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Gaetano Urgo

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Klawing for Protection: Kawhi Leonard's Battle with Nike over Intellectual Property Rights

Cover Page Footnote

Gaetano Uργο, J.D. Candidate, DePaul University College of Law, 2021; B.S. Philosophy and Political Science, University of Illinois at Urbana-Champaign, 2017. Gaetano currently serves as a research staff writer for the DePaul Sports Law Journal and will serve as the Editor-in-Chief during the 2020-21 academic year. Gaetano would like to sincerely thank his family for their support.

I. INTRODUCTION

Since entering the National Basketball Association (“NBA”) in 2011, Kawhi Leonard has gradually become one of the best professional basketball players in the world.¹ After being drafted by the San Antonio Spurs in 2011, Leonard quickly made a name for himself by becoming one of the youngest players ever to win an NBA championship and be awarded the Bill Russell NBA Finals Most Valuable Player (“MVP”) Award in 2014.² Leonard also joined the ranks of NBA legends by also winning the NBA’s Defensive Player of the Year Award.³ Most recently, in 2019, Leonard again earned himself a spot amongst elite NBA company by winning the NBA championship with the Toronto Raptors and becoming only the third player in league history to win the Finals MVP Award with two different teams.⁴

While accomplishing these many feats, Leonard has become popularly known by his nickname, “The Klaw.”⁵ Leonard has been referred to as “The Klaw” because of his incredible skills on the defensive end of the court and his uniquely massive hands, which greatly aid his defensive prowess.⁶ This nickname has become so much a part of Leonard’s identity that it has been incorporated into his personal logo, which he uses on all of his merchandise.⁷ Recently, this logo has given rise to a lawsuit between Leonard and Nike, Inc. (“Nike”) over ownership of the intellectual property.⁸ The issue in this case stems from Leonard receiving a trademark registration for the logo from the U.S. Patent and Trademark Office, while Nike had formally secured copyright protection of the logo by registering it with the U.S. Copyright Office in Washington D.C.⁹ The filing of this lawsuit raises many questions, the most pressing of which being the determination of intellectual property ownership when opposing parties have competing interests granted to them by the U.S. Copyright Office and the U.S. Patent and Trademark Office.

This lawsuit between Leonard and Nike, Inc. will be the focus of this Comment, which will be broken up into four parts. Following this introduction in Part I, Part II will provide background on current trademark and copyright law and the procedures that one must adhere to in order to gain protection by either the U.S. Copyright Office or the U.S. Patent and Trademark Office. Part II will also detail the right of publicity and explain what goes into making a right of publicity claim. Further, Part II will lay the factual foundation for Leonard’s lawsuit against

¹ Kawhi Leonard Biography Facts, Childhood, and Personal Life, Sporty Tell. (Nov. 27, 2019), <https://sportytell.com/basketball/kawhi-leonard-biography-facts-childhood-personal-life/>

² The NBA Finals MVP award was established in 1969 and is awarded to the best player on the winning team in the NBA Finals. *See* NBA Awards: Finals MVP, Land of Basketball. (Nov. 27, 2019), https://www.landofbasketball.com/awards/nba_finals_mvp_players.htm

³ The NBA Defensive Player of the Year Award is awarded to one player each year who proves to be the best defensively. Kawhi Leonard became the third player in NBA history to win both NBA Defensive Player of the Year Award and NBA Finals MVP. *See* Sporty Tell. (Nov. 27, 2019) <https://sportytell.com/basketball/kawhi-leonard-biography-facts-childhood-personal-life/>

⁴ Kawhi Leonard Joins Elite Company in Winning Finals MVP, NBA.com Staff. (Nov. 27, 2019). <https://www.nba.com/article/2019/06/13/finals-mvps-more-one-team>

⁵ Sporty Tell. (Nov. 27, 2019) <https://sportytell.com/basketball/kawhi-leonard-biography-facts-childhood-personal-life/>

⁶ Kawhi Leonard Nicknames: Meanings Behind “Qui” and “The Claw,” Heavy. (Nov. 27, 2019). <https://heavy.com/sports/2019/05/kawhi-leonard-nicknames-qui-claw-meanings/>

⁷ *Id.*

⁸ Nike Countersues Kawhi in an Ongoing Battle Over The Klaw Logo, Sports Illustrated. (Nov. 27, 2019) <https://www.si.com/nba/2019/07/19/kawhi-leonard-clippers-nike-new-balance-klaw-logo>

⁹ *Id.*

Nike, as well as other NBA athletes' intellectual property disputes. Specifically, it will examine Shaquille O'Neal's lawsuit over his likeness being used for "Shaqtus," the Indianapolis Colts' lawsuit for trademark infringement over the Baltimore CFL Colts name, and the Baltimore Orioles' lawsuit combatting the MLB's Players Association's right of publicity claim. Part III will analyze current trademark and copyright law and discuss how Leonard's lawsuit against Nike, Inc. could have been resolved. Part III will also discuss a possible right of publicity claim that Leonard could potentially have attempted to use to save his ownership interest. Additionally, Part III will discuss how the judge ruled on Leonard's case and explain his remaining options. Finally, Part IV will discuss the possible impact that Leonard's lawsuit will have on athletes and intellectual property law at large, as well as discuss what changes should be made to the system to alleviate future confusion.

II. BACKGROUND

This section will provide an overview of the relevant copyright law and trademark law, as well as the right of publicity. In addition, it will examine the factual circumstances surrounding Kawhi Leonard's lawsuit against Nike, Inc., as well as lawsuits involving other professional athletes and organizations' disputes over intellectual property.

A. Copyright Law

Copyright law originates from the U.S. Constitution Art. I § 8, representing the founding fathers' recognition of rights protecting authors and original expression.¹⁰ Since then, Congress has codified the laws surrounding copyrights in Title 17 of the United States Code Service.¹¹ Section 102 of Title 17 provides that, "copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device."¹² Works of authorship can include: writings, music, videos, pictures, and a variety of other original works that are placed in a fixed tangible medium.¹³ Copyright protection provides the owner with exclusive rights to reproduce the work, distribute copies of the work, and publicly display the work.¹⁴ Copyrights further grant an author the exclusive right to prepare derivative works based on the original work.¹⁵

Copyrights are automatic, meaning that one obtains a copyright the second they put the original work in tangible form.¹⁶ This means that one does not need to obtain formal registration

¹⁰ Corrie Lynn Rosen, *Trademarks vs. Copyrights: Which one is right for you?* (Nov. 27, 2019) <https://www.legalzoom.com/articles/trademarks-vs-copyrights-which-one-is-right-for-you>

¹¹ 17 U.S.C.S.

¹² 17 U.S.C.S. § 102

¹³ *Id.* a "fixed tangible medium" means the work must be established in some fixed form such as a book, print, dramatic work, film, etc. Corrie Lynn Rosen, *Trademarks vs. Copyrights: Which one is right for you?* (Nov. 27, 2019) <https://www.legalzoom.com/articles/trademarks-vs-copyrights-which-one-is-right-for-you>

¹⁴ 17 U.S.C.S. § 106(1)-(6).

¹⁵ *Id.*; A Derivative work is a work based upon one or more preexisting works. 17 U.S.C.S. § 101.

¹⁶ Rick Meisher, *Kawhi Leonard v. Nike, Inc.: How copyrights can trump trademarks?* (Nov. 27, 2019) <https://www.technologylawsource.com/2019/06/articles/intellectual-property-1/copyright/kawhi-leonard-v-nike-inc-how-copyrights-can-trump-trademarks/>; A work is fixed in a "tangible form" when its embodiment, by or under the

of a copyright within the United States Copyright Office in order to have their original work protected. If one wishes to obtain formal registration, an application must be sent to the United States Copyright Office for approval.¹⁷ In the application, a person seeking formal registration must include: copies of the work, their name and address, a title for the work, and the year in which creation was completed.¹⁸ If the claimant is not the author, they must submit a statement explaining how they received ownership of the work.¹⁹ If the work was a “work made for hire,” then the claimant must also submit a statement indicating such.²⁰

If, after reviewing the applicant’s submissions, the U.S. Copyright Office determines that the material submitted constitutes a work that is copyrightable, the office will register the work and issue the applicant a certificate of registration.²¹ While a copyright exists the second an author places the work in a fixed tangible medium, formally registering the work provides multiple benefits including: a public record of ownership, a presumption of ownership, quicker access to the courts for handling of disputes, and eligibility for statutory damages, attorney fees, and costs of suit.²²

Congress has spelled out multiple ways in which people can come into ownership of a copyright. Initial ownership of a copyright is given to the author or authors at the time the work is created.²³ If two or more people collaborate to make a joint work, they are deemed to be co-owners of the copyright in the work.²⁴ When dealing with “works made for hire,” unless the parties have expressly agreed to something different in writing, the employer is considered the owner of the work and the copyrights.²⁵ Thus, while ownership of copyrights typically vests in the original author of the work, it is possible for someone to gain ownership of a copyright for a work they did not create. Ownership of a copyright may be transferred to someone else by means of a conveyance or by the creation of a right by existing legal principles, otherwise known as “operation of law.”²⁶ Aside from operation of law, no transfer of a copyright will be held as valid unless it is expressly spelled out in writing.²⁷ This means that it is possible for someone to “sign away” their rights to ownership of a copyright by way of a contract.

A copyright has a predetermined life span. Typically, a copyright lasts for the entire life of the author, plus seventy years after the author’s death.²⁸ A copyright in a “work made for

authority of its author, is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration. 17 U.S.C.S. § 101.

¹⁷ 17 U.S.C.S. § 408.

¹⁸ 17 U.S.C.S. § 409(1), § 409(6), and § 409(7).

¹⁹ *Id.* at § 409(5).

²⁰ *Id.* at § 409(4); A “work made for hire” is a work prepared by an employee within the scope of his or her employment. 17 U.S.C.S. § 101.

²¹ *Id.* at § 410(a).

²² Aaron K. Haar and Maria Cremi Speth, *Why Register My Copyrights? The Benefits of Copyright Registration*. (Nov. 27, 2019). <http://www.jaburgwilk.com/news-publications/benefits-of-copyright-registration>

²³ 17 U.S.C.S. § 201(a).

²⁴ *Id.*

²⁵ 17 U.S.C.S. § 201(b).

²⁶ 17 U.S.C.S. § 201(d)(1); An example of operation of law is a child inheriting property from his deceased parent who does not have a will by virtue of the intestate succession laws of the state. Mary Randolph, Nolo, *How an Estate Is Settled if There’s No Will: Intestate Succession*. (May 7, 2020). <https://www.nolo.com/legal-encyclopedia/how-estate-settled-if-theres-32442.html>

²⁷ 17 U.S.C.S. § 204(a).

²⁸ 17 U.S.C.S. § 302(a).

hire,” however, will expire at the earlier of ninety-five years from the date of publication or 120 years from the date of creation.²⁹

There are a variety of remedies that can be granted by the courts when infringement is found.³⁰ First, a court may order an injunction preventing the infringing party from using the copyrighted work.³¹ A court could also order the destruction of all copies that infringe on the author’s copyright.³² An infringer may also be liable for damages, including the profits made in violation of the author’s copyright.³³

B. Trademark Law

A trademark protects names, terms, and symbols that identify and differentiate specific companies and their goods.³⁴ Just as a logo is copyrightable, it is also capable of obtaining trademark protection because logos are often used by consumers to distinguish one company’s product from another’s.³⁵ Take, for example, pairs of shoes similar in style that are the products of two popular, but distinct companies: Nike and Adidas. Consumers looking to purchase Nike shoes will typically rely on Nike’s logo to determine if they are buying the right pair. Nike’s logo, the “Nike Swoosh,” is an internationally recognizable logo that allows consumers to identify Nike brand products. Because logos are relied on by consumers in this manner, courts have determined that logos can receive trademark protection.³⁶

While someone does not need to register their trademark to have protection over it, registering it with the U.S. Patent and Trademark Office will afford the owner more protection against improper use of the mark in commerce.³⁷ In order to register a trademark, an applicant must fill out an application and file it with the U.S. Patent and Trademark Office.³⁸ Similar to an application for a copyright, a trademark application must include information about the applicant’s domicile and citizenship, as well as the date of the mark’s first use, the date of the mark’s first use in commerce, and a depiction of the mark.³⁹ An applicant must also verify that

²⁹ 17 U.S.C.S. § 302(c). A work is “created” when it is fixed in a copy or phonorecord for the first time; where a work is prepared over a period of time, the portion of it that has been fixed at any particular time constitutes the work as of that time, and where the work has been prepared in different versions, each version constitutes a separate work. “Publication” is the distribution of copies or phonorecords to the public by sale or other transfer of ownership, or by rental, lease, or lending. The offering to distribute copies or phonorecords to a group of persons for purposes of further distribution, public performance, or public display, constitutes a “publication.” 17 U.S.C.S. § 101.

³⁰ Infringement is very similar to stealing. Infringement occurs anytime you are copying someone else’s original work without permission. Examples of copyright infringement include but are not limited to: downloading movies or music without proper payment for use, recording movies in a theater, and using others’ photographs in a blog without permission. Mary Juetten, *How to Avoid Copyright Infringement* (May 5, 2020).

<https://www.legalzoom.com/articles/how-to-avoid-copyright-infringement>

³¹ 17 U.S.C.S. § 502(a).

³² 17 U.S.C.S. § 503.

³³ 17 U.S.C.S. § 504(a).

³⁴ Trademark vs Copyright: Everything You Need to Know, UpCounsel. (Nov. 30, 2019).

<https://www.upcounsel.com/trademark-vs-copyright>

³⁵ *Id.*

³⁶ 15 U.S.C.S. § 1052(d).

³⁷ *Id.*

³⁸ 15 U.S.C.S. § 1051(a)(1).

³⁹ 15 U.S.C.S. § 1051(a)(2). “A mark shall be deemed to be in ‘use in commerce’ on goods when (1) it is placed in any manner on the goods or their containers or the displays [their] associated [with] or on the tags or labels affixed,

the facts asserted in the application are all true.⁴⁰ Included in this are the facts that the applicant is the rightful owner of the mark and that the mark is in use in commerce.⁴¹ Another very important fact that must be verified by the applicant is that, to the best of the applicant's knowledge, no other person has the right to use the mark in commerce. An applicant must also verify that no other person has the right to use a mark so similar to the applicant's, that when used it will cause confusion, mistake, or deceit over who owns the marks.⁴²

A trademark will not be registered if it may falsely represent a connection with a person.⁴³ Further, a mark will not be registered if it will cause confusion, mistake, or deception as to who really owns it when used in connection with the applicant's goods.⁴⁴ In order to ensure that the mark in question is in compliance with all of these requirements, the U.S. Patent and Trademark Office uses an "examiner" to look into the mark and determine if the applicant is the rightful person to register it.⁴⁵ A registered trademark will last 10 years after being filed and must be renewed every 10 years for the owner to retain registered protection.⁴⁶ This means a trademark can last forever as long as it is continuously renewed.

An important entity within the U.S. Patent and Trademark Office is the Trademark Trial and Appeal Board. The Trademark Trial and Appeal Board consists of the Director of the U.S. Patent and Trademark Office, the Deputy Director, the Commissioner for Patents, the Commissioner for Trademarks, and an administrative trademark judge appointed by the Secretary of Commerce and Director.⁴⁷ All cases involving the rights and registration of trademarks can be brought before the Trademark Trial and Appeal Board.⁴⁸ For instance, if an examiner determines that the applicant is not the rightful person to register the mark, the applicant may appeal that decision to the Trademark Trial and Appeal Board.⁴⁹ If dissatisfied with the decision of the Director or Trademark Trial and Appeal Board, an applicant can appeal issues even further to a United States Court of Appeals.⁵⁰

There are multiple remedies that can be offered when a trademark is infringed upon.⁵¹ A trademark owner who believes its mark is being infringed upon may file a lawsuit in either state or federal court for trademark infringement.⁵² First, in order to be able to recover for infringement, a registrant must provide notice that the mark is registered.⁵³ This is done by

or....on documents associated with the goods or their sale, and (2) the goods are sold or transported in commerce." "Commerce" means all commerce which may be lawfully regulated by Congress. 15 U.S.C.S § 1127

⁴⁰ 15 U.S.C.S. § 1051(a)(3).

⁴¹ *Id.* at § 1051(a)(3)(A)-(C).

⁴² *Id.* at § 1051(a)(3)(D).

⁴³ 15 U.S.C.S. § 1052(a).

⁴⁴ *Id.* at § 1052(d).

⁴⁵ 15 U.S.C.S. § 1062.

⁴⁶ 15 U.S.C.S. § 1058

⁴⁷ 15 U.S.C.S. § 1067

⁴⁸ *Id.*

⁴⁹ 15 U.S.C.S. § 1070.

⁵⁰ 15 U.S.C.S. § 1071.

⁵¹ A trademark is infringed upon by the unauthorized use of the trademark in connection with goods or services in a manner that is likely to cause confusion, deception, or mistake about the source of the goods and/or services. United States Patent and Trademark Office, *About Trademark Infringement*, (May 7, 2020).

<https://www.uspto.gov/page/about-trademark-infringement>

⁵² *Id.*

⁵³ 15 U.S.C.S. § 1111.

explicitly saying so or placing the certified registered mark “®” “R” enclosed within a circle next to the mark.⁵⁴ Any person who uses a registered mark in commerce without the consent of the registrant will be subject to civil damages.⁵⁵ It must be shown that the acts have been committed with knowledge that the use of the mark is intended to cause confusion, mistake, or deception.⁵⁶

A court may grant injunctions to prevent any violations of a registrant's rights over a mark.⁵⁷ When counterfeit marks used in the sale or distribution of goods are at issue, a court may grant an order for the seizure of such goods and marks involved in the violation.⁵⁸ When a violation is found, the registrant will be entitled to damages, including profits earned by the defendant in violation of the plaintiff's trademark, damages sustained by the plaintiff as a result of the violation, and the costs of the action.⁵⁹ The court has discretion in determining what damages are to be awarded.⁶⁰ In the case of the intentional use of a counterfeit mark, the court may enter an order for three times the amount of profits or damages, whichever is greater.⁶¹ A court may also order that all products in possession of the violator containing the registered mark be destroyed.⁶²

In all actions involving a registered mark, courts may determine the rights to a registration.⁶³ This means that the courts could determine who owns a registered mark, if the registration of a mark should be cancelled, or if the registration of a mark should be restored.⁶⁴ Normally, registration of a mark by the U.S. Patent and Trademark Office can be used as evidence of the registrant's exclusive right to use the mark in commerce.⁶⁵ This will not be conclusive proof, however.⁶⁶ If it is determined that a mark has been registered in the U.S. Patent and Trademark Office through fraud or deceit, the registrant responsible for the fraud or deceit will be liable to any person who was harmed for any damages suffered.⁶⁷

The owner of a mark which becomes so famous or distinctive, either inherently or over time, may be entitled to an injunction against a person who uses a mark in commerce that is likely to cause dilution of the mark, regardless of whether or not there is actual confusion, competition, or economic injury.⁶⁸ A mark is considered “famous” if it is widely recognized by the consumers of the U.S. as a source of the goods or services offered by the mark's owner.⁶⁹ “Dilution by blurring” occurs by the similarity between a mark and a famous mark that impairs

⁵⁴ *Id.*

⁵⁵ 15 U.S.C.S. § 1114(1).

⁵⁶ *Id.*

⁵⁷ 15 U.S.C.S. § 1116(a).

⁵⁸ *Id.* at § 1116(D)(1)(A). A “Counterfeit Mark” is defined as “a counterfeit of a mark that is registered on the principal register in the United States Patent and Trademark Office for such goods or services sold, offered for sale, or distributed and that is in use, whether or not the person against whom relief is sought knew such mark was so registered.” *Id.* at § 1116(D)(1)(B)(i).

⁵⁹ 15 U.S.C.S. § 1117(a).

⁶⁰ *Id.*

⁶¹ *Id.* at § 1117(b).

⁶² 15 U.S.C.S. § 1118.

⁶³ 15 U.S.C.S. § 1119.

⁶⁴ *Id.*

⁶⁵ 15 U.S.C.S. § 1115(a).

⁶⁶ *Id.*

⁶⁷ 15 U.S.C.S. § 1120.

⁶⁸ 15 U.S.C.S. § 1125(c)(1).

⁶⁹ *Id.* at 1125(c)(2)(A).

the distinctiveness of the famous mark.⁷⁰ Courts will look to multiple factors when determining dilution of a mark, including the degree of similarity between the mark and the famous mark, the degree of inherent or acquired distinctiveness of the famous mark, the extent to which the owner of the famous mark is engaged in the exclusive use of the mark, the degree of recognition of the mark, and any actual association between the mark and the famous mark.⁷¹ Trademark dilution involves a mark that is in connection with goods or services that do not compete with those in connection to the famous mark.⁷² For example, trademark dilution laws may prevent a harmonica maker from using the name “Ferrari,” even though no one would confuse the harmonicas for the cars.⁷³

C. Right of Publicity

The right of publicity relates to a legally-recognizable right in a celebrity’s identity value.⁷⁴ The right of publicity, like a copyright, protects a form of intellectual property that society deems to have some social utility.⁷⁵ The right of publicity was first recognized in 1953 by the Court of Appeals for the Second Circuit, in a case involving exclusive rights to a baseball player’s photograph used on trading cards.⁷⁶ There, the Court held that the right of publicity was a property right that was assignable and licensable like any other intellectual property right.⁷⁷ Legal protections for the right of publicity exist under two broad areas: (1) common law protections, based on theories including privacy torts or the tort of misappropriation of name and likeness; and (2) statutory protections, with some state statutes addressing celebrity rights in considerable detail.⁷⁸ There is no federal protection for the right of publicity; it is a right that exists at state level, either through statutes or common law.⁷⁹

The right of publicity is based on the tort of misappropriation and is related to a property right to name and likeness used for commercial purposes without consent.⁸⁰ The right of publicity protects an individual’s name, image, signature, voice, likeness, and persona used for commercial purposes and advertising.⁸¹ It has been interpreted to include things, such as distinctive speaking or singing voices, nicknames, and other images or suggestions that may be enough to evoke a famous personality without actually showing his or her likeness.⁸² Like any other property right, the right of publicity can be licensed, assigned; and in some states, it can even last after a celebrity’s death and pass to heirs and legatees.⁸³ This right exists separately

⁷⁰ *Id.* at 1125(c)(2)(B)

⁷¹ *Id.* at 1125(c)(2)(B)(i)-(vi).

⁷² *Fact Sheets: Protecting a Trademark: Trademark Dilution.* (January 25, 2020)

[https://www.inta.org/TrademarkBasics/FactSheets/Pages/Trademark-Dilution-\(Intended-for-a-non-legal-audience\).aspx](https://www.inta.org/TrademarkBasics/FactSheets/Pages/Trademark-Dilution-(Intended-for-a-non-legal-audience).aspx).

⁷³ *Id.*

⁷⁴ Corey Field, *Entertainment Law: Fundamentals and Practice*, 284 (1st ed. 2018) (citing *Comedy III Productions, Inc. v. Gary Saderup, Inc.*, 25 Cal. 4th 387, 299 (2001)).

⁷⁵ *Id.*

⁷⁶ *Haelan Laboratories, Inc. v. Topps Chewing Gum, Inc.*, 202 F.2d 866, (2d Cir. 1953).

⁷⁷ *Id.* at 868

⁷⁸ Corey Field, *Entertainment Law: Fundamentals and Practice*, 285 (1st ed. 2018).

⁷⁹ *Id.* at 285 n.12

⁸⁰ *Id.*

⁸¹ *Id.*

⁸² *Id.*

⁸³ *Id.*

from rights that arise under trademark and copyright laws.⁸⁴ The right of publicity can be invoked with other causes of action related to intellectual property rights. For example, when a celebrity enforces his right of publicity under state law, he or she may also bring other causes of action under both state and federal laws, such as false endorsement under the Lanham Act, trademark infringement under the Lanham Act, misappropriation under state law, unfair competition under state law and under the Lanham Act, and various forms of actions under state law rights of privacy, most notably “false light” claims.⁸⁵

The leading jurisdictions in this area of intellectual property rights are entertainment focused jurisdictions, including California and New York.⁸⁶ Consequently, this Comment will examine the right of publicity in California. Later, when addressing whether or not Leonard’s right of publicity is preempted by copyright law, this Comment will briefly examine Oregon’s right of publicity law, as that is where the lawsuit at issue has been moved to. California’s right of publicity statute requires that someone “knowingly use another’s name, voice, signature, photograph, or likeness, in any manner, on or in products, merchandise, or goods, or for the purposes of advertising or selling, or soliciting purchases of, products, merchandise, goods or services, without such person’s prior consent.”⁸⁷ Damages under the statute are broadly defined as actual damages, profits of the infringer less deductible expenses, and punitive damages.⁸⁸ In addition to this, the award of attorneys’ fees and costs for the prevailing party are also included.⁸⁹ The person depicted must be actually identifiable in the infringing use for a right of publicity claim to prevail.⁹⁰ “A person shall be deemed to be readily identifiable from a photograph when one who views the photograph with the naked eye can reasonably determine that the person depicted in the photograph is the same person who is complaining of its unauthorized use.”⁹¹ One example of the “identifiable” standard can be found in the 1998 Ninth Circuit case, *Newcombe v. Coors*. There, the Court held that a drawing of a baseball pitcher was sufficiently identifiable as the plaintiff because of his well-known pitching stance, despite the fact that it did not show his face.⁹² Based on this holding, it is clear that an image, such as a logo that depicts a well-known characteristic of a celebrity, can trigger a right of publicity claim.

D. Right of Publicity and Related Causes of Action

As stated earlier, the right of publicity can be raised along with other federal causes of actions relating to intellectual property. These causes of action derive from both trademark and copyright laws. One common federal cause of action raised with the right of publicity is false endorsement under the Lanham Act.⁹³ False endorsement occurs when a celebrity’s identity, his or her “mark,” is connected with a product or service in such a way that consumers are likely to

⁸⁴ *Id.*

⁸⁵ *Id.*

⁸⁶ *Id.*

⁸⁷ Cal. Civ. Code § 3344(a).

⁸⁸ Corey Field, *Entertainment Law: Fundamentals and Practice*, 289 (1st ed. 2018) (citing Cal. Civ. Code § 3344(a)).

⁸⁹ *Id.* (citing *Kirby v. Sega of America, Inc.*, 144 Cal. App. 4th 47, 50 (2006)).

⁹⁰ *Id.*

⁹¹ Cal. Civ. Code § 3344(c).

⁹² Corey Field, *Entertainment Law: Fundamentals and Practice*, 290 (1st ed. 2018) (citing *Newcombe v. Coors*, 157 F.3d 686 (9th Cir. 1998)).

⁹³ *Id.* at 294.

be misled about the celebrity's sponsorship or approval of the product or service.⁹⁴ In false endorsement claims, the "mark" is the plaintiff's identity.⁹⁵ Courts consider consumer confusion to occur when consumers believe that the products or services offered by the parties are affiliated in some way, or when consumers make an incorrect mental association between the involved commercial products or their producers on the one hand and the celebrity on the other.⁹⁶ Despite there being no federal cause of action for the right of publicity, a plaintiff may still get into federal court by raising the claim along with one of these related causes of action.

E. Copyright Preemption of the Right of Publicity

Under the Copyright Act, state law claims are preempted by federal copyright law.⁹⁷ Many right of publicity disputes involve copyrighted works, therefore courts often have to undergo a preliminary analysis to determine whether or not the right of publicity claim is preempted by federal copyright law.⁹⁸ The Ninth Circuit has developed a two-part test, which is now widely adopted among the Circuits, to determine whether a state law claim such as a right of publicity claim is preempted by the Copyright Act.⁹⁹ The Court first must determine whether the subject matter of the state law claim is in fact a copyright and covered under the Copyright Act.¹⁰⁰ The Court must then determine whether the rights asserted under the state law are equivalent to the exclusive rights of a copyright holder under the Copyright Act.¹⁰¹ This means that for a right of publicity claim to survive copyright preemption, there has to be some "extra elements" of a right of publicity claim that would make it different from a copyright infringement claim.¹⁰²

An example of copyright preemption of a right of publicity claim can be found in a Seventh Circuit lawsuit between the Baltimore Orioles and the Major League Baseball (MLB) Players Association.¹⁰³ *Baltimore Orioles, Inc.* involves the longstanding dispute between professional baseball clubs and players over the ownership of broadcast rights of games.¹⁰⁴ The clubs argued that the telecasts of games constituted copyrighted "works-made-for-hire," which the baseball players had no rights in.¹⁰⁵ The Court examined the telecasts of the games, and held that they were works-made-for-hire because: (1) the telecasts were fixed in a tangible form; (2) the telecasts were original works of authorship; and (3) the telecasts came within the subject

⁹⁴ *Id.* at 295.

⁹⁵ *Id.* at 295 (citing *ETW Corp. v. Jireh Publishing, Inc.*, 332 F.3d 915 (6th Cir. 2003) and *Landham v. Lewis Galoob Toys, Inc.*, 227 F.3d 619, 626 (6th Cir. 2000)).

⁹⁶ *Id.*

⁹⁷ 17 U.S.C. § 301(a): "All legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 in works of authorship that a fixed in a tangible medium of expression and come within the general subject matter of copyright as specified by sections 102 and 103, whether created before or after that date and whether published or unpublished, are governed exclusively by this title. Thereafter, no person is entitled to any such right or equivalent right in any such work, under the common law or statutes of any State."

⁹⁸ Corey Fields, *Entertainment Law: Fundamentals and Practice*, 302 (1st ed. 2018).

⁹⁹ *Id.* (citing to *Laws v. Sony Music Entertainment, Inc.*, 448 F.3d 1134, 1137-1138 (9th Cir. 2006)).

¹⁰⁰ *Id.*

¹⁰¹ *Id.* at 303.

¹⁰² *Id.* (citing *Waits v. Frito-Lay, Inc.*, 978 F.2d 1093 (9th Cir. 1992)).

¹⁰³ *Balt. Orioles, Inc. v. Major League Baseball Players Ass'n*, 805 F.2d 663 (7th Cir. 1986)

¹⁰⁴ *Id.*

¹⁰⁵ *Id.* at 667.

matter of copyrights.¹⁰⁶ The Court held that since the players were employees of their respective professional clubs and their performances were within the scope of their employment with the clubs, the telecasts were works-made-for-hire, which the professional clubs had exclusive ownership over.¹⁰⁷

The players claimed that, while the professional clubs owned the copyrights in the telecasts of games, the broadcast of those telecasts without the players' express consent violated the rights to publicity in their performances.¹⁰⁸ The Court looked at two conditions that must be satisfied for preemption of a right under state law: (1) the work in which the right is asserted must be fixed in a tangible form and come within the subject matter of copyrights, and (2) the right must be equivalent to any of the rights specified in section 106 of the Copyright Act.¹⁰⁹ Since the Court had already held that the telecasts were copyrights owned by the owners, prong one was easily met. The Court said, "as long as a work fits within one of the general subject matter categories of section 102 and 103 [of the Copyright Act], [section 301(a)] prevents the States from protecting it."¹¹⁰

Next the Court looked to whether the second prong for preemption was met, meaning: whether rights were equivalent to a right within the general scope of copyright law or if there were any extra elements.¹¹¹ "A right is 'equivalent' to one of the rights within the general scope of copyright law if it is violated by the exercise of the rights set forth in section 106 [of the Copyright Act]."¹¹² Section 106 of the Copyright Act grants the owner of the copyright the exclusive right to reproduce, distribute, perform, or display the copyrighted work.¹¹³ This means that a right is equivalent to one of the rights comprised by a copyright if it is infringed by the mere act of reproduction, performance, distribution, or display.¹¹⁴ The Court held that since the right of publicity in their performances was equivalent to the rights encompassed by copyright law, the players' rights of publicity in their performances were preempted.¹¹⁵

F. NBA Athletes and Intellectual Property

While the lawsuit between Kawhi Leonard and Nike, Inc. is unique in that it involved competing intellectual property protections, the courts are no strangers to the issues that professional athletes face when it comes to their intellectual property. There have been several occasions where NBA athletes formally disputed intellectual property rights. It is only fitting that one of the most prominent disputes over intellectual property involving an NBA athlete comes from one of the most dominant players the league has ever seen.¹¹⁶ This lawsuit, brought by Shaquille O'Neal over the "Shaqtus," highlights a key argument available to athletes in intellectual disputes – the likelihood of consumer confusion.

¹⁰⁶ *Id.* at 668.

¹⁰⁷ *Id.* at 670.

¹⁰⁸ *Id.* at 674.

¹⁰⁹ *Id.*

¹¹⁰ *Id.* at 676.

¹¹¹ *Id.*

¹¹² *Id.* (citing *Allied Artists Pictures Corp. v. Rhodes*, 679 F.2d 656, 662-63 (6th Cir. 1982)).

¹¹³ *Id.* (citing to 17 U.S.C. § 106).

¹¹⁴ *Id.* at 677.

¹¹⁵ *Id.*

¹¹⁶ Jonathan Reynolds, *Shaq Diesel: The Most Dominant Force in NBA History*, (May 6, 2020), <https://bleacherreport.com/articles/821085-shaq-diesel-the-most-dominant-force-in-nba-history>

1. Shaq and the “Shaqtus”

Shaquille O’Neal is a prominent former NBA player who obtained many trademarks in his name, image, and likeness to protect the word “Shaq” and other Shaq-formative marks.¹¹⁷ Michael Calmese, owner and registered agent of an Arizona company called True Logo Fan, Inc., had created a character called the “Shaqtus,” which depicted a cactus with a man’s facial expression, wearing an orange basketball jersey with O’Neal’s number (#32), and bouncing a basketball.¹¹⁸ After discovering this “Shaqtus” character, O’Neal sued, bringing six different claims, including trademark infringement, unfair competition, and trademark dilution.¹¹⁹ To prevail on a trademark infringement claim, a party must establish: (1) that it has a protectable ownership interest in the mark, and (2) that the defendant’s use of the mark is likely to cause consumer confusion.¹²⁰ The Court considered eight factors to determine whether consumer confusion is likely to occur: (1) strength of the mark; (2) proximity of the goods; (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used; (6) type of good and the degree of care likely to be used by the consumer; (7) defendant’s intent in selecting the mark; and (8) likelihood of expansion of the product lines.¹²¹

First the Court determined that the Shaq mark was both conceptually and commercially strong, and therefore this factor should weigh in favor of likelihood of confusion.¹²² It was conceptually strong because it was a coined term that did not exist in the English language.¹²³ It was commercially strong because it had been used nationwide since the 1990’s to refer to O’Neal and the goods or services that originate from him and his company.¹²⁴

The next factor the Court looked to was the “proximity of the goods,” which meant the relatedness of the goods at issue.¹²⁵ The danger of related goods causing confusion is high because the public will likely look at related goods and mistakenly assume that they come from the same producer.¹²⁶ Both goods were T-shirts: O’Neal sold T-shirts with the “Shaq” mark while Calamese sold T-shirts with the “Shaqtus” mark.¹²⁷ The Court determined that since the products are identical in use and function, the factor should weigh in favor of likelihood of confusion.¹²⁸

Next the Court looked at similarity between the marks. “The greater the similarity between the marks at issue, the greater the likelihood of confusion.”¹²⁹ The marks do not have to be exactly alike to be considered similar, notably.¹³⁰ Typically, courts look to three factors to determine similarity between marks: sight, sound, and meaning.¹³¹ The Court again determined

¹¹⁷ *Mine O’Mine Inc., v. Calmese*, 2011 U.S. Dist. 75236 (D.C. Nev. 2011).

¹¹⁸ *Id.* at 3.

¹¹⁹ *Id.* at 5.

¹²⁰ *Id.* at 11. (quoting *Dep’t of Parks & Recreation v. Bazaar Del Mundo Inc.*, 448 F.3d 1118, 1124 (9th Cir. 2006).

¹²¹ *Id.* at 13.

¹²² *Id.* at 15.

¹²³ *Id.*

¹²⁴ *Id.*

¹²⁵ *Id.* at 16.

¹²⁶ *Id.* at 16 (quoting *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979).

¹²⁷ *Id.* at 17.

¹²⁸ *Id.*

¹²⁹ *Id.* at 17 (quoting *GoTo.com Inc. v. Walt Disney Co.*, 202 F.3d 1199 (9th Cir. 2007).

¹³⁰ *Id.*

¹³¹ *Id.* at 17 (quoting *Sleekcraft*, 599. F.2d at 351).

that this factor should weigh in favor of confusion because the two marks were similar in sight, sound, and meaning.¹³² The Court reasoned that they were similar in sight and sound because both marks began with the same four letters.¹³³ Further, because both “Shaq” and “Shaqtus” have been used to refer to O’Neal, the marks had a similar meaning as well.¹³⁴

The Court did not consider actual confusion because it lacked the necessary facts, and when it turned to the marketing channels used by both producers, the court determined that the factor was not of great significance.¹³⁵ When looking to the type of goods and degree of care to be exercised by the consumer, the Court looked at how expensive the product was because consumers exercise more care in their purchasing decisions when buying expensive products.¹³⁶ T-shirts are inexpensive, so the Court determined that consumers would exercise little care when deciding to purchase them, which therefore would lead to consumer confusion.¹³⁷

The Court next looked to the intent of the defendant in selecting the mark.¹³⁸ The courts presume an intent to deceive the public when an infringer knowingly adopts a mark similar to another’s.¹³⁹ The Court ruled that Calmese clearly intended to confuse the public because he had known of the “Shaq” mark’s existence and purposely created “Shaqtus” after O’Neal was traded to the Phoenix Suns and called “Shaqtus.”¹⁴⁰ Fans and media alike referred to O’Neal as the “Shaqtus” connecting him to a cactus commonly found in Arizona, thus making confusion of the public easy to find.

While the Court determined that the eighth factor, “likelihood of expansion of product lines” was low, it determined that overall there was a high likelihood of consumer confusion.¹⁴¹ Subsequently, the Court ruled in favor of Shaq on his trademark infringement claims.¹⁴²

G. Kawhi Leonard v. Nike, Inc.

In June of 2019, Kawhi Leonard first filed suit against Nike, Inc. over the rights to the “Klaw” logo.¹⁴³ According to the Complaint, in 2011, Kawhi had authored a distinctive logo that included elements unique and meaningful to him, including a sketch of his large hands, as well as his initials “K.L.” and his basketball number.¹⁴⁴ On October 26, 2011, Leonard entered into a contract agreement (“Nike Agreement”), which was for Leonard to provide “personal services and expertise in the sport of professional basketball and endorsement of the Nike brand and use of Nike products.”¹⁴⁵ Nike had reached out to Leonard about making a unique logo for

¹³² *Id.*

¹³³ *Id.*

¹³⁴ *Id.*

¹³⁵ *Id.* at 19.

¹³⁶ *Id.* at 20

¹³⁷ *Id.*

¹³⁸ *Id.* at 21.

¹³⁹ *Id.* (quoting *Sleekcraft*, 599. F.2d at 354).

¹⁴⁰ *Id.* at 21-22.

¹⁴¹ *Id.* at 22.

¹⁴² *Id.*

¹⁴³ Rick Meisher, *Kawhi Leonard v. Nike, Inc.: How copyrights can trump trademarks?* (Nov. 30, 2019).

<https://www.technologylawsources.com/2019/06/articles/intellectual-property-1/copyright/kawhi-leonard-v-nike-inc-how-copyrights-can-trump-trademarks/>

¹⁴⁴ Leonard Compl. ¶ 1.

¹⁴⁵ *Id.* at ¶ 20-22.

him, but Leonard had rejected all of Nike's proposals.¹⁴⁶ Leonard had forwarded the logo that he had created back in 2011, and permitted Nike to use it during the term of the Nike Agreement as long as it was under his supervision and control.¹⁴⁷ After much back and forth, Nike finally created a logo proposal, based off of Leonard's original work, one that he approved of and allowed Nike to place on all merchandise during the term of the Nike Agreement.¹⁴⁸

Leonard alleged that he had never transferred his rights to the logo to Nike at any time, and that Nike representatives had confirmed his ownership of the logo by frequently referring to it as "Kawhi's logo" and allowing Leonard to use the logo on non-Nike merchandise.¹⁴⁹ Without Leonard's knowledge or consent, Nike had filed for and obtained a registered copyright in the "Kawhi Leonard Logo."¹⁵⁰ After finding out about the copyright that Leonard believed Nike registered under false misrepresentations, Leonard obtained registered trademarks in his logo on November 9, 2017.¹⁵¹ Leonard had planned on using this logo for commercial purposes by affixing it on his merchandise and using it in connection with his charities and sports camps.¹⁵² On December 21, 2018, John Matterazzo, Nike's VP and Global Counsel for Sports Marketing, had written to Leonard informing him of Nike's ownership in the logo pursuant to the Nike Agreement and demanded that Leonard stop using the logo.¹⁵³ On January 30, 2019, Leonard responded to Nike, asking that Nike rescind its copyrights while informing the company that he owned trademarks protecting his ownership in the logo and that he was going to continue using the logo on his merchandise.¹⁵⁴

On March 11, 2019, Nike sent a final response to Leonard, ordering him to cease and desist his use in the logo, stating it owned all intellectual property rights in the logo.¹⁵⁵ After receiving Leonard's complaint, Nike responded with affirmative defenses and counterclaims of its own.¹⁵⁶ Nike's second affirmative defense attacked Leonard's ownership of the logo.¹⁵⁷ Nike claimed that in the Nike Agreement, Leonard expressly acknowledged that Nike exclusively owns all interests in all intellectual property that is created by either Nike or Leonard in connection with the Nike Agreement.¹⁵⁸ Nike further alleged that it is the exclusive owner of the "Klaw Design" because the design was developed by Nike's designers on a "work for hire" basis.¹⁵⁹

¹⁴⁶ *Id.* at ¶ 23-25.

¹⁴⁷ *Id.* at ¶ 26.

¹⁴⁸ *Id.* at ¶ 29.

¹⁴⁹ *Id.* at ¶ 30-34.

¹⁵⁰ *Id.* at ¶ 36-37.

¹⁵¹ *Id.* at ¶ 42.

¹⁵² *Id.* at ¶ 44.

¹⁵³ *Id.* at ¶ 45.

¹⁵⁴ *Id.* at ¶ 46.

¹⁵⁵ *Id.* at ¶ 47.

¹⁵⁶ Nike, Inc., Answer.

¹⁵⁷ *Id.* at ¶ 58.

¹⁵⁸ *Id.* at ¶ 61.

¹⁵⁹ *Id.* at ¶ 62.

In its counterclaims, Nike alleged that Leonard was attempting to “rewrite history” by asserting that he designed the “Klaw Design.”¹⁶⁰ Nike claimed that Leonard himself acknowledged Nike’s design of the logo in an interview where he was quoted as saying, “I drew up the rough draft, sent it over, and they (Jordan Brand) made it perfect ... I give the Jordan Brand team all of the credit because I am no artist at all ... they refined it and made it look better than I thought it would ever be and I am extremely happy with the final version.”¹⁶¹ Nike further argues that Leonard was trying to pass off his original rough draft of his logo and Nike’s final version of the logo as the same product, when they are clearly distinct works.¹⁶²

Additionally, Nike alleged that Leonard had improperly filed a U.S. Federal Trademark application for the use of the “Klaw Design” and fraudulently claimed to be the sole owner of the “Klaw Design” when applying for a registered copyright in the logo.¹⁶³ In light of these allegations, Nike requested that the court: (1) enter a judgment declaring that Nike is the exclusive owner of the “Klaw Design; (2) enter a judgment against Leonard for infringing on Nike’s exclusive rights under the Copyright Act to reproduce and distribute the “Klaw Design;” (3) enter a judgment against Leonard for committing fraud on the Copyright Office when applying for his registration; (4) enter a judgment against Leonard for breach of contract; (5) grant a preliminary and permanent injunction preventing Leonard from continuing to infringe on Nike’s exclusive rights in the Klaw Design; and (6) enter a judgment for an award of monetary damages suffered by Nike as a result of Leonard’s alleged infringement/breach of contract.¹⁶⁴

In Leonard’s complaint he sought a declaratory judgment that he was the sole owner of the logo, and that Nike committed fraud when registering the logo with the Copyright Office. On October 3rd, 2019, the court transferred this case out of the U.S. District Court for the Southern District of California to the District of Oregon, pursuant to a forum selection clause in the endorsement contract.¹⁶⁵

III. ANALYSIS

This section will analyze Leonard’s lawsuit, lay out the possible outcomes that could have come from this litigation, and then compare it with how the Court ruled. To do this, it will be important to first look at the logo from a copyright standpoint. Then, after determining who should have copyrights in the logo, it will be necessary to examine the Nike Agreement’s intellectual property ownership provision that Leonard agreed to in his endorsement deal. Separately, a brief glance at the right of publicity will be necessary to determine whether a possible right of publicity claim by Leonard would have been preempted by copyright law. It will then be important to examine trademark law for possible recourse that may have been

¹⁶⁰ Nike, Inc. Countercl. ¶ 1.

¹⁶¹ *Id.* at ¶ 2 (quoting Kiel, George, *The Oral History of Kawhi Leonard’s ‘Klaw’ Logo*. (Jun. 5, 2019). Nicekicks.com, <https://nicekicks.com/kawhi-leonard-says-klaw-logo-idea>)

¹⁶² *Id.* at ¶ 9.

¹⁶³ *Id.* at ¶¶ 37-42.

¹⁶⁴ *Id.* at ¶¶ A-H.

¹⁶⁵ *Id.* at ¶¶ 66-70; A “Forum Selection Clause” is a contractual agreement that designates the court and location where the parties would like to have their legal dispute decided. Cornell Law School, Legal Information Institute, *Forum Selection Clause*, (May 6, 2020). https://www.law.cornell.edu/wex/forum_selection_clause

available to Leonard. After summarizing the realm of possibilities, this Comment will turn to the ruling by the Court and assess where each party stands after litigation.

A. Copyrights in the “Klaw Logo”

At first glance, it is clear that Leonard has copyrights in the original logo that he first created and forwarded over to Nike.¹⁶⁶ The original logo is not what is at issue here, however. The logo in question is the final version of Leonard’s original logo that was modified by Nike. Ownership of the copyrights in this modified logo will depend on exactly how drastically modified the final logo is from Leonard’s original.¹⁶⁷ The Court could have viewed the modifications to Leonard’s original logo in three possible ways: (1) the modifications are not great enough to constitute an original work of authorship; (2) the logo is modified enough to represent an original work as a derivative work; or (3) the modifications are so great that the new logo is an entirely original work of authorship.¹⁶⁸ Had the Court found that the logo was not modified enough to be considered an original work, then Leonard would be granted copyrights in both logos. If, however, the Court determined that the modifications were great enough to conclude that the new logo is an original derivative work from Leonard’s original logo, then Nike would have rights to the new logo.¹⁶⁹ Similarly, if it was determined that the modifications constituted a brand new original work, Nike would be granted ownership of the new logo.¹⁷⁰

B. The Contractual Language

While the three above scenarios each provide an answer to who has ownership of the copyright, the inquiry does not end there, as it is possible for someone to transfer the ownership of their copyrights through a contract.¹⁷¹ Therefore, a closer look at the intellectual property and ownership provision that Leonard agreed to in the Nike Agreement was necessary to determine where ownership should lie. According to Nike’s Answer, Leonard agreed to “Nike Standard Terms and Conditions,” which acknowledges Nike’s exclusive rights in intellectual property created pursuant to the Nike Agreement.¹⁷² Paragraph eight of those Standard Terms and Conditions states:

“OWNERSHIP OF NIKE MARKS, DESIGNS & CREATIVES.
CONSULTANT (a) acknowledges that NIKE exclusively owns all rights, title and interest in and to the NIKE Marks and that NIKE shall exclusively own all rights, title and interest in and to any logos, trademarks, service marks, characters, personas, copyrights, shoe or other product designs, patents, trade secrets or other forms of intellectual property created by NIKE (and/or its agents), CONSULTANT or ATHLETE in connection with this Contract;
(b) shall completely cooperate with NIKE in its efforts to obtain

¹⁶⁶ See 17 U.S.C.S. § 201(a).

¹⁶⁷ See Meisher, Rick, *Kawhi Leonard v. Nike, Inc.: How Copyrights Can Trump Trademarks?* (Nov. 30, 2019) Technology Law Source. <https://www.technologylawsource.com/2019/06/articles/intellectual-property-1/copyright/kawhi-leonard-v-nike-inc-how-copyrights-can-trump-trademarks/>

¹⁶⁸ *Id.*

¹⁶⁹ *Id.*

¹⁷⁰ *Id.*

¹⁷¹ 17 U.S.C.S. § 201(d)(1).

¹⁷² See Nike, Inc.’s Answer. ¶ 6.

and maintain protection for such right, title and interest, including by promptly executing any documents as maybe required by NIKE in connection therewith; and (c) further acknowledges that after expiration or termination of this Contract, NIKE shall continue to have the unrestricted right to use (and without any CONSULTANT or ATHLETE approval) such intellectual property, including without limitation the right to re-issue a "signature" product previously associated with ATHLETE, provided that such post-contractual use shall not then include the ATHLETE Endorsement.”¹⁷³

Parsing the exact language of the contract, it seems as though all rights in the newly – modified “Klaw Logo” should belong to Nike. A copyright is often described as a bundle of exclusive rights, each of which may be freely transferred.¹⁷⁴ Among these exclusive rights are rights of reproduction, preparation of derivative works, distribution, public performance and public display.¹⁷⁵ The legal owner of these rights may transfer ownership through the use of an exclusive license.¹⁷⁶ After reading the contract language quoted above, it seems as though Leonard agreed to transfer his rights through an exclusive license via contract. As a result, Nike should retain all copyrights in the logo pursuant to this provision because the modifications were made to the logo during the term of and in connection with the contract.

C. Leonard’s Right of Publicity

An argument exists that Leonard’s logo plausibly meets all the necessary requirements for a right of publicity claim. As stated earlier, the right of publicity protects an individual’s name, image, signature, voice, likeness, and persona used for commercial purposes and advertising.¹⁷⁷ Leonard’s logo contains such distinct characteristics that are purely contributable to himself and his fame (his initials, basketball number, markedly giant hand), that it is very likely that a court would hold it to be sufficiently identifiable to trigger a right of publicity claim.¹⁷⁸ If his logo was used on other products without his consent, Leonard would be able to recoup actual damages, profits Nike made off of the logo’s use, and perhaps even punitive damages.¹⁷⁹ In order to determine whether or not a right of publicity claim is preempted by copyright law, one must look to the state’s right of publicity statute for any extra elements that are not encompassed by copyright law.¹⁸⁰ This lawsuit was originally taking place in the U.S. District Court for the Southern District of California, before it was transferred to the U.S District Court of Oregon pursuant to a forum selection clause in Leonard’s endorsement contract with Nike.¹⁸¹ This means that when looking at the right of publicity, one must look to Oregon state

¹⁷³ Nike, Inc.’s Countercl. ¶ 23.

¹⁷⁴ *Cohen v. United States*, 98 Fed. Cl. 156, 162 (April 14, 2011).

¹⁷⁵ *Id.*

¹⁷⁶ *Id.*

¹⁷⁷ Corey Fields, *Entertainment Law: Fundamentals and Practice*, 285 (1st ed. 2018).

¹⁷⁸ See *Newcombe v. Coors*, 157 F.3d 686 (9th Cir. 1998) (the mere stance of a pitcher’s silhouette was sufficiently identifiable to trigger a right of publicity claim).

¹⁷⁹ Corey Field, *Entertainment Law: Fundamentals and Practice*, 289 (1st ed. 2018) (citing Cal. Civ. Code § 3344(a)).

¹⁸⁰ Corey Fields, *Entertainment Law: Fundamentals and Practice*, 302 (1st ed. 2018).

¹⁸¹ Nike Inc. Answer ¶¶ 66-70.

law to determine whether or not a possible right of publicity claim is preempted by copyright law.¹⁸² This change in venue is fatal to any right of publicity claim that Leonard could make, as Oregon does not recognize the right of publicity at all.¹⁸³ It is not known if Nike purposely chooses Oregon as its principal place of business in order to protect itself from right of publicity claims, but it is an effective strategy for a company that almost exclusively works with professional athletes. Had this case stayed in California, it is likely that Kawhi Leonard's right of publicity claim would not have been preempted by copyright law, as he would be contesting the use of his name and likeness in a commercial setting.¹⁸⁴

D. Recourse in Trademark Law

While it seems as though Leonard is caught in a losing battle, there may still be recourse in trademark law. Leonard could potentially counter by alleging dilution of his mark.¹⁸⁵ To support his claim, Leonard can cite *Indianapolis Colts, Inc. v. Metro. Balt. Football Club Ltd.*, an analysis of which will prove beneficial to this argument.¹⁸⁶ In that case, National Football League ("NFL") franchise, the Indianapolis Colts, sued the Canadian Football League's ("CFL") "Baltimore CFL Colts" for trademark infringement.¹⁸⁷ Prior to moving to Indianapolis, the Colts were located in Baltimore and known as the "Baltimore Colts."¹⁸⁸ The Baltimore Colts organization was one of the most well-known franchises in NFL history.¹⁸⁹ Nine years after the Baltimore Colts moved to Indianapolis and changed their name to the Indianapolis Colts, the CFL granted Baltimore a franchise which they named "Baltimore Colts."¹⁹⁰ Both the NFL and Indianapolis Colts sought an injunction preventing the new team from using the name "Colts," "Baltimore Colts," and "Baltimore CFL Colts" in connection with the playing of professional football, the broadcast of football games, and the sale of merchandise to football fans and other buyers.¹⁹¹

The Court set out to determine whether or not "Baltimore CFL Colts" was confusingly similar to the "Indianapolis Colts," by virtue of the history of the Indianapolis Colts and the overlapping product and geographical markets served by both the Indianapolis and Baltimore CFL Colts.¹⁹² First, the Court looked to whether or not confusion was possible between the two marks.¹⁹³ The Court held that confusion was possible because consumers who do not regularly watch football could turn on a Baltimore CFL Colts game thinking they are watching an "original" Baltimore Colts game.¹⁹⁴ Consumers could also buy Baltimore CFL Colts

¹⁸² See Corey Fields, *Entertainment Law: Fundamentals and Practice*, 302 (1st ed. 2018) (citing to *Laws v. Sony Music Entertainment, Inc.*, 448 F.3d 1134, 1137-1138 (9th Cir. 2006)) (In the two part test for copyright preemption of a right of publicity claim, courts must determine whether rights asserted under the state's law are equivalent to the exclusive rights of a copyright holder under the Copyright Act).

¹⁸³ *Anderson v. Fisher Broad. Cos. Inc.*, 712 P.2d 803, 812 (1986)

¹⁸⁴ *Downing v. Abercrombie & Fitch, Inc.*, 265 F.3d 994, 1003 (9th Cir. 2001) (holding that a right of publicity claim is not preempted when a person's name or likeness is used 'on merchandise or in advertising.').

¹⁸⁵ 15 U.S.C.S. § 1125(c)(2)(B).

¹⁸⁶ *Indianapolis Colts, Inc. v. Metro. Balt. Football Club Ltd.*, 34 F.3d 410 (7th Cir. 1994).

¹⁸⁷ *Id.* at 411.

¹⁸⁸ *Id.*

¹⁸⁹ *Id.*

¹⁹⁰ *Id.*

¹⁹¹ *Id.*

¹⁹² *Id.* at 413.

¹⁹³ *Id.* at 414.

¹⁹⁴ *Id.*

merchandise and reasonably think they are buying “original” Baltimore Colts merchandise, per the Court.¹⁹⁵ This would take away revenue from both the NFL and Indianapolis Colts and thus result in a trademark infringement, the judge explained.

After determining that it was possible for confusion to arise amongst consumers, the Court then looked to whether or not confusion was likely.¹⁹⁶ The Court noted that the legal standard under the Lanham Act is “whether it is likely that the challenged mark, if permitted to be used by the defendant, would cause the plaintiff to lose a substantial number of customers.”¹⁹⁷ Both the Indianapolis Colts and Baltimore CFL Colts presented experts and surveys in attempts to prove the likelihood or unlikelihood of confusion between the marks, respectively.¹⁹⁸ Ultimately, the Indianapolis Colts prevailed and the Court held that permitting the defendants to keep their mark would cause confusion among consumers and lead to the Indianapolis Colts losing business.¹⁹⁹

Keeping *Indianapolis Colts, Inc. v. Metro. Balt. Football Club Ltd.* in mind, it is seemingly clear that there will be consumer confusion if Nike is permitted to use Leonard’s “Klaw logo” on their merchandise. Over the course of his NBA career, Leonard has quickly become one of the most recognizable NBA athletes, and attentive fans of the sport know him for his incredibly large hands.²⁰⁰ The “Klaw Logo” contains Kawhi’s initials (K.L.), as well as the basketball number long associated with him, and a depiction of a large hand.²⁰¹ It can be argued that anyone who is familiar with basketball would easily recognize this logo as being associated with NBA superstar Leonard. In fact, because of the uniqueness of both the logo and its relation to Leonard, the logo really cannot be associated with anyone else. Thus, the Court should be persuaded to grant Leonard ownership of the trademark for the logo. By allowing Nike to maintain ownership of the mark and use of it in commerce, consumer confusion would inevitably result because consumers could only associate it with Leonard.²⁰² A ruling by the Court granting Leonard ownership of the trademark could restrict Nike from using the mark for sale in commerce. Despite this possible ruling, Leonard would still not be able to use the logo because doing so would infringe on Nike’s copyrights. While this seems like a loss, Leonard still owns the copyright to his original logo because he had personally created that logo before his contract with Nike. Leonard could modify this original into a derivative work that is distinct enough from the Nike created “Klaw Design,” thus relieving him from further issues with Nike.

E. Outcome of the Case

On April 22nd, 2020, U.S. District Judge Michael W. Mosman ruled against Leonard’s claim for ownership of the “Klaw Logo.”²⁰³ While an official opinion is yet to be written, Judge Mosman has revealed his reasoning for denying Leonard’s claim. Judge Mosman held that the

¹⁹⁵ *Id.*

¹⁹⁶ *Id.*

¹⁹⁷ *Id.*

¹⁹⁸ *Id.* at 415.

¹⁹⁹ *Id.* at 416.

²⁰⁰ See Kawhi Leonard Nicknames: Meanings Behind “Qui” and “The Claw,” Heavy. (Nov. 30, 2019). <https://heavy.com/sports/2019/05/kawhi-leonard-nicknames-qui-claw-meanings/>

²⁰¹ Leonard Compl. ¶ 1.

²⁰² 15 U.S.C.S. § 1052(a)-(d).

²⁰³ Zachary Zagger, Law 360, *Kawhi Leonard Loses “Claw” Logo Copyright Suit Against Nike*, (May 6, 2020). <https://www.law360.com/articles/1266796>

“Klaw Logo” that Nike created, despite Leonard’s help, is an independent piece of intellectual property.²⁰⁴ He ruled, “it is not merely a derivative work of the sketch itself I do find it to be new and significantly different from the design.”²⁰⁵ Looking at the logos side by side, one may find it hard to consider the two “significantly different,” but Judge Mosman believes that the modifications done to Leonard’s original logo constitutes a brand new original work. Believing that allowing Leonard’s Complaint to be amended would be futile, Judge Mosman dismissed Leonard’s claim with prejudice.²⁰⁶ A dismissal with prejudice is a final determination on the merits of the case, meaning Leonard is forbidden from filing another suit based on the same grounds.²⁰⁷

While things seem bleak for Leonard, his attorneys are still evaluating all of the options available to protect Leonard’s interests.²⁰⁸ Leonard likely has two remaining options: (1) appeal this ruling in hopes that an appellate judge will view the modifications differently, or (2) abandon the fight and create a brand new logo. Whether Leonard decides to continue this fight or not may very well depend on how Judge Mosman rules on Nike’s other counterclaims. If Judge Mosman rules against Leonard on the breach of contract and fraud claims, and, as a result, awards Nike damages, Leonard may believe it to be worth fighting further.

IV. IMPACT

The outcome of this case reveals a lot about trademark and copyright law and provides athletes with better information on how to protect their interests in intellectual property. This case highlights the hurdles that athletes will face when they want to expand their personal brand beyond that of an endorsement deal. The Court’s denial of the injunction Leonard sought to prevent Nike from using the “Klaw Logo” on its merchandise, despite the logo’s close association to Leonard, is a blow to athletes around the world seeking to grow their brands. After examining the facts of this case and analyzing the relevant laws, one cannot help but feel that it was the wrong outcome. It is likely that Nike will never use the “Klaw Logo” again. It appears, having exclusive ownership of the copyright, Nike will either shelf the logo or request that Leonard pay a large sum of money for permission to use the logo on his products. This Court’s decision, which allows Nike to essentially force Leonard to buy back the rights for the use of his logo, will likely leave those paying close attention to this suit dissatisfied. Allowing Nike to maintain control of the logo in commerce muddies the lines of intellectual property protection and leaves observers with more questions than answers. Further, a decision like this seems to go against the basic principles of trademark law by promoting confusion in the

²⁰⁴ Maxine Bernstein, *The Oregonian*, *Judge knocks down NBA star Kawhi Leonard’s claim that Nike stole copyright of his ‘Klaw’ logo*, (May 6, 2020) <https://www.oregonlive.com/nba/2020/04/judge-knocks-down-nba-star-kawhi-leonards-claim-that-nike-stole-copyright-of-his-klaw-log.html>

²⁰⁵ *Id.*

²⁰⁶ Zachary Zagger, *Law 360*, *Kawhi Leonard Loses “Claw” Logo Copyright Suit Against Nike*, (May 6, 2020). <https://www.law360.com/articles/1266796>.

²⁰⁷ Nolo Dictionary. *Dismissal With Prejudice*. (May 6, 2020). <https://www.nolo.com/dictionary/dismissal-with-prejudice-term.html>

²⁰⁸ Maxine Bernstein, *The Oregonian*, *Judge knocks down NBA star Kawhi Leonard’s claim that Nike stole copyright of his ‘Klaw’ logo*, (May 6, 2020) <https://www.oregonlive.com/nba/2020/04/judge-knocks-down-nba-star-kawhi-leonards-claim-that-nike-stole-copyright-of-his-klaw-log.html>

marketplace.²⁰⁹ This decision highlights deficiencies in our intellectual property law that now must be addressed.

The U.S. Patent and Trademark Office should not be able to register trademarks in works that are currently registered as copyrights by other people without the express written consent of the owner of the registered copyright. The U.S. Patent and Trademark Office has an examiner who checks to ensure that the applicant is properly entitled to register the mark, but seemingly concurrent protections are not included in that search.²¹⁰ In addition to this, the U.S. Copyright Officer also erred by granting Leonard registration for copyrights in the same “Klaw Design” that Nike had already registered.²¹¹ By registering Leonard’s copyrights in the logo, the United States Copyright Officer falsely confirmed Leonard’s belief that he was the true owner of the “Klaw Logo.” This belief led Leonard to use the logo on his personal merchandise which may ultimately result in Leonard suffering damages for a breach of contract. Without these necessary safeguards in place, it is impossible for athletes to truly know if they are infringing on another’s work while pursuing their own intellectual property gain. These minor changes to the current system could have prevented Leonard’s dispute from getting this far and saved the large amounts of money and judicial resources that were spent resolving the case. If change does not occur, athletes will never truly know that their intellectual property is protected, and many may find themselves similarly situated as Leonard – clawing for protection.

²⁰⁹ See *A.J. Canfield Co., v. Honickman*, 808 F.2d 291, 304 (3rd Cir. 1986) (Stating that trademarks provide a short hand means of enabling the buyer to distinguish goods of one producer from the goods of others).

²¹⁰ 15 U.S.C.S. § 1062.

²¹¹ Nike, Inc.’s Countercl. ¶¶ 37-42