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EDITOR'S NOTE

The Sports and Entertainment Law Journal is proud to complete its eleventh year of publication. Over the past decade, the Journal has strived to contribute to the academic discourse surrounding legal issues in the sports and entertainment industry by publishing scholarly articles.

Volume XX has three featured articles discussing issues and proposing solutions for hot topics we face in the sports and entertainment industry.

The first article, written by David Cook, discusses whether or not a creditor can directly reach an artist's income that is distributed by a studio or other obligor.

Moving into a discussion on the differences seen between male and female athletics, Nicole Price explores the disparity in playing surfaces that soccer players face in different competitions.

The third and final article, written by Dustin Osborne, considers the extremely controversial Washington Redskin's name and the ensuing Trademark cancellation

We are truly pleased with Volume XX's publication and would like to thank the authors for all of their hard work. We would also like to thank our wonderful faculty advisor, Professor Stacey Bowers, and our outstanding dean, Dean Smith. To the editorial board and staff editors, I appreciate the endless effort and hard work that has perfected the Journal.

JOHN GRONKA
EDITOR-IN-CHIEF (ACADEMIC YEAR 2016-2017)
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WHEN IS A RIGHT OF PUBLICITY LICENSE GRANTED TO A LOAN-OUT CORPORATION A FRAUDULENT CONVEYANCE?

David J. Cook*

Abstract

This article answers the question whether a creditor of the talent, who rendered services through a loan-out corporation [or limited liability company],¹ can directly reach the talent's² revenue stream paid by the studio [or other obligor] due the loan-out.³ Some talents have left a trail of multi-million dollar obligations, including spousal and child support, unpaid taxes, tort claims, and debts that arise from an extravagant lifestyle. Seeking payment of these large-dollar obligations, these creditors draw a bead on revenue stream payable to the loan-out. More than one celebrity or sports star finds himself or herself on the "top-ten list of bad boy or bad girl" debtors. Given these considerations, the better question is whether a talent's execution of a license that transfers the talent's right of publicity to the loan-out corporation is a fraudulent conveyance. The Uniform Voidable Transactions Act⁴ (UVTA) answers this question.

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¹ The common term is "loan-out corporation." A "corporation," for the purposes of this article, is any entity that is a legally separate entity, properly formed, and remains in good standing for the local secretary of state, including a limited liability company or other like entity, depending on the state (even if incorporated elsewhere). Many LLC's and corporations are formed in Nevada given the low tax rate, however, these same entities might be re-registered in California.

² For purpose of efficiency and brevity, "talent" includes any artist, celebrity, performer, athlete, when applicable, musician, band, singer, movie or television star, reality TV star, stunt person, director, among others. The entity paying might range from a studio, record label, book publisher, sports team, production company, or other entity, but for purpose of brevity, these entities are called the "studio."

³ "Studio" referenced herein includes entity paying might range from a studio, record label, book publisher, sports team, production company, or other entity.

⁴ Uni. Voidable Transaction Act § 4 (formerly Uni. Fraudulent Transfer Act) (amended 2014).

OJ Simpson's Right to Publicity Discusses this Riddle.

During the summer of 2006, Fred Goldman, a creditor of O.J. Simpson, attempted to reach OJ Simpson's right of publicity, name, and likeness for the purpose of satisfaction of Fred Goldman's \$38,000,000 wrongful death judgment.⁵ Goldman's filings ignited a broadcast, print and digital media, legal and academic firestorm.⁶ Goldman lost the seizure, but after the adverse ruling become final. Regan Book, an imprint of Harper Collins, announced the publication of *If I Did It*, which bore the moniker of "O.J. Simpson" as the author, but actually ghost written by Pablo Fenjves. The owner of book rights was Lorraine Brooke Associates Inc., a Florida corporation ("LBA"). Lorraine and Brooke were the middle names of Mr. Simpson's two children with the late Nicole Brown Simpson, one of the murder victims. LBA was an unabashed loan-out corporation that held the Simpson's "right of publicity" and non-exclusive license for purposes of publication of the book.

Upon learning that the Harper Collins paid a large advance to LBA, Goldman commenced collection proceeding in the Los Angeles County Superior Court (Santa Monica), which included enforcement directed against the book itself, the advance, and any potential royalties.⁷ Goldman levied on Harper Collins to reach the

⁵ The license transfers to LBA Simpson's right of right of publicity, among other related rights. *In re Lorraine Brooke Associates, Inc.*, No. 07-12641-BKC-AJC, 2007 WL 7061312, at *2 (Bankr. S.D. Fla. July 2, 2007) [Objection Order] [This author was lead enforcement counsel for Fred Goldman and participated in the subsequent bankruptcy proceedings.] [Goldman filed a proof of claim in the LBA bankruptcy. LBA objected to the proof of claim of Goldman that led to this unpublished opinion by the Honorable A. Jay Cristol).

⁷ The book becomes vulnerable to enforcement because Harper Collins, facing a public outcry and media repudiation from outlets such as Bill O'Reilly, declined to put the book out for sale and pulped all printed copies. As a result of its cancellation, the book rights reverted to LBA. Squeezing "The Juice": Can the Right of Publicity be used to Satisfy a Civil Judgment? *Journal of Intellectual Property*, Law Fall, 2007 15 J. Intell. Prop. L. 143, "What's In a Name? Fred Goldman's Quest to Acquire O.J. Simpson's Right of Publicity and Suit's

reversionary rights which were due LBA.⁸ In the enforcement proceedings, the court granted Goldman an order that declared LBA to be the surrogate to Mr. Simpson, which enabled Goldman to enforce his judgment against the book rights.⁹ Based on the levy of the book's reversionary rights through the Sacramento sheriff, Goldman set the book rights for a sheriff's sale on April 17, 2007. After a last ditch, unsuccessful effort by the Brown Family on April 13, 2017, LBA filed a Chapter 7 bankruptcy in the United States Bankruptcy Court (Southern Florida).¹⁰ During the bankruptcy proceeding and based on Goldman's non-avoidable levy interest, Goldman and the Trustee entered into an agreement whereby the trustee assigned all book rights directly to Goldman,

Implication for Celebrities" *Pepperdine Law Review*, January, 2008, 35 *PeppL. Rev.* 347; Squeezing "The Juice": Can the Right of Publicity be used to satisfy a Civil Judgment? *Journal of Intellectual Property Law*, Fall 2007, 15 *J. Intell Prop L.* 143; Squeezing The Juice: The Failed Attempt to Acquire O.J. Simpson's Right of Publicity, and Why It should have succeeded? *Cardoza Arts and Entertainment Law Journal*, 2008, 26 *Cardoza Arts & Ent. L.J.* 165; Post Judgment Remedies in Reaching Patents, Copyrights and Trademarks, *Northwestern Journal of Technology & Intellectual Property*, Fall, 2010, 9 *Nw. J. Tech Intell Prop* 128 [David J. Cook is the author]; Celebrity Rights of Publicity: For Sale, but not Necessarily Available for Creditors. *Intellectual Property and Technology Law Journal*, March 2007, 19 No 3 *Intell Prop. & Technology L. J.* 7; Refashioning The Right of Publicity: Protecting the Right to Use Your Name after selling a persona. name trademark, *Cardoza Arts and Entertainment Law Journal*, 2013, 31 *Cardoza Arts & Ent. L.J.* 893. This list excludes newspaper articles, editorials, blogs and attorney articles that only appear online.

⁸ "...Simpson transferred to the Debtor, and thereafter the Debtor owned, all right, title and interest in and to the Book and all related rights, including without limitation, the right to utilize Simpson's intellectual property rights, consisting of Simpson's name, facsimile signature, nickname, likeness, life story, right of publicity and auto biographical sketch on or in connection with the writing and publishing of the Book. *In re Lorraine Brooke Associates, Inc.*, supra, at page*2. ["Objection Order]. As Fred Goldman's enforcement attorney, I undertook the levy on the reversionary rights. The agent for service of Harper Collins was CSC with its offices in Sacramento, California.

⁹ "Thereafter, pursuant to the Surrogate Order, the California State Court clarified that "Lorraine Brooke Associates, Inc. be and the same is deemed, adjudicated, and held to be a surrogate of ORENTHAL JAMES SIMPSON ... but limited to the aforementioned Book Rights." *In re Lorraine Brooke Associates, Inc.*, supra, at page *3 [Objection Order]

¹⁰ The authorized appeared at the hearing for a stay brought by Brown Family.

which included the Simpson's right of publicity license in exchange for a percentage of the proceeds and an affirmative mandate to actually publish the book. Goldman's purchase of the "book rights" from the trustee provided him, in part, Simpson's right of publicity that was otherwise foreclosed by the California state court in the summer of 2006.¹¹ Goldman formed Ronald Goldman, LLC to be the holder and owner of the rights to the *If I Did It* book. This was a seminal milestone in publishing when the entity causing the publication of a murder bore the name of the victim.

The *Lorraine Brooke* case raised the issue whether the right of publicity license issued by Simpson and transferred to LBA (a clear loan-out corporation) was a fraudulent conveyance. The debtor and Goldman litigated these precise issues arising from an objection to Goldman's proof of claim filed in the LBA bankruptcy.¹² After a detailed evidentiary hearing, which consisted of witnesses, documentary evidence, and briefs, the court made the following findings: Simpson was facing the \$38,000,000 judgment owed to Fred Goldman who sought to enforce the judgment;¹³ Simpson's daughter Arnelle (from a prior marriage) was president of Lorraine Brooks Associates and aware of the Goldman judgment and Goldman's attempt in collecting the judgment;¹⁴

¹¹ "The Court finds that the sale of the Book Rights and the assumption and assignment of the HC Contract to the Purchaser under the Settlement Agreement is within the "sound business judgment" of the Trustee . . . *In re Lorraine Brooke Associates, Inc.*, supra, at page *4.[Sale Order]

¹² A creditor may file a proof of claim. The trustee, debtor, or an interested party can file an objection to the proof of claim. A proof of claim is generally deemed to be a civil complaint and the objection to the claim is the "answer." When the claim objection comes to trial, the claimant bears the affirmative burden of proof by a preponderance of the evidence. Conversely, the debtor, or trustee as the case may be, can raise any affirmative defense to the claim. Claim objection proceedings closely track general civil litigation in which parties offer live testimony, documentary evidence, briefs, findings, a ruling on the objection, and the aggrieved party has a right of appeal.

¹³ Prior to the Chapter 7, Goldman had cycled through significant enforcement including assignment orders and other relief.

¹⁴ "Arnelle Simpson also testified that she was aware of the Goldman Judgment and the efforts by Goldman to collect on the Judgment against Simpson before and after the creation of LBA." *In re Lorraine Brooke Associates, Inc.*, supra, at page*2. [Objection Order]

Simpson negotiated his own deal with Harper Collins and needed to get his money upfront; LBA did not pay anything to Simpson or anyone else in exchange for the book rights or the licenses that accompanied the book rights; and the debtor had no financial investment in the debtor (other than organizational costs at best).¹⁵ The court squarely held the transaction, which included the transfer of the right of publicity license, between Simpson and LBA was a fraudulent conveyance.¹⁶

Lorraine Brooke frames the issue in this article whether or not a right of publicity license is a fraudulent conveyance.

A Loan-out Corporation Monetizes the talent's Right of Publicity.

A loan-out corporation delivers the talent's right of publicity to the studio, which enables the studio to exploit in every medium, including but not limited to, music, film, television, social media, or the entire digital world (internet, app's, downloads etc.). This right of publicity is a well entrenched, viable, and valuable right.¹⁷ Loan-out corporations are commonplace platforms that enable the studio to reach the right of publicity and in turn remit the revenue stream to the loan-out. A loan-out corporation is a legal fiction employed for the financial benefit of successful artists and entertainers. It is a duly organized corporation [or LLC],

¹⁵ *In re Lorraine Brooke Associates, Inc.*, supra, at page*2.[Objection Order]

¹⁶ "It is clear from the HC Contract and the Simpson Letter that it is a contract between HarperCollins and Simpson. The facts and circumstances of this case are that the Debtor is nothing more than a nominee of and for Simpson. As a result, this Court finds that this entire structure and series of transactions between Simpson and the Debtor was a scheme and a device of Simpson and others to hinder, delay and defraud creditors, specifically Goldman." *In re Lorraine Brooke Associates, Inc.*, supra, at page *5.

¹⁷ ". . ."Often considerable money, time and energy are needed to develop one's prominence in a particular field. Years of labor may be required before one's skill, reputation, notoriety or virtues are sufficiently developed to permit an economic return through some medium of commercial promotion. [Citations.] For some, the investment may eventually create considerable commercial value in one's identity." (Citation omitted) *Comedy III Prods., Inc. v. Gary Saderup, Inc.*, (2001) 25 Cal. 4th 387, 399 ["Saderup"]; See *Lugosi v. Universal Pictures*, (1979) 25 Cal. 3d 813.

typically wholly owned by an artists, the sole function is to ‘loan-out,’ the services of the artist to producers and other potential employees.¹⁸ “When an individual is hired by a producer to work on a production, the individual informs the producer he or she has a loan-out corporation. Then, three-way contracts are entered into in which the loan-out corporation agrees to furnish the services of its owner and sole employee to the producer; the producer agrees to pay the loan-out corporation for the owner/employee’s services; and the owner/employee agrees to the arrangement. The loan-out corporation itself does not participate in any way in the production after the loan-out agreement is signed except to receive payment for its owner/employee’s services.”¹⁹ Loan-out agreements are part of the recording industry.²⁰ Loan-out agreements are common in the film industry.²¹

The loan-out corporation necessarily compels the talent to license his or her right of publicity to the loan-out corporation who offers the services of the talent to the studio. The studio pays the loan-out corporation who in turn compensates the talent. Absent third parties’ rights or interest (i.e., claims due creditors) a loan-out corporation is *de rigueur* in the entertainment and sports. The question, of course, is that the talent, like OJ Simpson, might bear significant financial obligations that are owed to creditors who are actively enforcing their judgments, which includes family law, tort and tax creditors.²²

¹⁸ *Bozzio v. EMI Grp. Ltd.*, 811 F.3d 1144, 1147 (9th Cir. 2016) citing Aaron J. Moss & Kenneth Basin, *Copyright Termination and Loan-Out Corporations: Reconciling Practice and Policy*, 3 Harv. J. Sports & Ent. L. 55, 72 (2012).

¹⁹ *Caso v. Nimrod Prods., Inc.*, (2008) 163 Cal. App. 4th 881, 885.

²⁰ “The Loan-Out Agreement is between Capitol and Missing Persons, Inc., and substituted Missing Persons, Inc. as the contracting party in place of the individual band members.” *Bozzio v. EMI Grp. Ltd.*, No. 12-CV-2421 YGR, 2013 WL 968261, at *1 (N.D. Cal. Mar. 11, 2013), *rev’d*, 811 F.3d 1144 (9th Cir. 2016)

²¹ [Walter] Matthau also received compensation through certain “loan-out” companies through which he rendered his acting services, and these companies likewise paid William Morris commissions on monies they received for Matthau’s acting services.” *Matthau v. Superior Court*, 151 Cal. App. 4th 593, 597, 60 Cal. Rptr. 3d 93, 96 (2007)

²² Family law and tax creditors predominate in sports.

Defining a Fraudulent Conveyance in the Modern Era.

Most states have adopted the current Uniform Voidable Transactions Act (UVTA), which is the successor to the Uniform Fraudulent Transfer Act.²³ Fraudulent conveyances date back to the reign of Queen Elizabeth I.²⁴ The Elizabethan fraudulent conveyance statute has resonated down the centuries and is good law today in various, but clearly identifiable, incarnations.²⁵ UVTA transfers take many forms including cashing out bank accounts and open new accounts to “throw off the scent” of the creditor, including converting checks to cash, converting money into cashier’s checks, altering financial records to hide obligation due from related entities or insiders, among endless variations.²⁶

Generally, fraudulent conveyance law offers two separate sets of statutory rights. For instance, California’s adoption of the UVTA, Civil Code Section 3439.05, sets aside a transfer if it is made without reasonably equivalent consideration when the debtor was insolvent or rendered insolvent.²⁷ This type of fraudulent conveyance is called a “balance sheet test” and does not depend upon the mental state of the parties. On the other hand, Section 3439.04 sets aside a transfer by the debtor if made with the intent to hinder, delay, and defraud, and where the transfer would leave

²³ See generally California Civil Code Section 3439 seq.

²⁴ “One of the first bankruptcy acts, the Statute of 13 Elizabeth, has long been relied upon as a restatement of the law of so-called fraudulent conveyances (also known as “fraudulent transfers” or “fraudulent alienations”).” *Husky Int’l Elecs., Inc. v. Ritz*, 136 S. Ct. 1581, 1587, 194 L. Ed. 2d 655 (2016).

²⁵ “Every American bankruptcy law has incorporated a fraudulent transfer provision”; Story § 353, at 393 (“[T]he statute of 13 Elizabeth ... has been universally adopted in America, as the basis of our jurisprudence on the same subject” . . . *Husky Int’l Elecs., Inc. v. Ritz*, supra, at page 1587.

²⁶ *In Re Wilbur* 211 B.R. 98, 104 (USBC, M.D. Fla, 1997); *In Re High Strength Steel Inc.* 269 B.R. 560 (USBC, D. De, 2001); *In Re Pullman* 279 B.R.916 (USBC, M.D. Ga, 2002); *In Re Schafer* 294 B.R. 126, 128 (USDC, ND, CA 2003); *In Re Marra* 308 B.R. 628, 629 (USDC, D. Conn., 2004) *In Re Perpnan* 2007 WL 2345019 (BAP, 9th Circuit, 2007); *In Re Ryan* 2009 W.L. 2822452 at *1 (USBC, ND, CA, 2009). *Hines vs. Marchetti* 436 B.R. 159, 162-163 (USDC, M.D. Alabama, 2010); *In Re Haag* 2012 WL 446535 (P. *2) (BAP, 9th Circuit, 2012). *In Re Caimano* 2013 WL 2016406 (P. *8) (USBC D. South Carolina, 2103); *In Re Nascarella* 492 B.R. 914, 915-916 (USBC M.D., Fla, 2013).

²⁷ California Civil Code Section 3439.05.

the debtor with unreasonably small capital or where the debtor would incur debts beyond the debtor's ability to pay.²⁸ California has codified the "badges of fraud," which would support a fraudulent conveyance based on the debtor's intent to hinder, delay, or defraud any creditor.²⁹ Section 3439.05 protects creditors already in existence at the time of the conveyance. Further, Section 3439.04(a) protects any current or future creditors.

The focal point of relief under Section 3439.04(a) is that a future creditor can seek relief, even though the debtor was not "targeting" the particular creditor.³⁰ The fact that a future creditor can vacate pre-existing transactions brings unknown "strangers" to the table of any every transaction because these "strangers" have the ability to rewrite the mental state of the parties, the transaction as a whole, the financial of the transferor, and the overall fairness of the transaction itself. Financial planners, family law attorneys, trust attorneys, transactional attorneys must necessarily grip that a current and bona fide transaction might topple at the hands of a latter creditor if the transaction left the debtor without adequate capital or funds on hands to pay maturing liabilities. For talent that might wish to live lavishly (i.e., gambling), make foolish investments or loans, or just beyond their means, or talents who might leave a trail of offspring or spouses, every transaction is subject to excruciating rigor because creditors can "back to the future."³¹

A fraudulent conveyance is more than an outright transfer from the debtor to a third party. Under Section 3439.04(a)(1) a fraudulent conveyance is any transfer the debtor makes with the intent to hinder, delay, or defraud the creditor even though the debtor still has custody, control, and access to the asset.³² *In Re*

²⁸ California Civil Code Section 3439.04(a)(1)(2).

²⁹ California Civil Code Section 3439.04(b)

³⁰ "A transfer made or obligation incurred by a debtor is voidable as to a creditor, whether the creditor's claim arose before or after the transfer was made or the obligation was incurred, if the debtor made the transfer or incurred the obligation as follows . . .Section 3439.04(a)

³¹ Civil Code Section 3439.04(a)(2)(A)[inadequate capital] (B) [inadequate income to pay for accruing liabilities]

³² A fraudulent conveyance transforms title to an asset thereby rendering the asset more difficult to reach. An abstract of judgment (i.e., a lien

Bernard, the court held that a debtor who cashed checks and emptied out bank or stock accounts in the face of a prejudgment restraining order committed a fraudulent conveyance even though the debtor still had custody and possession of the money.³³ This finding for fraudulent conveyance turned on the fact that the funds in the hands of the debtor were more difficult to reach.³⁴

Bernard teaches that a transformation of property that makes the property more difficult to reach through legal process is a fraudulent conveyance even though the debtor's net worth remains the same. For example, in *High Strength Steel*, the corporate parent owed a large sum to the corporate subsidiary that was in a bankruptcy.³⁵ The corporate principal of both entities caused the corporate subsidiary to "write off" the receivable due from the corporate parent.³⁶ The fact that a corporate insider of both entities caused the debtor to "write-off" the receivable due the debtor made collection more difficult given the necessity of reconstructing the corporate records, much less confirming the existence of the debt.

The *Bernard* holding transforms the asset (checks in an account) into another medium (cash in hand), which is far more

on real property) reaches the real property in the name of the defendant. C.C.P. Section 697.340(a) ["A judgment lien on real property attaches to all interests in real property in the county where the lien is created (whether present or future, vested or contingent, legal or equitable) that are subject to enforcement of the money judgment against the *judgment debtor*"]

³³ See *In re Bernard*, 96 F.3d 1279, 1282 (9th Cir. 1996) ("If, as the legislative history indicates, depositing money into a bank account is a transfer, then later withdrawing money from that account should be a transfer, too-it ought to be a two-way street").

³⁴ "When they withdrew from their accounts, they exchanged debt for money (which, more than incidentally, was more difficult for the Sheaffers to acquire). Thus, when the Bernards made their withdrawals they parted with property, satisfying the Code's definition of transfer. Because they parted with their claims against the bank to hinder the Sheaffers, the Bernards violated § 727(a)(2)(A), warranting denial of discharge." *In re Bernard*, supra, at page 1283. [The debtor cashed checks and emptied out accounts in the face of active pre-judgment remedies.]

³⁵ *Re High Strength Steel Inc.* 269 B.R. 560 (USBC, D. De, 2001)

³⁶ "We conclude, as a matter of law, that the reconciliation was a transfer, as defined by the Code [Bankruptcy Code Section 548 which is the bankruptcy version of the UVTA] *In re High Strength Steel, Inc.*, supra at page 568.

difficult to reach. A creditor can readily garnish a bank account given that the sheriff need only serve a bank with a garnishment.³⁷ However, the *Bernard* debtor cashed checks and liquidated an account. Only with much greater effort, expense and risk can a creditor reach those cash proceeds from the liquidation of the check account by hailing the debtor into court for a debtor's examination and at the conclusion seeking a turnover order.³⁸ However, as judicially noted, some debtors are less than fully forthcoming at a debtor's examination.³⁹ A plaintiff must personally serve the debtor with the order for examination.⁴⁰ Chasing the debtor down for purpose of an debtor's examination, along with the time, effort and expenses of proceeding with the examination is manifold more arduous than have the sheriff, or better yet a private process server, serve the bank.⁴¹ The injury arising from a fraudulent conveyance under Section 3439.04(a) is the deterrent imposed by the debtor when rendering the assets more expensive, difficult, or time consuming to reach by the transformation of the asset. By converting the check and accounts into cash, the debtor increased the creditor's expenses and effort in reaching, if possible, the proceeds. Should the debtor have expended the funds on perishables or consumables, the funds would be lost forever that would degrade any prospect of collection.

³⁷ Code of Civil Procedure Section 704.140(a) [service upon the garnishee with a copy of the writ of execution and notice of levy]. Upon receipt of the levy package, the bank (or other garnishee) would pay over the funds held on deposit to the sheriff. Section 701.010(b)(1)[turn over funds held on account to the sheriff]

³⁸ C.C.P. Section 708.110(a) [Debtor's examination], and turnover order C.C.P. Section 708.205(a). Judgment debtor examinations serve an important function in our judicial system. They are intended to "leave no stone unturned in the search for assets which might be used to satisfy the judgment." *Jogani v. Jogani*, (2006)141 Cal. App. 4th 158, 172, *as modified on denial of reh'g* (July 27, 2006)

³⁹ See the following: "And the sanctity of the oath, by itself, does not ensure that all judgment debtors will be completely forthcoming during a judgment debtor examination." *Jogani v. Jogani*, *supra*, at page 188.

⁴⁰ Personal service is required. C.C.P. Section 708.110(d).

⁴¹ Private process servers can serve the garnish. C.C.P. Section 699.080.

A Right of Publicity License to a Loan-Out Corporation Constitutes a Fraudulent Conveyance.

The *Lorraine Brooke* case supports this conclusion. In arriving at this conclusion, three questions are asked: First, is the license property? Second, is the license in which the talent transfers his right of publicity to a loan-out corporation a transfer under the UVTA? Third, does the license and ensuing loan-out corporation make the asset (i.e., the monetized right of publicity), or better stated, the cash proceeds arising from the asset, more difficult or arduous to reach?

Under the standard loan-out corporation scenario, the licensor (also the debtor) licenses his or her right of publicity to the loan-out corporation who then sells the services of the licensor to the studio. The licensee transforms of the debtor's "*Saderup*" personal right of publicity (i.e., the right of publicity) into a commercial license in the name of the loan-out corporation who monetizes the talent's rights of publicity in the ensuing contract with the studio.⁴² The license itself therefore would constitute an asset of the debtor.⁴³ This transformation from a Constitutional right of privacy into a commercial license in favor of the loan-out corporation is the *Bernard* transformation.⁴⁴ The license transforms the talents' personal right of publicity from himself or herself to another entity reduces the right of privacy into a salable contractual right, capable of monetization, and warehoused by a loan-out corporation whose contract with the studio fixed the price.⁴⁵ The license and loan-out corporation affixed a price to the right of publicity to the "penny."

⁴² A license is a mode of transfer under Civil Code Section 3439.01(a)(8)

⁴³ See Civil Code Section 3439.01(a)(1).

⁴⁴ A transfer is defined in Civil Code Section 3439.01(a)(8), which includes every mode of disposing of or parting with an asset, and includes payment of money, release, lease, *license*, and creation of a lien or encumbrance. The amendments to the fraudulent conveyance law which converted the UFTA into the UVTA specifically inserted the word "license" as a method of transfer. Under the UVTA, a license is a statutory defined transfer. In this article, the fact that the UVTA specifically labels a license as a transfer further supports the conclusion here that the talents licensing his right of publicity is a transfer.

⁴⁵ In *Mejia vs. Reed* (2003) 31 Cal. 4th 657, the court held that marital settlement agreement, even if approved by the family law court, could might

Bernard deemed the conversion of checks and an account a fraudulent conveyance because the creditor was deprived the ease of reaching the fund through a bank levy, as opposed to—although not stated—the rigor of compelling the debtor to turn over the funds at a debtor’s examination. *Bernard* necessarily weighed the relative burdens of the debtor and found a fraudulent conveyance in light of the great burden. In determining whether the licensing of the right of publicity in favor of the loan-out is a fraudulent conveyance requires of the consequences. Had the talent directly contracted with the studio, the studio, like a bank, would directly owe money to the talent whether a salary, percentage of the gross or net, residuals or other financial benefits.⁴⁶ The judgment creditor would only have to serve upon the studio a notice of levy and writ of execution.⁴⁷ Studios are typically large public entities that would be served readily through their corporate agent.⁴⁸ The garnishee would face personal liability for the failure to faithfully honor a garnishment including attorneys’ fees.⁴⁹

If the holder of the right of publicity (i.e., licensee) is the loan-out corporation, the obligation arising from the talent’s services are in the name of the loan-out corporation, and not the name of the talent. Literally, the license enables the talent to drape the veil of the loan-out corporation over his or her right of publicity that prevents the creditor from a direct levy of the revenue stream due from the studio arising from the license and contract with the loan-out corporation. This is precisely the purpose of a loan-out corporation: to transfer from the obligator (person owed the money for the services of the talent) from the

constitutes a fraudulent conveyance if the community property was reposed with the wife, and the husband (a philanderer) was left with a worthless medical practice. The MSA was the “transfer” because the MSA transformed the husband (a doctor) in a virtual pauper in the face of large claims asserted by the mother of his child].

⁴⁶ Residuals are paid through Screen Actors Guild.

⁴⁷ C.C.P. Section 700.170 [Sheriff would serve notice of levy and writ of execution along with a memorandum of garnishee. These are pre-printed forms, available on line, and drafted by the California judicial council].

⁴⁸ C.C.P. Section 684.010(a)(1) Service tracts service of a summons and complaint]

⁴⁹ C.C.P. Section 701.020(c) [liability for attorney’s fees]

talent to the loan-out corporation.⁵⁰ Had the creditor levied on the studio, the studio would decline payment under the levy even though the talent is the judgment debtor, because the loan-out corporation as the contracting party and not the talent directly is entitled to payment for the talent's services. *Bernard* asks for more than just a transformation. *Bernard* compels the creditor to prove how this transformation increased the creditor's burden. Aside from the fact that simply levy would not reach the obligation owed by the studio to the talent, is that the creditor would have to garnish the loan-out corporation, which is typically owned and controlled by the talent who might be a recluse save well guarded public appearances.⁵¹ Sufficient life experience would suggest talent who would be pushing back from payment of a debt (particularly a family law judgment) would likewise push back from responding to a levy even in the face of attorney's fees or any other legal process.⁵² Service of a levy on the loan-out corporation is not the same as service of process upon a Fortune 50 Company.

Getting the loan-out corporation, under the tutelage of a recalcitrant debtor to voluntarily turn over its records, much less hand over the money paid by the studio might require near herculean effort (other remedies abound, but each with their own "drama").⁵³ The creditor could serve the loan-out corporation with a direct levy, but if the funds have been disbursed, the levy is

⁵⁰ *Caso v. Nimrod Prods., Inc.*, (2008)163 Cal. App. 4th 881, 885 [" . . .the producer agrees to pay the loan-out corporation for the owner/employee's services . . ."]

⁵¹ "[Loan-out corporation are] typically wholly owned by an artists, the sole function is to 'loan-out,' the services of the artist to producers and other potential employees." See *Bozzio vs. EMI*, supra.

⁵² See, e.g., *In re Marriage of Dick*, (1993) 15 Cal. App. 4th 144 which chronicles stupendous efforts by the debtor to avoid payment of family law obligations.

⁵³ "Prying from my cold dead hand" is a well known strategy in fending off any discovery, no matter how righteous. Not quite a discovery case, *Cockroft v. Moore*, 638 F. Supp. 2d 1024, 1030 (W.D. Wis. 2009), illustrated the commonality of this expression: "Plaintiff told defendant he could obtain the firearms instructor range books when he "prided them from [plaintiff's] cold dead hands."

ineffective.⁵⁴ As indicated above, an order of examination directed at the third party and turnover order is viable, assuming that the creditor can timely serve the talent (or agent), and conduct a meaningful examination, along with still having funds available and not already disbursed.⁵⁵ In the face of enforcement, money held in an account “grows” wings or feet.⁵⁶ The creditor could file a creditor’s suit on the basis that the loan-out corporation still has funds on hand.⁵⁷ A creditor could seek an assignment order that would reach all accounts and obligations owed by the loan-out to the talent and even subject to a formal restraining order that must be personally served which is only worthwhile if funds have not been disbursed.⁵⁸ Of course, the creditor would reach the debtor’s interest in the corporation by seizing share of stock assuming that the loan-out corporation has assets (i.e., the funds).⁵⁹ The creditor could reach the interest of the debtor in an LLC through a charging order but if the funds have been disbursed, the loan-out LLC is an empty shell.⁶⁰

Given the burden and serendipity of enforcement that is directed at the loan-out corporation to reach the funds on hand due the talent, in comparison to a direct levy upon the studio, the fact of the increased burden and risk meets the third test of *Bernard* transformation. *Bernard* found a fraudulent conveyance because the transformation increased the creditor’s burden and risks in reaching the asset.

⁵⁴ “In order to be subject to garnishment, it must definitely appear that a debt or credit actually exists. The attaching creditor can acquire no greater right in the attached property than the debtor has at the time of the levy.” *First Cent. Coast Bank v. Cuesta Tit. Guarantee Co.*, (1983) 143 Cal. App. 3d 12, 16.

⁵⁵ C.C.P. Section 708.120(c) [right of lien], and turnover order. C.C.P. Section 708.205(a)

⁵⁶ As discussed later, Harper Collins immediately disbursed advance payments upon announcement of the book. The records of LBA, and related parties, show a contemporaneous wire transfer of these funds to Simpson and related parties through various intermediaries. Harper Collins did not wire any funds directly to Simpson.

⁵⁷ C.C.P. Section 708.210 [Reaches only funds on hand and not future funds]

⁵⁸ C.C.P. Section 708.510 (a) and Section 708.520(a)

⁵⁹ C.C.P. Section 700.130 and Commercial Code 8112.

⁶⁰ C.C.P. Section 708.310, and Corporations Code Sections 15907.3, 16504, 17705.03.

The other major hurdle is that the creditor confronts *Postal Instant Press Inc. vs. Kaswa Corporation* (“Kaswa”) that holds that a creditor cannot reverse pierce the corporate veil by seeking to affix liability upon the loan-out corporation for the individual shareholder’s (i.e., talent’s) debts.⁶¹ *Kaswa* raised the issue that the corporation might have other shareholders whose equity interests and creditors whose claim for payment would be degraded, if not destroyed, should a creditor of one shareholder levy the corporation’s assets and “empty out” the corporation.⁶² Handing over the assets of a corporation to pay one shareholder’s debt (i.e., a civil judgment) would render vulnerable, if not imperil, the other shareholders, vendors, taxing authorities and employees of corporation to the financial vicissitudes of an errant shareholder.⁶³ The *Kaswa* court declined relief given that the creditor had not exhausted other enforcement remedies.⁶⁴ On the other hand, if the corporation is a shell entity that warehouses a significant asset, lacks other shareholders (other than the defendant), or any bona fide vendors (i.e., creditors), and whose sole function is to hold title to a “static asset,” the unreported cases enable a creditor to “reverse pierce” the corporate veil and reach the asset, given the lack of prejudice to third parties.⁶⁵

⁶¹ *Postal Instant Press Inc. vs. Kaswa Corporation* (2008) 162 Cal. App. 4th 1510 (“Kaswa”)

⁶² *Kaswa, supra.*, page 1524.

⁶³ Vendors would have a difficult time in assessing creditworthiness of a corporation or LLC if the assets were vulnerable to claims of creditors of the shareholders where the claims do not appear in any credit report of financial statement of the corporation or the public record. Absent the bizarre, a creditor who has a claim to the assets of a corporation (or LLC), would file a financing statement that evidences a perfected security interest under Article 9 of the U.C.C. (adopted in every state). With knowledge of the UCC filings, the creditor would make a considered decision whether to extend credit, demand payment on delivery (C.O.D.), decline the sale completely or demand adequate security or a personal guaranty to assure payment of the credit.

⁶⁴ *Kaswa, supra.*, page 1525

⁶⁵ *Gaggero v. Knapp, Petersen & Clarke*, No. B241675, 2014 WL 5786705, at *9 (Cal. Ct. App. Nov. 7, 2014) [explanation that ban on reverse piercing protects innocent investors and creditors]; *Envtl. World Watch, Inc. v. Walt Disney Co.*, No. CV0904045DMGPLAX, 2013 WL 12075368, at *6 (C.D. Cal. Aug. 2, 2013), *aff’d in part, vacated in part, remanded sub nom. Env’tl. World Watch v. Walt Disney*, 630 F. App’x 687 (9th Cir. 2015) [District court case

This is the nub of the transformation burden that is required by *Bernard*. The Bernard transformation renders the asset more difficult, more expensive, more remote, more inaccessible and more improbable to reach by the creditor. The loan-out corporation is not the talent per se and potentially immune from a reverse alter ego claim depending on the facts.⁶⁶ Yet, reverse piercing has its adherents. The Ninth Circuit in *In Re Schwarzkopf* determined a limitation to “reverse piercing,” using the “resulting trust theory” to reach property held in the name of another entity (i.e., a trust) in the satisfaction of a creditor’s claim.⁶⁷ A creditor could circumvent the ostensible ban on reverse piercing if the creditor can prove that the corporation (the target of the reverse piercing motion) received property that the judgment debtor (the individual) fraudulently conveyed under the UVTA.⁶⁸

These remedies require the services of competent counsel to engage in time-consuming and sometimes expensive post

allowed reverse piercing given that the remedy coincided with fraudulent conveyance relief, conversion and other intentional misconduct. The court declined to be bound by *Kaswa* given the equities of the specific facts.] *Hi-Tech Const. Inc. v. Ma*, No. A126752, 2011 WL 664657, at *8 (Cal. Ct. App. Feb. 23, 2011) (Court imposed liability by correcting identifying the liable party on the basis that the corporation and the individual were “one in the same,” in dealing with the creditor.)

⁶⁶ While reverse piercing the corporate veil has not been reviewed by the California Supreme court, *Postal Instant Press Inc. vs. Kaswa Corporation* is favorably cited.

⁶⁷ *In re Schwarzkopf*, 626 F.3d 1032 (9th Cir. 2010). See also, *Fid. Nat. Title Ins. Co. v. Schroeder*, 179 Cal. App. 4th 834, 847, 101 Cal. Rptr. 3d 854, 864 (2009), in which the court stated as follows: “A resulting trust arises by operation of law from a transfer of property under circumstances showing that the transferee was not intended to take the beneficial interest. [Citations.] Such a resulting trust carries out and enforces the inferred intent of the parties. [Citations.]”

⁶⁸ “At the end of trial, Garcia conceded she could not proceed on an alter ego theory. She argued instead that the Uniform Fraudulent Transfer Act (UFTA) (Civ.Code, § 3439 et seq.)² applied, and she should prevail because she proved Palmer “fraudulently transferred assets, benefits and services to Seychelle,” and “Palmer with Seychelle’s consent, conspired to carefully provide a structure under which [he] would forgo any direct compensation or benefit in return from Seychelle.” *Garcia v. Palmer*, No. D062116, 2013 WL 6147111, at *2 (Cal. Ct. App. Nov. 22, 2013) (“Palmer”)

judgment process.⁶⁹ These remedies, although statutorily allowed, might require filings motions, applications, motions and other papers that implicate judicial and not clerical attention. All of these remedies “nibble” around the “center”. The “center” is a direct levy on the stream of income generated by the studio based on the talent’s efforts (i.e., the movie, song, book, performance). Instead of hitting the bull’s eye by a direct levy, the creditor has to cycle through the complexities of the post judgment enforcement. *Bernard* held that the efforts and expense inherent in the potential exercise of other post judgment remedies to reach the assets of the debtor constituted the burden caused by debtor in hindering, delaying or defrauding” the creditor (i.e., cashing check and bank account, all converted to cash in hand). Applying *Bernard* here, the licensing of the right of publicity to the loan-out renders the ability of the creditor to reach the revenue stream more difficult due the talent and owed by the studio.⁷⁰

Converting a valuable right of publicity into a license in favor of loan-out corporation is the expected and routine practice in entertainment, music, sporting events, and other venues. Nothing is wrong with a license and the ancillary loan-out corporation, until the talent runs up a slew of debts, or judgments and fails to come to grips with a potential insolvency. These creditors will seek to enforce their claims (through prejudgment remedies) and judgment through post judgment remedies. Finding that the debtor licensed his or her valuable rights of publicity, reposed with a loan-out corporation, in the face of these debts and judgment, a court could readily find the license and loan-out a

⁶⁹ A sheriff is prepaid for enforcement costs and expenses. C.C.P. Section 685.100(a)(1)

⁷⁰ Upon becoming aware of these risks, the Studio would be well advised to obtain personal guaranties of the performance by the talent, the contractual compliance by the loan -out, and a personal indemnity executed by the talent, which is another form of guaranty) by the talent in favor of the Studio. Such guaranties or indemnities must be in writing and spelled out the in enormous detail. Civil Code Section 1624(b) “*Pearl v. Gen. Motors Acceptance Corp.*, 13 Cal. App. 4th 1023, 1032, (1993) “As the *Gradsky* court stated, “[i]n absence of an explicit waiver, we shall not strain the instrument to find that waiver by implication.”

fraudulent conveyance.⁷¹ What makes this outcome more treacherous to an entire class of interested parties is that a right of publicity license, regular on its face to a bona fide loan corporation, might find itself in the blinkers of some aggrieved future (or current) creditor who might well claim that the transformation of the talent's rights of publicity into a commercial license with a loan-out corporation. Better yet, this creditor has the right of a jury trial.⁷²

For attorneys with an entertainment or sports practice, the risk is that later or current creditors might cry foul and cry loudly. The remedies of these creditors are to execute directly on the revenue stream, even if the name of the loan-out corporation, which is the outcome of *Palmer*, but face a third party claim of ownership asserted by the loan-out corporation.⁷³ The creditor can sue and enjoin payment due the loan-out corporation or seek the appointment of a receiver.⁷⁴ The creditor can even seek an attachment against the loan-out corporation.⁷⁵

Is Enforcement directed against the Loan-out Corporation really Viable?

Upon execution of the right of publicity license and the ensuing contract of the loan-out corporation with the studio, the creditor would be able to file suit against the debtor, the loan-out corporation, and necessarily the studio, to enjoin payment, unless already paid. The creditor would claim that the entire transaction is a fraudulent conveyance.⁷⁶ The creditor would demand that the

⁷¹ *In Re Lorraine Brooks Associates Inc.*, *supra*.

⁷² *Wisden v. Superior Court*, (2004) 124 Cal. App. 4th 750 and *Granfinanciera, S.A. v. Nordberg*, 492 U.S. 33, 109 S. Ct. 2782, 106 L. Ed. 2d 26 (1989).

⁷³ A judgment creditor can proceed with a direct levy under C.C.P. Section 3439.07(c). See C.C.P. Section 720.320 for burden of proof in a third party claim. See also, *Whitehouse v. Six Corp.* (1995) 40 Cal.App.4th 527 [burden of proof of fraudulent conveyance by a preponderance of evidence, and borne by the creditor].

⁷⁴ Civil Code Section 3439.07(a)(3)(A)[injunction]&(b)[receiver]

⁷⁵ Civil Code Section 3439.07(a)(2) [right of attachment for all assets]

⁷⁶ Civil Code Sections 3439.05 and 3439.04(a). The statute of limitations is found in Civil Code Section 3439.09 [four year, but a statute of repose of 7 years.]

court impound all funds due the loan-out corporation by way of an injunction under Civil Code Section 3439.07(a)(3)(A) [injunction].⁷⁷ Alternatively, the creditor could directly levy upon the studio on the basis that the creditor can disregard the fraudulent conveyance.⁷⁸ Likewise, the creditor could obtain an order directing the loan-out corporation to remit all proceeds to the creditor, and not the talent.⁷⁹ Among other remedies is a creditor's suit directed at the loan-out corporation, studio and talent.⁸⁰

Do these remedies work? Should the creditor have succeeded in locking down the revenue stream money due the loan-out corporation, and collaterally the talent, the talent does have recourse that is the "nuclear option." What is the nuclear option? The talent threatens a walk out, a slow down, or an "illness," if the studio fails to honor the contract with the loan-out corporation. Walking might well be an unabashed breach of contract that would entitle the studio to a stupendous damage award against the talent. Little doubt that the judgment against the talent might broach the nine -figure mark or more. In the day and age of hundred million dollar movie budgets, the risk of a walk out by the major talent is destabilizing, at best, and might even cause a ripple in the studio's stock that is listed on the NYSE. The studio's budget might equal or exceed \$100,000,000. Million dollar contracts have been signed for domestic and foreign distribution. This risk also causes bad buzz, if coming to light, post social media. Worse for the studio, an empty judgment against the talent is not the functional equivalent of \$300,000,000, or a lot more, payday from a hit movie.

Again, *Lorraine Brooks* answers cuts the Gordian Knot. Simpson knew that Goldman would take immediate action to reach advance and royalties due from Harper Collins, even though the book rights were in the name of LBA. To mitigate these risks, Harper Collins paid the advances due LBA upfront that was almost

⁷⁷ See Civil Code Section 3439.07(a)(3)(A). Likewise, the creditor could seek a receivership. See Civil Code Section 3439.07(a)(3)(B).

⁷⁸ See Civil Code Section 3439.07(c). See also, *Palmer, supra*.

⁷⁹ This would be an assignment. See C.C.P. Section 708.510. Alternatively, the creditor might be able to obtain a turnover order, assuming service a debtor's exam. C.C.P. Section 708.205.

⁸⁰ C.C.P. Section 708.210.

contemporaneous with the public announcement of the book and execution of the Harper Collins publishing contract. By the time of the first levy upon Harper Collins, the money due LBA was long gone.⁸¹

Should the money have been paid by the studio to the loan-out corporation, who in turn remitted the total to the talent, the “horse is out of the barn” comes to mind, which means that all of these remedies would be futile. However, the creditor might have a claim against other parties who might be deemed conspirators.⁸²

Should the studio have furnished “value” in exchange of the license, the studio would have a defense based upon “safe harbor.”⁸³ Safe harbor enables a transferee to avoid liability if the transferee acquired the property in good faith and reasonably equivalent value.⁸⁴ Therefore Safe harbor enables the Studio to monetize and exploit the license (sporting event, entertainment, social media, digital production) with complete immunity from a fraudulent conveyance action sought to reach the actual license and its products. However, the cash proceeds, i.e., the revenue stream, due from the Studio to the loan-out that arise from the licensing are subject to enforcement under the UVTA.⁸⁵ This conclusion requires dissecting. The talent, hounded by creditors, lands the zillion dollars, and well publicized, deal with the Studio. Upon inking the mega deal, the talent fears that every creditor will glom on the revenue stream due from the Studio, if directly due to the talent in his or her name. The talent forms a loan-out as his or

⁸¹ I did the levy.

⁸² *Cardinale v. Miller*, 222 Cal. App. 4th 1020, 166 Cal. Rptr. 3d 546 (2014) [compensatory and punitive damage award, along with fees against co-conspirator of fraudulent conveyance.]

⁸³ Safe harbor would immunize the transfer of liability. Civil Code Section 3439.08(a)

⁸⁴ See Civil Code Section 3439.08(a) for all transfers under Civil Code Section 3439.04(a). See *Annod Corporation v. Hamilton & Samuels* (2002) 100 Cal.App.4th 1286.

⁸⁵ See Civil Code Section 3439.08(b)(1)(A)& (B). See also, *Flowers & Sons Dev. Corp. v. Mun. Court* (1978) 86 Cal. App. 3d 818, 825 [court can award damages for the value of the asset which has been fraudulently conveyed if the asset is no longer available and that the conveyee bears liability for the money damages]. (“*Flowers*”)

her surrogate. The Talent licenses his right of publicity to the loan-out and executes an employment agreement in which the loan-out is the employer (i.e., independent contractor, no less). This is a 100% pure *Bernard* transformative fraudulent conveyance by cloaking the right of publicity and anticipatory services in the name of the loan-out. Vested with these rights, the loan-out contracts out the services (and right of publicity) of the talent in favor of the Studio. The contract by the loan-out with the Studio itself is free of a fraudulent conveyance claim based on the safe harbor.⁸⁶ The creditor cannot latch onto the actual rights handed over by the loan-out to the Studio.⁸⁷ However, the creditor can reach the *Flowers* proceeds, which consist of the receivables, contract revenue stream, or anticipatory profits, and proceeds due the loan-out. The revenue streams are the *Flowers* profits and proceeds from the loan-out monetizing the right of publicity and ensuing employment agreement.

Creditors have another trick up their sleeve. Should the creditor have been lucky enough to serve the talent with an order for examination (debtor examination also known as the OEX), the service of the OEX imposes a lien the talent's personal property.⁸⁸ The right of publicity license, itself a *Bernard* transfer, and the employment agreement (another *Bernard* transfer) in favor of the loan-out are without consideration and between related parties, i.e., the talent and his alter ego, the loan-out. A transfer of personal property remains subject to the OEX lien, unless the transferee is a bona fide acquirer and without notice of the lien.⁸⁹ Liens follow transferred personal property.⁹⁰ While the transfer to the bona

⁸⁶ Surely, the Studio is aware that the talent is debt, and that the loan-out seeks to insert its name on the contract to prevent creditor from launching a direct levy on the revenue stream.

⁸⁷ Code Section 3439.08(a)

⁸⁸ C.C.P. Section 708.110(d) ("Service of the order creates a lien on the personal property of the judgment debtor for a period of one year from the date of the order unless extended or sooner terminated by the court.")

⁸⁹ C.C.P. Section 697.740(a) ("A person who acquires an interest in the property under the law of this state for reasonably equivalent value without knowledge of the lien.")

⁹⁰ C.C.P. Section 695.070(a) "Notwithstanding the transfer or encumbrance of property subject to a lien created under this division, if the property remains subject to the lien after the transfer or encumbrance, the money judgment may

purchaser without notice might extinguish the OEX lien, the OEX lien reaches the cash proceeds if in fact the property of the debtor. Here, the talent, as the debtor, will claim that the proceeds are due the loan-out and therefore outside the scope of the OEX lien, which is limited to the assets of the debtor. The creditor could circumvent this artifice should the creditor secure a turnover order, or order declaring that the loan-out is a surrogate, alter ego and agent for the talent and therefore one in the same.⁹¹

OJ Simpson Solves the Riddle

The right of publicity licenses and loan-out corporations work and work well, given their ubiquitous name and predominance in entertainment and sports. Whether for tax, management, risk, liability management, or just clear familiarity with a process that succeeds, when success is never in doubt, rights of publicity and the loan-out corporations will never wilt nor fade away. The settled expectations at every level of entertainment is that studios will contract with a loan-out corporation, and nothing will change given even subtle third party UVTA risks, save and except as the article starts out, another OJ Simpson.

Lorraine Brooke answers the question posed in the title of this article by holding that a loan-out corporation, which possesses the right of publicity license, might be a fraudulent conveyance, and that Civil Code Section 3439.01(a)(8) states that a license is a transfer.

be enforced against the property in the same manner and to the same extent as if it had not been transferred or encumbered.” An OEX lien is an enforcement lien, and survives a transfer save the immunities under C.C.P. Section 695.070(a), C.C.P. Section 697.910-697.920..

⁹¹ The creditor can examine the loan-out as a third party obligator. C.C.P. Section 708.120(a). If truly a surrogate, agent and shell on behalf of the talent, at the conclusion of the third party OEX, the court can enter a turnover over directly that all funds due the loan-out are payable to the creditor on the basis that the loan-out is a surrogate, alter ego and agent for the debtor. C.C.P. Section 708.205(a)

The “Turf War”: Gender Discrimination and the Creation of a Hostile Work Environment Through Synthetic Turf

*Nicole Price**

I. INTRODUCTION

On July 5, 2015, 53,341 fans, mostly from the United States, filed into the B.C. Place Stadium in Vancouver, Canada hoping for the first U.S. Women’s World Cup win since 1999.¹ The 2015 championship game was a rematch from the 2011 World Cup championship game, where Japan beat the U.S. in penalty kicks.² The 2015 championship was different. In the first five minutes, U.S. captain Carli Lloyd scored two goals, which was also the fastest two goals in FIFA³ history.⁴ Minutes later, U.S. player

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¹ Allistair Magowan, BBC SPORT (July 6, 2015), <http://www.bbc.com/sport/football/33085994>.

² *Id.*

³ FIFA stands for Fédération Internationale de Football Association, and translates to International Federation of Association Football; they are the governing body of soccer. *See Who We Are*, FIFA.COM, <http://www.fifa.com/about-fifa/who-we-are/index.html> (last visited Apr. 12, 2016). FIFA is an association governed by Swiss law and was founded in 1904; they are currently based in Zurich, Switzerland. *Id.* FIFA’s primary goal is to “improve the game of [soccer] constantly and promote it globally in the light of its unifying, educational, cultural and humanitarian values, particularly through youth and development programmes.” *What we Stand for*, FIFA.COM, <http://www.fifa.com/about-fifa/who-we-are/explore-fifa.html> (last visited Apr. 12, 2016). FIFA is also responsible for organizing soccer competitions, including, but not limited to, the FIFA World Cup. *Id.* Additionally, FIFA acts as a world governing body, issues regulations and reports, and creates the rules of soccer. *How FIFA Works*, FIFA.COM, <http://www.fifa.com/governance/how-fifa-works/index.html> (last visited Apr. 12, 2016). The head of FIFA is the President, who is elected for four years by member associations represented at the FIFA Congress who are eligible to vote. *Id.* Beneath the President is Congress, which is FIFA’s supreme body and is primarily responsible for developing the game of soccer. *Id.* Lastly, FIFA is comprised of an Executive Committee, chaired by the FIFA President, who provide a forum for all of the confederations. *Id.* The Executive Committee is advised by twenty-two

Lauren Holiday scored again.⁵ That wasn't all; just fifteen minutes into the game, Carli Lloyd scored again—from midfield—achieving the first hat trick⁶ in a Women's World Cup final and the fastest hat trick in any World Cup game.⁷ The United States ended up winning the championship 5–2.⁸ The 2015 Women's FIFA World Cup final had the largest television viewership of any soccer game in American history.⁹ More than 750 million viewers total watched the FIFA Women's World Cup Canada 2015, making it the second most-watched FIFA competition ever.¹⁰

specialist standing committees, where representatives from the confederations and associations are able to express their views and requirements. *Id.* One of the confederations belonging to FIFA is the Confederation of North, Central American and Caribbean Association Football (“CONCACAF”). FIFA STATUTES, AUGUST 2014 Edition, *available at* http://resources.fifa.com/mm/document/affederation/generic/02/41/81/55/fifastatuten2014_e_neutral.pdf. FIFA also determines who can compete in their competitions. *Id.* One of the teams under CONCACAF includes the United States Soccer Federation, more commonly known as the United States National Soccer Team, and includes both the men's and women's Olympic qualifying teams. *Team USA Olympic Qualifying Women*, CONCACAF.COM, <http://www.concacaf.com/team/tusa/olympic-qualifying-women> (last visited Apr. 12, 2016).

⁴ Camila Domonoske, *U.S. Women Win World Cup Final 5-2, After Spectacular Start*, NPR (July 5, 2015, 8:13 PM), <http://www.npr.org/sections/thetwo-way/2015/07/05/420346946/u-s-women-lead-world-cup-final-5-2>.

⁵ *Id.*

⁶ Domonoske, *supra* note 4. A “hat trick” is when a player scores three goals in a single game.

⁷ *Id.*

⁸ *Id.*

⁹ Jack Martinez, *Inequality Hangs Over U.S. Women's World Cup Victory*, NEWS WEEK (July 7, 2015), <http://www.newsweek.com/inequality-hangs-over-us-womens-world-cup-victory-351085>. Approximately 23 million viewers tuned in to watch the final game. Bill Chappell, *U.S. Women's Soccer Team Members File Federal Equal-Pay Complaint*, NPR (Mar. 31, 2016; 10:36 AM), <http://www.npr.org/sections/thetwo-way/2016/03/31/472522790/members-of-u-s-women-s-national-team-file-federal-equal-pay-complaint>. For comparison, the 2014 World Series' Game 7 attracted 23.5 million viewers. *Id.*

¹⁰ *Record-breaking FIFA Women's World Cup tops 750 million TV viewers*, FIFA.COM (Dec. 17, 2015), <http://www.fifa.com/womensworldcup/news/y=2015/m=12/news=record-breaking-fifa-women-s-world-cup-tops-750-million-tv-viewers-2745963.html>.

Although the United States' Women's National Soccer Team now holds an unprecedented three championships in the Women's World Cup, gender inequality still exists between the men and women soccer players. This has prompted two recent lawsuits: The first was filed by 80 international women's soccer players against FIFA and the Canadian Soccer Association ("CSA")¹¹ prior to the start of the 2015 Women's World Cup, and the second was filed by U.S. women's soccer players on March 30, 2016 against U.S. soccer.¹² This Note will focus on the first lawsuit, filed against

¹¹ Hampton Dellinger, *The Grass Ceiling: How to Conquer Inequality in Women's Soccer*, THE ATLANTIC (July 5, 2015), <http://www.theatlantic.com/entertainment/archive/2015/07/womens-soccer-world-cup-fifa-lawsuit/397592/>.

¹² Matt Bonesteel, *Five U.S. women's soccer players file wage discrimination complaint*, THE WASH. POST (Mar. 31, 2016), <https://www.washingtonpost.com/news/early-lead/wp/2016/03/31/five-u-s-womens-soccer-players-file-wage-discrimination-complaint/>. The complaint was submitted to the Equal Employment Opportunity Commission on March 30, 2016 and alleged pay discrimination. Andrew Das, *Top Female Players Accuse U.S. Soccer of Wage Discrimination*, THE N.Y. TIMES, (Mar. 31, 2016), http://www.nytimes.com/2016/04/01/sports/soccer/uswnt-us-women-carli-lloyd-alex-morgan-hope-solo-complain.html?_r=0. It was filed by five U.S. Women's National Team soccer players against U.S. Soccer, the governing body for soccer in America, alleging pay discrimination. *Id.* The players who filed the complaint were Carli Lloyd, Hope Solo, Alex Morgan, Megan Rapinoe, and Becky Sauerbrunn. *Id.* The complaint alleges that the U.S. Men's National Team players receive a minimum \$5,000.00 per game, regardless if they win, lose, or tie. Mary Pilon, *US women's soccer players sue over pay gap*, POLITICO (Mar. 31, 2016, 8:01 PM), <http://www.politico.eu/article/us-womens-soccer-players-sue-over-pay-gap/>. The men can also earn as much as \$17,625.00 for an exhibition match against a top opponent. Chris Isidore, *U.S. women soccer players charge pay discrimination*, CNN MONEY (Mar. 31, 2016, 3:06 PM), <http://money.cnn.com/2016/03/31/news/companies/womens-soccer-equal-pay/>. On the other hand, women are paid a maximum of \$4,950.00 even if they win every game, and they're only paid for the first twenty exhibition games they play each year, unlike the men who are paid no matter how many exhibition games they play. *Id.* Also, while U.S. Soccer isn't entirely responsible for winnings earned by each team at the World Cup (that's something that is up to FIFA), it is worth noting that the U.S. Men's Team earned \$9 million in the 2014 World Cup for losing in the round of 16 while the U.S. Women made only \$2 million for winning the entire thing. *Id.* Of course critics will quickly point out that the women make less because they don't bring in as much revenue; however, the U.S. Soccer Federation's most recent annual report had initially

FIFA and the CSA, specifically in regards to the hazards associated with playing on turf and how FIFA forcing the women to play on it could be a hostile work environment.

The first lawsuit was filed in the wake of FIFA announcing that the 2015 Women's World Cup games would be played on artificial turf, rather than on a grass field.¹³ Every men's World Cup since 1930 has been played on grass, and the men's World Cup tournaments scheduled for 2018 and 2022 will also be played on grass.¹⁴ Further, FIFA spent \$2 million to install natural grass over artificial turf in both Detroit and New Jersey for the 1994 Men's World Cup, but declined to do so for the women.¹⁵ The conflict and lawsuit from the 80 international women soccer players was subsequently dubbed the "Turf War."¹⁶

However, there is more to the Turf War than the discrimination between the men's and women's soccer team: Turf may pose health risks as well.¹⁷ For example, Kelly Bendixen, a notable goalkeeper coach who resides in Washington State and has trained

projected a \$429,929 net loss for the national teams for the 2016 fiscal year, but "thanks almost exclusively to the women's team's success," the federation projects a profit of \$17.7 million. Mary Pilon, *US women's soccer players sue over pay gap*, POLITICO (Mar. 31, 2016, 8:01 PM), <http://www.politico.eu/article/us-womens-soccer-players-sue-over-pay-gap/>. The women's team is anticipated to generate a net profit of \$5 million compared to a net loss of nearly \$1 million for the men's team. *Id.*

¹³ See Dr. David Geier, *Grass v. artificial turf: Battle heats up for Women's World Cup*, THE POST & COURIER (Oct. 2, 2014, 12:32 PM), <http://www.postandcourier.com/article/20141002/PC20/141009863>.

¹⁴ *Id.*; Jeff Kassouf, *Players Officially File Lawsuit Against FIFA, CSA Over Artificial Turf at 2015 Women's World Cup*, THE EQUALIZER (Oct. 1, 2014), <http://equalizersoccer.com/2014/10/01/players-officially-file-lawsuit-against-fifa-csa-over-artificial-turf-at-2015-womens-world-cup/>; Marc Lancaster, *Women's World Cup turf war lingers as tournament begins*, SPORTING NEWS (June 3, 2015), <http://www.sportingnews.com/soccer/story/2015-06-03/womens-world-cup-turf-war-fifa-canada-artificial-turf-natural-grass>.

¹⁵ See Kassouf, *supra* note 14.

¹⁶ See *Id.*

¹⁷ Jared Firestone, *Artificial Turf Cancer Lawsuit: Toxic Compounds May be Linked to Cancer*, THE EXPERT INSTITUTE (Aug. 3, 2015), <https://www.theexpertinstitute.com/artificial-turf-cancer-lawsuit-toxic-compounds-may-be-linked-to-cancer/>.

the likes of Tally Hall¹⁸ and Hope Solo,¹⁹ has seen the dangerous effects of artificial turf first hand. He has attended four funerals of young soccer players, all with some form of cancer, and has known countless others who have been diagnosed.²⁰ As a coach, he knows eight children who have cancer, and they are all goalkeepers.²¹ Kelly emphasizes that he's not a scientist or a doctor, but he does know that there is a "high population of goalkeepers who are coming down with cancer."²² He just wants to know the truth: "is [turf] good or is it bad for us?"²³

At the forefront of this issue is Amy Griffin, a former goalkeeper for the United States Women's National Team and a member of the University of Washington's coaching staff since 1996.²⁴ In 2009, two young goalkeepers Amy knew were

¹⁸ Tally Hall is a men's American professional soccer player in Major League Soccer (MLS) and is a goalkeeper. *Tally Hall*, MLSSOCCER.COM, <http://www.mlssoccer.com/players/tally-hall> (last visited Apr. 12, 2016). While playing for the Houston Dynamo, he helped lead the team to two straight MLS Cups in 2011 and 2012. *Id.* He then went on to set club records for shutouts (not having any goals scored on him in a game) in a regular season, among other awards. *Id.* In 2016, he started playing for D.C. United. *Id.*

¹⁹ Hope Solo is a women's American professional soccer player who plays for the Seattle Reign in the Women's United Soccer Association and is also the starting goalkeeper for the United States Women's National Soccer Team. *About Hope*, HOPESOLO.COM, <http://hopesolo.com/about/> (last visited Apr. 12, 2016); *Roster*, REIGNFC.COM, <https://www.reignfc.com> (last visited Apr. 12, 2016). She is a three-time Olympic medalist in soccer and winner of the 2011 and 2015 FIFA World Cup Golden Glove Awards. *About Hope*, HOPESOLO.COM, <http://hopesolo.com/about/> (last visited Apr. 12, 2016). In 2015, she and the U.S. Women's National Soccer Team won its first World Cup Championship since 1999. *Id.* She was awarded the Golden Glove Award for her performance in the 2015 FIFA Women's World Cup. *Id.*

²⁰ Julie Foudy, *E60, The Turf War*, ESPN, available at <https://www.youtube.com/watch?v=91svvfuF7iY> (last visited Apr. 12, 2016).

²¹ *Id.*

²² *Id.*

²³ *Id.*

²⁴ *Amy Griffin*, GOHUSKIES.COM, <http://www.gohuskies.com/ViewArticle.dbml?ATCLID=208062771> (last visited Apr. 12, 2016).

diagnosed with Non-Hodgkin's Lymphoma.²⁵ Amy started to visit the women and other athletes in local hospitals when one day a nurse looked down at the woman Amy was sitting with and said, "Don't tell me you guys are goalkeepers. You're the fourth goalkeeper I've hooked up this week."²⁶ After the athletes who were diagnosed told Amy their suspicions about the crumb rubber (those little black dots) used in synthetic turf, Amy then started to keep track. She compiled a list of 187 total athletes, of which 150 are soccer players, and of that 150, 95 are goalkeepers.²⁷ She acknowledges that her list is not scientific data, but it is enough to question the safety of synthetic turf.²⁸ Studies sponsored by companies that manufacture turf have stated this small link between turf and cancer is not sufficient to demonstrate that turf causes cancer.²⁹ However, to-date, no studies of the long-term effects of playing on turf have been published. The toxicity of turf, which contains crumb rubber made from used scrap tire, can contain benzene, carbon black, lead, and other known carcinogens, but it has not been adequately studied.³⁰ Yet, turf continues to be rolled out. Children continue to play on it. Soccer players rub their open wounds over the surface each time they slide. Goalkeepers continue to swallow these used tired particles when they dive.

In an effort to bring to light the discrimination practices that professional athletes, particularly women, face and to prevent this generation's soccer players from becoming the guinea pigs for determining the true danger of turf, this Note seeks to make the Turf War both an issue about gender discrimination because of the disparate treatment of male and female soccer players, as well as an issue about the creation of a hostile work environment. Part II discusses the background of turf and the research that has been

²⁵ Hannah Rappleye, *How Safe is the Artificial Turf Your Child Plays On?*, NBC NEWS (Oct. 8, 2014; 5:00 PM), <http://www.nbcnews.com/storyline/artificial-turf-debate/how-safe-artificial-turf-your-child-plays-n220166>.

²⁶ *Id.*

²⁷ *Id.*; Foudy, *supra* note 20.

²⁸ Rappleye, *supra* note 25.

²⁹ It is also important to emphasize that these are studies that were sponsored by the turf companies themselves, not an independent third party, which raises bias concerns. *Id.*

³⁰ *Id.*

conducted so far. The EPA's endorsement of turf and the regulatory loopholes they provide to turf manufacturers will also be discussed. Part III examines the protections available to professional athletes from the Occupational Safety and Health Administration (OSHA) and under the National Labor Relations Act (NRLA). Part IV suggests that the federal government should not only fund more research into the long-term effects of artificial field turf, but should also enforce OSHA in regards to the work environments of professional athletes.

II. BACKGROUND

A. The Evolution of Turf: From Astroturf to Synthetic Turf

During the 1950's and 60's, the Ford Foundation began studying ways to improve physical fitness of young people.³¹ At the same time, the Chemstrand Company was developing new synthetic fibers to use as carpeting.³² Chemstrand was encouraged by the Ford Foundation to make a sports surface for schools, which Chemstrand began focusing on from 1962–1966.³³ As a result, Chemstrand developed a product called “Chemgrass.” After installing Chemgrass at a college preparatory school in Rhode Island in 1964, Chemgrass was renamed “Astroturf.”³⁴

In 1965, the Houston Colt .45s, a professional baseball team, built a new stadium and replaced the natural grass with Astroturf.³⁵ The new complex was effectively named the AstroDome and the team's name changed to the Houston Astros.³⁶ In the next few

³¹ Mary Bellis, *History of Astroturf*, ABOUT MONEY, <http://inventors.about.com/od/astartinventions/a/astroturf.htm> (last updated Oct. 23, 2015).

³² *Id.*

³³ *Id.*

³⁴ The United States Patent and Trademark Office issued the patent for “Chemgrass” in 1967. *Id.*

³⁵ *Id.*

³⁶ Bellis, *supra* note 31; David Schoenfield, *Houston Astros Consider Name Change*, ESPN Go (Jan. 24, 2012), http://espn.go.com/blog/sweetspot/post/_/id/20183/houston-astros-consider-name-change.

years, the number of turf fields in the United States drastically grew and evolved.³⁷ By the 1990's, synthetic turf³⁸ fields were created, which contain crumb rubber, or those "little black dots," unlike AstroTurf, which was hard and didn't contain crumb rubber.³⁹ There are currently more than 11,000 synthetic turf sports fields in use just in the United States.⁴⁰

The synthetic turf fields that contain crumb rubber are most concerning. These fields have three layers: a bottom layer composed of plastic sheeting; middle layers composed of crushed stones with plastic tubing for drainage and rubber padding for shock absorbance; and a top layer composed of plastic mesh with plastic strands that resemble blades of grass.⁴¹ After all of that is completed, crumb rubber infill is added to the top layer.⁴² Crumb rubber is recycled, chopped up *used tires*.⁴³ Crumb rubber contains polyaromatic hydrocarbons, phthalates, volatile organic compounds, zinc, iron, manganese, and lead.⁴⁴ Many of these chemicals are either known or suspected to cause health effects.⁴⁵

³⁷ *Frequently Asked Questions*, SYNTHETIC TURF COUNCIL, <http://www.syntheticurfCouncil.org/page/FAQs> (last visited Apr. 12, 2016). As of 2014, more than 11,000 synthetic turf sports fields are in use in the U.S. and most of them are crumb rubber. Hannah Rappleye, *How Safe is the Artificial Turf Your Child Plays On?*, NBC NEWS (Oct. 8, 2014, 5:00 PM), <http://www.nbcnews.com/storyline/artificial-turf-debate/how-safe-artificial-turf-your-child-plays-n220166>.

³⁸ For the purposes of this Note, the terms "synthetic turf" and "turf" will both refer to the turf that contains crumb rubber.

³⁹ *Frequently Asked Questions*, supra note 37.

⁴⁰ SYNTHETIC TURF COUNCIL, http://www.syntheticurfCouncil.org/?page=Sports_Fields (last visited Nov. 30, 2015).

⁴¹ THE N.Y. CITY DEP'T OF HEALTH & MENTAL HYGIENE, <http://www.nyc.gov/html/doh/html/environmental/turf.shtml> (last visited Nov. 30, 2015).

⁴² *Id.*

⁴³ *Id.* (emphasis added).

⁴⁴ *Id.*; SYNTHETIC TURF COUNCIL, supra note 40.

⁴⁵ Luz Claudio, *Synthetic Turf: Health Debate Takes Root*, 116 ENVTL. HEALTH PERSP. A 116, A 117 (2008), <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC2265067/pdf/ehp0116-a00116.pdf>.

On June 11, 2015, Dr. Gaboury Benoit, Ph.D., a Yale Professor of Environmental Chemistry and Engineering, led a study for Environment and Human Health, Inc. (Yale Study).⁴⁶ Dr. Benoit found 96 chemicals in the rubber tires used for synthetic turf and the surfacing of playgrounds.⁴⁷ Of those 96 chemicals, nearly half of them had no toxicity assessments done to measure their health effects.⁴⁸ Of the half that have had toxicity assessments, 20% were probable carcinogens; 40% were irritants; 24% were respiratory irritants, which cause asthma; 37% were skin irritants; and 27% were eye irritants.⁴⁹ Thus, for half of the chemicals, nothing is known of their possible toxic effects, and for the other half, there is scientific evidence of their toxic effects, while many possible effects are still unknown. When commenting on the study, Dr. Benoit made it a point to mention that the shredded tires used in synthetic turf “contain a veritable witches brew of toxic substances. It seems irresponsible to market a hazardous waste as a consumer product.”⁵⁰ Further, David Brown, Sc.D., a Public Health Toxicologist, explained that, based off of the Yale Study, “[i]t is reasonable to assume that persons playing on synthetic turf fields with rubber tire infill . . . are being exposed concurrently to multiple chemicals.”⁵¹ While these findings are recent, they, and the Turf War, aren’t the first to call into question the toxic effects of crumb rubber.

B. The Environmental Protection Agency’s Backing of Synthetic Turf Fields

The Environmental Protection Agency has previously dealt with the toxic effects of rubber in connection with North America’s, and the United States’, ongoing tire fire problem. One of the largest tire fires in North America occurred on March 1,

⁴⁶ ENV’T & HUMAN HEALTH, INC., http://www.ehhi.org/turf/new_study_jun2015.shtml (last visited Nov. 30, 2015).

⁴⁷ *Id.*

⁴⁸ *Id.*

⁴⁹ *Id.*

⁵⁰ *Id.*

⁵¹ *Id.*

1990 at a dump in Hagersville, Ontario.⁵² The fire lasted for 17 days, melted acres of used tires that were stacked 30 feet high, and caused thousands of pounds of chemicals to fill the sky with toxic smoke from the 14 million used tires that were involved in the fire.⁵³ In 1990, the Environmental Protection Agency (EPA) estimated that two to three billion used tires occupied dumps around the country and that the number grew by 280 million tires per year.⁵⁴ At the time, less than five percent of used tires were being recycled.⁵⁵

During 1989, the EPA stated that at least eighty-seven significant tire fires occurred in the United States, which was double the number from 1987.⁵⁶ With the number of used tires occupying dumps and number of tire fires rapidly growing, the EPA and other state regulators frantically began searching for a solution. One of these solutions included grinding used tires up into crumb rubber to be used on synthetic turf fields. Since 1991, the EPA has recommended the use of tire crumbs for playground surfaces.⁵⁷

The EPA was quick to rejoice in this newfound way to recycle used tires and prevent future tire fires and, as of 2014, ninety percent of the tire piles were gone.⁵⁸ Of course, there are other ways in which tires are recycled, such as to create asphalt and floor mats. However, synthetic turf was an additional, happily accepted

⁵² Keith Schneider, *Worst Tire Inferno Has Put Focus on Disposal Problem*, THE N.Y. TIMES (Mar. 2, 1990), <http://www.nytimes.com/1990/03/02/us/worst-tire-inferno-has-put-focus-on-disposal-problem.html>.

⁵³ *Id.*

⁵⁴ *Id.*

⁵⁵ *Id.*

⁵⁶ *Id.*

⁵⁷ Memorandum from Stephen S. Tuber, Assistant Reg'l Adm'r, Office of P'ships and Regulatory Assistance, U.S. EPA, to Charles M. Auer, Dir., Office of Pollution Prevention & Toxic Substances Et , Donna DeLeone, Acting Dir., Office of Children's Health Prot., and Matt Hale, Dir., Office of Solid Waste (Jan. 17, 2008),

http://www.peer.org/assets/docs/epa/09_1_6_epa_tire_warnings.pdf.

⁵⁸ Jim Motavalli, *America's tire mountains: 90 percent are gone, thanks to recycling programs*, Mother Nature Network (Apr. 2, 2014, 9:14 AM), <http://www.mnn.com/lifestyle/recycling/blogs/americas-tire-mountains-90-percent-are-gone-thanks-to-recycling-programs>.

alternative to what was at one time a major concern for the EPA.⁵⁹ The problem, unlike asphalt and floor mats, is that athletes swallow and rub their open wounds in synthetic turf, particularly goalkeepers, who get cut more easily each time they dive and who essentially train non-stop by falling to the ground.

After a few years of using synthetic turf and crumb rubber to address the used tire dilemma, reports began filing into the EPA. Citizens and public health officials had questions regarding the risks to children from tire crumb products.⁶⁰ As a result, on January 17, 2008, a memorandum from the EPA, Region 8 in Denver, Colorado was sent to the Directors of the Office of Pollution Prevention & Toxic Substances, the Office of Children's Health Protection, and the Office of Solid Waste.⁶¹ The memorandum noted that EPA staff reviewed the research published at the time regarding the safety of tire crumbs and "found information suggesting that children's chronic, repeated exposure to tire crumb could present health hazards."⁶²

While the memorandum also stated that at the time there was insufficient data to quantify toxicological risks, it also recognized that "the growing interest and concern about possible toxicological risks of certain crumb rubber applications suggest[ed] that it would be prudent for [the] EPA to look further into its safety and make sure that there is a scientific basis for EPA's promotion of certain uses of the product."⁶³ The memorandum shows that not only were there growing concerns surrounding crumb rubber in other regions of the EPA, but also that Region 8 recommended that various EPA offices work together to collect data on the issue.⁶⁴ Nonetheless, no research was ever commissioned by the EPA.

Although the EPA was aware of the potential hazards of crumb rubber, they are getting away with endorsing crumb rubber because they are benefiting from a regulatory loophole. Under a revised rule of the Resource Conservation and Recovery Act (RCRA),

⁵⁹ *Id.*

⁶⁰ Memorandum, *supra* note 57.

⁶¹ *Id.*

⁶² *Id.*

⁶³ *Id.*

⁶⁴ *See id.*

enacted to establish a system for controlling hazardous waste, recycling hazardous waste, such as tire crumbs, may be considered exempt from RCRA requirements.⁶⁵ Moreover, the EPA's rule allows the synthetic turf manufacturers themselves to decide whether or not RCRA should apply; therefore, it's not surprising that there has been little to no regulation of synthetic turf in addition to minimal testing of tire crumbs throughout the years.⁶⁶

Under 42 U.S.C. § 6903(27), "solid waste" is any "garbage, refuse, sludge from a waste treatment plant, water supply treatment plant, or air pollution control facility and other discarded material, including solid, liquid, semisolid, or contained gaseous material resulting from industrial, commercial, mining, and agricultural operations, and from community activities"⁶⁷ Additionally, "hazardous waste" means:

A solid waste, or combination of solid wastes, which because of its quantity, concentration, or physical, chemical, or infectious characteristics may . . .

(A) cause, or significantly contribute to an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness; or

(B) pose a substantial present or potential hazard to human health or the environment when improperly treated, stored, transported, or disposed of, or otherwise managed.⁶⁸

Crumb rubber is produced by reducing scrap tires down to about 1/4 inch.⁶⁹ There are two common processes for manufacturing crumb rubber: ambient grinding and cryogenic processing.⁷⁰ In ambient grinding, the rubber from the tires remains at room temperature and enters a cracker mill or

⁶⁵ ENV'T & HUMAN HEALTH, INC., http://www.ehhi.org/turf/how_government.shtml (last visited Nov. 30, 2015).

⁶⁶ *Id.*

⁶⁷ 42 U.S.C. § 6903(27) (2012).

⁶⁸ 42 U.S.C. § 6903(5) (2012).

⁶⁹ *Crumb Rubber Information*, SCRAP TIRE NEWS, <http://www.scraptirenews.com/crumb.php> (last visited Apr. 14, 2016).

⁷⁰ *Id.*

granulator.⁷¹ There are typically three machines involved in this process. the first machine will cut up the tires into small chips.⁷² The second machine will then grind the chips to separate the rubber from the metal and fabric.⁷³ The third and final machine will grind the material to the required size specification.⁷⁴ In the cryogenic process, on the other hand, the tires are processed at very low temperatures, typically -80 to -120° Celsius.⁷⁵ Additionally, liquid nitrogen or commercial refrigeration methods are used to break down the rubber; the rubber is then processed and broken down further to the desired size.⁷⁶ As of 2016, there was no U.S. standard for processing crumb rubber;⁷⁷ most manufacturers have their own processing system.⁷⁸

As such, the crumb rubber infill used on synthetic turf is a discarded material resulting from an industrial community activity (since used tires come from cars and from the crumb rubber industry) for purposes of 42 U.S.C. § 6903(27). Additionally, in light of the findings from the Yale Study, it can be classified as a hazardous waste under 42 U.S.C. § 6903(5).

Under a revised rule to the definition of solid waste under Subtitle C of the Resource Conservation and Recovery Act (RCRA), the EPA excluded from regulation under the RCRA some hazardous waste that is “legitimately” recycled.⁷⁹ Further, “if a hazardous secondary material has been reclaimed and made into a product that will be used by children, and that product contains hazardous constituents that are not in analogous products, that product will *likely* need to be closely scrutinized.”⁸⁰ The EPA does

⁷¹ *Id.*

⁷² *Id.*

⁷³ *Id.*

⁷⁴ *See id.*

⁷⁵ In Fahrenheit, this is -176° to -248°. *Id.*

⁷⁶ *Id.*

⁷⁷ *Id.*

⁷⁸ *Id.*

⁷⁹ 40 C.F.R. § 261.2(a)(2)(ii) (2008); Revision to the Definition of Solid Waste, 73 Fed. Reg. 64668-01, 64669 (to be codified at 40 C.F.R. pt. 261.2).

⁸⁰ Revisions to the Definition of Solid Waste, 73 Fed. Reg. at 64706 (emphasis added).

not *prohibit* the incorporation of hazardous constituents into these products, nor do they *guarantee* a close scrutiny of these recycled products.⁸¹ This has effectively resulted in manufacturers who use hazardous wastes to make products for children, such as turf, no longer being subjected to RCRA requirements.⁸² Although many commenters argued that the EPA had no authority under RCRA to exclude hazardous secondary materials from the definition of solid waste prior to the adoption of this revised rule, the EPA disagreed.⁸³ The commenters argued that “Congress intended for hazardous secondary materials to be classified as solid wastes even when they are recycled,” but the EPA defended the legality of their actions by citing *Safe Food and Fertilizer v. EPA*.⁸⁴ In *Safe Food and Fertilizer*, nonprofit organizations petitioned for review of an EPA rule excluding recycled materials used to make zinc fertilizers from Subtitle C of RCRA.⁸⁵ The court upheld this exclusion by stating that the EPA concluded that the materials were not solid waste.⁸⁶ This, the EPA stated, gave them the “authority to determine which types of recycling do not involve discard and, therefore, which types of hazardous secondary materials are not solid wastes.”⁸⁷

The result: since crumb rubber is “legitimately” recycled under EPA standards, the manufacturers of synthetic turf do not have to follow the guidelines and regulations set forth under the RCRA.

⁸¹ Revisions to the Definition of Solid Waste, 73 Fed. Reg. at 64712; Letter from Abigail Dillen, Vice President of Litig. for Climate & Energy, and John DeCock, President of Clean Water Action, to Lisa Jackson, Adm’r of the Env’tl. Prot. Agency (Apr. 20, 2009), <http://earthjustice.org/sites/default/files/library/signon/letter-to-lisa-jackson-on-definition-of-solid-waste-rule.pdf>.

⁸² Letter from Abigail Dillen, *supra* note 81.

⁸³ Revisions to the Definition of Solid Waste, 73 Fed. Reg. at 64718.

⁸⁴ *Id.*

⁸⁵ *Safe Food & Fertilizer v. EPA*, 350 F.3d 1263, 1265 (D.C. Cir. 2003).

⁸⁶ *Id.*

⁸⁷ Revisions to the Definition of Solid Waste, *supra* note 83.

III. ATHLETE PROTECTIONS UNDER OSHA

Following the asbestos litigation in the early 1990s and studies linking it to numerous harmful side effects, strict standards regarding asbestos in the workplace were implemented by the government. Currently, an employer must ensure that none of their employees are exposed to airborne asbestos in excess of 0.1 fiber per cubic centimeter of air for more than 8 hours.⁸⁸ An employer is also barred from exposing their employees to airborne asbestos in excess of 1.0 fiber per cubic centimeter of air for greater than thirty minutes.⁸⁹ Occupational Safety and Health Administration (OSHA) goes on to define asbestos-containing material as any material containing more than 1% asbestos.⁹⁰ Wherever there is a danger of asbestos exposure, employers are required to post warning signs bear the following: “DANGER [] ASBESTOS [] MAY CAUSE CANCER [] CAUSES DAMAGE TO LUNGS [] AUTHORIZED PERSONNEL ONLY.”⁹¹ Crumb rubber and synthetic turf, by contrast, has no such requirement.

Even given all of the protections OSHA offers employees, in most cases it “does not take enforcement action with regard to professional athletes.”⁹² The reasoning for this exclusion relates to the legal definition of “employee.”⁹³

In July 2015, the U.S. Department of Labor issued guidance regarding classification of workers versus independent contractors established cause to re-examine worker classification.⁹⁴ The guidance letter set forth factors to be considered in determining whether workers are employees, including the following: (1) the

⁸⁸ 29 CFR § 1910.1001(c)(1) (2012).

⁸⁹ 29 CFR § 1910.100(c)(2) (2012).

⁹⁰ 29 CFR § 1910.1001(b) (2012).

⁹¹ 29 CFR § 1910.1001(j)(4)(ii)(A) (2012).

⁹² Letter from Richard E. Fairfax, OSHA Dir. of Directorate of Enf't Programs, to Robert Van Laanen (Sept. 12, 2008), https://www.osha.gov/pls/oshaweb/owadisp.show_document?p_table=INTERP_RETATIONS&p_id=27301.

⁹³ *Id.*

⁹⁴ Judy Greenwald, *DOL Leads Firms to Evaluate Independent Contractors*, BUS. INS.: RISK MGM'T (July 21, 2014, 10:51 a.m.), <http://www.businessinsurance.com/article/20150721/NEWS06/150729962/1241>

extent to which the work performance is an integral part of the employer's business; (2) the worker's opportunity for profit or loss depending on his or her managerial skill; (3) the extent of the relative investments of the employer and the worker; (4) whether the work performed requires special skills and initiatives; (5) the permanency of the relationship; and (6) the degree of control exercised or retained by the employee.⁹⁵ Further, the IRS defines a common-law employee as anyone who performs services, if the employer can control what will be done and how it will be done.⁹⁶ Persons are still employees even if they are given freedom of action, as long as the employer has the right to control the details of how the services are performed.⁹⁷ Based on this understanding of an employee, soccer players should be considered employees. FIFA creates the rules of soccer, explicitly defining how a soccer player's "services" can be performed. Not only that, but FIFA is in charge of all of the international soccer matches, thereby controlling who can compete and how they can compete in these prestigious competitions, which includes the World Cup.

The National Labor Relations Act (NLRA) distinguishes between an employee and an independent contractor.⁹⁸ For instance, employees have rights of organization and collective bargaining whereas independent contractors don't and are excluded from NLRA coverage.⁹⁹ The test for determining whether an individual is an employee or an independent contractor was examined in *NLRB v. United States Co. of America*, which held that the common law agency test applies.¹⁰⁰ Following that case, the National Labor Relations Board (NLRB) decided to follow a nonexclusive list of factors from the Restatement (Second) of

⁹⁵ *Id.*

⁹⁶ INTERNAL REVENUE SERV., <https://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/Employee-Common-Law-Employee> (last updated Oct. 4, 2016).

⁹⁷ *Id.*

⁹⁸ 29 U.S.C. § 152(3) (2016) ("The term 'employee' . . . shall not include . . . any individual having the status of an independent contractor . . ."); Hiroshi Motomura, Comment, *Employees and Independent Contractors Under the National Labor Relations Act*, 2 BERKELEY J. EMP. & LAB. L. (1977).

⁹⁹ *Id.*

¹⁰⁰ *NLRB v. United Ins. Co. of Am.*, 390 U.S. 254, 256 (1968).

Agency in determining whether an individual is an employee or independent contractor:

- 1) The extent of control which, by the agreement, the master may exercise over the details of the work.
- 2) Whether or not the one employed is engaged in a distinct occupation or business.
- 3) The kind of occupation, with reference to whether, in the locality the work is usually done under the direction of the employer or by a specialist without supervision.
- 4) The skill required in the particular occupation.
- 5) Whether the employer or the workman supplies the instrumentalities, tools, and the place of work for the person doing the work.
- 6) The length of time for which the person is employed.
- 7) The method of payment, whether by the time or by the job.
- 8) Whether or not the work is part of the regular business of the employer.
- 9) Whether or not the parties believe they are creating the relation of master and servant.
- 10) Whether the principal is or is not in the business.¹⁰¹

Simply put, OSHA does not consider professional athletes employees, and instead classifies them as “independent contractors” outside their regulatory authority and protection.¹⁰² In an interpretation letter, OSHA stated that the classification of an individual as an employee or independent contractor “must be made on a case-by-case basis after considering all of the circumstances affecting the relationship between the teams and

¹⁰¹ *Roadway Package Sys., Inc. and Teamsters Local 63*, 326 N.L.R.B. 842 at 849-50 (1998); Restatement (Second) of Agency § 220 (*Roadway Package Sys., Inc.* 326 N.L.R.B. 842 at 849-50 (1998)); Restatement (Second) of Agency § 220 (1958).

¹⁰² Fairfax, *supra* note 92.

their players and applying the common law factors.”¹⁰³ Based on this, OSHA has jurisdiction to regulate professional sports if the athletes are determined to be employees, but this will be done on a case-by-case basis and precedent suggests that OSHA is hesitant to interfere in the professional sports arena.¹⁰⁴

Previous case-by-case interpretations of professional athletes as independent contractors have pertained to instances where, for example, a baseball player was hit by a broken bat, or where a firm who insured some professional sports teams had concerns that teams omitted information on the injuries and illnesses of their players.¹⁰⁵ This is a far cry from the troubling concerns raised by artificial field turf, which is more comparable to asbestos than it is to a broken bat.

Further, OSHA defines a hazard as a potential for harm and states that it is associated with a condition that, if left uncontrolled, could result in injury or illness.¹⁰⁶ When determining what kind of jobs are given priority in conducting job hazard analyses, OSHA has a general duty clause that specifically lists “[j]obs with the potential to cause severe or disabling injuries or illness, even if there is no history of previous accidents.”¹⁰⁷ Synthetic turf has the potential to cause severe illness—such as cancer—and even though there is little evidence directly linking cancer to turf and previous “accidents,”¹⁰⁸ there is enough to raise concern and no history of previous accidents is even required. Additionally, it is the employer’s responsibility to “provide a workplace free from

¹⁰³ *Id.*

¹⁰⁴ Jon Hyman, *OSHA and Pro Sports—Are Concussions the NFL’s Black Lung*, LEXISNEXIS LEGAL NEWSROOM (Mar. 18, 2015, 2:09 p.m.), <http://www.lexisnexis.com/legalnewsroom/labor-employment/b/labor-employment-top-blogs/archive/2015/03/18/osha-and-pro-sports-are-concussions-the-nfl-s-black-lung.aspx>.

¹⁰⁵ Fairfax, *supra* note 92; Letter from Frank Frodyma, OSHA Acting Dir. of Directorate of Evaluation and Analysis, to Dave Chamberlain, Dir. of Loss Control Servs. (June 23, 2003), https://www.osha.gov/pls/oshaweb/owadisp.show_document?p_table=INTERP_RETATIONS&p_id=24901.

¹⁰⁶ U.S. Dep’t of Labor, Occupational Safety & Health Admin., Job Hazard Analysis (2002) (revised), <https://www.osha.gov/Publications/osha3071.html>.

¹⁰⁷ *Id.*

¹⁰⁸ *See id.*

serious recognized health standards” and employers with hazardous chemicals in the workplace, such as known carcinogens found in tire crumbs, “must develop and implement a written hazard communication program.”¹⁰⁹

Thus, while OSHA may be hesitant to adopt a broad range rule that applies to all athletes, the inclusion of this general duty clause still gives them jurisdiction in the professional sports realm.¹¹⁰ In fact, OSHA used this clause to cite SeaWorld of Florida following the death of a trainer.¹¹¹ In that case, SeaWorld of Florida was cited for three safety violations, and the total penalty was \$75,000.00.¹¹² OSHA further elaborated that “SeaWorld recognized the inherent risk of allowing trainers to interact with potentially dangerous animals [killer whales] Nonetheless, it required its employees to work within the pool walls, on ledges and on shelves.”¹¹³ The incident involved a killer whale that grabbed a trainer and pulled her under the water and repeatedly struck and thrashed the trainer. The trainer died as a result.¹¹⁴ After an investigation by OSHA, it was determined that the whale had also been one of three killer whales involved in the death of a trainer in 1991; that SeaWorld had forbidden trainers from swimming with this whale, but allowed them to interact with it in shallow water; and that SeaWorld trainers had an “extensive history of unexpected and potentially dangerous incidents involving killer whales at its various facilities.”¹¹⁵ Les Grove, OSHA’s director in Tampa, Florida, said, “All employers are obligated to assess potential risks to the safety and health of their

¹⁰⁹ U.S. DEP’T OF LAB., <https://www.osha.gov/as/opa/worker/employer-responsibility.html> (last visited Nov. 30, 2015).

¹¹⁰ Hyman, *supra* note 104.

¹¹¹ Citation & Notification of Penalty from U.S. Dep’t of Lab. Occupational Safety & Health Admin., to Sea World of Fla., LLC (Aug. 23, 2010), <https://www.osha.gov/dep/citations/seaworld-citation-notification-of-penalty.pdf>.

¹¹² New Release, U.S. Dep’t of Labor, U.S. Labor Department’s OSHA cites Seaword of Florida following animal trainers death (Aug. 23, 2010), *available at* https://www.osha.gov/pls/oshaweb/owadisp.show_document?p_table=NEWS_RELEASES&p_id=18207.

¹¹³ *Id.*

¹¹⁴ *Id.*

¹¹⁵ *Id.*

employees and take actions to mitigate those risks.”¹¹⁶ So, if OSHA can use this clause to regulate the entertainment industry, it can certainly be used to protect professional athletics from being exposed to known carcinogens.¹¹⁷ Yet, they decline to do so.

FIFA and other professional sports organizations have the money¹¹⁸ and resources¹¹⁹ to provide a workplace free from serious health standards, as they have demonstrated when they replaced synthetic turf with natural grass in the 1994 Men’s World Cup.¹²⁰ But FIFA chose not to replace the fields for the Women’s World Cup and instead compelled the women’s teams to play on hazardous turf. Aside from the blatant gender discrimination being employed by FIFA by requiring the women to play on turf but

¹¹⁶ *Id.*

¹¹⁷ Hyman, *supra* note 104.

¹¹⁸ From 2011–2014, FIFA made a profit of \$338 million and they made a net profit of \$2.6 billion from the 2014 World Cup alone. Paul Sargeant, *How Fifa makes and spends its money*, BBC NEWS (May 29, 2015), <http://www.bbc.com/news/world-europe-32923882>. Further, in 2015, U.S. and Swiss authorities began investigating FIFA senior officials for accepting bribes and kickbacks estimated at more than \$150 million over a 24-year period, so people really don’t know how much FIFA is making due to their corrupt practices, but it is clearly a ton. *Id.*

¹¹⁹ FIFA’s objectives are: (a) to improve the game of [soccer] constantly and promote it globally . . . ; (b) to organize its own international competitions [mainly, the World Cup]; (c) to draw up regulations and provisions and ensure their enforcement [this includes creating the actual rules of the game of soccer]; (d) to *control* every type of Association Football [also known as soccer] by taking appropriate steps to prevent infringements of the Statutes, regulations or decisions of FIFA or of the Laws of the Game; (e) to promote integrity, ethics and fair play” FIFA STATUTES (Apr. 2015 ed.) (emphasis added) (on file with author), *available at* http://www.fifa.com/mm/Document/AFFederation/Generic/02/58/14/48/2015FIFAStatutesEN_Neutral.pdf. FIFA reach extends to multiple countries, including the U.S., since they are the governing body of soccer. *See supra* note 3 and accompanying text. Not only that but “FIFA’s immense geographical reach has given it the financial resources and clout to withstand any outside efforts to impose reforms – and to argue it is capable of policing itself.” Martin Maximino, *Corruption, sports and FIFA: Research roundup*, JOURNALIST’S RESOURCE (June 15, 2015), <http://journalistsresource.org/studies/society/culture/corruption-sports-fifa-research-roundup>. They have an immense amount of “control” over the game of soccer and, because of that, have a vast amount of resources.

¹²⁰ *See* Kassouf, *supra* note 14.

replacing turf with natural grass for the men, they subjected their athletes to known carcinogens. Employers, including both FIFA and U.S. Soccer, since U.S. Soccer is a member of FIFA,¹²¹ aren't providing a safe workplace, so OSHA can, and should, step in.

IV. PROPOSAL

Given the startling, serious concerns surrounding synthetic turf and the remarkable cover-up and loopholes the EPA has employed in efforts to get rid of tires, not only should the government fund further research into the link between synthetic turf and cancer, but OSHA should protect the athletes who are forced to play on this surface. In doing so, perhaps we could stop the serious exposure to crumb tire from continuing to recur before they reach the drastic levels that we saw with asbestos. If OSHA enforces this duty to avoid exposing employees to hazardous material, then turf fields across the country will quickly be reverted to grass or another alternative to enable professional soccer, football, baseball, and other sports teams to be able to play. This includes practice fields and not just game fields and stadiums. While there may be a concern that reverting fields to grass is not practical in certain rainy climates, there is a new alternative to the crumb tires used in turf. In fact, in response to the growing concerns of crumb rubber in synthetic turf, on June 16, 2015, the Parks and Recreation Commission in Long Beach California authorized the recommendation of coconut-based fiber to be used rather than crumb rubber.¹²² While the life span of the coconut-based fiber infill is only 2 to 3 years, as opposed to 10 years with crumb rubber, and costs about \$50,000.00 more, the alternative of exposing children and athletes to cancer has a much higher cost.¹²³ The company leading this revolution, GeoFill, has installed other

¹²¹ See *supra* note 3 and accompanying text.

¹²² Jason Ruiz, *Parks and Recreation Commission Proposes Organic Filler for Synthetic Turf Projects*, LONG BEACH POST (June 16, 2015, 10:47 AM), <http://lbpost.com/news/city/2000006350-parks-and-recreation-commission-proposes-organic-filler-for-synthetic-turf-projects>.

¹²³ *Id.*

coconut-based fields across the United States.¹²⁴ Similar to crumb rubber, the GeoFill infill system is made up of three layers: 100% organic materials consisting of coconut fibers, sand, and a pad layer for shock absorption.¹²⁵

In return, these practice fields, which at times are used by children and college athletics teams, will also aid in reducing the exposure of the harmful chemicals found in synthetic turf in children as well. As a result, not only will professional athletes no longer be exposed to the harms of turf, but the next may not have generation to worry about being lab rats before more effective legislation, similar to asbestos, steps in.

V. CONCLUSION

Given the high toxicity rates in crumb rubber in addition to OSHA's guidelines for employers' responsibilities for preventing illness and injuries, FIFA's use of artificial turf during the 2015 Women's World Cup not only amounts to gender discrimination, but also to the creation of a hostile work environment. While the 2015 Women's World Cup was hosted by Canada, numerous FIFA tournaments, including the U.S. Women's United States Victory Tour, were played in the United States. As such, the United States should not only fund more research into the negative implications of crumb rubber, but should replace the current crumb rubber synthetic turf fields to avoid continued hostile work environment conditions for professional athletes.

¹²⁴ *Project: Soccer*, SHAW SPORTS TURF, <http://www.shawsturf.com/soccer/> (last visited Nov. 30, 2015).

¹²⁵ *Tech & Innovations: Geofill*, SHAW SPORTS TURF, <http://www.shawsturf.com/geofill/#> (last visited Nov. 30, 2015).

**VARYING VERNACULARS: HOW TO FIX THE
LANHAM ACT’S WEAKNESS EXPOSED BY THE
WASHINGTON REDSKINS**

DUSTIN OSBORNE*

ABSTRACT

In a relatively recent well-publicized decision, the Washington Redskins’ trademark registration was stripped under the Trademark Act of 1946, also known as the Lanham Act. With the team currently appealing to the 4th Circuit Court of Appeals, however, this cancellation does not take place until the judicial review is complete. This Note critiques the Lanham Act and argues that the test should be whether the mark is disparaging today as opposed to when it was originally registered.

This Note asserts that because language is constantly changing in society, it makes more sense to look at how a term or phrase is viewed in today’s society. A bill was proposed in the House in 2013, attempting to amend the Lanham Act to specifically deem “Redskin” a disparaging term. This Note suggests that this is too under-inclusive and that such a measure would not prevent this issue from recurring.

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INTRODUCTION

As of 2016, the Washington Redskins stand to lose much more than just the NFC East – they could lose their name. On June 18, 2014, the U.S. Patent and Trademark Office (“USPTO”) cancelled six trademark registrations for the team on the grounds that the name is “disparaging to Native Americans.”¹ In this determination, the Trademark Trial and Appeal Board (“TTAB”) looked at evidence such as the logo appearing prominently on the team’s helmets, the marching band wearing Native American headdresses as part of its uniform, the dance team wearing costumes suggestive of Native Americans, and the press guides displaying Native American imagery.²

Furthermore, on July 8, 2015, the District Court for the Eastern District of Virginia upheld the TTAB decision, finding that the challengers had met the legal requirements to prove “disparagement.”³ If this decision is upheld again on appeal, then federal law will prohibit the trademark protection for “Redskins.”⁴ The debate over the name “Redskins,” however, has continued to escalate over the years and throughout the appeal with both sides of the argument standing their ground.

On the one side, the argument is that the term “Redskins” disparages Native Americans. At the forefront of this argument are the groups of Native Americans protesting the use of the “Redskins” name.⁵ The largest of these protests occurred on November 2, 2014, when the demonstrators stood outside of the Washington stadium and yelled the question “[w]ho are we?” and responded with “[n]ot your mascots!” to the hundreds of Redskins

¹ *Blackhorse v. Pro-Football, Inc.*, 111 U.S.P.Q.2d (BNA) 1080, 1114 (T.T.A.B. 2014).

² *Id.* at 1088-89.

³ *Pro-Football, Inc. v. Blackhorse*, 112 F. Supp. 3d 439, 447 (E.D. Va. 2015).

⁴ See *Official United States Patent and Trademark Office Statement on the Trademark Trial and Appeal Board’s (TTAB) Decision in Blackhorse v. Pro Football, Inc. (TTAB Cancellation No. 92046185)*, 2014, USPTO.GOV, http://www.uspto.gov/news/USPTO_Official_Statement_on_TTAB_decision_in_Blackhorse_v_Pro_Football_Inc.pdf [hereinafter *Statement*].

⁵ John Woodrow Cox, *In Minnesota, Thousands of Native Americans Protest Redskins’ Name*, WASH. POST (Nov. 2, 2014), http://www.washingtonpost.com/local/in-minnesota-native-americans-march-rally-to-protest-redskins-name/2014/11/02/fc38b8d0-6299-11e4-836c-83bc4f26eb67_story.html.

fans.⁶ Additional evidence that “Redskins” is disparaging is presented by the Navajo Nation Council, which formally opposed the use of the “Redskins” name due to the potential negative psychological effects on American Indians.⁷ For example, clinical psychologist Michael Friedman has stated that this use of Native American imagery promotes and supports bullying in the form of racial slurs.⁸ Furthermore, a case has been made that significant negative effects are felt in schools, where the term “Redskins” creates an “unwelcome and hostile learning environment” that “directly results in lower self-esteem and mental health” for young Native American students.⁹ This argument finds further support in the fact that Native American young adults aging from fifteen to twenty four have a suicide rate that is two and a half times higher than the national average.¹⁰

However, it is not simply Native American nations that oppose this name. For example, several media outlets have already stopped printing and using the name, including the *San Francisco Chronicle* and *The Seattle Times*.¹¹ Furthermore, in 2014, National Football League (“NFL”) announcers used the name “Redskins” 472 fewer times in the regular season than they had used it in 2013, a decrease of 27%.¹² Finally, President Barack Obama further weighed in on the matter, officially stating that, were it his choice to make, he would “think about changing” the name and that

⁶ *Id.*

⁷ Associated Press, *Council Opposes Redskins’ Name*, ESPN.COM (Apr. 11, 2014, 9:22 AM), http://espn.go.com/nfl/story/_/id/10766413/navajo-nation-council-opposes-washington-redskins-name.

⁸ Michael Friedman, *The NFL is Teaching Us How to Bully Native American Children*, Psychology Today (Oct. 6, 2014), <http://www.psychologytoday.com/blog/brick-brick/201410/the-nfl-is-teaching-us-how-bully-native-american-children>.

⁹ Erik Stegman & Victoria Phillips, *Missing the Point: The Real Impact of Native Mascots and Team Names on American Indian and Alaska Native Youth*, CENTER FOR AMERICAN PROGRESS (July 22, 2014), <https://www.americanprogress.org/issues/race/report/2014/07/22/94214/missing-the-point/>.

¹⁰ *Id.*

¹¹ *Id.*

¹² Timothy Burke, “Redskins” Mentions Down 27% on NFL Game Broadcasts in 2014, REGRESSING (Dec. 12, 2014, 10:15 AM), <http://regressing.deadspin.com/redskins-mentions-down-27-on-nfl-game-broadcasts-in-1676147358/+bubbaprog>.

nostalgia may not be a good enough reason to keep a name in place when it offends a “sizable group of people.”¹³

On the other side, the opposing argument is that “Redskins,” as used today, honors Native Americans.¹⁴ Dan Snyder, the owner of the Washington NFL team, has repeatedly defended the use of the “Redskins” name, stating, “while he respects the opinions of those who are offended by the team name . . . we cannot ignore our 81-year history.”¹⁵ He has also stood a more combative ground in this debate, vowing that he would “never change the name” and that the press “can use caps [on ‘never’].”¹⁶ This kind of “legacy” argument is also constantly used in this debate, arguing that the term “redskins” is a part of the area’s identity and is much more than just a racial slur.¹⁷

Additionally, the commissioner of the NFL, Roger Goodell, has stated that more people, including Native Americans, support the team keeping their name than oppose it.¹⁸ He supported this announcement by saying that “if you look at the numbers, including native American communities, nine out of [ten] supported the name. Eight out of [ten] in the general American

¹³ Associated Press, *Obama Weighs in on ‘Redskins’*, ESPN.COM (Oct. 5, 2013, 4:35 PM), http://espn.go.com/nfl/story/_/id/9772653/president-obama-washington-redskins-legitimate-concerns.

¹⁴ Erik Brady, *Poll: 71% Don’t Think Redskins Should Change Name*, USA TODAY SPORTS (Jan. 2, 2014, 9:00 PM), <http://www.usatoday.com/story/sports/nfl/redskins/2014/01/02/team-name-controversy-public-policy-polling/4297665/>.

¹⁵ Annys Shin & Dan Steinberg, *Daniel Snyder Defends Redskins in Emotional Letter to Fans*, WASH. POST (Oct. 9, 2013), http://www.washingtonpost.com/local/snyder-defends-redskins-name-in-emotional-letter-to-fans/2013/10/09/9a161b06-30fa-11e3-8627-c5d7de0a046b_story.html.

¹⁶ Erik Brady, *Daniel Snyder Says Redskins Will Never Change Name*, USA TODAY SPORTS (May 10, 2013, 8:14 AM), <http://www.usatoday.com/story/sports/nfl/redskins/2013/05/09/washington-redskins-daniel-snyder/2148127/>.

¹⁷ Sean R. Patterson, *Why the “Redskins” Matter*, SB NATION (May 10, 2013, 7:21 AM), <http://www.hogshaven.com/2013/5/10/4314478/why-the-redskins-matter>.

¹⁸ Steve Keating, *Most Support Washington Redskins Keeping Name, Says Goodell*, YAHOO! SPORTS (Jan. 31, 2014, 5:41 PM), <http://sports.yahoo.com/news/most-support-washington-redskins-keeping-name-says-goodell-203053685--nfl.html>.

population would not like us to change the name.”¹⁹ While many have questioned the validity of Goodell’s statistical claim,²⁰ Public Policy Polling found that, of 741 registered voters, 71% believe that the Redskins should keep their name, while 18% said that the team should change it, and 11% said they are undecided.²¹

In Part I, this Note first examines the Lanham Act and how it currently lays out the standards for cancellation of registration. This includes a brief overview of the Lanham Act as a whole, the process and purpose of registering a mark as a trademark, the process and requirements for canceling a trademark and an equitable defense that can be raised, the overall impact of a cancelled trademark, and the current status of the “Redskins” trademark. Part II then looks in depth at the recent leading cases dealing with the “Redskins” trademark, the latter of which is still in the process of judicial review. Part III then compares the evidence utilized in the aforementioned cases to the evidence that this Note suggests that the Board should consider in actions for cancellation of a trademark. Additionally, Part III proposes that the Lanham Act adopt this new inquiry as to whether the mark is viewed as disparaging today, rather than when registration was first sought, and argues that as to how this new inquiry will help the disparagement issue in future cases.

I. THE LANHAM TRADEMARK ACT

The Trademark Act, commonly referred to as the Lanham Act, provides protection to trademark owners.²² Under the authority of the Commerce Clause, Congress enacted the Lanham Act in 1946.²³ The intent of this Act is to regulate commerce within the control of Congress by making deceptive and misleading use of marks actionable; to protect registered marks

¹⁹ *Id.*

²⁰ Mike Chiari, *Roger Goodell Claims 9 out of 10 Native Americans Support Redskins Nickname*, BLEACHER REPORT (Jan. 31, 2014), <http://bleacherreport.com/articles/1943682-roger-goodell-claims-9-out-of-10-native-americans-support-redskins-nickname>.

²¹ Brady, *supra* note 14.

²² *Pro-Football, Inc. v. Harjo*, 415 F.3d 44, 46 (D.C. Cir. 2005) (citing 15 U.S.C. §§ 1051-1127, 1141-1141n).

²³ *Lanham Act*, LEGAL INFO. INST., http://www.law.cornell.edu/wex/lanham_act (last visited January 14, 2014).

from interference by the State; to protect persons engaged in such commerce against unfair competition, to prevent fraud and deception by the use of reproductions of registered marks; and to provide rights and remedies stipulated by treaties and conventions respecting trademarks entered into between the United States and foreign nations.²⁴ Under the Lanham Act, the term “trademark” includes any word, name, symbol, or device, or any combination thereof used by a person to identify and distinguish his or her goods.²⁵ The Act provides for a national system of trademark registration, “protecting the owner of a federally registered mark against the use of similar marks if such use is likely to result in consumer confusion...”²⁶ The scope of the Lanham Act, however, is independent of and concurrent with state statutes and state common law.²⁷

A trademark owner must register his or her trademark in order to take advantage of many of the Lanham Act’s provisions.²⁸ However, the USPTO must deny registration to any marks that “may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute.”²⁹ The Federal Circuit has found a trademark disparaging if it may “slight, deprecate, degrade, or affect or injure by unjust comparison.”³⁰

Furthermore, the Act also provides for cancellation of registration of a trademark that has already been granted.³¹ Under the Act, “[a] petition to cancel a registration of a mark . . . may . . . be filed . . . by any person who believes that he is or will be damaged . . . [a]t any time if . . . its registration was obtained . . . contrary to the provisions of . . . subsection (a) . . . of section 1052 of this title.”³² Registration is obtained contrary to the provisions of section 1052(a) of this title when the mark consists of matter that may disparage people.³³ The TTAB then interprets the

²⁴ 15 U.S.C. § 1127.

²⁵ *Id.*

²⁶ *Id.*

²⁷ *Id.*

²⁸ *Statement, supra* note 4.

²⁹ 15 U.S.C. § 1052(a).

³⁰ *In re Geller*, 751 F.3d 1355, 1358 (Fed. Cir. 2014).

³¹ 15 U.S.C. § 1064(3).

³² *Id.*

³³ § 1052(a).

evidence presented and determines whether to cancel the mark.³⁴ Essentially, this cancellation determination hinges on whether the mark should have been allowed registration when the trademark owner originally applied for it.³⁵ Finally, in these proceedings, equitable principles such as laches may be considered and applied.³⁶

Laches is an equitable doctrine that “is founded on the notion that equity aids the vigilant and not those who slumber on their rights.”³⁷ The defendant raising the defense has the burden of proving this equitable defense.³⁸ In order for the defendant to meet this burden of proof, the laches defense “requires proof of (1) lack of diligence by the party against whom the defense is asserted, and (2) prejudice to the party asserting the defense,” with the prejudice caused by the delay.³⁹

Due to the publicity surrounding this controversial mark, “Redskins,” the impact of this decision has been blown out of proportion.⁴⁰ First, the registrations will not appear as cancelled in the USPTO’s official records until after any judicial review is complete;⁴¹ thus, as of the drafting of this Note, the appeals process is still ongoing and the registrations have not been listed as officially cancelled.⁴² Additionally, contrary to popular belief, cancellation of a trademark’s registration does not prevent the trademark owner from using the mark.⁴³ While the registration of a mark may be cancelled, the owner’s rights to the mark still exist, and the owner may enforce those rights under state, common, and even federal law under the Lanham Act.⁴⁴ The Patent and Trademark Office makes this distinction clear, stating that “[f]ederal registration is not required to establish rights in a

³⁴ See 15 U.S.C. § 1067.

³⁵ See § 1064(3).

³⁶ 15 U.S.C. § 1069.

³⁷ *Harjo*, 415 F.3d at 47 (citing *NAACP v. NAACP Legal Def. & Educ. Fund, Inc.*, 753 F.2d 131, 137 (D.C. Cir. 1985)).

³⁸ See *id.*

³⁹ *Id.* (citing *AMTRAK v. Morgan*, 536 U.S. 101, 121-22 (2002)).

⁴⁰ See Amanda Catelli, *Washington Redskins Trademark Registration Canceled*, Inside Couns., June 24, 2014.

⁴¹ *Statement*, *supra* note 4.

⁴² *Id.*

⁴³ See Catelli, *supra* note 40.

⁴⁴ *Id.* Suit for infringement of unregistered marks can be brought under § 43(a) of the Lanham Act.

trademark. Common law rights arise from actual use of a mark and may allow the common law user to successfully challenge a registration or application.”⁴⁵ Thus, contrary to some reports,⁴⁶ the general public cannot begin producing and selling products that feature an unregistered trademark. A person cannot infringe another’s trademark whether or not registered, and the owner will likely enforce his or her rights to recover damages resulting from this infringement.⁴⁷

As far as state law is concerned, the team will definitely have protection, as states have their own independent laws governing infringement.⁴⁸ While this raises issues of policing infringing activity and researching varying state laws, the state laws provide at least some sort of protection.⁴⁹ The team will accordingly have common law trademark protections,⁵⁰ and these protections are established as soon as the mark is used in connection with the sale of goods or services and become stronger as the mark becomes more deeply associated with the source, here being the Washington professional football team.⁵¹ The length of use of the brand and the ease with which consumers can identify the brand are two factors that help establish whether a source has

⁴⁵ *Frequently Asked Questions about Trademarks*, USPTO.GOV, http://www.uspto.gov/faq/trademarks.jsp#_Toc275426712 (last visited Nov. 24, 2014).

⁴⁶ See, e.g., Darren Rovell, *Patent Office: Redskins ‘Disparaging’*, ESPN.COM, http://espn.go.com/nfl/story/_id/11102096/us-patent-office-cancels-washington-redskins-trademark (last updated June 18, 2014, 6:33 PM) (stating erroneously that “[w]ithout protection, any fan can produce and sell Washington Redskins gear without having to pay the league or the team for royalties and wouldn’t be in violation of any law for doing so.”).

⁴⁷ Darren Heitner, *Loss of Redskins Trademark Registration is Overblown*, FORBES (June 18, 2014, 12:53 PM), <http://www.forbes.com/sites/darrenheitner/2014/06/18/loss-of-redskins-trademark-registration-is-overblown/>.

⁴⁸ Travis Waldron, *The Redskins Just Had Their Trademark Canceled. Here’s What Happens Next.*, THINKPROGRESS (June 19, 2014, 11:43 AM), <http://thinkprogress.org/sports/2014/06/19/3450729/redskins-trademark-decision-cost-lots-of-money/>.

⁴⁹ *Id.*

⁵⁰ *Id.*

⁵¹ *Id.*

common law protections;⁵² in this case, it seems as though these factors would benefit the team strongly.⁵³

II. LEADING CASES DEALING WITH “REDSKINS”

As of 2015, there have been two leading cases dealing specifically with the term “redskin(s).” In the first of these cases, *Pro-Football, Inc. v. Harjo*,⁵⁴ the Board decision came in 1999, the initial appeal ended in 2003, and the case did not conclude until 2009 when the Supreme Court ultimately decided not to hear it.⁵⁵ In the second of these leading cases, *Blackhorse v. Pro-Football, Inc.*,⁵⁶ the Board’s decision came in 2014. The appeals process also began in 2014 and is still ongoing,⁵⁷ but if *Harjo* is any indication, it may be a significant amount of time before the ultimate effect of this litigation materializes.

A. *Pro-Football, Inc. v. Harjo*

In 1992, seven Native Americans filed a complaint with the USPTO’s TTAB.⁵⁸ Led by Suzan Harjo, they requested that the TTAB cancel the Washington Redskins trademark.⁵⁹ As grounds for cancellation, they alleged that the term “redskin(s)” offended and disparaged Native Americans,⁶⁰ violating the Lanham Act.⁶¹ This would mean that, under the Lanham Act, the term should not have been registered in the first place.⁶² The registration dates back to 1967 in the case of “redskin(s).”⁶³

In response, Pro-Football argued that laches barred the plaintiffs’ claim.⁶⁴ However, the TTAB rejected this argument, finding the laches defense inapplicable due to the broader interest

⁵² *Id.*

⁵³ Waldron, *supra* note 48.

⁵⁴ 415 F.3d.

⁵⁵ Waldron, *supra* note 48.

⁵⁶ 111 U.S.P.Q.2d (BNA) at 1114.

⁵⁷ Waldron, *supra* note 48.

⁵⁸ *Harjo*, 415 F.3d at 46.

⁵⁹ *Id.*

⁶⁰ *Id.*

⁶¹ § 1052(a).

⁶² See §§ 1052(a), 1064(3).

⁶³ *Harjo*, 415 F.3d at 47.

⁶⁴ *Id.*

of preventing a party from benefiting from this registration.⁶⁵ Finally, in 1999, the TTAB ruled in favor of the plaintiffs, finding that the trademark had disparaged Native Americans since at least 1967.⁶⁶ This ruling did not prevent Pro-Football from using the marks, but it limited its ability to sue infringers under the Lanham Act.⁶⁷

Accordingly, Pro-Football appealed to the United States District Court for the District of Columbia.⁶⁸ In 2003, the district court held that the plaintiffs had failed to establish disparagement and that the action was barred under laches due to the plaintiffs' failure to bring the claim in a timely fashion.⁶⁹ Ultimately, after an appeal to the Court of Appeals for the District of Columbia, a remand to the District Court, and an affirmation by the Court of Appeals, the Court of Appeals held that laches barred the claim.⁷⁰ However, the Court of Appeals never declared whether the TTAB or the district court was correct on the issue of disparagement.⁷¹ This lack of analysis left the issue open for vast debate and led to the next important lawsuit.

B. Blackhorse v. Pro-Football, Inc.

In 2006, five young Native Americans filed a complaint similar to that filed in *Harjo*.⁷² They alleged that six registrations were obtained contrary to the Lanham Act, ranging from the years of 1967 to 1990.⁷³ These six registrations consisted of the marks "The Redskins" and "Washington Redskins," the marks and designs of "The Redskins" and "Washington Redskins," and the marks "Redskins" and "Redskinettes."⁷⁴ The Board first addressed the case of *Harjo*, acknowledging its analysis of the laches defense,

⁶⁵ *Id.*

⁶⁶ *Id.*

⁶⁷ *Id.*

⁶⁸ *Harjo*, 415 F.3d at 47.

⁶⁹ *Id.*

⁷⁰ *Id.*; J. Gordon Hylton, *Before the Redskins were the Redskins: The Use of Native American Team Names in the Formative Era of American Sports*, 86 N.D. L. REV. 879, 883 (2010).

⁷¹ *Id.*

⁷² *Blackhorse*, 111 U.S.P.Q.2d (BNA) at 1082.

⁷³ *Id.*

⁷⁴ *Id.* at 1083.

but also realizing that the court did not address the Board's finding of disparagement on the merits.⁷⁵ Additionally, most of the evidence in this case was re-submitted from *Harjo*, as the parties stipulated that the entire record from *Harjo* might be submitted into evidence with certain exceptions.⁷⁶

In determining whether disparagement exists, the Board utilized a two-step analysis: (1) determining the meaning of the matter in question as it appears in the marks and as those marks are used in connection with the goods and services identified in the registrations; and (2) determining the meaning of the marks and whether that meaning is one that may disparage Native Americans.⁷⁷ The Board dealt quickly with the latter half of the first step, finding it clear that the disparagement claim only pertains to the term "redskins" and that it clearly refers both to the professional football team and alludes to Native Americans.⁷⁸ In its analysis of "meaning of the matter in question," the Board found the evidence overwhelmingly supports a determination that the term "redskins," as it appears in the marks, means "Native Americans."⁷⁹ The Board looked at evidence such as the logo appearing prominently on the team's helmets, the marching band wearing Native American headdresses as part of its uniform, the dance team wearing costumes suggestive of Native Americans, and the press guides displaying Native American imagery.⁸⁰ Thus, the Board found the first step of the test clearly satisfied.⁸¹

Accordingly, the Board proceeded to the second step of the test, whether the meaning of the mark at the time of registration may have disparaged Native Americans.⁸² Under the Board's

⁷⁵ *Id.* at 1084.

⁷⁶ *Id.* ("[A]ll evidence submitted with a Note of Reliance, as well as all deposition transcripts and exhibits thereto submitted by any party, in *Harjo* . . . shall be admissible in this proceeding unless the [TTAB] ruled in *Harjo* that the evidence was not admissible, in which case all arguments as to admissibility are preserved.").

⁷⁷ *Blackhorse*, 111 U.S.P.Q.2d (BNA) at 1087-88.

⁷⁸ *Id.* at 1088.

⁷⁹ *Id.*

⁸⁰ *Id.* at 1088-89.

⁸¹ *Id.* at 1089.

⁸² *Blackhorse*, 111 U.S.P.Q.2d (BNA) at 1089.

precedent, there are three contexts of goods or services in which a mark may be found disparaging.⁸³ The mark could be:

(1) an innocuous term that in the context of the goods or services is disparaging . . . ; (2) a disparaging term that may have a non-disparaging meaning in a specific context . . . ; or (3) a disparaging term that has no non-disparaging meanings in any context, and remains disparaging despite the applicant's goods or services, actual use or intent⁸⁴

Applied to this case, the Board found that neither the alleged honorable intent nor the manner of the use of the term by the trademark owner affects the determination of whether a substantial portion of Native Americans found "redskins" to be disparaging in the context of the owner's services provided during the time period of 1967-1990.⁸⁵ These services provided by the owner have not purged the Native American meaning from the mark, and intent has no effect on the second prong of this test.⁸⁶

1. The Board's Analysis

In an effort to prove that the term was disparaging during the relevant time periods, even when the term was used solely in regard to football and cheerleading services, the plaintiffs presented two categories of evidence: a general analysis of the term and the specific views of the referenced group.⁸⁷ With regards to the general analysis of the term, the Board focused on expert reports and testimony, dictionary definitions, and reference books.⁸⁸ Overall, many of the dictionary definitions from the relevant time period labeled the term as "often offensive," with the trend beginning in 1966 and becoming unanimous among dictionaries by 1986.⁸⁹ Additionally, linguistics experts disagreed

⁸³ See *In re Shiao Tam*, 108 U.S.P.Q.2d (BNA) 1305, 1309-10 (T.T.A.B. 2013).

⁸⁴ *Id.*

⁸⁵ *Blackhorse*, 111 U.S.P.Q.2d (BNA) at 1091.

⁸⁶ *Id.*

⁸⁷ *Id.*

⁸⁸ *Id.*

⁸⁹ *Id.* at 1094.

on the value of these labels and as to the declining use of the term in the media.⁹⁰

For the specific views of Native Americans, the Board focused on the National Congress of American Indians' ("NCAI") 1993 Resolution 93-11, depositions, and various articles, reports, official records and letters.⁹¹ The relevant portion of the resolution includes:

NCAI is the oldest and largest intertribal organization nationwide representative of and advocate for national, regional, and local tribal concerns;

[T]he term REDSKINS is not and has never been one of honor or respect, but instead, it *has always been* and continues to be a pejorative, derogatory, denigrating, offensive, scandalous, contemptuous, disreputable, disparaging and racist designation for Native American's [sic]; and

[T]he use of the registered service marks identified in Exhibit B to this resolution by the Washington Redskins football organization, has always been and continues to be offensive, disparaging, scandalous, and damaging to Native Americans.⁹²

The Board relied on the NCAI Executive Director's deposition to support the credibility, reliability, and trustworthiness of this resolution.⁹³ It further relied on this deposition for the fact that roughly 150 tribes were represented by the NCAI and that at least one third of the tribal members were present in order to pass the resolution.⁹⁴ The Board also responded to, and overruled, the defendant's relevancy objection, stating that although this resolution was passed in 1993 and thus after the relevant time period at issue, "the mere fact that an opinion is voiced in 1993 does not mean the opinion was not held by that group or individual

⁹⁰ *Blackhorse*, 111 U.S.P.Q.2d (BNA) at 1095.

⁹¹ *Id.* at 1091.

⁹² *Id.* at 1098.

⁹³ *Id.*

⁹⁴ *Id.*

in the 1967-1990 time period.”⁹⁵ Ultimately, the Board used this resolution as representing the views of a substantial composite of Native Americans.⁹⁶

Additionally, the Board relied on several protest letters written at the end or just after the relevant time period by Native Americans.⁹⁷ The Board reasoned that they provided evidence as to the opinion of individual Native Americans across the United States, thus providing a collective viewpoint.⁹⁸ However, they did not use the approximate 150 letters from non-Native Americans; they held limited probative value because it is disparagement in the eyes of the group allegedly disparaged that is relevant.⁹⁹

In response, the defendants offered evidence of various letters from individuals, such as the chiefs of many Native American nations.¹⁰⁰ Collectively, these presented opinions that the term was actually used in honor and respect.¹⁰¹ The Board, however, saw this as no more than “a handful of individuals . . . who have their own individual opinion.”¹⁰² The final decision turned on “whether the evidence shows that a substantial composite of the Native American population found the term ‘[r]edskins’ to be disparaging when the respective registrations issued.”¹⁰³ The Board reasoned that once the evidence has established this substantial composite, the existence of differing opinions could not alter the conclusion – a substantial composite, not unanimity, is required.¹⁰⁴ Thus, the Board held that the six registrations must be cancelled under the Lanham Act.¹⁰⁵

Finally, the defendants raised the laches defense, as seen in *Harjo*.¹⁰⁶ The determination of whether to allow the laches defense is a factual one,¹⁰⁷ and the Board decided that because this

⁹⁵ *Blackhorse*, 111 U.S.P.Q.2d at (BNA) 1098.

⁹⁶ *Id.* at 1110.

⁹⁷ *Id.* at 1104.

⁹⁸ *Id.*

⁹⁹ *Id.*

¹⁰⁰ *Blackhorse*, 111 U.S.P.Q.2d (BNA) at 1105.

¹⁰¹ *Id.*

¹⁰² *Id.* at 1110.

¹⁰³ *Id.* at 1111.

¹⁰⁴ *Id.*

¹⁰⁵ *Blackhorse*, 111 U.S.P.Q.2d (BNA) at 1111-12.

¹⁰⁶ *Id.* at 1112.

¹⁰⁷ *See id.*

litigation was essentially a repeat of the litigation in *Harjo*, it would follow the court's precedent and allow the defense to be raised.¹⁰⁸ Ultimately, however, the Board held that the defense of laches did not apply in this case.¹⁰⁹ First, laches is an equitable defense, and the Board explained that to apply laches to this type of claim would give the trademark owner's financial interest more weight than the human dignity being harmed.¹¹⁰ Second, the Board stated that the defense does not apply when there exists a broader public interest at issue.¹¹¹ The Board proceeded to find that because the plaintiffs had already proved that a substantial composite of Native Americans found the term to be disparaging, the term undisputedly fell within the "broader public interest" category.¹¹² Finally, the Board determined that the plaintiffs showed nothing more than a minimal delay in seeking cancellation, as they were young adults and had not had a fair chance to file the petition sooner.¹¹³ Thus, the Board found that the equitable laches defense failed and granted the petition for cancellation.¹¹⁴

2. *Bergman's Dissent*

In his dissent, Bergsman, the Administrative Trademark Judge, stated that he would find the evidence insufficient to prove that the term "redskins" was disparaging in the relevant time period.¹¹⁵ To be clear, he stated that he did not hold that the term was not actually disparaging in the relevant time period.¹¹⁶ Rather, he found that the dictionary evidence produced was inconclusive and that there was no reliable evidence to corroborate the membership of the NCAI, and as such, that the plaintiffs failed to prove disparagement in that time period.¹¹⁷

In regard to the dictionary definitions, he rejected the majority's finding of a "clear trend beginning in 1966 to label this

¹⁰⁸ *Id.*

¹⁰⁹ *Id.*

¹¹⁰ *Blackhorse*, 111 U.S.P.Q.2d (BNA) at 1112.

¹¹¹ *Id.* at 1113.

¹¹² *Id.*

¹¹³ *Id.* at 1114.

¹¹⁴ *Id.*

¹¹⁵ *Blackhorse*, 111 U.S.P.Q.2d (BNA) at 1114-15.

¹¹⁶ *Id.* at 1115.

¹¹⁷ *Id.*

term as offensive.”¹¹⁸ He instead rationalized that only two dictionaries in the relevant time period labeled the term as offensive, and that “[t]wo does not make a trend.”¹¹⁹ Thus, he found this evidence was not sufficiently probative to justify the cancellation of the registrations.¹²⁰

Furthermore, in regard to the NCAI evidence, he found no reliable evidence as to the number of Native Americans or tribes in attendance at the meeting or the membership numbers during the relevant time period.¹²¹ He analyzed all of the evidence presented to the Board, including the depositions, articles, reports, and statements upon which the majority relied.¹²² Ultimately, however, he determined this evidence insufficient, deeming it a “house of cards that collapses upon examination.”¹²³

Thus, after his “careful study of all the facts” and “due caution,” he held that the plaintiffs “failed to show by a preponderance of the evidence that a substantial composite of Native Americans found the term REDSKINS to be disparaging in connection with respondent’s services during the relevant time frame of 1967-1990[,]” and as such, the six registrations should not have been cancelled under the Lanham Act.¹²⁴

3. District Court Upholds TTAB Decision

Most recently, on July 8, 2015, U.S. District Judge Gerald Bruce Lee affirmed the USPTO’s decision.¹²⁵ In doing so, Judge Lee essentially rehashes the same rationales made in the TTAB decision, ultimately holding that the meaning of the six marks in question is a reference to Native Americans.¹²⁶ He further agreed that the marks “may disparage” a substantial composite of Native Americans during the relevant time period of 1967 and 1990 according to the same evidence utilized by the USPTO.¹²⁷

¹¹⁸ *Id.* at 1118.

¹¹⁹ *Id.*

¹²⁰ *Blackhorse*, 111 U.S.P.Q.2d (BNA) at 1118.

¹²¹ *Id.* at 1119.

¹²² *Id.* at 1120-21.

¹²³ *Id.* at 1121.

¹²⁴ *Id.*

¹²⁵ *Pro-Football, Inc.*, 112 F. Supp. 3d 439, 447.

¹²⁶ *Id.* at 469.

¹²⁷ *Id.* at 472-88.

Finally, Judge Lee rejected the idea that laches barred the plaintiffs' claim, finding that to the extent that Blackhorse appellees did delay in filing their petition to cancel the marks, the delay was not unreasonable.¹²⁸ Furthermore, the court held that laches did not apply because of the overriding public interest in removing the disparaging marks.¹²⁹

III. NEW INQUIRY

As the discrepancies between the majority and the dissent in the first *Blackhorse* decision makes clear, evidence pertaining to various time periods throughout history is not only difficult to come by, but also difficult to properly analyze. Thus, the Lanham Act should be amended to reflect a new standard for disparaging marks. The test should be whether a mark is disparaging *now*, as opposed to during the time period when the mark was originally registered.

A prime example of this proposition's potential success is that of Florida State University ("FSU").¹³⁰ In 2005, the National Collegiate Athletic Association ("NCAA") distributed "self-evaluations" to thirty-one colleges in an effort to clarify an institution's position on a Native American mascot.¹³¹ While acknowledging that it did not possess the authority to ban the use of Native American nicknames and mascots, the NCAA prohibited institutions from displaying the images during post-season play and from hosting post-season tournaments if the images were found to be hostile or abusive.¹³² However, the NCAA has also

¹²⁸ *Id.* at 489.

¹²⁹ *Id.*

¹³⁰ Steve Wieberg, *NCAA Allowing Florida State to Use Its Seminole Mascot*, USA TODAY (Aug. 23, 2005, 11:19 PM), http://usatoday30.usatoday.com/sports/college/2005-08-23-fsu-mascot-approved_x.htm.

¹³¹ Michelle Brutlag Hosick, *Mascot Matter Fits Into Proper-Environment Discussion*, NCAA NEWS ARCHIVE (Mar. 14, 2005, 5:20 PM), <http://fs.ncaa.org/Docs/NCAANewsArchive/2005/Association-wide/mascot%2Bmatter%2Bfits%2Binto%2Bproper-environment%2Bdiscussion%2B-%2B3-14-05%2Bncaa%2Bnews.html>.

¹³² Myles Brand, *NCAA Correctly Positioned as a Catalyst for Social Change*, NCAA NEWS ARCHIVE (Oct. 24, 2005, 3:48 PM), <http://fs.ncaa.org/Docs/NCAANewsArchive/2005/Editorial/ncaa%2Bcorrectly%>

relied upon a statement by the NCAI supporting the use of Native American nicknames in certain circumstances, which states that:

[i]n general, NCAI strongly opposes the use of derogatory Native sports mascots. However, in the case where mascots refer to a particular Native nation or nations, NCAI respects the right of individual tribal nations to work with universities and athletic programs to decide how to protect and celebrate their respective tribal heritage.¹³³

Under this NCAI principle, the NCAA granted FSU a waiver for their mascot, the Seminole, removing FSU from the list of colleges whose sports teams used hostile or abusive imagery.¹³⁴ Bernard Franklin, the NCAA senior vice president, released a statement that “[t]he decision of a namesake sovereign tribe, regarding when and how its name and imagery can be used, must be respected even when others may not agree.”¹³⁵ He further explained that the staff review committee analyzed the unique relationship between FSU and the Seminole Tribe of Florida and considered it a significant factor in permitting this waiver.¹³⁶ Furthermore, the chief and general council president of the Seminole Tribe of Florida said that it was an “honor” to be associated with FSU.¹³⁷

This is a clear example of the amendment to the Lanham Act proposed in this Article already being employed, albeit by the NCAA. FSU started using the Seminole as its mascot symbol in 1947 with depictions showing a Native American holding a tomahawk.¹³⁸ Rather than attempt to gather evidence as to whether this term “Seminole” was disparaging in 1947, a difficult feat as

2Bpositioned%2Bas%2Ba%2Bcatalyst%2Bfor%2Bsocial%2Bchange%2B-%2B10-24-05%2Bncaa%2Bnews.html.

¹³³ *Anti-Defamation & Mascots*, NAT’L CONGRESS OF AM. INDIANS, <http://www.ncai.org/policy-issues/community-and-culture/anti-defamation-mascots>.

¹³⁴ Wieberg, *supra* note 130.

¹³⁵ *Id.*

¹³⁶ *Id.*

¹³⁷ *Id.*

¹³⁸ L.V. Anderson, *When Did People Start Doing the Tomahawk Chop? And It Is Racist, Right?*, SLATE (Sept. 26, 2012, 6:12 PM), http://www.slate.com/articles/news_and_politics/explainer/2012/09/origins_of_the_tomahawk_chop_scott_brown_s_staffers_mocking_elizabeth_warren_are_continuing_a_long_tradition_.html.

demonstrated by *Blackhorse*, evidence as to how the term is viewed today was used.¹³⁹ In this case, that consisted of weighing the 2005 public opposition to the term “Seminole” against the vocalized support of the Seminole Tribe of Florida. Ultimately, although some were appalled by the NCAA’s decision,¹⁴⁰ the fact that the namesake sovereign tribe supported the use of “Seminole” was decisive.¹⁴¹ This serves as a good example of some present-day evidence that could be utilized under the proposed amendment to the Lanham Act, namely support from potentially offended Native American tribes.

This proposition could also help diffuse the oft-raised slippery slope argument.¹⁴² This slope would simply allow for subjective judgments of whether a term has been offensive throughout its equivocal history since its registration.¹⁴³ For example, although it is admittedly not a trademark, the state of Oklahoma serves as an example of this principle.¹⁴⁴ In 1886, a member of the Choctaw tribe, Reverend Allen Wright, suggested the name Oklahoma to mark the federal territory of the Native American nations and tribes.¹⁴⁵ In Choctaw language, “okla” means “people” while “homma” or “humma” means “red.”¹⁴⁶ Thus, the name “Oklahoma” was meant to signify “Red People” in the Choctaw language.¹⁴⁷ Even though it was a member of the Choctaw tribe who suggested the name, no evidence clarifies whether the tribe as a whole would have found the name “Oklahoma” disparaging to their people. Today, however, Oklahoma is clearly viewed as the name of a state and is noncontroversial.

¹³⁹ See Wieberg, *supra* note 130.

¹⁴⁰ See *id.*

¹⁴¹ See *id.*

¹⁴² See Robert Tracinski, *Why the Redskins Trademark Ruling Should Terrify You*, *The Federalist* (June 19, 2014), <http://thefederalist.com/2014/06/19/why-the-redskins-trademark-ruling-should-terrify-you/>.

¹⁴³ *Id.*

¹⁴⁴ *Id.*

¹⁴⁵ Muriel H. Wright, *Contributions of the Indian People to Oklahoma*, CHRON. OF OKLA. (June, 1936), <http://digital.library.okstate.edu/Chronicles/v014/v014p156.html>.

¹⁴⁶ *Id.*

¹⁴⁷ *Id.*

Now to address the name causing the greatest current controversy, “Redskins.” On March 20, 2013, a bill was introduced in the United States House of Representatives,¹⁴⁸ which would have amended the Lanham Act to state that:

[A] mark that uses the term “redskin” or any derivation of that term consists of matter which may disparage persons if: (1) it has been, is, or is intended to be used in commerce in connection with references to or images of Native Americans; or (2) the Director of the United States Patent and Trademark Office (Director) determines that the term as included in the mark is commonly understood to refer to Native Americans.¹⁴⁹

It would also require the Director to cancel the registration of a mark containing the term “redskin.”¹⁵⁰ The problem with this proposed amendment, however, is that it addresses the issue on too small a scale – the term “redskin” is thereby dealt with, but what of other potentially disparaging marks? It is certainly plausible that an issue could arise in the future with respect to another unrelated mark, bringing us back to square one. If an amendment is to be made to the Lanham Act, it needs to have broader application, such as this Note’s proposed amendment.

Under this Note’s proposed amendment to the Lanham Act, the TTAB would consider evidence as to whether the term is disparaging *now*, as opposed to when it was originally registered, and make a factual decision accordingly. In the case of the Washington Redskins, there is plentiful evidence on both sides, and it would likely be a close determination.

In support of not canceling the registration, the “legacy” of the name and team is likely substantial evidence. Every franchise in the NFL is a storied franchise, and changing something as substantial as the team name or mascot ultimately changes the entire legacy of the franchise, including anything good that is

¹⁴⁸ Non-Disparagement of Native American Persons or Peoples in Trademark Registration Act of 2013, H.R. 1278, 113th Cong. (2013).

¹⁴⁹ *Id.*

¹⁵⁰ *Id.*

associated with the team.¹⁵¹ Furthermore, as stated by higher officials such as Dan Snyder and Roger Goodell, there is a large amount of support for keeping this name as a way of honoring Native Americans.¹⁵² This is evident from the few statistics by Public Policy Polling that are currently available on the matter, finding that of 741 registered voters, 71% believe that the Redskins should keep their name, while 18% said that the team should change it, and 11% said they are undecided.¹⁵³ Even though this poll is not a poll of Native Americans, it is still important to weigh the evidence of the general public; were neither Native American nations nor the general public or fans of the NFL team in support of keeping this name, it would present a much steeper uphill battle for Dan Snyder.

Ultimately, however, in support of changing the name, the evidence currently available seems to outweigh the evidence in support of retaining the registration. The argument here, of course, is that the term “redskins” disparages Native Americans. This is strongly supported by the fact that groups of Native Americans are protesting the use of the “Redskins” name,¹⁵⁴ such as the Navajo Nation Council formally opposing the use of the “Redskins” name,¹⁵⁵ with the largest of these protests just occurring on November 2, 2014.¹⁵⁶ Not only are these protests occurring and getting larger, it is clear that the Native Americans in protest feel as though they are currently the team’s mascot, yelling the question “[w]ho are we?” and responding with “[n]ot your mascots!”¹⁵⁷ This also cuts against any support that the team might draw from the NCAI, as it is hard to argue that you have the support of the Native American people when they are constantly initiating larger protests. Were the team to obtain more support from Native American nations, or arrive at a compromise did as

¹⁵¹ See, e.g., Patterson, *supra* note 16 (“Maybe ‘Redskins’ is not the best name for a football team, but one cannot ignore all of the good associated with the Washington Redskins”).

¹⁵² See Shin, *supra* note 15; Keating, *supra* note 18.

¹⁵³ Brady, *supra* note 14.

¹⁵⁴ Cox, *supra* note 5.

¹⁵⁵ Associated Press, *supra* note 7.

¹⁵⁶ Cox, *supra* note 5.

¹⁵⁷ *Id.*

the Atlanta Braves amid public outcry,¹⁵⁸ then the USPTO would more likely take a similar stance to that of the NCAA in weighing this support heavily.

Moreover, there are the potential negative psychological effects that could further weigh heavily against retaining the registration of “Redskins.”¹⁵⁹ The case has been made that the term “redskins” creates an “unwelcome and hostile environment” that “directly results in lower self-esteem and mental health” for young native students.¹⁶⁰ Although this is a less frequently used argument in opposition to the term “redskins,” the evidence that Native American students aging from fifteen to twenty four have a suicide rate that is two and a half times higher than the national average cannot be ignored.¹⁶¹

Furthermore, in contrast to the poll evidence offered by Roger Goodell – although not statistically supported – and by Public Policy Polling, the general public is not entirely in accord with retention of federal registration. First, in the Public Policy Polling statistics, there are still 18% of the 741 registered voters that oppose the team keeping the name, with another 11% still undecided about the matter.¹⁶² This raises the question of, how many people need to be offended for it to be considered too many? Second, several media outlets have already stopped printing and using the name.¹⁶³ This includes NFL announcers, the people who would use the team name more than most, who used the term in 2014 27% less than they did in the 2013 regular season – a number that is likely to continue increasing.¹⁶⁴ Finally, in further support of changing the name, President Barack Obama officially stated that he would “think about changing” the name and that nostalgia

¹⁵⁸ Doug Williams, *Chief Noc-A-Homa Still a Braves Legend*, ESPN.COM (July 30, 2012, 10:59 AM), http://espn.go.com/blog/playbook/fandom/post/_id/6743/chief-noc-a-homa-still-dancing. Before each home game, Chief Noc-A-Homa, the mascot of the Atlanta Braves, would dress in a Native American costume, do a dance on the pitcher’s mound, and head out to left field where he would watch the game from a tepee. *Id.* Ultimately, due to public outcry and in an effort to eliminate criticism, the team decided to retire Chief Noc-A-Homa in January of 1986. *Id.*

¹⁵⁹ See Associated Press, *supra* note 7.

¹⁶⁰ Stegman, *supra* note 9.

¹⁶¹ *Id.*

¹⁶² Brady, *supra* note 14.

¹⁶³ Stegman, *supra* note 9.

¹⁶⁴ Burke, *supra* note 12.

may not be a good enough reason to keep the name in place when it offends a “sizable group of people.”¹⁶⁵ Taken independently, it is difficult for these pieces of evidence to prove anything. However, when looking at the grand scheme of things and combining the evidence, it is difficult to argue that a “legacy” argument supported by a general public poll outweighs the grand total of it.

CONCLUSION

In sum, it is a difficult conclusion to predict, regardless of whether the Lanham Act is to change. However, as raised by the dissent in the first *Blackhorse* decision, any evidence produced thus far in regard to the relevant 1967-1990 time period was arguably inconclusive and unreliable, simply supporting a “house of cards that collapses upon examination.”¹⁶⁶ In addition, quantitatively, there is simply not much evidence available from that time period.¹⁶⁷ The majority in *Blackhorse* essentially relied on the two dictionary definitions that labeled “redskin” offensive during the time period along with expert analysis,¹⁶⁸ the NCAI evidence dealing with the resolution that labeled “redskin” as disparaging,¹⁶⁹ and several protest letters that were written at the end or just after the relevant time period by Native Americans.¹⁷⁰ As a result, this amount of evidence pales in comparison to the evidence available in 2015 on either side of the debate, let alone the combination of both.

By using the statistical data, protests, potential psychological harms, and statements by public figures and Native American nations under this Note’s proposed amendment to the Lanham Act, the USPTO could make a much more well-informed decision as to whether to cancel the “Redskins” mark’s federal registration. Furthermore, unlike the amendment proposed by the United States House of Representatives, this amendment would provide that registrations of disparaging marks be cancelled if

¹⁶⁵ Associated Press, *supra* note 13.

¹⁶⁶ *Blackhorse*, 111 U.S.P.Q.2d (BNA) at 1115.

¹⁶⁷ *Id.* at 1118.

¹⁶⁸ *Id.* at 1118.

¹⁶⁹ *Id.* at 1098.

¹⁷⁰ *Id.* at 1104.

those marks are proven to be disparaging at the time of the attempted cancellation. Ultimately, while the result of the “Redskins” case would likely not change and the mark would still be cancelled under this improved Lanham Act, the proposed amendment would prove critical for solving these issues of disparagement as they arise.