra* note 302, at 267.

³⁰⁴ *Wendt v. Host Int’l, Inc.*, 197 F.3d 1284, 1286 (1999) (Kozinski, J. dissenting).

³⁰⁵ See *supra* notes 273-275 and accompanying text.

C. *Celebrity Avatars*

One of the first cases to address the right of publicity in video games was *Kirby v. Sega of America, Inc.*³⁰⁶ In this case, musician, dancer, artist, choreographer and fashion designer Kierin Kirby, who had released a funky and futuristic music video with groovy dance moves and an overall party feel, whose persona “Lady Kier” had a unique “funky diva-like artistic character,” and whose “‘signature’ lyrical expression” was “oh la la,” alleged she had had her identity misappropriated and publicity rights infringed by Sega in its game *Space Channel 5*.³⁰⁷ Kirby claimed that the avatar Ulala, a female reporter, with her mostly orange outfit, pink hair and retro rocker clothing evoking that of Kirby’s Lady Kier, was an unauthorized use of Kirby’s likeness.³⁰⁸ Citing *Comedy III*, the court said that the straightforward transformative use test simply analyzed whether the likeness was a “raw material” of a work which had become primarily the defendant’s own expression, or the “sum and substance” of the creation.³⁰⁹ The court ruled that Ulala was not simply a recreation of Kirby, but a transformative work, because Ulala had a different physique, hair style, primary costume and dance moves from Kirby, was partly based on Japanese anime, and existed in a setting “unlike any public depiction of Kirby.”³¹⁰ Importantly, the court also ruled that the work did not have to amount to any particular type of literary expression, like parody or comedy, to qualify for First Amendment protection under the transformative use test.³¹¹

After *Kirby* came *No Doubt v. Activision Publishing, Inc.*,³¹² wherein plaintiff band No Doubt had agreed to license certain aspects of its likeness to Activision for use in their video game *Band Hero*.³¹³ *Band Hero* allows players to either play as their own character avatar or use a celebrity avatar to operate as the players’ representative musician.³¹⁴ No Doubt’s license to Activision allowed Activision to use the band’s name, likeness and trademarks to assist with marketing, and to license no more than three of its songs for use in the game.³¹⁵ The band performed one day of game production filming, scanning and motion capture, but impersonat-

³⁰⁶ 50 Cal. Rptr. 3d 607 (Ct. App. 2006).

³⁰⁷ *Id.* at 50-53.

³⁰⁸ Kirby had turned down Sega’s request to license her name and likeness for the game.

³⁰⁹ *Id.* at 58 (citing *Comedy III*, 21 P.3d at 809).

³¹⁰ *Id.* at 59.

³¹¹ *Id.* at 60.

³¹² 122 Cal. Rptr. 3d 397 (Ct. App.).

³¹³ *Id.* at 402.

³¹⁴ *Id.* at 401.

³¹⁵ *Id.* at 402.

ing actors also performed the same functions to allow musical works other than No Doubt's to be performed by a No Doubt avatar in the game.³¹⁶ In addition to the song substitution feature, the band member avatars could be unlocked for alteration of their voices, physical appearance, setting, and whether they played solo or with members of other bands.³¹⁷ The numerous other song performances by No Doubt avatars and their unlocked alterations clearly exceeded the scope of the license which only permitted No Doubt avatar performances of three approved songs and closely matching avatar depictions approved by the band.³¹⁸ Finding First Amendment considerations were necessary, the court employed the transformative use test for its analysis, following the teachings of *Comedy III, Winter* and *Kirby*.³¹⁹

To start, the court said that the overall surroundings and circumstances, like permitting the band members to play in unique venues or sing other artists' songs, were not transformative because they still remained "exact depictions of *No Doubt*'s band members doing exactly what they do as celebrities."³²⁰ Thereafter, the court found that commercial exploitation of the band's fame to market its video game by encouraging its fans to purchase it and play alongside the band was the motivation of Activision, and that control of that right belonged to No Doubt.³²¹ Worth mentioning is the concurring judge's opinion that where the scope of a publicity rights avatar licensing agreement is at issue, a defendant's use of the First Amendment (and its transformative use analysis) as a defense should be prohibited because the matter is first, and should be resolved as, a contract dispute.³²²

The case of *Hart v. Electronic Arts, Inc.*,³²³ dealt with Rutgers University football player Ryan Hart's depiction in Electronic Arts' *NCAA Football* game which allowed players to "experience the excitement and challenge of college football' by interacting with 'over 100 virtual teams and thousands of virtual players.'"³²⁴ The avatar image closely resembling Hart was available as a member of one of the virtual teams the video game player would select to compete against his other chosen team.³²⁵ Although the player could modify some of the Hart-resembling physical

³¹⁶ *Id.* at 402.

³¹⁷ *Id.*

³¹⁸ *Id.*

³¹⁹ *Id.* at 406-11.

³²⁰ *Id.* at 410.

³²¹ *Id.* at 411.

³²² *Id.* at 416-17 (Epstein, P.J., concurring).

³²³ 717 F.3d 141 (3d Cir. 2013).

³²⁴ *Id.* at 146.

³²⁵ *Id.*

attributes of this avatar, he could not modify the player's home state, hometown, team or class year.³²⁶

Recognizing *Zacchini* as setting the framework for a balancing inquiry, the court explained that protections for First Amendment free speech guarantees must weigh heavily in balancing it against the state's interest in protecting its residents' rights of publicity.³²⁷ The court rejected the predominant use test, which asks whether the use of another's identity is predominantly exploitive or predominantly expressive speech, as too subjective a determination regarding whether the game constituted protected First Amendment expression, and it rejected the *Rogers v. Grimaldi*³²⁸ test because of uncertainty about whether it properly applied use in the body of a work rather than its title.³²⁹ Instead it adopted the transformative use test.³³⁰ It recognized *Comedy III* as the genesis of the transformative use test in publicity rights cases, and, specifically that the California Supreme Court there borrowed from the U.S. Supreme Court's *Campbell v. Acuff-Rose Music*³³¹ case discussing copyright fair use.³³² The essence of the test expressed in *Comedy III* was "whether the product containing a celebrity's likeness is so transformed that it has become primarily the defendant's own expression rather than the celebrity's likeness," with "expression" being "of something other than the likeness of the celebrity."³³³ The court noted that relatively few cases had employed this test, and specifically that only a few cases involving video game uses of celebrities had used the transformative use test, discussing *Kirby* and *No Doubt*.³³⁴ After applying this test in *Hart*, the court found that Electronic Arts' use of Hart was not transformative.³³⁵ In doing so it noted the congruence with *Zacchini*'s starting point of asking what use the defendant made of the celebrity's identity, and denying First Amendment protection if the use was merely a copy or imitation without its own creative component.³³⁶ When played as created by Electronic Arts, Hart's avatar accurately matched the physical attributes and even accessories and jersey number of Hart, and did just "what the actual Ryan Hart did while at Rutgers: he plays college football, in digital recreations of college football

³²⁶ *Id.*

³²⁷ *Id.* at 150.

³²⁸ 875 F.2d 994 (1989).

³²⁹ *Hart*, 717 F.3d at 153-54, 158.

³³⁰ *Id.*

³³¹ 510 U.S. 569 (1994).

³³² *Hart*, 717 F.3d at 159-60.

³³³ *Id.* at 160.

³³⁴ *Id.* at 160-62.

³³⁵ *Id.* at 170.

³³⁶ *Id.* at 163-64.

stadiums, filled with all the trappings of a college football game.”³³⁷ Modifications were available but they were either “‘merely trivial,’” retaining Hart’s avatar’s likeness to him as “central to the core of the game experience,” and thus attracting players to the game; or, they were so substantial as to no longer be his likeness, falling outside the scope of the claim.³³⁸ Finally, the overall game’s setting with all of its creations did not save the transformative use argument, because they did not directly “act upon the celebrity’s identity” in a transformative manner.³³⁹ Upon this reasoning, the court overturned the district court’s grant of summary judgment to Electronic Arts and held that “the NCAA Football . . . games at issue . . . do not sufficiently transform [Hart]’s identity to escape the right of publicity claim.”³⁴⁰

In a near mirror image case, *Keller v. Electronic Arts, Inc.*,³⁴¹ the court was called upon to balance the First Amendment protection of defendant Electronic Arts in its *NCAA Football* video games against putative class action claims brought by former NCAA quarterback Sam Keller alleging the unauthorized use of his image and likeness.³⁴² In ruling on a motion to strike brought by Electronic Arts, the court employed the transformative use test of *Comedy III* requiring that to obtain First Amendment protection EA’s video game must add “‘significant creative elements so as to be transformed into something more than a mere celebrity likeness or imitation.’”³⁴³ From *Comedy III*, it considered (1) whether the celebrity images were merely “raw material” upon which to “synthesize” the work; (2) whether the work was “primarily the defendant’s own ex-

³³⁷ *Id.* at 166.

³³⁸ *Id.* at 168-69.

³³⁹ *Id.* at 169.

³⁴⁰ *Id.* at 170.

³⁴¹ 724 F.3d 1268 (9th Cir. 2013).

³⁴² *Id.* at 1273-74.

³⁴³ *Id.* In choosing the transformative use test, the court discarded the *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989) test for right-of-publicity claims, noting that the *Rogers v. Grimaldi* test “was designed to protect consumers from the risk of consumer confusion — the hallmark element of a Lanham Act Claim.” *Keller*, 724 F.3d at 1280. Note the Ninth Circuit case of *Brown v. Electronic Arts, Inc.*, 724 F.3d 1235 (9th Cir. 2013), wherein the only issue before the court was well-known Cleveland Browns player Jim Brown’s Lanham Act Section 43(a) (15 U.S.C. § 1125(a)) claim against Electronic Arts for EA’s alleged unauthorized use of Brown’s likeness. The court’s Section 43(a) analysis addressed consumer confusion (rather than celebrity rights) as to affiliation or endorsement by Brown and applied the *Rogers v. Grimaldi* test which balances First Amendment freedom-of-expression concerns against the Lanham Act’s consumer confusion concerns. In dismissing the Section 43(a) claims, the court footnoted that if the state causes of action for right of publicity were involved, the analysis could be different, with a different outcome; the court noted the Ninth Circuit decision of the same date in the *Keller* case.

pression” other than the celebrity likeness; (3) on a quantitative basis, whether literal and imitative versus creative elements were more prevalent in the work; (4) whether the commercial success of the work stemmed mainly from the plaintiff’s fame; and (5) whether the work was overall more exploitive of the celebrity as opposed to showing artistic talent.³⁴⁴

The *Keller* court distinguished *Winter* and *Kirby* as instances where “the public figures were transformed into ‘fanciful, creative characters’ or ‘portrayed as . . . entirely new character[s].’”³⁴⁵ The court distinguished the comic book characters Johnny and Edgar Autumn in the *Winter* case which were found to possess significant parodic “expressive content other than plaintiffs’ mere likenesses.”³⁴⁶ It also distinguished *Kirby*’s distinctively costumed, tall, space-age news reporter Ulala, with her own dance moves, which was not a “‘mere likeness of or literal depiction of Kirby and existed ‘in the context of a unique and expressive video game.’”³⁴⁷ On the other hand, the *Keller* court found similarity with the *No Doubt* case stating that just as in *No Doubt*, where the avatars perform the same rock band activity as that which provides the rock band fame, in *Keller*, the avatars “play as, or alongside[,] their preferred players or team.”³⁴⁸ In addition, EA could not rely on either the reporting of public interest defense or the sports broadcast defense.³⁴⁹

One additional consideration is video game avatars built from motion capture of actors whose celebrity may be involved in creating the initial draw for the game. As instructed by the *Lugosi*, *McFarland* and *Cheers* cases, where an actor’s persona is alleged to become or becomes the embodiment of the character, that actor may assert publicity rights.³⁵⁰ This means, for example, that in the not-yet-released game of *Death Stranding*, where Norman Reedus, famous for his role in American Movie Classic’s *Walking Dead*, is the actor motion captured to play the main protagonist, his publicity rights may be at issue if his fame is what attracts players. Depending on what is contributed by the designer/developer in the graphical development phase of rendering this main character, copyright protections afforded the developer might have to live in co-existence with Reedus’ publicity rights. Furthermore, if over time Reedus becomes sy-

³⁴⁴ *Id.* at 1274.

³⁴⁵ *Id.* at 1275.

³⁴⁶ *Id.*

³⁴⁷ *Id.*

³⁴⁸ *Id.* at 1278 (citing *Hart v. Elec. Arts, Inc.*, 717 F.3d 141, 168 (3d Cir. 2013)).

³⁴⁹ *Id.* at 1282-83. Class action settled August 18, 2015; see *Keller v. Elec. Arts, Inc.*, Nos. C 09-1967 CW, C 09-3329 C, 2015 U.S. Dist. LEXIS 114387 (N.D. Cal. Aug. 18, 2015).

³⁵⁰ See *supra* notes 267-275 and accompanying text (discussing *Lugosi*); *supra* notes 275-277 and accompanying text (discussing *McFarland*); *supra* notes 296-305 and accompanying text (discussing *Wendt*).

nonymous with the *Death Stranding* protagonist and this celebrity-character is exploited in ways outside of the original game, for example in a spin-off game, or in merchandise, courts may look to analogous cases *Lugosi*, *McFarland* and *Cheers* to address conflicts between copyright protections of the game developer and publicity rights of the actor. They will examine to what extent there has been misappropriation of the actor through exploitation of the actor-represented character.³⁵¹ Thus the *Death Stranding* developer and others like it need to address future use of the celebrity's likeness as to the character avatar which resembles its famous actor contributor.³⁵²

V. END USER LICENSE AGREEMENT CONSIDERATIONS

No video game is without the EULA and/or Terms of Service/Use (“TOS”; TOS and EULA both hereafter referred to as “EULA”), the agreement between the developer and the player setting forth the rights and expected behaviors of each, and generally existing as clickwrap, browserwrap and/or shrinkwrap.³⁵³ Most are made available on the publisher's website and make some attempt to organize and label what otherwise contains fairly long sections of legal verbiage.³⁵⁴ While developers argue that

³⁵¹ See notes 349, 350 *supra*.

³⁵² See Kurtz, *supra* note 148, at 478-79; 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, 1217-23 (2001).

³⁵³ Tseng, *supra* note 11, at 555-56 (“A shrinkwrap license typically involves the notice of a license agreement on the packaging and a presentation of the license on some document within the package. . . . In browserwrap licenses, there is often a notice regarding the terms of the license on the website, with a link to the full license provided to the user. . . . [I]n clickwrap licenses, a user is typically forced to click “I agree” or “Accept” to the license terms before being allowed to proceed.”); *id.* at 556 n.48; see Erez Reivemo, *On Virtual Worlds: Copyright and Contract Law at the Dawn of the Virtual Age*, 82 IND. L.J. 261, 286-88 (2007) (discussing generally the purpose of an EULA). Each of these types of EULAs may vary in enforceability depending on the type of agreement and the specific means by which it is provided to the user for assent. See *infra* notes 354-358 and accompanying discussion.

³⁵⁴ *Terms of Service*, LINDEN LAB, <http://www.lindenlab.com/tos#tos2> (last visited Nov. 2, 2017) [hereinafter *Second Life TOS*]; *World of Warcraft Terms of Use*, BLIZZARD ENTERTAINMENT, http://us.blizzard.com/en-us/company/legal/wow_tou.html (last updated Aug. 22, 2012) [hereinafter *World TOS*]; *Blizzard End User License Agreement*, BLIZZARD ENTERTAINMENT, <http://us.blizzard.com/en-us/company/legal/eula> (last revised Aug. 17, 2017) [hereinafter *Blizzard TOS*]; *Rise of the Tomb Raider End User Software License Agreement and Limited Warranty*, STEAM, http://store.steampowered.com/eula/391220_eula_0 (last updated Jan. 26, 2016) [hereinafter *Tomb Raider EULA*]; *Gazillion Terms of Service*, MARVEL HEROES, <https://marvelheroes.com/content/terms-of-service> (last visited Nov. 2, 2017) [hereinafter *Marvel Heroes TOS*]; *The Witcher 3: Wild Hunt Legal Rules*, STEAM,

EULAs are essential to the mass-market video game distribution system as a means to establish and communicate in a cost effective manner their repeat and standard governing terms, instead of impracticably negotiating individual contracts.³⁵⁵ EULAs are nonetheless one-sided and users may object to the broad taking of player rights within most.³⁵⁶ Often the EULA will require an end user to waive any intellectual property rights he or she may obtain in connection with his or her creations within the game, turning them over to the publisher and its licensors instead.³⁵⁷ The various EULA provisions affecting player intellectual property rights have some congruencies and some differences among versions. For example, EULAs for *Half Life*, *Second Life*, *World of Warcraft*, and *The Sims*, with open avatars, *Rise of the Tomb Raider*, *Marvel Heroes 2016*, and *Witcher 3: Wild Hunt*, with hybrid avatars, and *Legend of Zelda*, with a closed avatar, each includes the following type of provisions. The player is either deemed to have accepted the EULA terms upon gaining access to the game, or required to assent through the download or registration process.³⁵⁸ Pursuant to the terms of the EULA, the publisher grants each player only a revocable license to use the software and play the game, and can revoke this license either for breach of the EULA or in its sole discretion.³⁵⁹ With the exception of a user's right to retain his or her copyright protections in user generated content within *Witcher* and *Second Life*, subject to various mandatory use licenses, the publisher and its licensors retain all rights to the intellectual property associated with the game software.³⁶⁰ In all but *Tomb Raider*, players also grant the publishers and their licensors wholesale licenses of their copyright protections.³⁶¹ Only in *Witcher* and *Second Life* is there a grant of rights for publication of any game content outside of the game via machinima or snapshot copy and display.³⁶² *Second Life* and *Witcher* allow monetization of in-game virtual

http://store.steampowered.com/eula/292030_eula_0 (last updated May 15, 2015) [hereinafter *Witcher* EULA]; Sims EULA; *Member Agreement*, THERE, <http://www.there.com/tos.html> [hereinafter *There* TOS] (last visited Jan. 6, 2018) *Second Life* TOS, *World* TOS, *Blizzard* TOS, *Tomb Raider* EULA, *Marvel Heroes* TOS, *Witcher* EULA, *Sims* EULA and *There* TOS hereinafter Referenced Terms of Service].

³⁵⁵ Reivemo, *supra* note 353, at 287-88.

³⁵⁶ *Id.* at 287.

³⁵⁷ *Id.* at 286.

³⁵⁸ See Referenced Terms of Service, *supra* note 354. The specific process by which an EULA is communicated to a user for assent plays an important role in the enforceability of the EULA upon the user; see *infra* notes 354-358 and accompanying text.

³⁵⁹ See *infra* notes 354-358.

³⁶⁰ *Id.*

³⁶¹ *Id.*

³⁶² *Id.*

creations and *Tomb Raider* and *Marvel Heroes* allow in-game trades.³⁶³ *World of Warcraft*, *Half Life* and *The Sims* expressly prohibit any form of trading either within or outside of the game.³⁶⁴

Presently a user has some support for objections to the enforceability of EULA provisions. One justification for operating outside of EULA parameters is that of improper contract formation; more specifically, the argument is that the EULA is an unenforceable contract because of the process by which it is presented for acceptance by the user. Most cases finding the EULA agreement unenforceable involve a browsewrap process, and others involve a shrinkwrap process; both provide that the user is said to assent simply by use of the website or software. A 1991 Third Circuit case found that under UCC Article 2 there was no contract under a license agreement placed outside of the packaging and received with the software (shrinkwrap) after the buyer had accepted a different license at the time of purchase.³⁶⁵ Two recent cases reject traditional browsewrap as a means to achieve a valid contract and instead require that the license provide users notice of the agreement and its terms and then require their affirmative act to demonstrate consent.³⁶⁶ On the other hand, the Seventh Circuit made it clear in 1996 that a clickwrap process supplies proper contract formation.³⁶⁷ The *ProCD* court found that a buyer's conduct evidencing assent, including use of the materials after being presented the terms of the license, was satisfactory under Article 2 of the Uniform Commercial Code.³⁶⁸ *ProCD* was followed in recent video game EULA litigation against *World of Warcraft's* producer Blizzard Entertainment,

³⁶³ *Second Life* TOS, *Witcher* EULA, *Tomb Raider* EULA and *Marvel Heroes* TOS, *supra* note 354.

³⁶⁴ *World of Warcraft* TOS and *Sims* EULA, *supra* note 354.

³⁶⁵ *Step-Saver Data Sys., Inc. v. Wyse Tech.*, 939 F.2d 91, 105 (3d Cir. 1991).

³⁶⁶ *Ngyen v. Barnes & Noble Inc.*, 763 F.3d 1171, 1178-79 (9th Cir. 2015); *Sgouros v. Transunion Corp., LLC*, 817 F.3d 1029, 1036 (7th Cir. 2016).

³⁶⁷ *ProCD, Inc. v. Zeidenberg*, 86 F.3d 1447 (7th Cir. 1996).

³⁶⁸ *Id.* at 1452-53 (finding shrinkwrap requiring the user to scroll through and indicate acceptance (or rejection) at the end of the terms sufficient to form a binding contract); *Specht v. Netscape Comm'ns Corp.*, 306 F.3d 17, 33-39 (2d Cir. 2002) (distinguishing between cases upholding clickwrap licenses which are visible and require affirmative action by the user to assent, and unenforceable browsewrap which is often hidden, may appear after use, and does not require the user's assenting action; inquiry notice required); *Ticketmaster, LLC v. RMG Techs., Inc.*, 507 F. Supp. 2d 1096, 1106-07 (C.D. Cal. 2007) (specific website warning of applicability of terms of use with requirement to affirmatively assent is sufficient to form a binding contract); see Bradley E. Abruzzi, *Copyright, Free Expression, and the Enforceability of "Personal Use-Only" and Other Use-Restrictive Online Terms of Use*, 26 SANTA CLARA COMPUTER & HIGH TECH. L.J. 85, 112-13 (2009).

specifically stating that clickwrap procedures for EULA acceptance by a user satisfactorily establishes a contract.³⁶⁹

Another basis for arguing in favor of use not in compliance with the EULA is the fair use doctrine. Because an EULA typically grants to the publisher and its licensors intellectual property rights to all aspects of a player's creations, a player may argue he should be entitled to make "fair use" of his or her copyrighted material pursuant to § 107.³⁷⁰ "The fair use doctrine reflects the longstanding conviction of lawmakers that although copyright protection serves as 'an engine of free expression,' the public must enjoy some limited privilege to borrow and build upon the works of others."³⁷¹ Its common purposes are enumerated in the statute to include criticism, comment, news reporting, teaching, scholarship, or research, with parody being a specific type of commentary often awarded fair use.³⁷² Fair use is awarded or denied based on an analysis of the facts of the case, including four statutorily enumerated factors: "the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes; the nature of the copyrighted work"; whether "the amount and substantiality of the portion used in relation to the copyrighted work as a whole," considering the quantity and value of the materials used, are reasonable in relation to the purpose of the copying; and "the effect of the use upon the potential market for or value of the copyrighted work."³⁷³ Nonetheless, courts have so far been disinclined to override EULA contract provisions which eliminate a user's fair use rights to the provider's contractual intellectual property.³⁷⁴

Another basis on which to set aside the terms of an EULA is preemption by the Copyright Act.³⁷⁵ Section 301 of the Copyright Act specifically calls for preemption if the rights at issue are both within copyright's subject matter as specified at 17 U.S.C. §§ 102 and 103, and equivalent to a

³⁶⁹ MDY Indus., LLC v. Blizzard Entm't, Inc., 629 F.3d 928, 957 (9th Cir. 2011).

³⁷⁰ 17 U.S.C. § 107 (2012); see Mark A. Lemley, *Intellectual Property and Shrink-wrap License*, 68 S. CAL. L. REV. 1239, 1247 (1995) (referencing the three leading cases from which the fair use doctrine has been developed: *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569 (1994); *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539 (U.S. 1985); *Sony Corp. v. Universal City Studios, Inc.*, 464 U.S. 417 (1984)).

³⁷¹ Abruzzi, *supra* note 368, at 91 (citing *Campbell*, 510 U.S. at 575-76).

³⁷² 17 U.S.C. § 107 (2012); *Campbell*, 510 U.S. 569; *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792 (9th Cir. 2003); *SunTrust Bank v. Houghton Mifflin Co.*, 268 F.3d 1257 (11th Cir. 2001).

³⁷³ 17 U.S.C. § 107 (2012); see *Folsom v. Marsh*, 9 F. Cas. 342 (C.C.D. Mass. 1841) (No. 4,901).

³⁷⁴ Abruzzi, *supra* note 368, at 119.

³⁷⁵ Reivemo, *supra* note 353, at 292-94.

federally protected right under § 301.³⁷⁶ Very few courts will apply statutory preemption to an EULA, and then only if the nature of the action brought thereunder is qualitatively a copyright-related claim other than mere copyright infringement, and, is furthermore without an extra element changing the nature of the action, like breach of a contract.³⁷⁷ A minority position holds that breach of an adhesion contract does not qualify as a qualitatively different type of action because no valid contract exists giving rise to the potential contract suit creating a different type of action.³⁷⁸ This position would invalidate at least the copyright-related provisions of the EULA.³⁷⁹ Under the majority position, it is probable that if an EULA provision overrides recognition of original authorship within a party's work, the Copyright Act will preempt governance by the EULA.³⁸⁰ However, courts have not yet held that EULA prevention of the user's use of copyrights contracted away is a matter for preemption.³⁸¹ It might seem that with advancement of creative expression for the public good as federal copyright protection's overriding concern, any inquiry into preemption should ask how much copyright protection for players, as opposed to developers, best reflects this.³⁸² However, because copyright law specifically provides for an author's contractual relinquishment and transfer of rights, the EULA may actually retain control over the author's rights pursuant to the Copyright Act.³⁸³

Although the cases upholding the EULA over copyright protections and principles have dealt with commercial as opposed to personal use situations, the current trend would seem to demonstrate that the Copyright Act's promises to promote expressive works must yield to otherwise valid

³⁷⁶ *Id.* at 292 (citing *Lipscher v. LRP Publ'ns, Inc.*, 266 F.3d 1305, 1311 (11th Cir. 2001) (citing *Crow v. Wainwright*, 720 F.2d 1224, 1225-26 (11th Cir. 1983)); Mark A. Lemley, *Beyond Preemption: The Law and Policy of Intellectual Property Licensing*, 87 CAL. L. REV. 111, 139-40 (1999).

³⁷⁷ *Computer Assocs. Int'l, Inc. v. Altai, Inc.*, 982 F.2d 693, 716 (2d Cir. 1992); see *Abruzzi*, *supra* note 357, at 115-21; *Reivemo*, *supra* note 342, at 292-94.

³⁷⁸ *Reivemo*, *supra* note 353, at 294.

³⁷⁹ *Id.*

³⁸⁰ *Id.*

³⁸¹ *Id.* at 293-94.

³⁸² *Reivemo*, *supra* note 353, at 303-08.

³⁸³ *Id.* at 296; 17 U.S.C. § 201(d) (2012) ("Transfer of Ownership – (1) The ownership of a copyright may be transferred in whole or in part by any means of conveyance or by operation of law, and may be bequeathed by will or pass as personal property by the applicable laws of intestate succession. (2) Any of the exclusive rights comprised in a copyright, including any subdivision of any of the rights specified by section 106, may be transferred as provided by clause (1) and owned separately. The owner of any particular exclusive right is entitled, to the extent of that right, to all of the protection and remedies accorded to the copyright owner by this title.").

EULA copyright restrictions.³⁸⁴ Accordingly, the EULA has become accepted as the standard in the industry.³⁸⁵ Furthermore, such restrictions maintain copyright protections not only for the developers, but also for their content licensors critical to game development.³⁸⁶

A final basis on which an EULA may be unenforceable is unconscionability due to extreme one-sidedness in favor of the publisher. In the relatively few cases covering this with respect to clickwrap software, courts have been willing to side with a user defendant if both procedural and substantive unconscionability exist.³⁸⁷ Arguably limited in its applicability because it dealt with computer industry professionals rather than consumers, the 2004 Missouri Eastern District case of *Davidson & Associates v. Internet Gateway, Inc.*³⁸⁸ found the EULA not unconscionable, but enforceable to prohibit reverse engineering.³⁸⁹ This was due to the defendant's computer expertise and familiarity with such language, as well as its ability to return the software if the EULA was unacceptable.³⁹⁰ On the other hand, the 2007 Pennsylvania Eastern District case of *Bragg v. Linden Research*,³⁹¹ addressed a *Second Life* user's challenge to an EULA. Applying California law, the court found Linden Research, Inc.'s click-wrap terms of service agreement unconscionable based on Linden's retention of far superior rights with respect to the resolution of any disputes under the contract.³⁹² The first requirement, procedural unconscionability, was found because Linden Research had substantially greater bargaining power, Bragg lacked reasonable alternatives, and the terms at issue were not readily apparent.³⁹³ In essence it was a contract of adhesion with unsuspected and surprisingly onerous terms.³⁹⁴ Substantive unconscionability was found for four separate reasons, each creating a one-sided relationship regarding the resolution of disputes under the contract: a lack of mutuality based on Linden's complete discretionary and nonrefundable termination power along with its discretionary right to amend the TOS at any time; Linden's costly arbitration provisions; venue limited to San Francisco, California; and the terms' resulting confidentiality applicable to

³⁸⁴ Abruzzi, *supra* note 368, at 131, 137-38.

³⁸⁵ *Id.* at 139.

³⁸⁶ *Id.* at 138.

³⁸⁷ *Davidson & Assocs. v. Internet Gateway*, 334 F. Supp. 2d 1164, 1179 (E.D. Mo. 2004).

³⁸⁸ *Id.*

³⁸⁹ *Id.* at 1178-80.

³⁹⁰ *Id.*

³⁹¹ 487 F. Supp. 2d 593 (E.D. Pa. 2007).

³⁹² *Id.* at 611.

³⁹³ *Id.* at 606-07.

³⁹⁴ *Id.* at 605-07.

the dispute proceedings.³⁹⁵ The court also dismissed the possibility of any legitimate commercial need on the part of Linden.³⁹⁶ Finally, it refused to blue-line the agreement because it could not do so without the “redrafting of the agreement.”³⁹⁷ Given the typical EULA circumstances and provisions discussed above, and “normal user and publisher activity,” at issue in *Bragg*, the *Bragg* decision may be a basis on which an EULA is found unconscionable.³⁹⁸

VI. LICENSING CONSIDERATIONS FOR VIDEO GAME AVATAR USES AND TRANSFORMATIONS

A developer’s main licensing goals are to establish its rights and responsibilities with a view toward maximizing rights and limiting liabilities. In doing this with respect to avatar creations, the discussions above inform and limit developer processes. To a greater or lesser extent depending on the particular developer and publisher, the developer is the hub for copyright and right of publicity licensing concerns among parties connected with avatar creation.³⁹⁹ Parties other than the developer include authors or current owners of copyrighted characters, celebrity publicity rights holders, video game publishers, and players. Each of these parties wants to protect and secure the rights which will best promote each of their business interests, and create a licensing agreement that includes the scope and detail appropriate to its interests. The character copyright holder wants to preserve its rights to reproduce, prepare derivative works, distribute, publicly perform and publicly display.⁴⁰⁰ The celebrity wants to control and monetize the use of his or her name, likeness, voice and identifying attributes.⁴⁰¹ While the developer and the publisher have somewhat aligned interests, the player has far different ones.⁴⁰² For the developer as well as the publisher, owning or licensing the intellectual property rights which both monetize the current product and allow continued business growth

³⁹⁵ *Id.* at 607-10.

³⁹⁶ *Id.* at 610-11.

³⁹⁷ *Id.* at 612.

³⁹⁸ See Michael Terasaki, *Do End User License Agreements Bind Normal People?*, 41 W. ST. U. L. REV. 467, 475 (2014); see *id.* 473-80 for discussion of unconscionability in end user license agreements.

³⁹⁹ DRAFTING LICENSE AGREEMENTS § 12.14[C][2] (Michael A. Epstein & Frank L. Politano eds., 2016) (in some cases the publisher holds the intellectual property used to develop a game and licenses it to the developer). Where the publisher holds these rights, their treatment herein will be that of a prior right holder and the analysis of them as a licensee will be inapplicable.

⁴⁰⁰ 17 U.S.C. § 106 (2012).

⁴⁰¹ See Section IV *supra* discussing publicity rights.

⁴⁰² DRAFTING LICENSE AGREEMENTS, *supra* note 399, § 12.14[C][2].

are key.⁴⁰³ The developer's concerns however are likely to be limited to those rights to monetize current and future developed games, while the publisher needs rights to best promote the market share of the product.⁴⁰⁴ This section identifies and analyzes several of these parties' copyright and right of publicity licensing concerns with respect to video game avatars.

A. *Developer as Licensee*

1. *Securing Rights from the Character Copyright Owner*

A developer must obtain licensing permissions where it seeks to use the expressions, as opposed to ideas, from another's highly delineated graphical character, or highly delineated and its-own-story literary or audiovisual character.⁴⁰⁵ The license agreement between the character copyright holder and the developer must spell out which of the following the developer has rights to use, how it may use each, and where it may use each — which can only be worldwide if the developer is to succeed: reproduction; derivative work preparation, distribution; public performance, and public display.⁴⁰⁶ Overall, as the licensee, the developer will seek to broadly define rights and narrowly craft limitations.

The more straightforward rights are reproduction, distribution, public performance and public display. Reproduction is a must to enable the developer to permit all its game purchasers to obtain their software copy; no video game survives without reproduction. But the developer must be clear about the types of reproduction. The developer needs rights to reproduce in all known media and platforms and in all presently anticipated or later developed media and platforms through which video game play does or may exist. Similarly, the right to distribute, publicly display, and publicly perform are essential to the developer's success. And current and future technology must be included with specific descriptions as well as a future technology capture provision.⁴⁰⁷

The right to make derivative works is a more nuanced right and the developer's negotiation of that right must be thorough.⁴⁰⁸ Today's typical video game avatar creation process gives at least some level of new attributes to the preexisting character merely by its modification into a com-

⁴⁰³ *Id.*

⁴⁰⁴ DRAFTING LICENSE AGREEMENTS, *supra* note 399, § 12.14[C][1], [C][2].

⁴⁰⁵ See Section III.B *supra* discussing copyright in characters.

⁴⁰⁶ 17 U.S.C. § 106 (2012).

⁴⁰⁷ See *Boosey & Hawkes Music Publishers, Ltd. v. Walt Disney Co.*, 145 F.3d 481, 486-87 (2d Cir. 1998) (adopting the majority position that what “may reasonably be said to fall within the medium as described in the license” is what courts will permit as bargained-for licensed platforms).

⁴⁰⁸ See Section III.A.3 *supra* discussing derivative rights.

puter generated work.⁴⁰⁹ Alternatively, a developer overlays graphical revisions of its own to create a new character.⁴¹⁰ In either case, the developer needs the right to create such derivative works to allow it to appropriately develop the character in the video game realm.⁴¹¹ Furthermore, with sufficient expressive variation from the prior work, and/or creative discretion to convey a particular look and feel, a developer will create its own copyrightable derivative work to which it will want to hold copyright.⁴¹²

For example, the *Witcher* literature series, comprised of author Andrzej Sapkowski's three collections of short stories and five novels, contains the highly delineated character Geralt, who, it is fair to say, would be a copyrighted element of Sapkowski's stories and novels.⁴¹³ However, "[t]he [video] game . . . is not an 'alternative version', nor a sequel The game is a free adaptation containing elements of [Sapkowski's] work; an adaptation created by different authors" ⁴¹⁴ "The *Witcher* game [tells] an alternate story with the *Witcher* world' Developers can base games on good sci-fi or fantasy books, their worlds, their stories, their heroes, and then beautify them with artwork and a bit of borrowed dialogue."⁴¹⁵ This development scenario explains why developer derivative work rights are critical to allow for changed character attributes to fit the video game process and platforms. Part of these rights must include the preparation of derivative works in other media to maintain viability as video game play evolves in new directions.⁴¹⁶

Marvel Heroes 2016, provides another example of the importance of clarifying derivative rights. Publisher and developer Gazillion Entertain-

⁴⁰⁹ See note 138 *supra* and accompanying text (discussing *Schrock v. Learning Curve*, 586 F.3d 513, 516, 521 (7th Cir. 2009)); note 139 *supra* and accompanying text (discussing *Schiffer Publ'g, Ltd. v. Chronicle Books, LLC*, No. 03-4962, 2004 U.S. Dist. LEXIS 23052, at *25 (E.D. Pa. Nov. 12, 2004)); *cf.* note 140 *supra* and accompanying text (discussing *Meshwerks, Inc. v. Toyota Motor Sales U.S.A.*, 528 F.3d 1258 (10th Cir. 2008)).

⁴¹⁰ See note 138 *supra* and accompanying text (discussing *Schrock*, 586 F.3d at 516, 521); note 13 *supra* and accompanying text (discussing *Schiffer*, 2004 U.S. Dist. LEXIS 23052, at *25).

⁴¹¹ 17 U.S.C. § 106 (2012).

⁴¹² *Id.*

⁴¹³ Robert Purchase, *Ever Wondered What the Author of the Witcher Books Thinks About the Games?*, EUROGAMER.NET (July 11, 2012), <http://www.eurogamer.net/articles/2012-11-06-ever-wondered-what-the-author-of-the-witcher-books-thinks-about-the-games>.

⁴¹⁴ *Id.*

⁴¹⁵ *Id.*

⁴¹⁶ *Id.* (quoting CD Projekt Red studio head Adam Badowski responding to Purchase's interview with *Witcher* author Andrzej Sapkowski); see *Boosey & Hawkes Music Publishers, Ltd. v. Walt Disney Co.*, 145 F.3d 481 (2d Cir. 1998).

ment is now in the last third of a ten-year grant of rights from Marvel Comics to develop over 5,000 of Marvel's Super Heroes from movies and animated series into multiplayer online games.⁴¹⁷ The graphical depictions of Gazillion's games' characters certainly resemble and depict the Marvel renditions, but they all clearly have differentiating characteristics.⁴¹⁸ Moreover, they are further modifiable by players, who might mix and match physical characteristics and skills in a modified superhero avatar.⁴¹⁹ Gazillion thus not only needs derivative rights, but also needs to specify that its derivative works may be used even after the ten-year license ends. Furthermore, its licensees need derivative rights. In fact, anytime a character licensee developer uses the licensed character to create a customizable avatar, the developer would be wise to possess sublicensable derivative rights.⁴²⁰

Along this line, agreements between the character copyright holder and the developer must specify which of the granted rights are sublicensable, and how. Although developer licensee relationships will be examined in greater depth below, a brief look here is warranted. The end-user player, simply to play the avatar within the game, needs display and possibly reproduction rights.⁴²¹ For multiplayer online games, the player additionally needs the right to publicly perform.⁴²² For screen shot and machinima posting, the player needs to add the right to distribute.⁴²³ For open avatar games, a player needs the added right to prepare further derivative works.⁴²⁴ Additional sublicenses are needed by publishers who will want to sublicense all of the developer's above-listed § 106 rights to preserve permissions for marketing, distribution, and merchandising, plus all rights it passes through to the end-user.

2. *Securing Rights from Celebrities*

As discussed at Section IV *supra*, each state's publicity rights laws are slightly different. However, the general rule is that where another's name, likeness or otherwise qualifying identifying attribute is used by a devel-

⁴¹⁷ *Marvel and Gazillion Agree to 10-Year Licensing Deal!*, MARVEL (Mar. 17, 2009), http://marvel.com/news//7409/marvel_and_gazillion_agree_to_10-year_licensing_deal; John Funk, *Marvel MMO Re-Licensed to . . . Gazillion?*, THE ESCAPIST (Mar. 17, 2009, 1:34 PM), <http://www.escapistmagazine.com/news/view/90244-Marvel-MMO-Re-Licensed-to-Gazillion>.

⁴¹⁸ *Marvel Heroes 2016, About This Game*, *supra* note 68.

⁴¹⁹ *Id.*

⁴²⁰ Preexisting characters used in open avatars can be found in the Freedom Force games. See note 65 *supra*.

⁴²¹ 17 U.S.C. § 106 (2012).

⁴²² *Id.*

⁴²³ *Id.*

⁴²⁴ *Id.*; see Section II.B *supra* discussing avatar customization.

oper in avatar creation, permission from that person must be obtained to avoid liability under state right of publicity laws.⁴²⁵ Some states allow posthumous rights as well.⁴²⁶ The developer must indeed ascertain the publicity rights laws of the state whose law will govern its video game, based on applicable choice of law requirements. Then, it must consider when its use will invoke publicity rights concerns. As with character copyright licensing, the developer licensee wants to define its rights as broadly as possible and its limitations as narrowly as possible.

One defense to publicity rights is where the developer's use of a celebrity, as in the words of the *Winter* court, is sufficiently expressive and not a conventional depiction of the person, or, in the words of the *Kirby* court, is transformative because its use of the celebrity is only for raw material, thereafter transforming her into a different physical and costumed rendition "unlike any public depiction" of the celebrity.⁴²⁷ Another defense to the right is where the use involves an overriding high public interest in the details invoked with respect to the particular celebrity to warrant First Amendment protection, for example where a celebrity or sports avatar is displayed as a carrier of information.⁴²⁸ However, where the developer's avatars do not meet these criteria, or, in any case where the outcome of applying these subjective tests is uncertain, the developer must be thorough in negotiating and drafting its celebrity license agreements.

Two broad categories of games where this is a prevalent concern involve pro sports and professional bands/musicians, as those games purposefully make use of celebrity figures doing what they do as celebrities to exploit their fame.⁴²⁹ Clearly where the celebrity-based avatar closely resembles the celebrity, including as to often-worn clothing or costuming, and does what the celebrity does to make him or her a star, especially within the same type of setting, the publicity rights of the celebrity are invoked.⁴³⁰

Another type of video game avatar that may invoke right of publicity considerations is where a famous actor brings his or her fame to render him- or herself through motion capture into a leading character in a game, particularly where such actor's fame derived from roles similar to the type within the video game. The Norman Reedus rendering of *Death Stranding*'s protagonist is one example. Japanese musician, singer, songwriter, actor and pop icon Camui Gackt's portrayal of the lead character in third-

⁴²⁵ See Section IV *supra* discussing publicity rights.

⁴²⁶ *Id.*

⁴²⁷ See *Winter*, *supra* notes 259-262 and accompanying text; *Kirby*, *supra* notes 306-311 and accompanying text.

⁴²⁸ See *C.B.C. Distribution* *supra* notes 244-247 and accompanying text.

⁴²⁹ *Id.*

⁴³⁰ *Id.*

person conquer game *Bujingai* is another.⁴³¹ In these cases, an actor's publicity rights may be at issue if the actor's fame is what attracts players to the game. Additionally, this actor could, over time, become so associated with the character as to have identity rights therein.⁴³² If the character is then exploited in ways outside of the original game, for example in a spin-off game, or in merchandise, publicity rights may also be at issue.⁴³³ The final end of this spectrum is in the case of video games based wholly on a celebrity. For example, there is the *Bruce Lee* action conquer series where the player "controls the well-known martial artist and movie actor, Bruce Lee, who plays the role of Hai Feng, a martial arts student," seeking revenge for his master's murder.⁴³⁴ Just short of the based-on games are a number of other games where the main character is loosely tied to Bruce Lee and evokes his persona in the associated character's fighting skills and depiction.⁴³⁵ Additional celebrity-modeled games are those involving retired famous basketball players: Shaquille O'Neal in the *Shaq-Fu* series, and Michael Jordan in *Michael Jordan: Chaos in the Windy City*.⁴³⁶

The Sims is known for its many celebrity cameo appearances, with several developer-created non-playable character celebrity avatars.⁴³⁷ Some of these include Hilary Duff, Drew Carey, John Lennon, Katy Perry,

⁴³¹ See *Death Stranding* discussion, Section IV.C. *supra* discussing *Death Stranding*; *Bujingai*, WIKIPEDIA, <https://en.wikipedia.org/w/index.php?title=Bujingai&oldid=737840563>; GACKT, <https://en.wikipedia.org/wiki/Gackt> (last visited Jan. 6, 2018).

⁴³² See Kurtz, *supra* note 148, at 470 ("[A]ctors who are inextricably connected with their roles include William Shatner as Captain James T. Kirk of the Starship Enterprise". (citing Thomas McCarthy, *The Human Persona as Commercial Property: The Right of Publicity*, 19 COLUM.-VLA J.L. & ARTS 129, 145-46 (1995)).

⁴³³ See *supra* notes 267-275 and accompanying text (discussing *Lugosi*); *supra* notes 284-288 and accompanying text (discussing *McFarland*).

⁴³⁴ *Bruce Lee: Return of the Legend*, WIKIPEDIA, https://en.wikipedia.org/wiki/Bruce_Lee:_Return_of_the_Legend (last edited Dec. 24, 2017).

⁴³⁵ See Top 10 Video Game Characters Based on Bruce Lee (last edited July 16, 2017, 23:02 PM), *Top Video Games Based on Bruce Lee*, YOUTUBE, <https://www.youtube.com/watch?v=Bc167MGiTJo> (last visited Nov. 2, 2017) (characters include Kim Dragon in *World Heroes* series, Furious Ming in *Jade Empire*.; Dragon Chan in *Super Punchout*, Lee Sin in *League of Legends*, Hon Fu (especially using nunchucks) in *Fatal Fury*, Hitmonlee in *Pokemon*, Maxi in the *Soul Calibre* series, Fei Lang in *Streetfighter*, Lu Kang in *Mortal Kombat*, and Marshall Law in the *Tekken Series*).

⁴³⁶ *List of Celebrity Appearances in Video Games*, WIKIPEDIA, https://en.wikipedia.org/w/index.php?title=List_of_celebrity_appearances_in_video_games&oldid=745349496 (last edited Sept. 21, 2017, 4:01 AM).

⁴³⁷ Jonathan Leack, *The Best of Real-Life Celebrities in The Sims*, GAMEREVOLUTION (Aug. 10, 2015), <http://www.gamerevolution.com/features/562-the-best-of-real-life-celebrities-in-the-sims#/slide/1>.

The Black Eyed Peas, and Christina Aguilera.⁴³⁸ These characters appear in various versions of the game or their expansions, or in downloadable content.⁴³⁹ Both the interactive and non-interactive celebrity avatars seem to be depicted in ways which track roles or character traits that made them famous, however unlimited possibilities exist.⁴⁴⁰ The celebrities thus possess rights of publicity with respect to these likeness depictions, and the developer must carefully spell out the types and scope of uses.

Additional celebrity use can be found in various random cameo appearances of celebrities. Phil Collins appears as himself in *Grand Theft Auto: Vice City Stories*, needing rescue from fatal gang violence on his way to perform “In the Air Tonight,” and including play of that song within the game and on the game’s soundtrack.⁴⁴¹ Additionally, famous comedians Katt Williams and Ricky Gervais perform comedy club scenes in *Grand Theft Auto IV*.⁴⁴² In *Postal 2*, Gary Coleman plays himself, encountered in game play in a shopping mall sequence.⁴⁴³

To secure appropriate publicity rights, the developer should first carefully identify all aspects of the celebrity’s identity it desires to use or permit its publisher and its players to use.⁴⁴⁴ Where uses such as a distinct celebrity-identified “nickname, signature, physical pose, characterizations, singing style, vocal characteristics, body parts, frequently used phrases, car, performance style, mannerisms [or] gestures,”⁴⁴⁵ are necessary, the developer must define and include those specific uses in the license. Moreover, the developer must define what things it can do with each of these identifying characteristics, with as much explanation as to the contemplated uses as possible, and, if obtainable, a catch-all clause for other

⁴³⁸ *Id.* (Slide 6), <http://www.gamerevolution.com/features/11562-the-best-of-real-life-celebrities-in-the-sims#/slide/6> (Hillary Duff); *id.* (Slide 4), <http://www.gamerevolution.com/features/11562-the-best-of-reallife-celebrities-in-the-sims#/slide/4> (Drew Carey); *id.* (Slide 7), <http://www.gamerevolution.com/features/11562-the-best-of-reallife-celebrities-in-the-sims#/slide/7> (John Lennon); *id.* (Slide 12), <http://www.gamerevolution.com/features/11562-the-best-of-reallife-celebrities-in-the-sims#/slide/12> (Katy Perry); *id.* (Slide 19), <http://www.gamerevolution.com/features/11562-the-best-of-reallife-celebrities-in-the-sims#/slide/19> (Black-Eyed Peas); *id.* (Slide 3), <http://www.gamerevolution.com/features/11562-the-best-of-reallife-celebrities-in-the-sims#/slide/3> (Christina Aguilera) (last visited Nov. 2, 2017).

⁴³⁹ See *supra* note 438.

⁴⁴⁰ See *supra* note 438; Leack, *supra* note 437.

⁴⁴¹ Leack, *supra* note 437; *Phil Collins*, WIKIPEDIA, https://en.wikipedia.org/w/index.php?title=Phil_Collins&oldid=746606200 (last edited Oct. 28, 2016).

⁴⁴² Leack, *supra* note 437; *Ricky Gervais*, WIKIPEDIA, https://en.wikipedia.org/w/index.php?title=Ricky_Gervais&oldid=747304990 (last edited Nov. 1, 2016).

⁴⁴³ *Postal 2*, WIKIPEDIA, https://en.wikipedia.org/w/index.php?title=Postal_2&oldid=746305015 (last edited Oct. 26, 2016).

⁴⁴⁴ See Section IV *supra* discussing publicity rights.

⁴⁴⁵ Kurtz, *supra* note 148, at 453.

uses within the general nature of the workings of the game.⁴⁴⁶ As each game is particular to its rendering, it is not possible to construct a laundry list of all rights worth considering. However, to the extent the genre and/or the avatar type lend themselves to generalizations, some suggestions follow.

Without a celebrity's *carte blanche* grant of the use of his or her name, likeness and identifying attributes, developer renditions of the celebrity should be specified.⁴⁴⁷ In the case of performer games, like the *Band Hero/Guitar Hero* series, it is necessary to clarify the type of activities the avatars may perform including whether they will be limited to performances mimicking the performer, whether they can include other types of performances, especially of another's material, and whether they can include non-performing activities.⁴⁴⁸ For closed avatars, the developer's potential physical alterations and settings within which the avatar can appear must be specified.⁴⁴⁹ For open avatars, both the developer's and the player's permissible alterations must be specified.⁴⁵⁰

For *The Sims*' celebrity avatars, the open world nature of *The Sims*' play mandates that the celebrity rights agreement be specific as to the planned scenes, activities, dialogue, dress, alterations and settings for each character, based on developer-contemplated design and game offerings.⁴⁵¹ Official *Sims* celebrity avatars are generally non-playable closed avatars; thus rights for player alteration are unnecessary.⁴⁵² The use of celebrities as the main protagonists in role playing games like the *Bruce Lee* series are perhaps self-limiting, but the developer is wise to clarify the limits from the beginning. Other games' small cameo appearances of celebrities must clarify the above items as well, with caution to developers to identify and retain all possible contemplated variations.

Media, platforms and sublicensing are further important considerations. To maximize business opportunities, the developer should secure rights to reproduce and publicly display and perform the celebrity attributes on and through all relevant current and future media and technologies.⁴⁵³ For sufficiently original creative uses of celebrity avatars the developer should specify that its celebrity-based avatars are subject to cop-

⁴⁴⁶ Marta Baffy, Note, *Right of Publicity Licensing in a New Age: No Doubt v. Activision Publishing, Inc.*, 28 *CARDOZO ARTS & ENT. L.J.* 359, 361-62 (2010).

⁴⁴⁷ *Id.*; Kurtz, *supra* note 148, at 477-79.

⁴⁴⁸ *Id.*

⁴⁴⁹ Kurtz, *supra* note 148, at 477-79.

⁴⁵⁰ *Id.*; Baffy, *supra* note 446.

⁴⁵¹ See *How to Play the Sims 4*, *supra* note 50.

⁴⁵² See notes *supra* 425-426 and accompanying text.

⁴⁵³ DRAFTING LICENSE AGREEMENTS, *supra* note 399, § 12.14[C][3].

yright protection and obtain sublicensing of all copyright protections therein for its publisher's and player's authorized game-related uses.⁴⁵⁴

3. *Securing Rights from Both Copyright Owners and Celebrities*

A few games warrant copyright and right of publicity licensing by virtue of the character depicted and the actors who have become the embodiment of and are synonymous with the character.⁴⁵⁵ These include *Scarface: The World Is Yours*, *Rambo: The Video Game*, the *Terminator* video game series and *The Godfather* games, all involving famous actors playing highly delineated main characters in literature and/or film.⁴⁵⁶ Therefore, licensing of the copyright uses discussed *supra* at Section VI.A.1. must exist between the developer and the novelist, as well as between the developer and the film production company. On top of that, depending on what has been reserved by the film production companies regarding future publicity rights uses, the actors who personify those characters may have rights in their video game re-creation, as the exploitation of each actor's fame is at the heart of the use.⁴⁵⁷

A film producer will probably possess certain use rights of a celebrity actor for subsequent use of the character portrayed by the actor; however, the acquired rights may not cover all uses in which a video game developer intends to involve the actor-portrayed character.⁴⁵⁸ To avoid litigation, a developer must either stay within the scope of the production house's license, or obtain additional permissions from the celebrity. Also, the defense of copyright preemption is likely to be lost for any activity exceeding

⁴⁵⁴ See *supra* notes 289-95 and accompanying text (discussing *Fleet v. CBS, Inc.*, 58 Cal. Rptr. 2d 645 (Ct. App. 1996)); *supra* notes 296-305 and accompanying text (discussing *Wendt v. Host Int'l, Inc.*, 125 F.3d 806 (9th Cir. 1990)); *supra* notes 267-75 and accompanying text (discussing *Lugosi v. Universal Pictures.*, 603 P.2d 425 (Cal. 1979)).

⁴⁵⁵ See Section IV.B *supra*.

⁴⁵⁶ *Scarface: The World Is Yours*, WIKIPEDIA, https://en.wikipedia.org/w/index.php?title=Scarface:_The_World_Is_Yours&oldid=743549652 (last edited Oct. 10, 2017); *Rambo: The Video Game*, *supra* note 38; List of Terminator Video Games, WIKIPEDIA, https://en.wikipedia.org/wiki/List_of_Terminator_video_games (last visited Jan. 6, 2018); *The Godfather II* (video game), *supra* note 38. For the *Scarface*, *Rambo* and *Godfather* games, precursor novels in which the main characters were first developed exist in addition to the well-known films.

⁴⁵⁷ See *supra* notes 257-260 and accompanying text (discussing *Lugosi*); McFarland, *supra* notes 275-277 and accompanying text.

⁴⁵⁸ See notes 257-260 *supra* and accompanying text (discussing *Lugosi*, 603 P.2d 425); *Wendt*, *supra* note 285-286 and accompanying text (discussing *Wendt*, 125 F.3d 806); notes 263-272 *supra* and accompanying text (discussing *White v. Samsung Elecs. Am., Inc.*, 971 F.2d 1395 (9th Cir. 1992)).

the contractual limits.⁴⁵⁹ To avoid litigation over potentially prohibited uses, the developer is wise to secure right of publicity licensing directly from the actors in accordance with the discussion above at Section VI.A.2.⁴⁶⁰

B. Developer as Licensor

1. Author and Owner Status

Developers are of different types, from individuals to small, medium and large business enterprises; some developers exist as subsidiaries of either video game publishing companies or platforms, and many others are independent.⁴⁶¹ Whether derived from pre-existing materials, based on celebrity likeness or independently created, developer avatar creations will often rise to the level of original works of authorship.⁴⁶² Before considering what the developer can and should do with its creations, a note about obtaining authorship is worthwhile.

First, it is important for the developer to consider the work for hire doctrine. Many developers' creations will be done by employees; some will be done by independent contractors. Both of these creators bring up the work for hire doctrine as discussed above at Section III.A.3.⁴⁶³ To briefly summarize, creative work of a developer's employee within the scope of that employment is straightforward and requires no extra documentation to give the developer authorship.⁴⁶⁴ However, the work of a developer's independent contractor must be specially ordered or commissioned for use as part of the audiovisual work and the developer and inde-

⁴⁵⁹ Beard, *supra* note 341, at 1223 (“[T]he Seventh Circuit “has suggested that if an employee has contractually limited the media in which his performance may be shown by the employer, should the employer exceed this authority, the employee’s right of publicity claim is not preempted.” *Pesina v. Midway Mfg. Co.*, 948 F. Supp. 40], 42, n.3 [(N.D. Ill. 1996)].”

⁴⁶⁰ See *supra* notes 267-75 and accompanying text (discussing *Lugosi*, 603 P.2d 425).

⁴⁶¹ *Video Game Development*, WIKIPEDIA, https://en.wikipedia.org/w/index.php?title=Video_game_development&oldid=745963464 (last edited Oct. 24, 2016); *List of Video Game Developers*, WIKIPEDIA, https://en.wikipedia.org/w/index.php?title=List_of_video_game_developers&oldid=747797171 (last edited Nov. 4, 2016); Eugene, *How to Form a Solid Indie Game Development Team*, NEW YORK FILM ACADEMY (Nov. 24, 2014), <https://www.nyfa.edu/student-resources/forming-solid-indie-game-development-team>.

⁴⁶² See discussion at Section III.B.3 *supra*.

⁴⁶³ 17 U.S.C. § 101 (2012) (defining work for hire); *id.* § 201(b).

⁴⁶⁴ See *supra* note 463; a writing, however, can be used to give ownership rights to someone other than the developer. 17 U.S.C. § 201(b) (2012).

pendent contractor must agree in writing that the work will be considered a work made for hire.⁴⁶⁵

Through these work-for-hire principles, the developer will become the author and acquire copyright privileges in its original avatar character creations, subject to any retained right of licensors.⁴⁶⁶ Next the developer wants to consider which of its character avatar creations may obtain separate copyright. For closed avatars which are “highly delineated,” like Link in *Legend of Zelda*, and like various characters in the *Godfather* games, copyright easily attaches. On the other hand, for the very basic computerized stock character avatar — like a generic cartoon man or woman living inside the computer found in the *Little Computer People Screenshots* — copyright is not appropriate.⁴⁶⁷

For open avatars, developer authorship varies depending on the customizable avatar at issue. However, in most games developer copyright will exist due to the clear delineation of consistent physical and conceptual qualities creating a strong recognition factor of each game’s pre-set avatars.⁴⁶⁸ As an example, *Skyrim* is an open world role playing game which takes place within a specified story, where the developer creates male and female pre-set characters in ten different races.⁴⁶⁹ Developer copyright in each of *Skyrim*’s twenty pre-set character avatars attaches because the attributes of each are sufficiently delineated to portray a separate, distinctly recognizable *Skyrim* character.⁴⁷⁰ *The Sims* presents a similar circumstance, with numerous avatar templates created by the developer for player modification.⁴⁷¹ Because each is also sufficiently original and specifically and consistently characteristic of a *Sims* brand character, developer copyright exists therein.⁴⁷² Only where the developer provides stock characters which depend on player customization to become highly delineated does the developer not possess copyright.⁴⁷³ Because games tend to create a branded look, within a branded story, their branded avatars sat-

⁴⁶⁵ See *supra* note 463. To fully protect the developer, the written document between the developer and the independent contractor should specify all the uses and sublicenses the developer is entitled to make of the independent contractor’s work.

⁴⁶⁶ *Id.* § 103.

⁴⁶⁷ *Little Computer People*, C64 WIKI, https://www.c64-wiki.com/index.php/Little_Computer_People (last modified Nov. 28, 2014); *Little Computer People Screenshots*, MOBY GAMES, <http://www.mobygames.com/game/little-computer-people/screenshots> (last visited Jan. 6, 2018).

⁴⁶⁸ See *supra* Section III.B.3 and III.C.

⁴⁶⁹ See *Character Creation (Skyrim)*, *supra* note 48.

⁴⁷⁰ *Id.*; 17 U.S.C. § 102 (2012).

⁴⁷¹ See *How to Play the Sims 4*, *supra* note 50.

⁴⁷² *Id.*; 17 U.S.C. § 102 (2012).

⁴⁷³ See *supra* note 468.

isfy the recent three-part sufficient delineation test established in *Towle*.⁴⁷⁴

The current version of *Halo* is an example of a hybrid game because it permits partial customization of its first person shooter avatar.⁴⁷⁵ Given that main character Master Chief is highly delineated prior to any player customization, the developer is likely to have copyright in this original character.⁴⁷⁶ The case is similar for hybrid open/closed avatars Lara Croft in the *Tomb Raider* series, Geralt in the *Witcher* series, and various Marvel-created super heroes in *Marvel Heroes 2016*.⁴⁷⁷ All are highly delineated developer-created characters which have existed essentially unchanged for years, player modifications notwithstanding.⁴⁷⁸

A developer is wise to not take for granted its copyright in character avatars and instead identify and classify those which possess copyright. Thereafter, the developer must do its best to preserve necessary rights for sound business exploitation of this copyright. As copyright ownership can be altered by contract, the developer may choose to grant itself copyright in even its stock character work to the extent a player makes it highly delineated. This will be done through the EULA, discussed further below at Section VI.B.3.

2. Developer Licensing to Publisher Licensees

As previously mentioned, a developer licensor generally wants to define rights narrowly and limitations as broadly as possible. However, the developer licensor also wants to grant the publisher as many rights as necessary to succeed at bringing the developer game and related-item revenue.⁴⁷⁹ Being sure to stay within the boundaries of permissions from the licensors, the developer's license agreement with a publisher must identify and carve out character copyright protection separate from the overall work of the video game.⁴⁸⁰ The developer should specify that its publisher's permitted uses of those characters are limited to activities toward marketing and distributing the game, leaving the character unaltered. This restricts the publisher's permissions for this purpose to reproduction, distribution, public display, and public performance.⁴⁸¹ As necessary, the de-

⁴⁷⁴ See *supra* notes 176-185 and accompanying text.

⁴⁷⁵ See *Customizing Your Spartan in Halo 5 Multiplayer*, *supra* note 60.

⁴⁷⁶ *Id.*; 17 U.S.C. § 102 (2012).

⁴⁷⁷ See *GTA 5 Online – Tomb Raider/Lara Croft Outfit and Customization*, *supra* note 61; *The Witcher 3 – How to Use Skills, Signs and Magic*, *supra* note 69; *Marvel Heroes 2016, About This Game*, *supra* note 68.

⁴⁷⁸ *Id.*

⁴⁷⁹ DRAFTING LICENSE AGREEMENTS, *supra* note 399.

⁴⁸⁰ See *supra* note 468.

⁴⁸¹ 17 U.S.C. § 102 (2012).

veloper can add additional limitations to conform to the sublicense of rights obtained from others who hold copyright and/or right of publicity privileges.⁴⁸²

Careful drafting considerations are necessary to secure revenue from all publisher uses in all mediums, and retain rights to approve uses and mediums not specifically delineated.⁴⁸³ The developer wants to keep derivative use rights to itself so that it can expand on its avatar works in future endeavors, including sequels or spin-offs, and license those and other rights like merchandising to others.⁴⁸⁴ It must grant specific sublicense rights to permit player sublicenses, as discussed further below.

3. *Developer Licensing to Player Licensees*

On the surface, it seems developers may be satisfied having nothing less than full retention of intellectual property rights vis-à-vis players, with EULAs that go out of their way to retain all possible intellectual property rights in the developer, developer licensors and publisher. Clearly this makes sense for closed character avatars, as players make no “original” contribution to them. But for open and partially open avatars, developers have choices to make.

Many EULAs governing open avatars are reflective of the developer/publisher’s grab of blanket intellectual property rights, giving either no rights to players for their creations, or very specific narrow rights — like no more than in-game use — with blanket retention in the publisher-licensor parties instead.⁴⁸⁵ For example, strict developer/publisher retention of intellectual property rights exists within the EULAs in the *Tomb Raider* series, *Marvel Hero* series and *World of Warcraft* games, with partial player-created avatars.⁴⁸⁶ On the other hand, for the partially customizable avatar in the *Witcher* games, and the fully customizable avatars in *The Sims* games and *Second Life*, the EULAs allow players to retain limited copyright protections in user generated content.⁴⁸⁷ Additionally, *Second Life* permits snapshot copy (right to publicly display), and both *Second Life* and *Witcher*, permit machinima (right to publicly perform) outside of

⁴⁸² See *supra* Section VI.A.

⁴⁸³ DRAFTING LICENSE AGREEMENTS, *supra* note 399, § 12.14 [C][3].

⁴⁸⁴ 17 U.S.C. § 103 (2012).

⁴⁸⁵ See Referenced Terms of Service, *supra* note 354, and accompanying text.

⁴⁸⁶ See *Tomb Raider* EULA; *Marvel Heroes* TOS; *World of Warcraft* TOS, *supra* note 354.

⁴⁸⁷ See *Witcher* EULA, *Sims* EULA, and *Second Life* TOS, *supra* note 354 and accompanying text.

the game.⁴⁸⁸ These variations may be intentionally aimed at different developer goals.

One reason for developers to provide various copyright privileges to players is to reflect the growing importance of personalizing and customizing player avatars. Through numerous modification tools and the use of many or infinitely (with sliders) wide-ranging attribute choices, many player-created avatars are likely to qualify for copyright protection. The form of player authorship is most naturally a derivative audiovisual work, giving a player rights to the sufficiently original and differentiated avatar.⁴⁸⁹ Joint authorship is an unlikely possibility given that developers probably do not intend to create a joint work.⁴⁹⁰ In addition to the avatar, a player may also claim authorship in copyrightable activities his or her avatar performs, like a highly choreographed dance where the choreography may rise to a protectable level.⁴⁹¹ As a derivative right holder, a player may seek the right to reproduce, publicly display and publicly perform with the avatar, both in-game and on other platforms. A player may, but is less likely to, seek a right of distribution.

In some cases, a player may also create an avatar resembling him- or herself so closely that a developer or publisher's use might invoke publicity rights claims by the player.⁴⁹² On the other hand, a less similar avatar may still evoke a player, for example, if that player has a large following through in-game and outside-game activities.⁴⁹³ Assuming the developer or publisher employs the avatar for game promotion or future in-game play, the player may have an interest in the protection of his or her right of publicity.⁴⁹⁴

For any of these scenarios, developers/publishers may choose EULA provisions to honor their players' intellectual property rights as a means to better promote their games. Within avatar creation lies the player emphasis on creating a personal and unique game representative as a vehicle by

⁴⁸⁸ See *Witcher* EULA and *Second Life* TOS *supra* note 354 and accompanying text.

⁴⁸⁹ See discussion of derivative works *supra* Section III.A.3.

⁴⁹⁰ See discussion of joint works *supra* Section III.A.3.

⁴⁹¹ 17 U.S.C. § 102(a)(4) (2012).

⁴⁹² See Right of Publicity *supra* Section IV.

⁴⁹³ See *supra* notes 276-83 and accompanying text (discussing *White v. Samsung Elecs. Am., Inc.*, 971 F.2d 1395, 1397 (9th Cir. 1992)); *supra* notes 296-305 and accompanying text (discussing *Wendt v. Host Int'l, Inc.*, 125 F.3d 806 (9th Cir. 1990)).

⁴⁹⁴ Breanne Hoke, *My Online Me: Why Gamers Should Turn to California's Right of Publicity Laws in Protecting Their Online Avatars* 25-72, INTELLECTUAL PROPERTY BRIEF 6, no. 1 (2015) at 27, <http://digitalcommons.wcl.american.edu/ipbrief> (arguing that if an avatar is readily identifiable to the player, and used by another for commercial gain, California courts may find it appropriate to permit the player to enforce his or her publicity rights for that use).

which to immerse and express him- or herself in the game.⁴⁹⁵ A grant of player rights to these creations honors the “deeply meaningful and shared experiences that are rooted in community values and reciprocal projects” as part of online gaming platforms.⁴⁹⁶ As acknowledged on one game aficionado site, a great amount of control over avatar character customization is one of the best features of games that permit modifications.⁴⁹⁷ This allows the player to place his or her imagination into the creation of an avatar which then participates in the developer’s virtual world.⁴⁹⁸ Highly evolved, realistic graphics permit highly delineated player character creation, which in some form likely qualifies as an original work of authorship. In limited cases it may also qualify as a player likeness.

Thus, where avatar customization is part of a game’s play, the developer must analyze whether to cast its EULA more like those of *Second Life*, *World of War Craft*, and *The Sims*, or whether to prohibit intellectual property rights to its players. In any case, when the developer has character rights, these must be specified. Thereafter, the developer can specify which of the § 106 rights are granted to the player, and how, in the various ways discussed herein. Whether developers/publishers give intellectual property ownership rights to players or not, they certainly want their EULAs to grant themselves the typical worldwide license to use all player-generated creations in all types of content on all types of platforms and for any purposes. This allows the game creators and distributors to maximize the flow of evolving content within the game world they create, giving them power to market and create derivative works to stay current within the gaming community.

VII. CONCLUSION

A video game developer has many concerns regarding the ownership and licensing of the intellectual property rights of its avatars. These concerns include the rights of prior copyright holders like authors and film production companies. They include the rights of publicity in musicians, athletes, and celebrities or others whose likeness is exploited. They also include its own developer creations generally through work for hire. Additional important concerns lie in what and how the developer handles intellectual property licensing vis-à-vis its publisher. Finally, a number of

⁴⁹⁵ Oliver Khan, *Me, Myself, and My Avatar: The Right to the Likeness of our Digital Selves*, 5 IS/J.L. & POL’Y 447, 458 (2010).

⁴⁹⁶ *Id.* at 461.

⁴⁹⁷ *How to Create Beautiful Characters in Skyrim*, LEVELSKIP (last updated Apr. 12, 2016), <https://levelskip.com/rpgs/better-looking-characters>; Melissa Loomis, *Character Creator: 5 Video Games with Extensive Character Customization*, GAME RANT (2015), <https://gamerant.com/five-best-character-creator-games-144>.

⁴⁹⁸ *Id.*

considerations are warranted for what and how the developer licenses avatar rights to players.

Although numerous parties and rights can make these considerations complex, a framework such as the one explained herein is important. The intellectual property in character avatars is an extremely valuable asset of the video game developer. Therefore, licensing relationships must specifically delineate and cautiously protect and exploit all of these assets and their uses.

