GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2009

H HOUSE BILL 327

Short Title:	Right to Publicity. (Public)
Sponsors:	Representatives Goodwin, Owens, Barnhart, Howard (Primary Sponsors); K. Alexander, Lucas, and Spear.
Referred to:	Judiciary I, if favorable, Commerce, Small Business, and Entrepreneurship.
	March 2, 2009
	A BILL TO BE ENTITLED
AN ACT TO	PROHIBIT THE UNAUTHORIZED USE OF AN INDIVIDUAL'S RIGHT TO
	TY FOR COMMERCIAL PURPOSES AND TO PROVIDE AN
	EMENT MECHANISM OF THAT RIGHT.
The General A	Assembly of North Carolina enacts:
SI	ECTION 1. The General Statutes are amended by adding a new Article to read:
	"Article 41B.
	"Right to Publicity.
" <u>§ 41B-1. Sh</u>	
	ele shall be known as the Right to Publicity Act.
" <u>§ 41B-2. De</u>	
	wing definitions apply in this Article:
<u>(1</u>	Commercial purpose. – The use of an aspect of an individual's personality as follows:
	a. On or in connection with products, merchandise, goods, services, or
	commercial activities.
	b. For the purpose of advertising, selling, or soliciting purchases of
	products, merchandise, goods, services, or for promoting commercial
	activities.
	<u>c.</u> For the purpose of fund raising.
<u>(2</u>)	
	of that individual has been used for a commercial purpose during the
. •	individual's lifetime.
<u>(3</u>)	
	individual to an ordinary, reasonable viewer or listener, including the
	<u>following:</u> <u>a. Name.</u>
	_
	 c. Signature. d. Photograph. e. Image. f. Portrait. g. Likeness.
	e. Image.
	f. Portrait.
	g. <u>Likeness.</u>
	h. Distinctive appearance.
<u>(4</u>	
	or any videotane or live television transmission, of any person, such that the



person is readily identifiable. An individual shall be deemed to be readily identifiable from a photograph when one who views the photograph with the naked eye can reasonably determine the identity of the individual depicted in the photograph.

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(5) Right to publicity. – The property right to control and to choose whether and how to use an individual's personality for commercial purposes.

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"§ 41B-3. Right to publicity.

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Methods of Transfer and Conveyance. – The rights recognized under this Article are freely transferable and descendible, in whole or in part, by the following:

- <u>(1)</u> Contract.
- (2) License.
- (3) Gift.
- <u>(4)</u> Trust.

<u>(5)</u> Testamentary document. – The rights shall vest in the persons entitled to the right of publicity under the testamentary instrument of the deceased individual effective as of the date of that person's death. In the absence of an express transfer in a testamentary instrument of the deceased individual's right to publicity, a provision in the testamentary instrument that provides for the disposition of the residue of the deceased individual's assets shall be effective to transfer the rights recognized under this Article in accordance with the terms of that provision.

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(6) Intestate succession. – The right to publicity of an individual dying intestate shall be distributed under the laws of intestate succession, and the rights and remedies of this Article may be exercised and enforced by a person or persons who possess at least a one-half interest of the individual's right to publicity. Such persons shall make a proportional accounting to, and shall act at all times in good faith with respect to, any other person in whom the rights being enforced have vested. The person or persons enforcing the rights shall account to any other person in whom the right has vested.

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Successor's Transference. – The rights established by this Article shall also be freely (b) transferable or descendible by any subsequent owner of the deceased individual's right to publicity as recognized by this Article. Nothing in this Article shall be construed to render invalid or unenforceable any contract entered into by a deceased individual during his or her lifetime by which the deceased individual assigned the rights, in whole or in part, to use his or her personality.

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Limitation on Right to Publicity. – No action shall be brought under this Article by (c) reason of any use of a deceased individual's right to publicity occurring after the expiration of 70 years after the death of the deceased individual. Failure to use a deceased individual's right to publicity for any period of time during the 70 years after the death of the deceased individual shall not limit enforcement of an action of a claim registered under G.S. 41B-6.

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§ 41B-4. No unauthorized use of right of publicity for commercial purposes.

Prohibition. – Any person who knowingly uses another individual's personality for commercial purposes without obtaining prior consent shall be liable for any damages sustained by the person or persons to whom the right of publicity belongs. The consent required by this section shall be exerciseable by the following:

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- (1) The individual.
- **(2)**
- The minor's parent or legal guardian, in the case of a minor. A licensee or successor in interest to whom the right of consent, or portion (3) thereof, has been transferred or has passed in accordance with G.S. 41B-3.
- <u>(4)</u> An authorized agent of any of the above.

(b) Multiple Subject Photographs. – If an individual is portrayed with others for commercial purposes without consent, the individual to whom the right of publicity belongs shall be represented individually rather than solely as a member of a definable group represented in the photograph. Nothing in this section shall be interpreted to preclude a photograph taken of a definable group that contains an individual solely as a result of that individual being present at the time the photograph was taken if that individual has not been singled out in any manner.

"§ 41B-5. Applicability.

- (a) Residence. This Article applies to an act or event that occurs within North Carolina, regardless of a personality's domicile, residence, or citizenship.
- (b) Exceptions. Consent for use of another individual's right to publicity shall not be required for the following:
 - (1) A play, book, magazine, newspaper, musical composition, radio or television program, single and original work of art, work of political or newsworthy value, audiovisual work other than a video game, or an advertisement or commercial announcement for any of these works, if it is fictional or nonfictional entertainment, or a dramatic, literary, or musical work.
 - (2) Any news, public affairs, or sports broadcast or account.
 - (3) Use of the right to publicity of a deceased individual where the licensee or successor in interest has failed to register a claim of right under G.S. 41B-6 until such time as a claim of right has been registered.
- (c) Limited Immunity. Owners or employees of any medium used for advertising, including, but not limited to, newspapers, magazines, radio and television networks and stations, cable television systems, billboards, and transit ads, by whom any use of an individual's right to publicity for commercial purposes in violation of this section is published or disseminated, shall not be liable unless it is established that the owners or employees had knowledge of the unauthorized use as prohibited by this Article.

"§ 41B-6. Registration.

- (a) Claim of Right Any person claiming to be a successor in interest to the right of publicity of a deceased individual under this Article or a licensee of a deceased individual's right of publicity shall register that claim with the Secretary of State on a form prescribed by the Secretary of State and upon payment of a fee of five dollars (\$5.00). The form shall be verified and shall include the name and date of death of the deceased individual, the name and address of the claimant, the basis of the claim, and a sworn affidavit as to the rights claimed. Claims registered under this successors shall be public records.
- (b) Archiving and Access. Upon receipt and after filing of any document under this section, the Secretary of State shall post the document along with the entire registry of persons claiming to be successors in interest to the personality rights of a deceased individual or a registered licensee under this section upon an Internet Web site. The Secretary of State may microfilm or reproduce by other techniques any of the filings or documents and destroy the original filing or document.
- (c) Removal. The microfilm or other reproduction of any document may be destroyed by the Secretary of State 70 years after the death of the individual named therein. The Secretary of State shall remove any document of claim from the Internet Web Site upon showing of a court order that a person claiming to be a successor in interest has no property rights in the right of publicity of the deceased.

"§ 41B-7. Remedies.

- (a) Actual Damages. In any action brought under this Article, a person who has violated this Article shall be liable to the injured party in an amount equal to the greater of:
 - (1) One thousand dollars (\$1,000).
 - (2) The actual damages resulting from the unauthorized use.

- Actual damages shall include any profits from the unauthorized use that are attributable to the use. In establishing such profits, the injured party is required to present proof only of the gross revenue attributable to such use, and the person who violates this Article is required to prove that person's deductible expenses.
- (b) Other Remedies. A court may also grant injunctive relief. Punitive damages may be awarded to the injured party upon a showing of willful or wanton conduct by the person violating this Article.
- (c) Attorneys' Fees. The prevailing party in any action under this section shall also be entitled to attorneys' fees and costs.

 (e) Statute of Limitations. – An action under this Article shall be brought within three years of a violation of G.S. 41B-4.

(f) Other Remedies. – The remedies provided for in this section are cumulative and shall be in addition to any others provided by law."

SECTION 2. This act becomes effective January 1, 2010, and applies to actions or events on or after that date. The rights recognized under this Article are expressly made retroactive and shall be deemed to have existed at the time of death of any deceased individual who died prior to January 1, 2010.