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ARTICLES

WHEN SELLING YOUR PERSONAL NAME MARK EXTENDS TO SELLING YOUR SOUL

*Yvette Joy Liebesman**

Identifying one's business with one's personal name has long been a practice in the United States. As Personal Name Marks have become increasingly commodified, however, bargaining and deal-making have led to transfers of rights that are closely tied to the individual as a private person. This Article posits that, when selling the rights of one's Personal Name Mark, freedom of contract doctrine should not allow the complete alienation of all aspects of one's name, but rather there should be limitations on how far parties may bargain. In light of constitutional prohibitions, public policy concerns, administrative convenience, and other considerations, the most reasonable balance requires placing some limits on the extent to which one may bargain away the personal freedoms associated with one's name.

TABLE OF CONTENTS

I.	INTRODUCTION.....	2
II.	PERSONAL NAMES AND PERSONAL NAME MARKS.....	6
	A. <i>The Significance of Our Names</i>	6
	B. <i>The Development of Surnames</i>	7
	C. <i>From Surnames to the Right to Privacy to the Right of Publicity</i>	10
	D. <i>Personal Name Marks</i>	14

* Assistant Professor of Law, Saint Louis University School of Law. The author gratefully acknowledges and thanks Rebecca Tushnet and Anders Walker for their comments on an earlier draft, the participants of the 2009 Intellectual Property Scholars Roundtable at Drake University Law School, and the Saint Louis University School of Law Faculty Workshop, especially Karen Petroski. I also owe sincere thanks to my research assistants Catherine Robertson and Benjamin Wilson, and my 2009 summer faculty fellow team of Danielle Berra, Valerie Cuba, William Holthaus and Austin Vowels.

III.	THE FREEDOM OF CONTRACT DOCTRINE AND ITS GENERAL LIMITATIONS UNDER CURRENT LAW.....	17
IV.	THE TREND TOWARDS FEWER RESTRICTIONS ON SELLING THE RIGHTS TO ONE'S NAME	21
V.	ON THE ROAD TOWARDS COMPLETE ALIENABILITY OF ONE'S NAME	30
	A. <i>Limitations on Professions that the Seller May Practice</i>	33
	B. <i>A Positive Obligation to Maintain the Value of the Personal Name Mark or a Negative Obligation Whereby the Seller Agrees Not to Partake in Activities Which Impair the Value of the Asset</i>	36
	C. <i>Limitations on Associating Herself in the Public's Mind with Any Business</i>	37
	D. <i>Prohibition of Personal and/or Private Activities</i>	38
	E. <i>Completely Selling One's Identity</i>	41
	F. <i>Future Discussions</i>	43
VI.	FINAL THOUGHTS	45

I. INTRODUCTION

Identifying oneself based on one's occupation can be traced to the development of hereditary surnames.¹ We no longer adopt surnames based on our occupations; rather we create businesses and attach hereditary or other names to the enterprise as a source indicator. With the growth of media and advertising, Personal Name Marks,² like all marks, have been used to develop brand identity;³ their worth is dependent on the mark's recognition and reputation among consumers.⁴ "If a brand is to be a source of value for an organisation, its positioning in the market and the minds of consumers will be critical to the actual value created."⁵ And since a business's name is usually essential to its goodwill,⁶ it is frequently one of the more valuable assets transferred when a company is sold.⁷

1. See generally CHARLES WAREING BARDSLEY, *ENGLISH SURNAMES: THEIR SOURCES AND SIGNIFICATIONS* 1–8 (5th ed. 1897). The history of the use of names to indicate trade is discussed *infra*, Parts II.A and II.B.

2. A Personal Name Mark can be defined as a "designation that is likely to be perceived by prospective purchasers . . . as the personal name of a person connected with the goods, services, or business" with which it is used. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 14 (1995). For further discussion, see *infra* notes 100–03 and accompanying text.

3. Tom Blackett, *What Is a Brand?*, in *BRANDS AND BRANDING* 13, 13 (Rita Clifton & John Simmons eds., 2004) ("[Brand] has always meant, in its passive form, the object by which an impression is formed, and in its active form the process of forming this impression . . ."). Blackett notes that the Oxford American Dictionary defines Brand as "(noun): a trade mark, goods of a particular make: a mark of identification made with a hot iron, the iron used for this: a piece of burning or charred wood, (verb): to mark with a hot iron, or to label with a trade mark." *Id.* (quoting OXFORD AMERICAN DICTIONARY 73 (1980)).

4. Anne Bahr Thompson, *Brand Positioning and Brand Creation*, in *BRANDS AND BRANDING*, *supra* note 3, at 79, 79; see generally TRADE MARKS AND BRANDS: AN INTERDISCIPLINARY CRITIQUE (Lionel Bently et al. eds., 2008).

5. Thompson, *supra* note 4, at 79.

6. See *Levitt Corp. v. Levitt*, 593 F.2d 463, 468 (2d Cir. 1979) ("Goodwill is a valuable property

Unlike other sources of marks,⁸ when a person's name is also the name of her business or brand, there is a dual use.⁹ First, there is the name's public use as a mark in commerce in connection with goods or services as an indicator of source or sponsorship,¹⁰ as well one's right of publicity and other forms of intellectual property associated with its use as a source designation and one's public actions related to the name as a mark.¹¹ Second, there is the name's personal or private use to signify the individual's identity, which attaches to private activities and

right derived from a business's reputation for quality and service. When a business purchases trademarks and goodwill, the essence of what it pays for is the right to inform the public that it is in possession of the special experience and skill symbolized by the name of the original concern, and of the sole authority to market its products." (citations omitted)).

7. Blackett, *supra* note 3, at 18–19 ("The value to businesses of owning strong brands is incontestable. Brands that keep their promise attract loyal buyers who will return to them at regular intervals. . . . The asset value of brands is now widely recognised, not just by brand owners but by investors."); *see also*, Jan Lindemann, *Brand Valuation*, in *BRANDS AND BRANDING*, *supra* note 3, at 27, 27–30 (arguing that brands are most important asset in many businesses).

8. With certain exceptions, almost anything can be used as a mark. *See* Lanham Act, 15 U.S.C. § 1052 (2006) (noting that trademark which distinguishes goods should not be refused registration and listing exceptions to that principle).

The Lanham Act gives a seller or producer the exclusive right to "register" a trademark, and to prevent his or her competitors from using that trademark The language of the Lanham Act describes that universe in the broadest of terms. It says that trademarks "includ[e] any word, name, symbol, or device, or any combination thereof." Since human beings might use as a "symbol" or "device" almost anything at all that is capable of carrying meaning, this language, read literally, is not restrictive.

Qualitex Co. v. Jacobson Products Co., 514 U.S. 159, 162 (1995) (alteration in original) (quoting 15 U.S.C. §§ 1052, 1127 (1988)).

9. *See* 3 LOUIS ALTMAN & MALLA POLLACK, *CALLMANN ON UNFAIR COMPETITION, TRADEMARKS AND MONOPOLIES* § 17.6 (4th ed. 2009) (discussing use of personal names as commercial or business marks).

10. *See* 15 U.S.C. § 1127; *see also* RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 9 (1995) ("A trademark is a word, name, symbol, device, or other designation, or a combination of such designations, that is distinctive of a person's goods or services and that is used in a manner that identifies those goods or services and distinguishes them from the goods or services of others."). Generally, marks are divided into "four different categories of terms with respect to trademark protection. Arrayed in an ascending order which roughly reflects their eligibility to trademark status and the degree of protection accorded, these classes are (1) generic, (2) descriptive, (3) suggestive, and (4) arbitrary or fanciful." *Abercrombie & Fitch Co. v. Hunting World, Inc.* 537 F.2d 4, 9 (2d Cir. 1976).

11. *See* 3 ALTMAN & POLLACK, *supra* note 9, § 17.6.

The use to which one puts his name determines whether it will remain purely a symbol of his personality or will also symbolize his business. If he selects for his business a trademark or name different from his own, he keeps the two separate and distinct. If his name is used as, or in, his trademark or business name, he intermingles both. Of course, neither the name, the trademark, nor the firm name are pure symbols either of personality or business. There is no clean-cut separation. If a person's business or profession revolves about his personal dedication or devotion to his work (e.g., a teacher, artist, physician, lawyer), the name is probably connected more closely to his right of personality than to a property right. It is extremely difficult, however, to draw a line between the two, and it is only a presumption that a name is preponderantly a symbol of personality and a trademark or firm name a symbol of business. Whether the bearer of a name and owner of a trademark based on that name sustains the greater injury to his personal or business reputation in a given case depends in part upon his personal sensitivity.

Id. (footnote omitted).

one's own personal use of his or her name.¹² "When an individual enters commerce under his own name, . . . his name and reputation will identify his business as well as his person. A commercial element is thus added to the personal value of the name, and it then acquires an independent commercial value"¹³

As the value of a Personal Name Mark grows as a commodity, and as more and more individuals are selling the rights to their names as associated with their businesses,¹⁴ issues regarding the alienability of names have started to press against what used to be considered fundamental rights of personhood and identity. No longer simply a matter of assigning rights of publicity and trademark, name ownership has now become involved in the creation of indefinite non-competition clauses, not to mention prohibitions on public use of one's name in any manner. Such moves raise the troubling question of whether freedom of contract should allow the alienation of all aspects of one's name, or whether there should be limitations on how far parties may bargain.

This Article departs from earlier scholarship on the right of publicity, trademark, and associated intellectual property rights in names, and focuses exclusively on the inclusion of contract terms in the sale of a Personal Name Mark that extend beyond the scope of trademark law by prohibiting any commercial use of one's name and limiting personal behavior that may reduce the value of the mark.¹⁵ Specifically, this Article considers the right to bargain away public and private rights to one's name whereby the purchaser controls increasingly more private aspects of the seller's life and individual identity. As such, this Article posits that freedom of contract doctrine should not allow the complete alienation of all aspects of one's name. Rather there should be limitations on how far parties may bargain, so that the purchaser cannot acquire the right to control the seller's private activities under the rationale that these activities may find their way into the public sphere and thus affect the value of the public use of the seller's name as a mark. Public policy considerations, constitutional concerns, administrative convenience, and the reluctance of the courts to enforce such agreements, should be considered when determining limits on the alienability of one's identity.

12. *See id.* ("A personal name symbolizes the bearer's personality. It reflects his character, accomplishments and reputation. It is more than just a tag of identification, for it mirrors the individual's personality.").

13. *Id.*

14. Of the 275 Fortune 1000 companies named after their founder, only fifty-four are still privately held by the founder's descendants. See *infra* notes 108–09 and accompanying text for further discussion of the use of personal names as business names among Fortune 1000 companies.

15. Scholars have focused on other significant issues of trademark law, including conflicts between the First Amendment and trademark law with regard to infringement of a mark, unauthorized commercial use of one's right of publicity, attempts at using trademark law to regulate speech, and the limiting effects of state contract law with regard to intellectual property licensing. See generally Lisa P. Ramsey, *Increasing First Amendment Scrutiny of Trademark Law*, 61 SMU L. REV. 381 (2008); Rebecca Tushnet, *Trademark Law as Commercial Speech Regulation*, 58 S.C. L. REV. 737 (2007); Mark P. McKenna, *The Right of Publicity and Autonomous Self-Definition*, 67 U. PITT. L. REV. 225 (2005); Mark A. Lemley, *Beyond Preemption: The Law and Policy of Intellectual Property Licensing*, 87 CALIF. L. REV. 111 (1999).

It should be noted, at the outset, that this Article does not delve into trademark issues, such as likelihood of confusion and unfair competition claims.¹⁶ In addition, it is assumed that the Personal Name Mark has acquired secondary meaning and is no longer considered “merely a surname,”¹⁷ and that any other limitations regarding its use or registration as a mark have been resolved. This

16. See, e.g., *Adray v. Adry-Mart, Inc.*, 76 F.3d 984, 989–90 (9th Cir. 1995) (finding that in geographic area where plaintiff’s mark had acquired secondary meaning, defendant’s derivative use of “Adray’s” Personal Name Mark created likelihood of confusion); *E. & J. Gallo Winery v. Gallo Cattle Co.*, 967 F.2d 1280, 1291–92 (9th Cir. 1992) (finding that likelihood of confusion—and thus trademark infringement—existed between defendant Joseph Gallo’s use of words “Gallo” and “Gallo Salame” with his first name for his wine, cheese, and meat products, and plaintiff’s winery trademarks); *Taylor Wine Co. v. Bully Hill Vineyards, Inc.*, 569 F.2d 731, 735 (2d Cir. 1978) (holding that “[w]hen confusion is likely, . . . there must obviously be some limitation on an individual’s unrestricted use of his own name” and that one “may not use any name, mark or advertisement indicating that he is the successor of another corporation or that his goods are the products of that corporation”).

17. Sections 2(e)(4) and 2(f) of the Lanham Act delineate the exceptions for a mark to be registered on the principal register and how some such marks may later become registerable: “No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it . . . [c]onsists of a mark which . . . is primarily merely a surname.” 15 U.S.C. § 1052(e) (2006).

Except as expressly excluded in subsections (a), (b), (c), (d), (e)(3), and (e)(5) of this section, nothing in this chapter shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant’s goods in commerce. The Director may accept as prima facie evidence that the mark has become distinctive, as used on or in connection with the applicant’s goods in commerce, proof of substantially exclusive and continuous use thereof as a mark by the applicant in commerce for the five years before the date on which the claim of distinctiveness is made.

15 U.S.C. § 1052(f). Courts have established that

[t]he first step in determining whether an unregistered mark or name is entitled to the protection of the trademark laws is to categorize the name according to the nature of the term itself. Trademarks that are fanciful, arbitrary [i.e. made-up terms like “Kodak”] or suggestive are fully protected, while “descriptive words (e.g. ‘bubbly’ champagne) may be trademarked only if they have acquired *secondary meaning*, that is, only if most consumers have come to think of the word not as descriptive at all but as the name of the product.”

Int’l Kennel Club of Chi., Inc. v. Mighty Star, Inc., 846 F.2d 1079, 1085 (7th Cir. 1988) (quoting *Blau Plumbing, Inc. v. S.O.S. Fix-It, Inc.*, 781 F.2d 604, 609 (7th Cir. 1986)). With regard to initially unregistrable marks acquiring secondary meaning,

although a term’s “primary” meaning is merely descriptive, if through use the public has come to identify the term with a plaintiff’s product or service, the words have acquired a “secondary meaning” and would become a protectible [sic] trademark. In other words, “‘secondary meaning’ denotes an association in the mind of the consumer between the trade dress [or name] of a product and a particular producer.”

....

... “The factors which this court has indicated it will consider on the issue of secondary meaning include ‘[t]he amount and manner of advertising, volume of sales, the length and manner of use, direct consumer testimony, and consumer surveys.’”

Int’l Kennel Club, 846 F.2d at 1085 (citations omitted) (second and third alterations in original) (quoting *Vaughan Mfg. Co. v. Brikam Int’l, Inc.*, 814 F.2d 346, 348 (7th Cir. 1987); *Gimix, Inc. v. JS & A Group, Inc.*, 699 F.2d 901, 907 (7th Cir. 1983)); see also RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 13(b) (1995) (“A word, name, symbol, device or other designation, or a combination of such designations, is ‘distinctive’ . . . [if] the designation, although not ‘inherently distinctive,’ has become distinctive . . . as a result of its use Such acquired distinctiveness is commonly referred to as ‘secondary meaning.’”).

Article focuses on attempts to further limit a seller's use—through contract—of her Personal Name Mark; that is, the extent to which a person may alienate through contract her private actions as they affect her public reputation.

To set the stage for arguing that freedom of contract should not sanction the selling of our souls, this Article will proceed in five parts. Part II explores the history of names and their origins as a source indicator, as well as their inherent value as identities. Part III discusses the freedom of contract doctrine and its limitations under the Restatement (Second) of Contracts and current legal limitations due to unconscionability, illegality, and other public policy considerations. Part IV examines the broadening scope under the current case law regarding permissible restrictions when selling the rights to one's name. The remainder of this Article then looks at whether our names should, in some part, be inalienable. Thus, Part V discusses the spectrum of philosophies governing limitations on freedom of contract that would, or would not, place limits on the rights that can be sold in relation to one's name—rights that may impermissibly encroach on "Personhood." Last, Part VI provides some final thoughts on the implications of unfettered freedom to contract away the rights to one's name. In light of constitutional principles, public policy interests, and administrative feasibility, the most reasonable balance is to place some limits on the freedom to contract rights to one's name. However, a more detailed analysis is required to address the detailed considerations of allowing a legal division between a person and their name. This Article sets the stage for these further discussions.

II. PERSONAL NAMES AND PERSONAL NAME MARKS

Any discussion regarding the value associated with one's name and its alienability necessitates some background on the history of names, their use to indicate the source of goods, and the inherent value in a name as realized through the right of publicity.

A. *The Significance of Our Names*

Our names define who we are and establish our identity in the world. "[N]ame and self-identity are permanently wed."¹⁸ As famed onomatologist¹⁹ Charles Wareing Bardsley²⁰ wrote:

18. JUSTIN KAPLAN & ANNE BERNAYS, *THE LANGUAGE OF NAMES* 10 (1997). A name is not only an identifier, but it is also a metaphor for reliability and a guarantee that if we are who we say we are, we will do what we promise to do. *Id.*

19. Onomatology: "the science or study of the origin and forms of proper names of persons or places." *Onomastics Definition*, MERRIAM-WEBSTER, <http://www.merriam-webster.com/dictionary/onomastics> (last visited Sept. 17, 2010).

20. Bardsley was an early pioneer in the study of surnames, and has been praised by philologists (philology: "the study of literature and of disciplines relevant to literature or to language as used in literature." *Philology Definition*, MERRIAM-WEBSTER, <http://www.merriam-webster.com/dictionary/philology> (last visited Sept. 17, 2010)), for his "many years of patient investigation. He collected an astonishing mass of documentary evidence . . . His *Dictionary of English and Welsh Surnames* . . . contains a vast store of information invaluable to philologists. . . . Bardsley was a pioneer investigator . . ." WILLIAM DODGSON BOWMAN, *THE STORY OF SURNAMES* 2-3 (1932).

When we remember that there is nothing without a name, and that every name that is named, whether it be of a man, or man's work, or man's heritage of earth, came not by chance, or accident so-called, but was given out of some nation's spoken language to denote some characteristic that language expressed, we can readily imagine how important is the drift of each—what a record must each contain. We cannot but see that could we only grasp their true meaning, could we but take away the doubtful crust in which they are oftentimes imbedded, then should we be speaking out of the very mouth of history itself. . . . They betoken life and matter that is ever coming and going, ever undergoing change and decay. But through it all they abide.²¹

Attaching a name to a person has a profound and almost magical significance beyond identity, that is not present in the names of mountains, classes of animals, cities, or anything else that has a name.²² "Our name is our passport to wherever it is we need to go. Without one, we are paralyzed and naked. Separate a person from her name—as the Nazis did with their concentration camp victims—and you take away what makes her human rather than simply alive."²³

B. *The Development of Surnames*

In the beginning, there were only first names. "That surnames have not existed since the time of Adam is known by everyone who is familiar with the Bible."²⁴ Hereditary surnames were not adopted simultaneously, but rather came into use over several centuries.²⁵ China was the first country to adopt hereditary surnames, where it was custom to strongly revere one's paternal ancestors;²⁶ China's mandatory use of surnames was first decreed in the twenty-eighth century BCE.²⁷

The earliest use of hereditary family names in Europe was among the ancient Etruscan civilization,²⁸ but died when that civilization did.²⁹ Hereditary surnames appeared in Venice in the tenth century,³⁰ and their adoption gradually spread through the Italian peninsula,³¹ from there diffusing into France in the eleventh

21. BARDSLEY, *supra* note 1, at 1–2.

22. See KAPLAN & BERNAYS, *supra* note 18, at 11 (noting significance of names).

23. *Id.*

24. ELSDON C. SMITH, *THE STORY OF OUR NAMES* 27 (Gale Research Co. 1970).

25. *Id.* The term "surname" as describing a hereditary family name was coined not as an indication that the names were inherited from one's father, but rather because they were added after one's first or given name. *Id.*

26. *Id.* at 126.

27. *Id.*

28. *Id.* at 132.

29. By 200 BCE, the Etruscan civilization had been devoured by the Roman Empire. GRAEME BARKER & TOM RASMUSSEN, *THE ETRUSCANS 265–71* (1998). "The Etruscans, as everyone knows, were the people who occupied the middle of Italy in early Roman days and whom the Romans, in their usual neighborly fashion, wiped out entirely to make room for Rome with a very big R." *Id.* at 262 (quoting D.H. LAWRENCE, *ETRUSCAN PLACES* (1932)).

30. SMITH, *supra* note 24, at 132.

31. *Id.*

century³² and then to Germany.³³ By the thirteenth century surnames were in common use.³⁴ In England, there is no indication that surnames were adopted prior to the Norman Conquest in 1066, though they appeared to be in use shortly afterward.³⁵

This significant change was not brought about solely by the invasion, for it was a movement that was already spreading through the more populous countries of Europe. The rise of the large towns, and the growing populations in country districts made it increasingly difficult to identify an individual who bore only one name.³⁶

By the latter part of the thirteenth century, surnames were in general use in most of Europe³⁷ and Great Britain.³⁸

English surname origins can be divided into four general classes³⁹— local or geographical, patronymical,⁴⁰ descriptive (i.e. nicknames), and occupational.⁴¹ One can think of each surname category as answering one of four questions. Local or geographically-derived surnames, the largest of the four categories with regard to the number of surnames derived in this manner, can be thought of as answering the question, “Where does he live or where is he from?”⁴²

The second class—patronymical surnames— are “derived from a father or ancestor, as in *Wilson*, the son of *Wil* or *Johnson* the son of *John*.”⁴³ In “four questions” parlance, it answers the query, “Who is his father?”⁴⁴

Nicknames comprise the third major class of surname origins.⁴⁵ Its identifying question is “[w]hat is his most prominent peculiarity?”⁴⁶ There is a

32. *Id.* at 27.

33. Carl Gersuny, *Occupations, Occupational Surnames and the Development of Society*, 8 J. POPULAR CULTURE 99, 100 (1974).

34. SMITH, *supra* note 24, at 28.

35. BOWMAN, *supra* note 20, at 5; *see also* SMITH, *supra* note 24, at 27 (noting that surnames were not adopted until after Norman Conquest and that practice was first used among lords).

36. BOWMAN, *supra* note 20, at 5. *See generally* SMITH, *supra* note 24, for further reading on the origins of surnames and a history of surname development.

37. SMITH, *supra* note 24, at 27–28.

38. C. M. MATTHEWS, *ENGLISH SURNAMES* 48 (1966).

39. BOWMAN, *supra* note 20, at 10. While surnames in other countries generally can be divided into the same general classes as in England, “each country has its own philological personality and history, and consequently its names developed differently.” SMITH, *supra* note 24, at 124.

40. Patronymic: “a name derived from that of the father or a paternal ancestor usually by the addition of an affix.” *Patronymic Definition*, MERRIAN-WEBSTER, <http://www.merriam-webster.com/dictionary/patronymic> (last visited Sept. 17, 2010).

41. SMITH, *supra* note 24, at 44. Outside of these four major classes were surnames whose origins could not be attributed to any of the four general classes. BOWMAN, *supra* note 20, at 11. For example, some surnames 1) were derived from combining several sources, 2) were susceptible to more than one explanation or origin, or 3) were from eccentricities in spelling or dialectical differences. *Id.* at 11–14. Surname origins have also been traced to, among other sources, prophets, martyrs, warriors, maternal lineage, and pastimes. *See generally id.*

42. SMITH, *supra* note 24, at 44.

43. BOWMAN, *supra* note 20, at 11.

44. SMITH, *supra* note 24, at 44.

45. BOWMAN, *supra* note 20, at 11.

46. SMITH, *supra* note 24, at 44. This could be a loaded question if the peculiarity was of an

great deal of variety in this category; it includes the “names of birds, beasts, fishes, terms descriptive of personal attributes, as well as oaths and phrase names.”⁴⁷ Prior to the advent of surnames, nicknames were used to distinguish individuals and families.⁴⁸

The final class—and the category of significance in this Article—are those surnames derived from trades, occupations or public office, such as Smith for a blacksmith, coppersmith, silversmith, goldsmith, shoemaker, etc.; Wright, as in wheelwright or wheel maker; Cook; or Sergeant.⁴⁹ This surname form answered the inquiry, “What does he do?”⁵⁰

That it is natural to use a man’s occupation to help identify him is illustrated by our disposition to refer to people today by their occupations. We speak of the postman, the milkman, the doctor or the druggist. In earlier times men usually learned their fathers’ trades, and important trade secrets were retained in a family for many generations, being passed down from father to son. This feature of father and son following the same trade gave impetus to the word, first applied merely as one of description, developing into a true hereditary family name.⁵¹

The survival of an occupational surname as a hereditary family name depended on its “respectability.” “Occupations which were looked up to and respected were more likely to produce permanent family names than those which called attention to servile status.”⁵² In addition, the same occupation would produce a common hereditary surname throughout England and Europe. For example, “[e]very village, no matter how small, would need the services of one who could work and fashion objects out of iron or other metals and thus the smith is found in every country.”⁵³

“interesting” nature.

47. BOWMAN, *supra* note 20, at 11. Nicknames, while not formally replacing surnames, continue to be used in all manner of forms. For example, major league baseball pitcher Randy Johnson—who at 6’10” is one of the tallest professional baseball players—is known as “The Big Unit.” Associated Press, *Lefty Johnson Retires*, ESPN.COM (Jan. 6, 2010, 11:16 AM), <http://sports.espn.go.com/mlb/news/story?id=4799462>. The press has bestowed the nickname “Octomom” on Nadya Suleman, who, in 2009, gave birth to octuplets. John Bowe, *Octo-Mom in Production*, N.Y. TIMES MAG., Nov. 15, 2009, at 50.

48. BOWMAN, *supra* note 20, at 6.

49. *Id.* at 11.

50. SMITH, *supra* note 24, at 44.

51. *Id.* at 50. This is obviously from a dated source, as today we generally refer to letter carriers, there are few home milk deliveries, and the term “druggist” has been replaced with “pharmacist.” But the idea expressed by Smith regarding our inclination to identify people by their occupations remains true. See ELSDON C. SMITH, *DICTIONARY OF AMERICAN FAMILY NAMES*, at xvi (1956) (“To describe one by reference to his occupation or profession is most natural.”).

52. *Id.* at xvii (“The *Stewards*, *Sargents* and *Franklins* surnamed many more people in proportion to their numbers than the *Vassals* or *Cotters*.”); see also Gersuny, *supra* note 33, at 103 (“The frequency of Smith as an occupational surname is attributed not to the large number of smiths but to the functional importance of that occupation in agrarian society . . .”). We can all think of a few modern occupations which no one would care to have as a surname.

53. SMITH, *supra* note 51, at xvi. “Bulgaria surnames him *Kovac*, the Danes use *Smed*, the Hungarians say *Kovars*, the French call him *Lefevre* and *Faure*, the Germans say *Schmidt* or *Smidt*, in Italy it is *Ferraro*, the Russians refer to *Kuznetzov*, and the Poles to *Kowal*.” *Id.*

C. *From Surnames to the Right to Privacy to the Right of Publicity*

The transformation of surnames representing business occupations to businesses being named after the owner set the stage for the cultural shift in the meaning of individual identity, leading to the development of the right to privacy and, eventually, the right of publicity. The creation of the right of privacy, the right to be let alone, constituted judicial recognition of the seclusionary personality interest, an interest that is distinct from reputation.⁵⁴ In their seminal paper, *The Right to Privacy*,⁵⁵ Samuel Warren and Louis Brandeis detailed the need for a right to be left alone. Warren and Brandeis admonished that, for years prior to their article, there had “been a feeling that the law must afford some remedy for the unauthorized circulation of portraits of private persons” and from “the evil of the invasion of privacy by the newspapers.”⁵⁶

Warren and Brandeis argued that it was necessary and desirable that our courts recognize and protect, at least to some extent, the right to privacy.⁵⁷ After discussing several theories under which courts had granted relief for a wrongful publication, the authors concluded that there was, in case law, “a principle which may be invoked to protect the privacy of the individual.”⁵⁸ This common law right to privacy was

predicated upon the interest of an individual in the exclusive nature of his personality. Whether phrased in terms of the right “to be let alone” or freedom from exposure, the right of privacy was the vehicle for the protection of an internal interest, the feelings of one who involuntarily has been publicly “used.”⁵⁹

54. Sheldon W. Halpern, *The Right of Publicity: Commercial Exploitation of the Associative Value of Personality*, 39 VAND. L. REV. 1199, 1247 (1986) (citing *Pavesich v. New England Life Ins. Co.*, 50 S.E. 68, 78 (Ga. 1905)).

55. Samuel D. Warren & Louis D. Brandeis, *The Right to Privacy*, 4 HARV. L. REV. 193 (1890).

56. *Id.* at 195.

57. *Id.* at 196. The authors considered whether there was, in existing law, a principle which could be invoked to protect an individual’s privacy, and the nature and extent of that protection. Warren and Brandeis argued that such a right—though with limitations—was found through an examination of the common law. *See id.* at 219 (concluding common law framework relating to defamation and artistic property provided guidance for right of privacy). For further discussion of the development of “right to privacy” jurisprudence from Warren and Brandeis’ 1890 article through 1960, see generally William L. Prosser, *Privacy*, 48 CALIF. L. REV. 383 (1960).

58. Warren & Brandeis, *supra* note 55, at 206.

We must therefore conclude that the rights, so protected, whatever their exact nature, are not rights arising from contract or from special trust, but are rights as against the world; and . . . the principle which has been applied to protect these rights is in reality not the principle of private property, unless that word be used in an extended and unusual sense. The principle which protects personal writings and any other productions of the intellect or of the emotions, is the right to privacy, and the law has no new principle to formulate when it extends this protection to the personal appearance, sayings, acts, and to personal relation, domestic or otherwise.

Id. at 213. The authors additionally declared that “[t]he common law secures to each individual the right of determining . . . to what extent his thoughts, sentiments, and emotions shall be communicated to others.” *Id.* at 198 (citing *Millar v. Taylor*, (1769) 98 Eng. Rep. 201, 242 (K.B.)).

59. Halpern, *supra* note 54, at 1204. Halpern discusses the growth of the right to privacy as a “common-law right of redress for nondefamatory, but unconsented to, exposure of [an individual’s]

The right of publicity—that is, “a right flowing from the economic value of celebrity”⁶⁰—was initially derived out of the right of privacy.⁶¹ Indeed, Warren and Brandeis hint at a distinction for those “who, in varying degrees, have renounced the right to live their lives screened from public observation.”⁶² Courts distinguished between the causes of action available for emotional distress due to invasion of privacy versus economic damage due to unauthorized commercial use based on one’s right of publicity.⁶³ Initially, “[b]attle lines [were] drawn over whether the creature emerging from the fermenting ooze of modern mass communications [was] a species of ‘property’ or a purely personal ‘privacy’ interest.”⁶⁴ In his articles on commercial exploitation of the right of publicity,⁶⁵ Sheldon Halpern notes several early rights-of-publicity decisions whereby courts rejected claims of privacy rights violations by celebrities.⁶⁶ These held that a celebrity⁶⁷ could not sue under an invasion of privacy theory for the unauthorized commercialization of his identity because, through his public actions, “[t]he

likeness.” *Id.* at 1203 (citing *Pavesich v. New England Life Ins. Co.*, 50 S.E. 68, 80–81 (Ga. 1905)). For a detailed case-law history on the development of the right of publicity from the right to privacy, see generally *id.* See also Gloria Franke, Note, *The Right of Publicity vs. The First Amendment: Will One Test Ever Capture the Starring Role?*, 79 S. CALIF. L. REV. 945, 948–53 (2006) (commenting on struggle between Brandeis & Warren’s conception of right to privacy, and right to publicity sought by celebrities beginning in twentieth century); Barbara Singer, *The Right of Publicity: Star Vehicle or Shooting Star?*, 10 CARDOZO ARTS & ENT. L.J. 1, 6–32 (1991) (analyzing history of right to privacy through case law, and how it developed over time into right to publicity).

60. Halpern, *supra* note 54, at 1208. “Judge Frank . . . held that . . . New York law recognized an independent, common-law right protecting economic interests rather than the personal, emotional interests contemplated by the right of privacy; and that such a right, by its nature, must be exclusively assignable.” *Id.* (referring to Judge Frank’s pronouncement recognizing the right of publicity in *Haelan Labs, Inc. v. Topps Chewing Gum, Inc.* 202 F.2d 866, 868 (2d Cir. 1953)).

61. *Id.* at 1205 (“As an historical phenomenon, the right of privacy was born and developed at a time when celebrity was not itself a commodity capable of widespread exploitation.”). For a detailed discussion on the social history regarding both the development of the right of publicity (beginning with Josiah Wedgwood placing portraits on his china in the 1770s) and the expansion of commercial exploitation of famous persons, see Michael Madow, *Private Ownership of Public Image: Popular Culture and Publicity Rights*, 81 CALIF. L. REV. 125, 147–78 (1993).

62. Warren & Brandeis, *supra* note 55, at 215.

63. Halpern, *supra* note 54, at 1204–05 (“Relief is available under the applicable privacy law only for acts that invade plaintiffs’ privacy and consequently bruise their feelings.” (quoting *Bi-Rite Enters., Inc. v. Button Master*, 555 F. Supp. 1188, 1198 (S.D.N.Y. 1983))).

64. *Id.* at 1201 (footnote omitted).

65. Halpern, *supra* note 54; Sheldon W. Halpern, *The Right of Publicity: Maturation of an Independent Right Protecting the Associative Value of Personality*, 46 HASTINGS L.J. 853 (1995).

66. Halpern, *supra* note 54, at 1206 n.34 (“[F]or as public figures, with their likenesses, names and images already in the public domain, they have waived their rights to claim intrusions into their common law privacy rights Moreover, they cannot demonstrate harm to their feelings justifying legal action.” (quoting *Bi-Rite*, 555 F. Supp. at 1198). Halpern cites to several other jurisdictions which held that there was no common law privacy claim based only on a celebrity’s public exposure. *Id.* (citing *Carson v. Here’s Johnny Portable Toilets, Inc.*, 698 F.2d 831, 834 (6th Cir. 1983); *O’Brien v. Pabst Sales Co.*, 124 F.2d 167, 169 (5th Cir. 1941)).

67. Dean William Prosser defines a celebrity as “one who by his own voluntary efforts has succeeded in placing himself in the public eye.” Prosser, *supra* note 57, at 410. However, “even a celebrity [is] entitled to his private life, and [is] a public figure only as to matters already public and those which directly [bear] upon them.” *Id.* at 416.

celebrity effectively has waived his right of privacy and can have no relief under a 'privacy' umbrella."⁶⁸

Taking into consideration the reluctance of courts to allow tort claims based on invasion of privacy, yet recognizing the risk of misappropriation, jurists were "willing to recognize a distinct commercial exploitation interest, but only after ritually loosening it from its privacy mooring or other, more traditional berths."⁶⁹ This right to commercial exploitation of one's name was generally recognized as a distinct right, separate from the right of privacy. *Haelan Laboratories, Inc. v. Topps Chewing Gum, Inc.*⁷⁰ is considered the seminal case which "recognized the independent right of publicity by differentiating that right from the already existing right of privacy."⁷¹ In *Haelan*, the Second Circuit clarified the distinction between an economic right in one's personality for the purposes of commercial exploitation and a privacy interest whereby one has the right to be left alone.⁷²

Haelan, a chewing-gum manufacturer, had a contract with a baseball player whereby the baseball player assigned Haelan the exclusive right to put the player's photograph on trading cards.⁷³ Topps, a rival company, later contracted with the same player to use the player's photo on its cards.⁷⁴ Haelan sued Topps, claiming the defendant induced the athlete to breach his contract.⁷⁵ The Second Circuit reversed the lower court's dismissal;⁷⁶ the appellate court recognized a legal interest in the publication of a person's picture beyond the right of privacy, and held that Haelan, as the assignee of the player's right of publicity, had standing to sue Topps.⁷⁷

[I]n addition to and independent of that right of privacy . . . a man has a right in the publicity value of his photograph, i.e., the right to grant the exclusive privilege of publishing his picture

This right might be called a "right of publicity." For it is common knowledge that many prominent persons . . . far from having their feelings bruised through public exposure of their likenesses, would feel sorely deprived if they no longer received money for authorizing advertisements, popularizing their countenances, displayed in newspapers, magazines, busses, trains and subways. This right of publicity would usually yield them no money unless it could be made the

68. Halpern, *supra* note 54, at 1206. In light of this implied waiver, however, courts recognized that "[i]n a societal context in which unauthorized commercial appropriation of a personality is seen as an invasion, causing shame, discomfort, or irritation, rather than economic loss, it is not unreasonable for such an appropriation to be considered part of the privacy interest." *Id.* at 1205 (internal quotation marks omitted).

69. *Id.* at 1209.

70. 202 F.2d 866 (2d Cir. 1953).

71. Halpern, *supra* note 54, at 1203.

72. *Id.*

73. *Haelan*, 202 F. 2d at 867.

74. *Id.*

75. *Id.*

76. *Id.* at 869.

77. *Id.* at 868-69.

subject of an exclusive grant which barred any other advertiser from using their pictures.⁷⁸

Haelan and later cases established a separate right of publicity which protects “a distinct economic interest in personality.”⁷⁹ The American legal community differed as to the extent of the rights beyond commercial exploitation of one’s name.⁸⁰ However, by 1993, it was recognized as a distinct right in the Restatement (Third) of the Law of Unfair Competition which held parties liable for the unauthorized appropriation of “a person’s identity by using without consent the person’s name, likeness, or other indicia of identity for purposes of trade.”⁸¹ This recognition of a right to publicity (and the commercial value of that right) illustrated the shift by courts to consider publicity as bearing on a property right rather than a privacy interest,⁸² even though the right has never fully broken free “of its roots in the right to privacy.”⁸³

78. *Id.* at 868; see also Stacey L. Dogan & Mark A. Lemley, *What the Right of Publicity Can Learn from Trademark Law*, 58 STAN. L. REV. 1161, 1173 (2006) (“*Haelan*’s new cause of action differed from the right of privacy in several important ways. Most significantly, as an economic rather than a personal right, the right of publicity was fully alienable, meaning that third parties could acquire a celebrity’s publicity rights and have standing to sue for violations.”); David Westfall & David Landau, *Publicity Rights as Property Rights*, 23 CARDOZO ARTS & ENT. L.J. 71, 76 (2005) (“[W]hat *Haelan* . . . did was to make the right of publicity *alienable* via assignment or license.”).

79. Halpern, *supra* note 54, at 1202. Other cases which Halpern cites, to demonstrate support for this doctrine, include *Lerman v. Flynt Distributor Co.*, 745 F.2d 123 (2d Cir. 1984) and *Bi-Rite Enterprises, Inc. v. Button Master*, 555 F. Supp 1188 (S.D.N.Y. 1983). Halpern, *supra* note 54, at 1202 n.12. Courts now generally recognize the right of publicity as separate from the right of privacy. See, e.g., *McFarland v. Miller*, 14 F.3d 912, 919 (3d Cir. 1994) (“Federal courts first recognized the right of publicity in *Haelan Laboratories*. . . . The New Jersey courts have recognized a similar right of exploitation.”); *Uhlaender v. Henricksen*, 316 F. Supp. 1277, 1282 (D. Minn. 1970) (“[A] celebrity has a legitimate proprietary interest in his public personality. . . . [and] must be considered to have invested his years of practice and competition in a public personality which eventually may reach marketable status. That identity . . . is the fruit of his labors and is a type of property.”); *Lugosi v. Universal Pictures*, 603 P.2d 425, 431 (Cal. 1979), *superseded by statute*, CAL. CIV. CODE § 3344.1 (West 2010) (“[The] right of publicity means in essence that the reaction of the public to name and likeness, which may be fortuitous or which may be managed or planned, endows the name and likeness of the person involved with commercially exploitable opportunities.”).

80. See Halpern, *supra* note 54, at 1233–37 (discussing different judicial approaches to question of whether, and how far, celebrity’s right of publicity descends after death); Halpern, *supra* note 65, at 858–59 (noting alienability and descendibility of right, as well as difficulty in defining protected “identity,” have been areas of ongoing debate); Madow, *supra* note 61, at 177 n.255 (citing cases and statutes expanding right beyond name and likeness, to include such things as manner of dress, voice, and style of performance).

81. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 46 (1995); see also Halpern, *supra* note 65, at 859.

Here the right has fully emerged, free of its analogic ancestors, free of the constraints of a privacy pigeonhole in the *Restatement of Torts*. With a base in the law of unfair competition, the commercial, economic, appropriation characteristics of the interest to which the right of publicity relates are fully recognized.

Id.

82. Jody C. Campbell, Note, *Who Owns Kim Basinger? The Right of Publicity’s Place in the Bankruptcy System*, 13 J. INTELL. PROP. L. 179, 188 (2005) (citing *State ex rel. Elvis Presley Int’l Mem’l Found. v. Crowell*, 733 S.W.2d 89, 97 (Tenn. Ct. App. 1987)).

Yet to conclude that the right of publicity is exclusively a proprietary interest would be overly simplistic and lack an appreciation of the larger picture. Modern courts continue to use

Today, under section 46 of the Restatement, there are no boundaries or requirements as to the famousness or lack thereof of the person who wishes to exercise their right to exploit the commercial value of her identity.⁸⁴ It applies equally to the small business owner who wishes to use her goodwill in a Personal Name Mark as it does to those individuals who have become “household names.”

D. *Personal Name Marks*

We recognize that celebrities can “affect the marketability of goods, services, and creative works.”⁸⁵ An endorsement by Oprah Winfrey can turn an unknown novel into a best seller.⁸⁶ And similarly, when we use our names in connection with a business, we are drawing on the associative value of our identities⁸⁷—that is, our persona’s economic impact on the marketability of goods or services.⁸⁸ For example, a plumber who was employed by another company may have developed a reputation among her customers for her services,⁸⁹ and when starting her own business might choose to capitalize on this goodwill by utilizing her name for her company.⁹⁰ She has the right to exploit her reputation⁹¹ for high quality work as a

privacy as a foundation for a publicity infringement suit. Thus, it is more intellectually appropriate to see the right of publicity and the right of privacy not as mutually exclusive, but rather as protecting different interests originating from the same wrong.

Id. at 191 (footnote omitted). Campbell notes that the Supreme Court has defined two separate yet related causes of action: the “violation of the right to privacy and misappropriation of persona rights are two separate causes of action, which protect different interests: the right of privacy protects a dignitary interest; the right of publicity protects a commercial interest.” *Id.* at 188, 191 (citing *Zacchini v. Scripps-Howard Broad. Co.*, 433 U.S. 562, 573 (1977) (“The interest protected in permitting recovery for placing the plaintiff in a false light is clearly that of reputation, with the same overtones of mental distress as in defamation. By contrast, the State’s interest in permitting a right of publicity is in protecting the proprietary interest of the individual in his act in part to encourage such entertainment.” (quoting *Zacchini*, 433 U.S. at 573) (internal quotation marks omitted))). That being said, “courts have recognized that the damages to celebrities through the infringement of their persona rights are not purely economic.” *Id.* at 195.

83. *Id.* at 203.

84. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 46 (1995).

85. Halpern, *supra* note 54, at 1239.

86. *Oprah Winfrey Biography*, BIOGRAPHY.COM, <http://www.biography.com/articles/Oprah-Winfrey-9534419?part=1> (last visited Sept. 17, 2010).

87. See Halpern, *supra* note 54, at 1242–46 (providing examples where name or likeness of celebrity was used to market products, such as Elvis Presley T-shirts and famous race cars associated with certain cigarettes).

88. *Id.* at 1242.

89. Though “celebrities do not make their image in the same way [that] a carpenter makes a chair.” Westfall & Landau, *supra* note 78, at 118.

90. See Halpern, *supra* note 65, at 856–59 (explaining that products and services which associate themselves with celebrities attempt to build on goodwill of celebrities’ personas).

When an individual’s name functions as a trademark, the name then, like any trademark, is an indication of origin, a symbol of goodwill, and a medium of advertising. And inasmuch as a trademark is always, in a sense, a name, it is to a certain degree inseparable from the personality of the trademark owner. But an individual is free to determine the extent to which he will associate his name with his business reputation . . .

ALTMAN & POLLACK, *supra* note 9, § 17.6 (4th ed. 2009); see also *Comedy III Prods., Inc. v. Gary Saderup, Inc.*, 21 P.3d 797, 804–05 (Cal. 2001) (“Years of labor may be required before one’s skill, reputation,

form of celebrity, and the “market place recognizes [the] associative value” of her name which affects the renown and thus the success of her business.⁹²

As noted earlier, one of the earlier origins of surnames is related to one’s occupation.⁹³ Merging the concept of names as indicators of one’s profession with names as instruments for economic exploitation, names are used today not merely for economic interests arising from celebrity, but as Personal Name Marks—or brands—to indicate source or sponsorship of goods and services in commerce.⁹⁴ Though the name does not indicate the type of business, the business is nevertheless identified by the Personal Name Mark of the individual business owner. As noted previously,⁹⁵ this creates a dual use of one’s name that is different from the right to privacy/right of publicity dichotomy: the use of one’s name can be bifurcated into (1) one’s public actions related to the name as a mark—that is, the use of one’s name in commerce in connection with goods or services as an indicator of source or sponsorship and one’s right of publicity—and (2) one’s own personal use of his or her name. The latter use is the first use. “[B]efore one can have a good name, he must have a name; before he can build a reputation, he must have an identity to which that reputation may attach.”⁹⁶ As the District Court of Connecticut noted in *Premier-Pabst Corp. v. Elm City Brewing Co.*,⁹⁷ the common law “has from ancient times” acknowledged the individual’s “exclusive right to the identity which he has established for himself among his fellows and in the public eye.”⁹⁸ We must therefore question whether personal use can be completely consumed through extensive brand recognition.⁹⁹

notoriety or virtues are sufficiently developed to permit an economic return through some medium of commercial promotion. . . . For some, the investment may eventually create considerable commercial value in one’s identity.”); Jacy T. Jasmer, Comment, *ETW Corp. v. Jireh Publishing, Inc.: A Workable Standard, an Unworkable Decision*, 5 MINN. INTELL. PROP. REV. 293, 300–01 (2004) (recognizing tension between celebrities’ investments and First Amendment).

91. “The security of his reputation or good name from the arts of detraction and slander, are rights to which every man is entitled, by reason and natural justice; since without these it is impossible to have the perfect enjoyment of any other advantage or right.” 1 WILLIAM BLACKSTONE, COMMENTARIES *134.

92. Halpern, *supra* note 54, at 1243. “Today, it is commonplace for individuals to promote or advertise commercial services and products or . . . even have their identities infused in the products. . . . Such commercial use of an individual’s identity is intended to increase the value or sales of the product by fusing the celebrity’s identity with the product. . . .” *Id.* at 1243 n.260 (quoting *Lugosi v. Universal Pictures*, 603 P.2d 425, 437–38 (Cal. 1979) (Bird, C.J., dissenting), *superseded by statute*, CAL. CIV. CODE § 3344.1 (West 2010)). For an in-depth discussion on the associative value of celebrity, see Halpern, *supra* note 54, at 1239–47, and Halpern, *supra* note 65, at 856–61.

93. See *supra* notes 49–53 and accompanying text for a discussion of surnames derived from occupations.

94. See 15 U.S.C. § 1127 (2006) (defining trade or commercial name as “any name used by a person to identify his or her business or vocation”); see also *Facenda v. N.F.L. Films, Inc.*, 542 F.3d 1007, 1032 (3d Cir. 2008) (holding that “Pennsylvania’s right of publicity is meant to protect . . . a citizen’s prerogative *not* to have his or her name, likeness, voice, or identity used in a commercial advertisement, whether that citizen is a celebrity or not,” essentially providing in gross right to use of one’s name).

95. See *supra* notes 9–13 and accompanying text for a brief discussion of the dual use of one’s name.

96. *Premier-Pabst Corp. v. Elm City Brewing Co.*, 9 F. Supp. 754, 758 (D. Conn. 1935).

97. 9 F. Supp. 754 (D. Conn. 1935).

98. *Premier-Pabst Corp.*, 9 F. Supp. at 758.

[I]f indeed reputation is a matter of right, to be known as a particular individual is a right even

We create property rights in our name when we use them as Personal Name Marks,¹⁰⁰ which can be defined as a “designation that is likely to be perceived by prospective purchasers . . . as the personal name of a person connected with the goods, services, or business”¹⁰¹ with which it is used. As an asset of the business, we hope to build value in the Personal Name Mark,¹⁰² and as property, it is alienable just as if it were a physical asset.¹⁰³

It could be contended that by achieving such alienability, all rights associated with the name—including its use in the private sphere—become transferable. However, one may counter that there is an inherent “selfness” in one’s name that should be considered nontransferable. Our names are not *just* names but go to our identity, reputation, self-regard, and self-determination.¹⁰⁴ “[N]ames penetrate the core of our being and are a form of poetry, storytelling, magic, and compressed history.”¹⁰⁵ Thus, “even when a personal name has become a trade name it continues to serve the important function to its bearer of acting as a symbol of that individual’s personality, reputation and accomplishments as distinguished from that of the business, corporation or otherwise, with which he has been associated.”¹⁰⁶ It may be impossible to ever truly separate a person from her name. Even requiring a seller to legally change her name may not be sufficient. The press, family, friends, and members of the public would never forget the former identity and naturally refer to the individual by both names, thereby making the name change a fruitless effort in achieving the desired result.¹⁰⁷ It is

more fundamental. Conceivably, some alien civilization might exist wherein each member of society was consigned to perpetual anonymity; wherein each was doomed to live and die as one ant in the hill, or as one cog in the machine of the state, without means or right for any identification of personality. But the common law has more nobly appraised the fullness of human life . . .

Id. The force behind one’s reputation is of biblical proportions. *See Ecclesiastes 7:1* (New American Standard) (“A good name is better than a good ointment.”).

99. Even after a brand that began primarily as a surname has gained acquired distinctiveness through secondary meaning, the brand continues to benefit from its descriptiveness.

100. *S. Scrap Material Co. v. Smith*, 44 So. 2d 754, 755 (Ala.1950) (“[A] person has no property right in his individual personal name as used to identify himself as an individual, but when his name is used as a trade or commercial name a property right is created in it in association with the business or trade it identifies.”). There is no absolute property right to use one’s name in connection with her business when it is likely to cause customer confusion, misappropriate goodwill, or otherwise infringe on another’s trademark. *See generally* Floyd A. Mandell, *Personal Name Trademarks—Your Name May Not Be Your Own*, 70 TRADEMARK REP. 326 (1980).

101. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 14 (1995).

102. *See generally* Lindemann, *supra* note 7 (explaining significance of intangible asset value to business success).

103. *See, e.g., Radcliffe 10, L.L.C. v. Zip Tube Sys. of La., Inc.*, 998 So. 2d 107, 116–17 (La. Ct. App. 2008) (finding name of business alienable via contract).

104. KAPLAN & BERNAYS, *supra* note 18, at 13.

105. *Id.*

106. *Madrigal Audio Labs., Inc. v. Cello, Ltd.* 799 F.2d 814, 822 (2d Cir. 1986) (citing 3 ALTMAN & POLLACK, *supra* note 9, § 17.6).

107. Some people who legally change their names will never out-distance themselves from their former identities. In one of the most widely reported examples, Jeff Gillooly (ice skater Tonya Harding’s husband) changed his name in 1995 to Jeffrey Stone, yet continues to be reported in the press by both names. Abby Haight, *Mastermind Rethinks Life After Tonya Stone Says He Changed More Than His Name*,

doubtful as to whether one who is famous or has established a strong brand through her Personal Name Mark can ever completely divorce herself from her identity.

Both full names and surnames of business owners have been incorporated into or used as a business name and brand.¹⁰⁸ Among Fortune 1000 companies, 275 (27.5%) were originally named after the corporation's founder: of these, 199 used some form of the founder's name, and 76 used the founder's full name.¹⁰⁹ The numbers appear to be even higher for small companies, on the order of twenty to fifty percent for some business categories.¹¹⁰ These companies are all potential purchase targets. For those with Personal Name Marks still owned by the named person, how far the owners' identities may be sold will depend on how far freedom of contract should reach into the sellers' private lives.

III. THE FREEDOM OF CONTRACT DOCTRINE AND ITS GENERAL LIMITATIONS UNDER CURRENT LAW

It is well recognized that, through contract, one can bargain away that which one owns or for which one has a legal right.¹¹¹ Under common law, "[t]he general rule is that competent persons shall have the utmost liberty of contracting and that their agreements voluntarily and fairly made shall be held valid and enforced in the courts."¹¹² Thus, freedom of contract doctrine—an integral part of contract

THE OREGONIAN, Feb. 4, 1998, at D1; *see also* Filip Bondy, *Frozen In Time: Nancy and Tonya—Lives Change, Roles the Same 10 Years Later*, SUN-SENTINEL, Jan. 9, 2004, at 1C ("[Tonya Harding's] ex-husband Jeff Gillooly (now Jeff Stone) . . . arranged the assault on [rival ice skater Nancy] Kerrigan . . ."); Barry Wilner, *Harding Tells Harrowing Story in New Book*, USATODAY.COM (May 15, 2008, 6:59 PM), http://www.usatoday.com/sports/olympics/2008-05-15-4015497852_x.htm (referring to Gillooly by his former name, and in passing, mentioning that he is "now named Jeff Stone"). Gillooly/Stone's co-conspirator, Sean Griffith, also changed his name, which was mentioned in his obituary. *Bodyguard in Kerrigan Attack Dies at 40*, USATODAY.COM (Dec. 16, 2007, 6:40 AM), http://www.usatoday.com/news/nation/2007-12-15-2064735510_x.htm ("Formerly Shawn Eckardt, Griffith had changed his name since the attack in an attempt to put it behind him."); *see also* Mike Celizic, *Tonya Harding Reveals Her Side of 'Roller-Coaster Life'*, TODAYSHOW.COM (May 15, 2008, 10:45 AM), <http://www.msnbc.msn.com/id/24645352/> ("Gillooly, who has changed his name to Jeff Stone, told TODAY Harding's claims are 'utterly ridiculous.'").

108. Examples include Wal-Mart, founded by Sam Walton, and the self-named companies of Levi Strauss and John Deere. *Fortune 500 2008*, CNNMONEY.COM http://money.cnn.com/magazines/fortune/fortune500/2008/full_list/index.html (last visited Sept. 17, 2010).

109. *Id.* Of the fully-named companies, seventy are now publicly owned with twenty-two having family involvement. Of the partially-named companies, 181 are publicly owned with fifty-one having family ownership. Data on file with author. Until it was liquidated in 2008, Lehman Brothers continued to be a private company controlled by the descendants of Henry, Emanuel, and Mayer Lehman. Peter Kiewit Sons and Levi Strauss continue to be privately held companies controlled by the Kiewit and Strauss families, respectively. Data on file with author.

110. A survey of companies in the St. Louis area revealed that among masons, plumbers, general contractors, jewelry retailers, and automobile repair companies, over forty percent of the businesses were named after the owner. In addition, over twenty percent of all barbers, beauty salons, and appliance dealers in the St. Louis area were self-named businesses. Data on file with author.

111. *See* RESTATEMENT (SECOND) OF CONTRACTS §§ 1-3 (1981) (defining contracts).

112. *Twin City Pipe Line Co. v. Harding Glass Co.*, 283 U.S. 353, 356 (1931).

law since Blackstone¹¹³—provides us with the ability to bargain away rights to which we would otherwise be entitled.¹¹⁴ Indeed, Robert Braucher, reporter for the second Restatement of Contracts, noted that “[p]erhaps the most noticeable shift [between the first and second Restatements of Contracts was] the increased respect accorded to freedom of contract—to the power of the contracting parties to control the rights and duties they create.”¹¹⁵

However, while on one hand declaring that “bargains are enforceable,”¹¹⁶ the Restatement also acknowledged that exceptions exist to freedom of contract when “some other principle conflicts.”¹¹⁷ As noted by Braucher,

the bases for enforcement set forth in section 90 (detrimental reliance), section 89A (promise for benefit received), and section 89B (firm offer), emphasize the discretion that courts have to assure that injustice is prevented. But the fact remains that freedom of contract is explicit as a major feature of the second *Restatement*: “The governing principle in the typical case is that bargains are enforceable unless some other principle conflicts.” Much of the rest is rationalization of the basic principle and commentary.¹¹⁸

The fact that some contract clauses—and entire contracts—are not legally enforceable under common law has a direct bearing on the purchase of a Personal Name Mark. The unenforceability of some agreements creates a balancing act between the ability to bargain freely and ensuring the elemental fairness of the transaction.¹¹⁹ Issues which result in a defective, and thus unenforceable, contract¹²⁰ include: (i) lack of capacity of either party;¹²¹ (ii) unconscionability;¹²² (iii) illegality;¹²³ (iv) and when the contract is against public policy.¹²⁴

113. 2 WILLIAM BLACKSTONE, COMMENTARIES *442–49.

114. See Robert Braucher, *Freedom of Contract and the Second Restatement*, 78 YALE L.J. 598, 599–600 (1969) (stating that a bargained-for performance is consideration).

115. *Id.* at 598.

116. RESTATEMENT (SECOND) OF CONTRACTS, § 17 cmt. b (1981); see also Braucher, *supra* note 114, at 601 (discussing importance of belief that bargains are enforceable).

117. RESTATEMENT (SECOND) OF CONTRACTS, § 17 cmt. b (1981); see also Braucher, *supra* note 114, at 599 (“[T]he changes in the Restatement are in the direction of being more candid in stating the limitations on freedom of contract.”).

118. Braucher, *supra* note 114, at 599 (quoting RESTATEMENT (SECOND) OF CONTRACTS § 19 cmt. b (Tentative Draft No. 1, 1964)).

119. See RESTATEMENT (SECOND) OF CONTRACTS § 178 (1981).

120. Contract formation consists of an offer, acceptance, and consideration. DANIEL J. BUSSEL & ARTHUR I. ROSETT, CONTRACT LAW AND ITS APPLICATION 631 (7th ed. 2006).

121. As stated in section 12 of the Restatement (Second) of Contracts, “[n]o one can be bound by contract who has not legal capacity to incur at least voidable contractual duties.” RESTATEMENT (SECOND) OF CONTRACTS § 12(1) (1981). Section 12(1) elaborates that “[c]apacity to contract may be partial and its existence in respect of a particular transaction may depend upon the nature of the transaction or upon other circumstances.” *Id.*

The courts have recognized specific categories of individuals who lack capacity to enter into legally binding agreements. “A natural person who manifests assent to a transaction has full legal capacity to incur contractual duties thereby unless he is (a) under guardianship, or (b) an infant, or (c) mentally ill or defective, or (d) intoxicated.” RESTATEMENT (SECOND) OF CONTRACTS § 12(2) (1981). For example, “infants,” a term which encompasses individuals under the age of majority, protects minors from being exploited due to their immaturity.

The burdens are on the party looking to invalidate the contract. “Courts generally assume that ‘bargains are enforceable and that the party asking the court to intervene to invalidate a bargain should demonstrate the justice of his or her position.’”¹²⁵ This includes both “the ‘burden of *proving facts* which would justify [a] trial court’s concluding that the clause should not be enforced and the burden of *persuading the court* that the provision should not be enforced.’”¹²⁶

Unconscionable Contracts

A contract that is “unconscionable,” and thus unenforceable, is one that no person “‘in his [or her] senses’” would make and that “no honest and fair person would accept,” with “the inequality being ‘so strong and manifest as to shock the conscience and confound the judgment of any [person] of common sense.’”¹²⁷ For

[T]he protection of infants is one of the chief concerns of the law. The rule is that no one may deal with a minor, except for necessities. Lord Coke said that an infant may bind himself for his meat, drink, apparel, necessary physic and other such necessities, and likewise for his good teaching or instruction, whereby he may profit himself afterward. This, generally speaking, has been accepted as the true doctrine. An infant is not competent to contract. This positive inhibition is the way of the law to protect infants against their own lack of discretion and against the snares of designing persons.

In re O’Leary’s Estate, 42 A.2d 624, 625 (Pa. 1945) (citation omitted).

Lack of capacity may be permanent or temporary. For example, a person who lacks capacity to enter into a contract because he is drunk has created a voidable contract, and once sober may either void or ratify the agreement. *See, e.g., Williamson v. Matthews*, 379 So. 2d 1245, 1247–48 (Ala. 1980) (“The drunkenness of a party at the time of making a contract may render the contract voidable, but it does not render it void; and to render the contract voidable, it must be made to appear that the party was intoxicated to such a degree that he was, at the time of the contracting, incapable of exercising judgment, understanding the proposed engagement, and of knowing what he was about when he entered into the contract sought to be avoided.”); *see also Stockmen’s Guar. Loan Co. v. Sanchez*, 194 P. 603, 605 (N.M. 1920) (“The voidable contracts of an intoxicated person may be ratified by him when he becomes sober, and, if so ratified, they become binding upon him and may be enforced. This may be done by any act which clearly recognizes the contracts as valid and shows an intention ‘to be bound by it, or it may be done by a failure to disaffirm within a reasonable time.’”).

122. *See infra* notes 127–31 and accompanying text for a discussion of unconscionable contracts.

123. *See infra* notes 132–35 and accompanying text for a discussion of illegal contracts.

124. *See infra* notes 136–41 and accompanying text, for a discussion of contracts contrary to public policy. Other causes of a defective—and therefore unenforceable—contract include: not satisfying the Statute of Frauds in an agreement that falls within the Statute of Frauds; misrepresentation; acceptance of the contract under duress; mistake at the time of the agreement as to material facts affecting the agreement; and ambiguous contracts. *See generally* RESTATEMENT (SECOND) OF CONTRACTS §§ 110–77 (1981).

125. *Westhaven Assocs., Ltd. v. C.C. of Madison, Inc.*, 652 N.W.2d 819, 824 (Wis. Ct. App. 2002) (quoting *Wassenaar v. Panos*, 331 N.W.2d 357, 361 (Wis. 1983)).

126. *Id.* (emphasis added) (quoting *Wassenaar*, 331 N.W.2d at 357); *see also Cent. Steel Drum Co. v. Gold Cooperage, Inc.*, 491 A.2d 49, 57 (N.J. Super. Ct. App. Div. 1985) (“Placing the burden of proof on the challenger is consistent with giving the nonbreaching party the advantage inherent in stipulated damages clauses of eliminating the need to prove damages, and with the general principle that the law assumes that bargains are enforceable and that the party asking the court to intervene to invalidate a bargain should demonstrate the justice of his or her position.” (quoting *Wassenaar*, 331 N.W.2d at 361) *overruled by* *Kutzin v. Pirnie*, 591 A.2d 932 (N.J. 1991).

127. *Christian v. Christian*, 365 N.E.2d 849, 855 (N.Y. 1977) (alterations in original) (quoting *Hume v. United States*, 132 U.S. 406, 411 (1889) and *Mandel v. Liebman*, 100 N.E.2d 149, 152 (N.Y. 1951)).

example, a contract for a new home in which the purchaser agreed to waive the right to punitive damages and a jury trial for any construction defect claims was found to be an unconscionable contract of adhesion.¹²⁸

That the parties to the bargain are in unequal positions of power does not in and of itself render an agreement unconscionable.¹²⁹ And merely the result of a better deal for the party in the stronger position will not render the contract an unconscionable one.¹³⁰ Rather, “gross inequality of the bargaining power, together with terms unreasonably favorable to the stronger party, may confirm indications that the transaction involved elements of deception or compulsion, or may show that the weaker party had no meaningful choice.”¹³¹

Illegal Contracts

A contract will also not be enforced when its terms violate the law.¹³² For example, an attorney who used another’s real property as collateral for writing bail bonds in return for a share of the bail-bond fees generated was an illegal contract, because statutes regulated bail-bond sureties and forbade such arrangements.¹³³

And in a rather bizarre example of an illegal, and thus unenforceable, contract, the creators of the Zeus “malware”¹³⁴ software program “have added an end-user license agreement to their ‘product,’ setting out a bunch of terms controlling how the criminals who buy their products may use it, and threatening dire technological reprisals for violations.”¹³⁵

128. *Pardee Constr. Co. v. Superior Court*, 123 Cal. Rptr. 2d 288, 292–93 (Cal. Ct. App. 2002). A contract of adhesion

signifies a standardized contract, which, imposed and drafted by the party of superior bargaining strength, relegates to the subscribing party only the opportunity to adhere to the contract or reject it. If the contract is adhesive, the court must then determine whether other factors are present which, under established legal rules . . . operate to render it unenforceable.

Id. at 292 (citations omitted) (internal quotation marks omitted).

129. RESTATEMENT (SECOND) OF CONTRACTS § 208 cmt. d (1981).

130. *Id.*

131. *Id.*; see also *Vockner v. Erickson*, 712 P.2d 379, 382 (Alaska 1986) (holding unconscionable contract under which elderly woman selling apartment building would not receive balance for thirty years, at which point seller would be 103 years old).

132. See, e.g., *Reno Hilton Resorts v. NLRB*, 196 F.3d 1275, 1281 (D.C. Cir. 1999) (“[A] party cannot exercise its contractual rights in violation of the law.”); see also *Kincaid v. Black Angus Motel, Inc.*, 983 P.2d 1016, 1018 (Okla. 1999) (“A contract made in violation of a statute is void and when a plaintiff cannot establish his cause of action without relying upon an illegal contract, he cannot recover.”).

133. *Villanueva v. Gonzalez*, 123 S.W.3d 461, 463–67 (Tex. Ct. App. 2003); see also *Evans v. Luster*, 928 P.2d 455, 457–59 (Wash. Ct. App. 1996) (holding that contract for clearing wetlands, where parties agreed to violate county code provisions by avoiding required permits, was illegal and thus unenforceable).

134. Malware, a combination of the words “malicious” and “software,” is software designed to cause damage to another person’s computer. Robert Moir, *Defining Malware: FAQ*, MICROSOFT TECHNET (Oct. 01, 2003), <http://technet.microsoft.com/en-us/library/dd632948.aspx>.

135. Cory Doctorow, *Malware Gets a EULA*, BOINGBOING, (April 29, 2008, 3:13 AM), <http://www.boingboing.net/2008/04/29/malware-gets-a-eula.html>.

Contracts Violative of Public Policy

Courts have long held that “[t]he ability to contract is not absolute and without limits. Parties cannot privately waive statutes enacted to protect the public in general.”¹³⁶ As declared in section 178(1) of the second Restatement of Contracts, “[a] promise or other term of an agreement is unenforceable on grounds of public policy if legislation provides that it is unenforceable or the interest in its enforcement is clearly outweighed in the circumstances by a public policy against the enforcement of such terms.”¹³⁷

Courts have historically declared contracts as unenforceable in a variety of contexts when the terms are considered in conflict with public policy.¹³⁸ For example, in *Rogers v. Webb*,¹³⁹ the Supreme Court of Iowa explained that a contract which “provides for, facilitates or tends to induce a separation or divorce of the parties” is against the state’s interest in preserving the integrity of marriage and thus “contrary to [a fundamental] public policy and void.”¹⁴⁰ Courts have also held that an agreement which restrains trade will be unenforceable as violative of public policy if the restriction does not have reasonable time and space limitations.¹⁴¹

IV. THE TREND TOWARDS FEWER RESTRICTIONS ON SELLING THE RIGHTS TO ONE’S NAME

With these contract limitations in mind, there has been a general trend towards fewer restrictions in selling the rights to one’s name. As previously noted, this Article’s focus is on contracting rights even when there is no likelihood of

136. *Phx. Physical Therapy v. Unemp’t Ins. Div. Contributions Bureau*, 943 P.2d 523, 528 (Mont. 1997) (citing MONT. CODE ANN. § 1-3-204 (1947)).

137. RESTATEMENT (SECOND) OF CONTRACTS § 178 (1981); *see also* *A.Z. v. B.Z.*, 725 N.E.2d 1051, 1058 (Mass. 2000) (“It is well-established that courts will not enforce contracts that violate public policy. While courts are hesitant to invalidate contracts on these public policy grounds, the public interest in freedom of contract is sometimes outweighed by other public policy considerations; in those cases the contract will not be enforced.” (citations omitted)).

138. *See, e.g., A.Z.*, 725 N.E.2d at 1058–59 (finding public policy supporting freedom of personal choice in marriage and family life outweighs freedom of contract).

139. 558 N.W.2d 155 (Iowa 1997).

140. *Rogers*, 558 N.W.2d at 157 (internal quotation mark omitted).

141. *E.g., Loranger Constr. Co. v. C. Franklin Corp.*, 247 N.E.2d 391, 393 (Mass. 1969); *see also* *Cariveau v. Halferty*, 99 Cal. Rptr. 2d 417, 418–19, 421–25 (Cal. Ct. App. 2000) (holding that confidentiality clause in contract which prohibited customer from discussing broker’s misconduct with regulatory authorities harmed public in general and was void as violative of public policy); *Beacon Hill Civic Ass’n v. Ristorante Toscano, Inc.*, 662 N.E.2d 1015, 1018–19 (Mass. 1996) (holding contract unenforceable in which neighborhood association promised not to oppose restaurant’s beer and wine license in exchange for promise that restaurant would not seek general alcohol license); *DiLeo v. Daneault*, 109 N.E.2d 824, 828 (Mass. 1953) (holding unenforceable contract requiring proprietor of union barber shop to join barbers’ union); *Allen v. City of Lawrence*, 61 N.E.2d 133, 135 (Mass. 1945) (holding unenforceable contract in which public official agreed to accept lower salary than established by law); *New Haven Road Constr. Co. v. Long*, 168 N.E. 161, 162 (Mass. 1929) (holding unenforceable contract requiring payment to private contractor for use of public highway); *Parsons v. Trask*, 73 Mass. (1 Gray) 473, 478 (1856) (holding unenforceable contract terms establishing unlimited period of servitude).

confusion.¹⁴² The Ninth Circuit reiterated the current law in 1985 in *Sardi's Restaurant Corp. v. Sardi*,¹⁴³ where it acknowledged the long-held principle that “courts are naturally reluctant wholly to forbid a man to do business in his own name and have generally refused to do so,”¹⁴⁴ so long as such use does not mislead the public as to the identity of the source of goods or services.¹⁴⁵ The law regarding a trademark infringement or unfair competition claim has stayed relatively straightforward regarding this aspect of the use of personal names and the likelihood of confusion assertion.¹⁴⁶

The starting point for a discussion on which personal rights associated with one's name may be alienable is section 34 of the third Restatement of Unfair Competition. section 34 declares that “[a]n assignment of a personal name mark will not ordinarily be interpreted to preclude the named individual from all subsequent use of the name in business *unless the intention to do so is clearly expressed.*”¹⁴⁷

The bargaining and deal-making related to one's name as a business asset has increasingly led to transfers of rights which society has previously thought to be closely tied to the individual, almost to the point of total alienability.¹⁴⁸ When a company's corporate name or brand is also an individual's name, it is actually selling two assets: the name's use as a trademark and the individual's right of publicity. Both are inextricably linked. Indeed, the corporate name may in time overshadow its private nature. “When a name is used as a trademark, it risks becoming a symbol of the corporation and its past accomplishments and losing its individual identity.”¹⁴⁹

142. See *supra* note 16 and accompanying text for a discussion of trademark and confusion issues not addressed in this Article.

143. 755 F.2d 719 (9th Cir. 1985).

144. *Sardi's Rest.*, 755 F.2d at 725 (quoting 1 J. McCARTHY, TRADEMARKS AND UNFAIR COMPETITION § 13:3(D) (2d ed. 1984)).

145. *Id.*

146. See *Brennan's, Inc. v. Brennan*, 512 F. Supp. 2d 559, 574 (S.D. Miss. 2007) (“While there is no absolute or inalienable right to use one's surname in business, regardless of the likelihood of confusion, there is ‘an appropriate judicial reluctance to preclude an individual's business use of his own surname when such is honest and straightforward, with no attempt to confuse the public.’” (quoting *Sardi's Rest.*, 755 F.2d at 725)).

147. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 34 cmt. g (1995) (emphasis added).

148. As far as can be determined, other than selling oneself into slavery, the only other properties considered inalienable in the United States are body parts removed from living humans. See *infra* notes 283–92 and accompanying text for a discussion concerning slavery. See also *Moore v. Regents of the Univ. of Cal.*, 793 P.2d 479, 492–97 (Cal. 1990) (analyzing patient's ownership interest in his cells after they have been removed from his body). As stated in Justice Arabian's concurrence, John Moore, the plaintiff whose removed cancerous body part was used to create a cell line that was sold to other institutions,

has asked us to recognize and enforce a right to sell one's own body tissue *for profit*. He entreats us to regard the human vessel—the single most venerated and protected subject in any civilized society—as equal with the basest commercial commodity. He urges us to commingle the sacred with the profane. He asks much.

Id. at 497 (Arabian, J., concurring).

149. *Levitt Corp. v. Levitt*, 593 F.2d 463, 468 (2d Cir. 1979) (citing R. CALLMAN, UNFAIR COMPETITION, TRADEMARKS AND MONOPOLIES § 85.2(d)(1) (3d ed. 1969)).

Fashion designers offer prime illustrations of the issues that arise when one's name is used for their brand.¹⁵⁰ For example, when Sigrid Olsen sold her fashion designing business to Liz Claiborne, Inc., the sale included not only the physical assets of the business (such as her clothing stores and inventories), but also the rights to the "Sigrid Olsen" mark, goodwill, as well as Ms. Olsen's right of publicity in her name as related to the mark.¹⁵¹

However, the enforcement of express assignments of the rights to one's Personal Name Mark—regardless of whether there is a claim of likelihood of confusion—has been part of case law since as early as the 1888 Massachusetts Supreme Judicial Court decision in *Russia Cement Co. v. Le Page*.¹⁵² Le Page was a manufacturer of liquid cement who sold his business to Russia Cement. The sales contract expressly stated that Le Page sold "the right to use the trade-marks belonging to or in use by" the company, including a product called "Le Page's Liquid Glue."¹⁵³ When Le Page started selling a product called "Le Page's Improved Liquid Glue," Russia Cement sought to enjoin Le Page from selling products which contained Le Page's name under a breach of contract claim.¹⁵⁴ The Massachusetts Supreme Judicial Court upheld the injunction granted by the trial court, recognizing that, while "[e]very one has the absolute right to use his own name honestly in his own business for the purpose of advertising it,"¹⁵⁵ it was "also true that one may so sell or part with the right to use his own name as a description or designation of a manufactured article as to deprive himself of the right to use it as such, and confer this right upon another."¹⁵⁶

150. These include, among others, Evan Picone, Ralph Lauren, Gianni Versace, Donna Karan, Yves Saint Laurent, and Liz Claiborne.

151. Eric Wilson, *Her Forced Retirement*, N.Y. TIMES, Aug. 14, 2008, at G1. Liz Claiborne has since stopped selling clothing under the "Sigrid Olsen" name, yet will not return the mark to Ms. Olsen. It is doubtful that the terms of the contract prohibit Ms. Olsen from taking advantage of section 45 of the Lanham Act by reclaiming the mark based on abandonment. See 15 U.S.C. § 1127 (2006) ("A mark shall be deemed to be 'abandoned' . . . [w]hen its use has been discontinued with intent not to resume such use. Intent not to resume may be inferred from circumstances. Nonuse for 3 consecutive years shall be prima facie evidence of abandonment."); see also *Silverman v. CBS, Inc.*, 870 F.2d 40, 46 (2d Cir. 1989) ("Congress wanted a mark to be deemed abandoned once use has been discontinued with an intent not to resume within the reasonably foreseeable future.").

152. 17 N.E. 304 (Mass. 1888).

153. *Russ. Cement*, 17 N.E. at 306.

154. *Id.*

155. *Id.* at 305.

156. *Id.* The court emphasized that

[o]ne who has carried on a business under a trade name, and sold a particular article in such a manner by the use of his name as a trade-mark or a trade name as to cause the business or the article to become known or established in favor under such name, may sell or assign such trade name or trade-mark when he sells the business or manufacture, and by such sale or assignment to conclude himself from the further use of it in a similar way. A person may be enjoined, therefore, from using his own name as a description of an article of his own manufacture, and from selling the article under that particular name when he has parted with the right thus to apply it. It is not upon the ground of the invasion of the trade name adopted by another, but by reason of the contract he has made, that he is deprived of the right himself to use his name as all others of the same name may use theirs.

Id. at 305–06 (citations omitted). As noted in *Guth v. Guth Chocolate Co.*, this premise has been frequently affirmed by the courts. 224 F. 932, 933 (4th Cir. 1915) ("Where one has used his own name

The 1959 Illinois appellate decision in *Poorman v. Julian*¹⁵⁷ displayed the courts' acknowledgment of using the freedom of contract rationale for enforcing agreements in which a business owner has sold the right to use his Personal Name Mark. However, the court emphasized the requirement that selling the exclusive right to use one's name in connection with a business had to be unambiguously stated in the agreement.¹⁵⁸

At issue was the language in the 1949 purchase agreement between William Poorman and Walter Julian concerning the sale of Julian's right, title, and interest in their business partnership.¹⁵⁹ The parties owned and operated a funeral home business as partners under the name "McAllister-Julian-Poorman."¹⁶⁰ The agreement included the sale of "all of Julian's 'rights to the use of the name McAllister-Julian-Poorman or any one name or combination thereof.'"¹⁶¹ The agreement also contained a non-competition clause, whereby Julian was to "refrain from engaging in such business within twenty-five miles of the firm's place of business for five years."¹⁶²

After the five-year restricted period had expired, Julian and another funeral director named Collins Y. Sundberg began to use the name "Walter R. Julian" in some ads in connection with Sundberg's business.¹⁶³ Poorman sued for an injunction, arguing that the agreement gave him exclusive use of the name, even beyond the expiration of the restriction.¹⁶⁴ Julian countered that it would be unreasonable for the court to find that he could practice his trade as an undertaker at any time and anywhere during the restriction, but was forevermore prohibited from using his name in connection with such a business without express language stating such.¹⁶⁵ The trial court denied relief.¹⁶⁶ On appeal, the appellate court of Illinois upheld the lower court, reasoning that, for a court of equity to enjoin the use by a natural person of his own name, there must be "a grant to someone else of the exclusive right to use it. This exclusive right must be found in the final agreement of the parties by the use of the word 'exclusive' or the

as a trade-name, and then parted with it, he may, of course, be enjoined from using his name in that business." (quoting *Royal Baking Powder Co. v. Royal*, 122 F. 337, 346 (6th Cir. 1903)). The later case of *Levitt Corp. v. Levitt* affirmed that, "[t]o protect the property interest of the purchaser, . . . courts will be especially alert to foreclose attempts by the seller to 'keep for himself the essential thing he sold, and also keep the price he got for it.'" 593 F.2d 463, 468 (2d Cir. 1979) (quoting *Guth*, 224 F. at 934).

157. 160 N.E.2d 169 (Ill. App. Ct. 1959).

158. *Poorman*, 160 N.E.2d at 172; see also *Karsh v. Haiden*, 260 P.2d 633, 637 (Cal. Ct. App. 1953) ("The right to use one's own name in business may be given up by contract, but in the absence of express language to that effect the intention to part with that right will not be presumed."); cf. *S. Scrap Material Co. v. Smith*, 44 So. 2d 754, 755 (Ala. 1950) (holding that when there is express contract between parties where tradename is licensed for specified period of time, "the right to its use as licensee expires when the contract covering its use terminates").

159. *Poorman*, 160 N.E.2d at 170.

160. *Id.*

161. *Id.* (internal quotation marks omitted).

162. *Id.*

163. *Id.* at 170-71.

164. *Id.* at 170.

165. *Id.* at 173.

166. *Id.* at 170.

intent of the parties to grant an exclusive right must be manifest.”¹⁶⁷ The court concluded that, since the agreement was unambiguous in its terms and did not specifically give Poorman “exclusive” use of the name ‘McAllister-Julian-Poorman’ (or any combination thereof), Julian was not prohibited from using his own name in connection with the undertaking business after the restricted period had ended.¹⁶⁸

With regard to the ability to sell the rights to one’s Personal Name Mark, the appellate court of Illinois declared:

The right of a natural person freely to use his own name in connection with his own business (in the absence of any fraudulent or wrongful intention or act) is so fundamental that an intention to entirely divest himself of such right and transfer it to another will not readily be presumed but must be clearly shown; where it is so shown the transaction will be upheld; but it will not be sustained upon doubtful or uncertain proof.

This right . . . like most other property rights, may be the subject of sale and transfer, and where a party, by contract, sells out an established business, and with it his own name, to be used in connection with such business, the buyer will acquire a right to the use of the name, and the seller cannot afterwards resume it in carrying on the same business—such conclusion resting upon the contract itself and being within the old doctrine and principle that a title based on a sale for a valuable and adequate consideration, fairly entered into between parties sui juris, will be upheld, and enforced in equity as well as at law.¹⁶⁹

The court also noted that, under Illinois law, the operator of a funeral parlor had to state the name of the owner in any advertisement,¹⁷⁰ and it was unreasonable that, should they conclude that Julian had sold the exclusive right to use his name, he could engage in the undertaking business within the parameters of the non-competition clause “yet be barred from doing so because the statute says he must use his name in connection therewith.”¹⁷¹ The court concluded that this “would cause an undue and unnecessary hardship on Julian” and was greater “than that necessary to protect [Poorman].”¹⁷²

In *Madrigal Audio Laboratories, Inc. v. Cello, Ltd.*,¹⁷³ the Second Circuit reiterated the principle that, under contract law “[w]hether a person who sells the

167. *Id.* at 172.

168. *Id.* at 173.

169. *Id.* at 172 (citations omitted) (minor punctuation error omitted); *see also* Hazelton Boiler Co. v. Hazelton Tripod Boiler Co., 30 N.E. 339, 345 (Ill. 1892) (finding unless evidence unambiguously shows owner intended to divest himself of right to use own name, courts will allow owner to use own name in connection with own business); *Frazer v. Frazer Lubricator Co.*, 13 N.E. 639, 642–43 (Ill. 1887) (concluding that where person contracts not to use his name in competing business, he should be bound by his agreement).

170. *Poorman*, 160 N.E.2d at 173 (citing to Ch. 111 ½, Ill. Rev. Stats. (1957) par. 73.8a).

171. *Id.* at 173.

172. *Id.* The court seems to be implying that even if it did conclude that Julian had sold the exclusive right to use his name in connection with the funeral parlor business, it could construe such an assignment clause as constituting an unconscionable or illegal contract, or an unlawful restraint of trade.

173. 799 F.2d 814 (2d Cir. 1986).

trade name rights to his personal name is barred from using his personal name depends on the terms of the sale.”¹⁷⁴ At issue in *Madrigal* was whether “an individual who sold the right to use his personal name as a trade name may be enjoined from advertising the fact that he is now connected” with a competing company.¹⁷⁵ During the 1970s, Mark Levinson built a reputation as the designer of sophisticated audio equipment through his business Mark Levinson Audio Systems (MLAS).¹⁷⁶ After experiencing financial difficulties, Levinson gave up management control of his company and entered into an employment agreement with an investor who took control of the management of the company.¹⁷⁷ Levinson entered into an employment contract with MLAS.¹⁷⁸ Under the terms of that agreement, if Levinson ever ceased working for MLAS, “he would not thereafter use or permit the use of the name ‘Mark Levinson,’ ‘Mark Levinson Audio,’ or any other name including ‘Mark Levinson’ in the name or trademark of any corporation engaged in a business similar to that of MLAS.”¹⁷⁹

In 1984, after his relationship with MLAS soured, Levinson left the company, and shortly thereafter MLAS went into bankruptcy and all assets, including the rights to the aforementioned trade name, were purchased by Madrigal Audio Laboratories, Inc.¹⁸⁰ In the meantime, Levinson founded another audio equipment manufacturing company called Cello, which advertised itself in promotional brochures as being affiliated with Levinson.¹⁸¹ In 1985, Levinson was enjoined from using the promotional brochures or the Levinson trademark or trade name, based on trademark infringement under the Lanham Act as well as common law unfair competition.¹⁸² Madrigal was not satisfied with the injunction, and sought to prevent Cello from communicating with dealers, customers or journalists in the high-end audio industry in compliance with the employment agreement’s non-competition clauses.¹⁸³ The Special Master appointed to the case concluded that “Levinson’s conduct violated Madrigal’s right to the Levinson trade name and trademark and recommended that Levinson and Cello be barred from publicizing Levinson’s connection with Cello” in any manner.¹⁸⁴ The district court accepted the Special Master’s recommendations; Levinson and Cello appealed,¹⁸⁵ and the Second Circuit reversed.¹⁸⁶ The appellate court found that, under the terms of the

174. *Madrigal*, 799 F.2d at 823.

175. *Id.* at 821.

176. *Id.* at 816.

177. *Id.*

178. *Id.*

179. *Id.* at 816–17 (internal quotation marks omitted).

180. *Id.* at 817.

181. *Id.* Specifically, Cello marketed its audio equipment with labels and brochures stating “Cello by Mark Levinson” and contained several photographs of him. *Id.*

182. *Id.* at 817–18.

183. *Id.* at 820.

184. *Id.*

185. *Id.*

186. *Id.* at 825.

sale, Levinson “did not sell or forfeit his right to use his own personal name as long as he did not use it as the trade name of another business.”¹⁸⁷

Thus, these early cases of *Russia Cement*, *Poorman* and *Madrigal* held that based on freedom of contract, a purchaser may acquire from the seller rights that extend beyond those obtained through trademark law, as long as what is sold is explicitly stated in the agreement.¹⁸⁸

In the past decade, the trend has been for purchasers to include contract clauses that increase restrictions on the seller’s ability to trade under his or her name or engage in any public use, even when 1) such activity is unrelated to any goods or services, 2) the name is used in a different market, or 3) there is no likelihood of confusion.¹⁸⁹ As noted previously, freedom of contract doctrine has allowed for individuals to negotiate the sale of these otherwise lawful uses of their name even when there would be no likelihood of confusion or dilution issues regarding the additional rights transferred.¹⁹⁰ However, these earlier cases dealt with situations where the contract terms encompassed activities directly related to the business sold.

Several recent cases—most involving clothing designers—illustrate the extent to which the courts are enforcing agreements by which individuals who have created goodwill in their names have contracted away the right to use their names in commercial enterprises that extend beyond their chosen profession.

The case of *JA Apparel Corp. v. Abboud*¹⁹¹ in 2008 asks, “What does \$65.5 million get you?” After developing his reputation over the course of twenty-five years by working as a designer for Louis Boston, Southwick, and Polo Ralph Lauren, the fashion designer Joseph Abboud (“Abboud”) launched his menswear line under the label bearing his name, which was manufactured and sold through a joint venture called JA Apparel.¹⁹² Abboud registered his personal name as a trademark with the United States Patent and Trademark Office. Through a joint venture named JA Apparel, to which the “Joseph Abboud” trademarks were licensed, Abboud’s company, Houndstooth, and GFT International began to manufacture, market, and sell various products under the Joseph Abboud brand name.¹⁹³ In 1996, GFT bought out Abboud’s interest in the joint venture and JA

187. *Id.* at 823.

188. A fourth case completes the story. In *Levitt Corp. v. Levitt*, William J. Levitt refused “to abide by the bargain he struck when he sold his business” by continuing to use his name in connection with the construction of residential homes. 593 F.2d 463, 466 (2d Cir. 1979). The Court of Appeals for the Second Circuit affirmed the trial court’s decision to uphold the likelihood of confusion and breach of contract claims and the imposition of an injunction and monetary damages that went beyond the liquidated damages clause in the sales agreement. *Id.* at 465–70.

189. See *infra* notes 219–25 for examples of recent contractual provisions.

190. See *supra* notes 152–87 and accompanying text for a discussion of judicial enforcement of contracts that sell a person’s right to use his or her name in connection with a business.

191. 591 F. Supp. 2d 306 (S.D.N.Y. 2008). On June 10, 2009, the Second Circuit vacated the district court’s decision on the grounds that the agreements’ use of the term “name” as used in the agreement was ambiguous regarding whether it referred to Abboud’s name in any context or merely its use as a mark, and remanded the case to the lower court for further proceedings. *JA Apparel Corp. v. Abboud*, 568 F.3d 390, 397–99, 403 (2d Cir. 2009).

192. *JA Apparel Corp.*, 591 F. Supp. 2d at 311.

193. *Id.*

Apparel became a wholly-owned subsidiary of GFT.¹⁹⁴ New licensing agreements for the “Joseph Abboud” trademarks were issued, though the products manufactured, marketed and sold under the mark continued to be approved by Abboud.¹⁹⁵

In 2000, Abboud sold “all of [his] right, title, and interest”¹⁹⁶ to his intellectual property rights in his trademarked name. In return for a \$65.5 million payment to Abboud, JA Apparel, now wholly owned by GFT, received:

The *names*, trademarks, trade names, service marks, logos, insignias and designations . . . and all trademark registrations and applications therefore, and the goodwill related thereto . . . and all other Intellectual Property (as hereinafter defined).

....

All rights to use and apply for the registration of new trade names, trademarks, service marks, logos, insignias and designations containing the words “Joseph Abboud,” “designed by Joseph Abboud,” “by Joseph Abboud,” “JOE” or “JA,” or anything similar to or derivative thereof, either alone or in conjunction with other words or symbols . . . for any and all products and services.

....

The goodwill of or pertaining to the Trademarks.¹⁹⁷

In addition, the parties entered into a joint venture whereby, for a period of five years, Abboud would provide to JA Apparel “consulting services relating to fashion design and brand promotion of products sold under the Abboud marks.”¹⁹⁸ The agreement, set to expire on July 13, 2005, included a two-year non-compete clause (the “Restricted Period”), whereby Abboud would not compete with JA Apparel until July 13, 2007.¹⁹⁹ Under the terms of the clause, Abboud was prohibited from

directly or indirectly, through any partnership, corporation, limited liability company, trust or other entity, be associated as an owner, director, officer, employee, consultant or other participant with, any person, group, business enterprise, or other entity which is engaged in or proposes to engage in the business of designing, licensing, manufacturing, marketing or distributing any products or services which are or would be competitive with the business of [JA Apparel] as then conducted or as such business may reasonably be expected to be conducted in the future anywhere in the world.²⁰⁰

The agreement also required Abboud to receive written permission from JA Apparel if, during the Restricted Period, he wanted to become associated, “in *any capacity* with any person, group, business enterprise or other entity’ that

194. *Id.* at 312.

195. *Id.*

196. *Id.* (internal quotation mark omitted).

197. *Id.* (emphasis added).

198. *Id.* at 313.

199. *Id.*

200. *Id.*

competed with, or could be expected to compete with, JA Apparel in the future.”²⁰¹ Shortly after the sale Abboud returned to the company as part of a joint venture, but left for good in 2005 over differences with the company’s president.²⁰²

Prior to the expiration of the restricted period, Abboud began planning another clothing line called “jaz” and engaged in prohibited activities.²⁰³ JA Apparel filed suit, charging trademark infringement, unfair competition, and violation of the restrictions in the sales agreement.²⁰⁴ JA Apparel claimed that,

while Abboud [was] free to compete in the menswear market, he sold all rights to use his name in connection with goods and services, and that his proposed uses of his name in connection with the “jaz” line violate[d] the Agreement because they [were] plainly “similar” to or “derivative” of the names, trademarks, and designations he expressly sold.²⁰⁵

Abboud countered that he “did not sell the exclusive right to use his name for all commercial purposes”²⁰⁶ and could continue to associate his name with another clothing line as long as it was not used as a mark and did not cause customer confusion.²⁰⁷

The district court held that the agreement was unambiguous as to the term “name” and Abboud conveyed more than merely trademarks, service marks and licensing agreements.²⁰⁸ It found that “Abboud sold, conveyed, transferred, assigned, and delivered to JA Apparel all of his right, title and interest to the use of his personal name, in addition to the trademarks, trade names, and designations containing his name, for commercial purposes.”²⁰⁹ The district court granted a permanent injunction, preventing Abboud from using his name in connection with advertising both his new clothing line as well as with any other goods or services.²¹⁰ According to the court, Abboud’s use of his name in connection with his “jaz” clothing line violated the terms of the agreement.²¹¹

The district court held that Abboud could compete with JA Apparel,²¹² “make media appearances as himself [Joseph Abboud, the individual], or as a fashion expert,”²¹³ and as “a philanthropist or fashion commentator, if those appearances

201. *Id.*

202. J.W. Childs Associates, a private equity firm, now owns the apparel company. *Id.* at 314.

203. *Id.*

204. *Id.* at 315.

205. *Id.*

206. *Id.*

207. *Id.* at 328–29.

208. *Id.* at 324–27.

209. *Id.* at 326.

210. *Id.* at 326–27, 335.

211. *Id.* at 326–27. In addition, the court found that Abboud’s descriptive fair use defense regarding the trademark infringement allegation failed because the use of his name in the manners proposed—while indicating Abboud as the source of goods—was likely to cause customer confusion. *Id.* at 331. “[T]he distinction between the goodwill associated with the name and the goodwill associated with the trademark has been blurred in the eyes of the consumer.” *Id.* at 333.

212. *Id.* at 325.

213. *Id.* at 325.

are unrelated to the promotion or sale of goods and services.”²¹⁴ Abboud could not, however, “capitalize on his name, and the goodwill associated with it, in connection with the marketing and sale of goods and services to the consuming public;” “sell, market, or otherwise promote, goods, products, and services to the consuming public;”²¹⁵ or make media appearances “to promote goods and services in competition with Plaintiff.”²¹⁶ The court also ordered Abboud to refrain from using his name as well as any trademarks or trade names which incorporated his name in business, including its use on clothing tags or labels, or anything that includes, is similar to, or a derivative of “Joseph Abboud,” “by Joseph Abboud,” “designed by Joseph Abboud,” “a new composition by Joseph Abboud,” or “by the award-winning designer Joseph Abboud.”²¹⁷ The Second Circuit later held that the term “name” as used in the agreements was ambiguous regarding whether it referred to Abboud’s name in any context or merely its use as a mark; however, it did not dispute the district court’s underlying reasoning that if “name” included any context, Abboud would have given up more than merely its use as a mark.²¹⁸

Based on the fair bargaining of the terms of Abboud’s agreement and under the freedom of contract doctrine (and assuming Abboud did in fact give up the use of his name in any context), the restrictions may seem reasonable. The terms do not appear to enter the realm of illegality or be against public policy. But what if the agreement went further?

V. ON THE ROAD TOWARDS COMPLETE ALIENABILITY OF ONE’S NAME

In 1999 when clothing designer Sigrid Olsen sold her business to Liz Claiborne, Inc., the purchase agreement did go further—in addition to selling the physical assets of the business and her IP rights (including her right to publicity), Ms. Olsen was completely prohibited from designing clothing until 2010.²¹⁹ In addition, under the terms of the sale, Olsen cannot market clothing under her name even past the expiration of the non-competition clause.²²⁰ In other words, the clothing designer has sold the right to ever associate herself with clothing design.²²¹

Other contracts for the sale of businesses have gone even further. Some recent contracts have included clauses which provide for: (1) indefinite prohibitions on any use of the seller’s name—or derivation or likeness—to

214. *Id.* at 337. JA Apparel conceded that once the restricted period ended it could not stop Abboud from personally presenting new lines/brands in stores, personally discussing his new line/brands, or negotiating agreements with potential licensees. *Id.* at 316.

215. *Id.* at 337.

216. *Id.* at 325.

217. *Id.* at 326–27, 331, 349.

218. JA Apparel Corp. v. Abboud, 568 F.3d 390, 399 (2d Cir. 2009).

219. Wilson, *supra* note 151.

220. *Id.*

221. She will only be able to practice her profession in anonymity. And even though Liz Claiborne closed Olsen’s former company in 2007, it retained the mark and the non-compete clause is still in force. *Id.* Whether Olsen can resume her mark should Liz Claiborne be deemed to have abandoned it is not known. Olsen gave up the right to use her name via contract; she may not be able to regain it even if abandoned. However this possible situation is not relevant to our discussion.

indicate any connection or affiliation with, or ownership of, any other commercial business;²²² (2) indefinite prohibitions on the seller using her name to endorse, promote, or otherwise draw attention to any other commercial business;²²³ (3) indefinite prohibitions whereby the seller cannot take any action to connect herself with any other business or products in the minds of consumers;²²⁴ (4) and clauses indefinitely prohibiting the use of the seller's name in a commercial setting—either personally, or as a trademark, trade name or otherwise—which is unrelated to the purchasing company.²²⁵ It is questionable as to whether it is good public policy to enforce agreements whereby the seller—such as Sigrid Olsen—would spend the remainder of her livelihood toiling in anonymity.

Even if we reach the conclusion that these contract prohibitions are acceptable, suppose the agreements went one step further and provided for restrictions on the seller's personal behavior. This sale of the rights to one's personal behavior can be seen as analogous to a morals clause in a celebrity's endorsement contract as a cause for termination of that contract.²²⁶ We must question whether the freedom of contract doctrine should extend to allowing personal behavior to be negotiated for sale, based on the potential effects that some behavior may have on the value of the mark.

For example, if Ms. Olsen was arrested for a DUI or was found to be running an illegal dog-fighting operation, these actions could be viewed as tarnishing the value of her Personal Name Mark even though they involve Olsen's private activities and her personal reputation. One could argue that, under broadly prohibitive contract terms, these actions would be a breach of the terms which prohibited her from damaging the mark through her private activities. But we must consider whether these restrictive terms should be allowed, or whether we should consider them as violative of public policy because they enter too far into a person's private realm. And if we determine that public policy should allow for such contract terms, we must then determine what remedies should be available

222. Confidential contract negotiations on file with author.

223. Confidential contract negotiations on file with author.

224. Confidential contract negotiations on file with author.

225. Confidential contract negotiations on file with author.

226. It is easy to see an analogy for this kind of agreement in the sale of a personal name mark to morals clauses in endorsement contracts. We recently witnessed their effect on Tiger Woods, who—while he did not sell his personal name mark—has/had endorsement contracts for various products, many of which were ended after his multiple extramarital affairs came to light in the media. Most likely, his contracts contained morals clauses, which if breached would give the sponsor the right to terminate the contract, and in some instances receive liquidated damages. Jim Edwards, *Tiger Woods' Endorsement Deals Are Toast*, BNET.COM (Dec. 9, 2009), <http://www.bnet.com/blog/advertising-business/tiger-woods-8217-endorsement-deals-are-toast/3743> ("Morals clauses are standard contract terms that allow advertisers to renege on their deals with celebrities if the stars behave badly and ruin their ad plans—as Tiger has done."); *Gatorade Drops Tiger Woods Product*, FOXNEWS.COM (Dec. 8, 2009), <http://entertainment.blogs.foxnews.com/2009/12/08/gatorade-terminates-partnership-with-tiger-woods/>; Kate Stanhope, *Tiger Woods Loses Second Endorsement Deal*, TVGUIDE.COM (Dec. 19, 2009, 12:05 PM), <http://www.tvguide.com/news/tiger-woods-loses-1013241.aspx>. In the case of Woods, "[n]ot only does it affect Tiger, it affects the entire industry. When celebrities do things that negatively affect a corporate deal, the legal terms typically end up more in the corporation's favor the next time." Edwards, *supra* (internal quotation mark omitted).

to parties in the position of Liz Claiborne. At the time of the purchase, it may be difficult for the buyer of the Personal Name Mark to quantify the damage caused by various prohibited activities.²²⁷

In considering the right to bargain away the rights to one's name, whereby the purchaser controls increasingly more private aspects of the seller's life, it is necessary to examine whether there may be a point at which a fundamental inalienability would trump the seller's freedom to contract.

On one hand, there is an abundance of examples where a person's private actions have affected an individual's reputation, and either enhanced or diminished the brand value of that person's name.²²⁸ One might argue, therefore, that some individuals are so famous that they are inextricably tied to the value of their Personal Name Mark, thereby supporting the need for total alienability (since any negative actions—even private ones—could dilute the mark's value). On the other hand, selling all rights to one's name, including the named

227. Perhaps Liz Claiborne would have to include a liquidated damages clause because of the indefiniteness of determining lost profits. See generally, RESTATEMENT (SECOND) OF CONTRACTS § 356 (1981) ("Damages for breach by either party may be liquidated in the agreement but only at an amount that is reasonable in the light of the anticipated or actual loss caused by the breach and the difficulties of proof of loss.").

228. For example, after it was publicized that Martha Stewart was under investigation for insider trading of her shares in the pharmaceutical company ImClone, stock in Stewart's self-named corporation plunged from around \$19 per share on June 6, 2002, to \$9.60 per share three weeks later; it reached an all-time low of \$6.29 per share in August 2002. *Historical Prices for Martha Stewart Living Omnimedia Inc. (MSO)*, YAHOO! FINANCE, <http://finance.yahoo.com/q/hp?s=MSO&a=9&b=19&c=1999&d=5&e=26&f=2009&g=d&z=66&y=1716> (last visited Sept. 17, 2010); see also Greg Farrell & Bruce Horowitz, *Stock Troubles Threaten Stewart's Image*, USATODAY.COM (June 25, 2002), <http://www.usatoday.com/money/covers/2002-06-25-martha.htm> (discussing decline in value of Martha Stewart Living Omnimedia stock). In October 2002, Martha Stewart Living Omnimedia Inc. reported declines in revenue of about 40% from the previous year due to the scandal. *Martha Stewart Scandal: A Tempest in a Cuisinart*, SAVE MARTHA!, http://id3464.securedata.net/savemarttha/martha_stewart_trial_when.html (last visited Sept. 17, 2010). The drop in revenue continued through Ms. Stewart's 2004 indictment and conviction, and she lost nearly half of her net worth as a result. *Stewart Convicted on All Charges*, CNNMONEY.COM (Mar. 10, 2004, 1:51 PM), http://money.cnn.com/2004/03/05/news/companies/martha_verdict/. After she finished serving her five-month prison sentence in early 2005, however, she was able to rehabilitate her brand and the stock rose to the \$25–\$30 per share range by July 2005. *Historical Prices for Martha Stewart Living Omnimedia Inc. (MSO)*, supra.

In another example of a person's celebrity value dropping, after rapper Chris Brown's violent assault on his then-girlfriend, singer Rihanna, Brown was forced to withdraw scheduled performances at the 2009 Grammy Awards and NBA All-Star Basketball game. Laura Schreffler & Oren Yaniv, *Chris Brown Sought by Police in Battery Investigation*, NYDAILYNEWS.COM (Feb. 8, 2009), http://www.nydailynews.com/gossip/2009/02/08/2009-02-08_chris_brown_sought_by_police_in_battery.html#ixzz0KcEjOIZ&C. In addition, Brown has lost endorsements, radio stations have stopped playing or reduced airtime for his songs, and it has likely affected sales of his songs and his career. Gil Kaufman, *Will Radio Stations Stop Playing Chris Brown?*, MTV.COM (Feb. 11, 2009, 2:46 PM), http://www.mtv.com/news/articles/1604845/20090211/brown_chris_18_jhtml; Shaheem Reid, *Chris Brown's Sentence: What Effect Will It Have on His Career?*, MTV.COM (June 23, 2009, 2:53 PM), http://www.mtv.com/news/articles/1614517/20090623/brown_chris_18_jhtml; Simon Vozick-Levinson, *Chris Brown and Rihanna: More Fallout*, EW.COM (Feb. 10, 2009, 10:12 PM), <http://hollywoodinsider.ew.com/2009/02/10/chris-brown-and/>.

individual's personal use and private behavior, could be viewed as a Faustian soul-selling bargain.²²⁹

In considering whether such contracts impermissibly encroach on our notions of "personhood," or whether individuals should be permitted to voluntarily surrender what were once considered inalienable rights, it is useful to think of the variety of limitation options on a spectrum. At one end, permissible contract clauses could be limited to those which would encompass only the use of one's name for the mark which had been purchased. At this end, the limit would be barely above the point of prohibitions against use in the same market such as fraud (using what had been sold),²³⁰ causing customer confusion,²³¹ trademark infringement, or unfair competition.²³² At the other extreme is the total sale of all rights, almost to the point of selling oneself into slavery.²³³

A. *Limitations on Professions that the Seller May Practice*

Moving away from the far edge of the range where the agreed-upon limitations are the least restrictive,²³⁴ the first point to discuss is the argument that it is acceptable to allow contract clauses which place indefinite limitations on the professions the seller may practice, whereby the seller agrees to an unlimited lifetime ban on practicing her trade. This form of prohibition appears to fall under well-settled law regarding restraint-of-trade issues with regard to the sale of a business:²³⁵

That contracts in general restraint of trade are generally held to be illegal is beyond controversy. But the rule admits of well-defined exceptions, and among the exceptions are contracts . . . where the limitation as to territory is reasonable, and there exists a legal consideration for the restraint, are valid and enforceable in equity, and in such cases relief by injunction is customary and proper.²³⁶

229. See JOHANN WOLFGANG VON GOETHE, *GOETHE'S FAUST* 70–71 (John Anster, trans., 1909) (where protagonist, Faust, sells soul to devil for unlimited knowledge and worldly pleasures).

230. See, e.g., *Russ. Cement Co. v. Le Page*, 17 N.E. 304, 305–07 (1888) (enjoining party from using his last name as a mark when it had previously been assigned to manufacturer).

231. See, e.g., *Levitt Corp. v. Levitt*, 593 F.2d 463, 469 (2d Cir. 1979) (finding confusion existed between plaintiff's and defendant's respective enterprises).

232. See, e.g., *Sardi's Rest. Corp. v. Sardie*, 755 F.2d 719, 725 (9th Cir. 1985) (requiring confusion of marks in proving unfair competition).

233. See *infra* notes 283–92 and accompanying text for a discussion on contracting and slavery.

234. The farthest, least restrictive point on the spectrum—prohibition limited to the use of one's name as related to the goods or services for which the mark had been purchased—is a well-established, acceptable contract limitation. See 15 U.S.C. § 1127 (2006); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 9 (1995).

235. It should be noted, however, that "[a]s a general rule . . . covenants not to compete pursuant to the sale of a business are not treated as strictly as those whose sole purpose is to limit employment." *Town Line Repairs, Inc. v. Anderson*, 455 N.Y.S.2d 28, 29 (N.Y. App. Div. 1982).

236. *Ryan v. Hamilton*, 68 N.E. 781, 783 (Ill. 1903); see also *Bauer v. Sawyer*, 134 N.E.2d 329, 331 (Ill. 1956) ("In determining whether a restraint is reasonable it is necessary to consider whether enforcement will be injurious to the public or cause undue hardship to the promisor, and whether the restraint imposed is greater than is necessary to protect the promisee.").

Courts generally hold that restraints on trade will be enforced if there are reasonable geographical limitations imposed.²³⁷ On point to our discussion, Missouri courts have upheld an expansive geographic restriction on the use of a Personal Name Mark when associated with the sale of a business.²³⁸ In 1975, Schnucks, the successor in interest to Allied Supermarkets, sued Joseph Bettendorf for violation of the terms of a 1958 sales agreement between Bettendorf and Allied.²³⁹ In that sales agreement, Bettendorf promised not to engage in the grocery business within a 200-mile radius of St. Louis for ten years after the sale, and would “not at any time after the [sale] directly or indirectly engage in such business or any business involving the manufacture, distribution or sale of food products within said area under the name Bettendorf, or any combination thereof.”²⁴⁰ The restricted area encompassed a much larger region than the actual locations or sphere of influence of Bettendorf grocery stores at the time of the sale.²⁴¹

In 1975, Schnucks filed suit, alleging that Joseph Bettendorf’s use of his name as a Personal Name Mark “in connection with the grocery business within a 200 mile radius of St. Louis amounted to an appropriation of a property right belonging to [Schnucks].”²⁴² The trial court enjoined Bettendorf from using his name, initials (J.B.), or their phonetic equivalent (Jay Bee) in connection with the grocery business within the geographic restriction.²⁴³ Bettendorf appealed, but the Missouri Court of Appeals agreed with the lower court, holding that the use of “J.B.” and other derivations of Bettendorf’s name within the restricted region amounted to a misappropriation of Schnucks’ property²⁴⁴ and was not an unlawful restraint of trade.²⁴⁵ The trial and appellate courts rejected Bettendorf’s argument that the 200 mile radius was unreasonable,²⁴⁶ reasoning that “[t]he inclusion of a territorial limitation in a covenant not to compete was designed to

237. See *Bauer*, 134 N.E.2d at 331 (stating that covenant in medical partnership agreement which bound withdrawing doctor from practicing in city was reasonable given modern modes of transportation). *But see* *Martinez v. DaVita, Inc.*, 598 S.E.2d 334, 338 (Ga. Ct. App. 2004) (noting that Georgia courts assess reasonableness of non-compete covenants by “analyzing the covenant’s duration, territorial coverage, and scope of restricted activity measured against whether the restrictions of the seller protect the purchaser’s . . . legitimate business interests, the value of the business, and its good will”).

238. *Schnucks Twenty-Five, Inc. v. Bettendorf*, 595 S.W.2d 279, 284–86 (Mo. Ct. App. 1979).

239. *Id.* at 282.

240. *Id.* at 282–83 (internal quotation mark omitted).

241. *Id.* at 282, 286.

242. *Id.* at 282.

243. *Id.* “As part of the consideration for the sale of the Bettendorf stock, appellant, Joseph Bettendorf, relinquished his right to use his name or any combination thereof in connection with the grocery business in the St. Louis area. There exists ample authority for construing such a covenant as effecting the transfer of a property right.” *Id.* at 285 (citing *Brown Chem. Co. v. Meyer*, 139 U.S. 540, 547 (1887); *P.H. Schneider Brewing Co. v. Century Distilling Co.*, 107 F.2d 699, 703 (10th Cir. 1939); *Hanna Mfg. Co. v. Hillerich & Bradsby Co.*, 78 F.2d 763, 766 (5th Cir. 1935)).

244. *Id.* at 286. (“Appellants unequivocally covenanted not to use their family name in the retail food market within a 200 mile radius of St. Louis [and they could] not now derogate from that grant.”).

245. *Id.*

246. *Id.* at 282, 286.

protect the vulnerable business interest of the covenantee. If the spatial limitation is found to be reasonable for the covenantee, it is usually found to be reasonable visàvis [sic] the public.”²⁴⁷

However, with regard to restraints of trade that have no time limitations on the ban, the situation becomes murky. Several states, either through case law²⁴⁸ or legislation,²⁴⁹ prohibit indefinite temporal prohibitions on restraint of trade, while others allow it.²⁵⁰ For example, the Illinois Supreme Court has held that—based on public policy—individuals who sell their businesses may not be subject to an indefinite prohibition on practicing their profession,²⁵¹ and a similar result was achieved in Louisiana through legislation,²⁵² but Indiana courts have declared that they recognize no such prohibition.²⁵³ Thus, depending on the jurisdiction, an unlimited ban on practicing one’s trade may run afoul of public policy—and thus be unenforceable—in the same manner as any non-competition clause related to the sale of a business.²⁵⁴

247. *Id.* at 286.

248. *See, e.g.*, *Three Phx. Co. v. Pace Indus., Inc.*, 659 P.2d 1271, 1276 (Ariz. Ct. App. 1981) (“[T]he effective time of the [non-competition] restriction cannot lawfully be perpetual or indefinite.”), *vacated*, 659 P.2d 1258 (Ariz. 1983).

249. *See, e.g.*, ALA. CODE § 8-1-1 (LexisNexis 1975); CAL. BUS. & PROF. CODE § 16601 (West 2009); FLA. STAT. ANN. § 542.33(2)(a) (West 2009); HAW. REV. STAT. § 480-4(c)(1) (West 2009); LA. REV. STAT. ANN. § 23:921 (2009); MO. ANN. STAT. § 416.031(1) (West 2009).

250. *See, e.g.*, *McCord v. West*, 983 So. 2d 133, 140 (La. Ct. App. 2008) (holding that non-compete clause was “overly broad in duration” in violation of Louisiana statute limiting such covenants to two years); *see also* *Fogle v. Shah*, 539 N.E.2d 500, 506 (Ind. Ct. App. 1989) (indicating that an indefinite temporal restriction may be permissible); *Town Line Repairs, Inc. v. Anderson*, 455 N.Y.S.2d 28, 29 (N.Y. App. Div. 1982) (same); *Barrett-Walls, Inc. v. T. V. Venture, Inc.*, 251 S.E.2d 558, 561 (Ga. 1979) (same); *Ceresia v. Mitchell*, 242 S.W.2d 359, 363 (Ky. 1951) (same); *Oliver v. Rogers*, 976 S.W.2d 792, 800–01 (Tex. App. 1998) (same).

251. *See* *Bauer v. Sawyer*, 134 N.E.2d 329, 331 (Ill. 1956) (indicating that indefinite prohibitions have been held by some courts as against public policy).

252. LA. REV. STAT. ANN. § 23:921B (2009) (placing two-year time limitation on restraints that bar exercise of lawful profession).

253. *Fogle*, 539 N.E.2d at 506 (Ind. Ct. App. 1989) (finding that indefinite time restraints are not necessarily injurious to public policy).

254. One may inquire as to whether the purchase price makes a difference in the validity of a restraint of trade clause. Courts have concluded that it does not. In restraint of trade cases:

[I]t is not the business of a court to inquire whether the consideration is adequate, or of equal value to that which the party loses by the restriction. In cases of this character it is impossible for courts to tell how valuable to the complainant or how injurious to the defendant may be the restraint sought to be imposed. It is sufficient to uphold such contracts if the court arrives at the conclusion that there is, as a matter of fact, some legal consideration; but the adequacy of the consideration is within the exclusive dominion of the parties where they contract freely and without fraud.

Ryan v. Hamilton, 68 N.E. 781, 783 (Ill. 1903).

B. A Positive Obligation to Maintain the Value of the Personal Name Mark or a Negative Obligation Whereby the Seller Agrees Not to Partake in Activities Which Impair the Value of the Asset

Perhaps the purchaser would prefer a more restrictive clause and constructs the agreement so that the seller has an obligation to maintain the value of the Personal Name Mark as a warranty. Warranties by a seller that bear a strong resemblance to other accepted sellers' and assignors' warranties may not be viewed as an overly broad limitation, and—depending on the language—may not be considered too vague to adequately enforce. The purchaser may insist on positive obligations—that is, the seller must perform specific duties—or insist on negative obligations, whereby the seller must refrain from certain activities. However, courts are more likely to enforce negative obligations through a prohibitory injunction than a positive obligation through an order for specific performance or a mandatory injunction.²⁵⁵

A negative obligation as a transfer condition could be analogized to an assignment of rights in a contract to a third party. In an assignment for consideration,²⁵⁶ the assignor warrants that she will do nothing to impair the value of the assignment.²⁵⁷ However, it might be a stretch to use an assignment

255. See BRIAN A. BLUM & AMY C. BUSHAW, *CONTRACTS: CASES, DISCUSSION, AND PROBLEMS* 868–69 (2d ed. 2008) (noting that “courts tend to be more conservative in granting mandatory injunctions [injunctions that call for positive action or obligation] than prohibitory injunctions”); see also *Lumley v. Wagner*, (1852) 42 Eng. Rep. 687, 687, 693 (Q.B.) (noting that while Court did not have ability to compel opera singer to sing at specific venue, it could order her to refrain from singing elsewhere).

256. This is also called an “assignment for value.” See JOSEPH M. PERILLO, *CALAMARI AND PERILLO ON CONTRACTS* 700 (5th ed. 2003) (“[A]n assignment is for value if the assignee parts with consideration . . .”).

An assignment of rights is the transfer of rights under a contract, and occurs in two separate steps. First, two parties enter into a contract. Second, one of the parties—the Assignor—later transfers her rights under that contract to a third party. See BLUM & BUSHAW, *supra* note 255, at 891. For example, suppose Starbuck contracts with the City of New Caprica, whereby Starbuck agrees to provide security services; Starbuck later transfers her rights to be paid under the contract to Apollo. Starbuck is the assignor—she is the party to the contract who later transfers rights under the contract to another, called the assignee (who, in this example, is Apollo). The assignee was not a party to the contract, but is able to enforce the contract because of the assignment. See, e.g., *Cedar Point Apartments, Ltd. v. Cedar Point Inv. Corp.*, 693 F.2d 748, 754 (8th Cir. 1982) (holding that assignees have standing to sue as real parties in interest where original contract limited “right” to assign but not “power” to assign); BLUM & BUSHAW, *supra* note 255, at 890. The other party to the contract is the obligor, which, in our example, is the City of New Caprica. BLUM & BUSHAW, *supra* note 255, at 890.

Consideration is a bargained-for legal detriment. It is in the form of either (i) performance [doing something not legally obligated to do]; (ii) forbearance [not doing something legally entitled to do]; (iii) a promise to perform; (iv) or promise to forbear. RESTATEMENT (SECOND) OF CONTRACTS §§ 71–72 (1981). In most contracts, the consideration offered by one party is a monetary payment. However, one promise can be consideration for another promise. RESTATEMENT (SECOND) OF CONTRACTS § 71 (1981). The assignor's warranty does not apply to a gratuitous assignment or gift. RESTATEMENT (SECOND) OF CONTRACTS § 333 (1981).

257. RESTATEMENT (SECOND) OF CONTRACTS § 333 (1981). The assignor, however, only warrants what she has done or will do; she does not warrant what the obligor will do. RESTATEMENT (SECOND) OF CONTRACTS § 71 (1981); see also *Lopez v. Puzina*, 49 Cal. Rptr. 122, 122 (Cal. Ct. App. 1966) (finding that assignors are not liable upon obligor's failure to perform).

analogy to expand this form of restriction so as to include acts of moral turpitude or other personal actions unrelated to the sold business assets.

C. Limitations on Associating Herself in the Public's Mind with Any Business

Suppose the seller of the Personal Name Mark agreed to never use her name in connection with any other commercial business—for example, through endorsement or otherwise drawing attention to another commercial business—to the point where she could never take any action to connect herself in the minds of consumers, either personally or as a mark, with any other business or product. Taken to an extreme, this could prohibit the seller from wearing a shirt with a logo, driving a car, or even eating at a restaurant.²⁵⁸

Courts have long recognized that, when one sells his Personal Name Mark as a business asset, the seller

may have a sufficient economic interest in the use of his mark outside the field of his own exploitation His mark is his authentic seal; by it he vouches for the goods which bear it; it carries his name for good or ill. . . . [A] reputation, like a face, is the symbol of its possessor and creator²⁵⁹

As an economic interest, the use of a Personal Name Mark outside the field of exploitation to which it is currently associated would seem to be alienable, and such a contract term on its face would appear to be valid and reasonable. However, to contractually prohibit the association in the minds of the public with any business could lead to absurd results. For example, under such terms, the seller of the mark could not ride in a car (which has the car company's logo and brand displayed on it), wear a shirt for her favorite sports team, or eat at a restaurant, since each of these activities could potentially associate the seller with a business in the minds of the public.²⁶⁰ The former owner of the Personal Name Mark would be confined to living the life of a hermit, since any activity which might be viewed by the public could violate such a contract term.

258. Celebrities no doubt frequent certain restaurants, drive specific cars, and wear particular designer labels as indirect endorsements of those products and services.

259. *Yale Elec. Corp. v. Robertson*, 26 F.2d 972, 974 (2d Cir. 1928).

260. President Obama's forays to local restaurants have prompted Alex Nicholson of BrightestYoungThings.com to create an "Obama Ate Here" Google Map application. Alex Nicholson, *Weekly Food News Round Up*, BRIGHTESTYOUNGTHINGS.COM (July 1, 2009), <http://www.brightestyoungthings.com/food/weekly-food-news-round-up-21/>. The map may be found at

<http://maps.google.com/maps/ms?ie=UTF8&hl=en&msa=0&msid=108964553126950953075.00046d95ee780b6d8d757&ll=38.871766,-77.040244&spn=0.090665,0.076878&source=embed>. Restaurants where the President eats have been the beneficiaries of increased sales. Jim Rutenberg, *Rearranging the Tables in Washington: Can Obama's Coattails Reach to Restaurants?* N.Y. TIMES, Jan. 14, 2009, at D1. And, as another example of a celebrity being attached to a brand by the press, Britney Spears' car is a source of news for the paparazzi. *Brit: White Mercedes, Orange Soda, Pink Eye*, TMZ (Oct. 12, 2007), <http://www.tMZ.com/2007/10/12/brit-white-mercedes-orange-crush-pink-eye/> (discussing Brittany Spears—who at the time was suffering from conjunctivitis—driving her white Mercedes to gas station where she purchased Sunkist Orange soda).

D. *Prohibition of Personal and/or Private Activities*

Moving along the spectrum towards increasing alienability, the next point to examine is a policy prohibiting total alienation of one's identity but allowing contract clauses that dictate general, or specific, personal/private behavior. Again we must consider how much of one's behavior and one's right to pursue personal activities may be sold before it crosses the line into slavery, and whether selling the ability to control one's behavior and personal activities could even be distinguished from slavery.²⁶¹ An agreement whereby the seller was forbidden from public activities would include running for public office. Is civic involvement a right that we should allow to be contractually limited, or is it something that should be inalienable?

It may be difficult to find the limit, without crossing it, whereby what may be sold abuts the line where the seller is virtually selling him- or herself into slavery. The ability to sell so much of oneself, moreover, may rely on how courts view positive obligations versus negative contractual obligations, as well as on a court's perspective of what it is feasible to do with regards to enforcement and monitoring.²⁶²

Perhaps, rather than proscribing specific activities, the agreement contained a clause whereby the seller of the Personal Name Mark agreed that her private activities would not undermine the value of the asset. One could argue that such a clause is impermissibly intrusive into one's private sphere. Under this line of reasoning, the contract language could also be seen as vague and ambiguous and thus unenforceable by the courts.²⁶³

A clause by which the seller agreed to avoid tarnishing the mark through her private actions, such as a clause which prohibited acts of moral turpitude, could be analogized to (1) prohibiting private behavior via employment contracts and employer rules/employee handbooks; (2) contract clauses whereby the seller agrees not to impair the value of the asset; or (3) warranties in a contract assignment for value, whereby the assignor warrants that he will not do anything to impair the value of the assignment.

Employment contracts and handbooks, even those for "at will employment," sometimes contain prohibitions on non-work related behavior, which would tend to support an argument that similar prohibitions in a sale of a Personal Name Mark would be permissible. Under "at will" employment,²⁶⁴ an employee may be

261. As noted earlier, a contract which provides for an unlimited period of servitude is unenforceable as violative of public policy. See *Parsons v. Trask*, 73 Mass. (1 Gray) 473, 478 (1856) (describing contract with unlimited period of servitude as "against the policy of our institutions and laws").

262. Cf. *Everett V. Abbot, Keener on Quasi-Contracts II*, 10 HARV. L. REV. 479, 494-95 (1897) (explaining that courts are less likely to impose positive duties than negative duties).

263. One could also argue that it would be equally difficult if would-be clauses prohibited the seller from engaging—or required the seller to engage—specific activities.

264. The at-will employment doctrine recognizes an employer's right to discharge "for good cause, for no cause or even for cause morally wrong. . . . [P]arties to an at-will employment contract enter into the contract with full knowledge that the employment is for an indefinite duration and can terminate at the will of either party. . . . for any reason or no reason." *Shoppe v. Gucci Am., Inc.*, 14 P.3d 1049, 1063-64 (Haw. 2000) (quoting *Parnar v. Americana Hotels, Inc.*, 652 P.2d 625, 628 (Haw. 1982) (internal

fired for any reason as long as the termination is not for an illegal reason or a reason that violates public policy,²⁶⁵ even for behavior that occurs outside of the job. For example, in 2005, a Miller Beer truck driver in Wisconsin was terminated when caught drinking a Budweiser at a bar on his day off.²⁶⁶

However, employees have often successfully countered bans on legal off-hours activities based on a reasonable expectation of privacy for off-the-job conduct.²⁶⁷ Such claims find support in case law under several common law tort theories for claims of invasion of privacy based on the intrusion upon an employee's seclusion,²⁶⁸ as well as state and federal statutes.²⁶⁹ This would run counter to sanctioning a similar clause in the sale of a Personal Name Mark.

In her article on employment rights regarding off-duty conduct, Marisa Ann Pagnattaro discusses the limited use of the common law tort of invasion of privacy as a means of redress.²⁷⁰ Pagnattaro identified section 652B of the Restatement (Second) of Torts as a basis for such actions, whereby "[o]ne who intentionally intrudes, physically or otherwise, upon the solitude or seclusion of another or his private affairs or concerns, is subject to liability to the other for invasion of his privacy, if the intrusion would be highly offensive to a reasonable person."²⁷¹ Several states have legislatively restricted the ability to terminate an employee for conduct that takes place outside of work. In 1992, the state of New York prohibited the firing of an employee based on legal activities outside of work.²⁷²

quotation mark omitted).

265. See *id.* at 1064–66 (discussing limits to at-will employment doctrine).

266. Dustin Block, *He Had a Bud Light; Now He Doesn't Have a Job*, JOURNAL TIMES (Feb. 11, 2005), http://www.journaltimes.com/news/local/article_4fec718c-fbf5-5c63-ab08-a466b6d40c51.html.

Unsurprisingly, the local Anheuser-Busch distributor thought this was grossly unfair. *Id.* ("We hate to see anybody get let go who's enjoying a nice cold Bud Light on his own time. . . . We don't think it's fair to the individual to be fired based on what he was drinking."). However, in a slightly more reasonable scenario, a Coca-Cola driver in California was fired after being witnessed drinking a Pepsi while wearing his Coca-Cola uniform during a delivery stop. Coca-Cola justified the firing based on its employee manual whereby the employee agreed not to slander the company's products. *The Cola Wars Get Personal: Coke Employee Fired for Drinking Pepsi on the Job*, CNNMONEY.COM (June 16, 2003), http://money.cnn.com/2003/06/13/news/funny/coke_pepsi/

267. See Marisa Anne Pagnattaro, *What Do You Do When You Are Not At Work?: Limiting the Use of Off-Duty Conduct as the Basis for Adverse Employment Decisions*, 6 U. PA. J. LAB. & EMP. L. 625, 629–30 (2004) (explaining state positions on protection for employees' off-duty conduct and court-created expectation of privacy for off-the-job conduct).

268. *Id.* at 631–37.

269. *Id.* See generally Terry Morehead Dworkin, *It's My Life—Leave Me Alone: Off-The-Job Employee Associational Privacy Rights*, 35 AM. BUS. L.J. 47 (1997) (presenting several statutory challenges to employers' encroachments upon employee privacy rights); Jason Bosch, Note, *None of Your Business (Interest): The Argument for Protecting All Employee Behavior with No Business Impact*, 76 S. CALIF. L. REV. 639 (2003) (discussing lifestyle protection statutes enacted to protect employee privacy rights).

270. Pagnattaro, *supra* note 267, at 630–40.

271. *Id.* at 631 (quoting RESTATEMENT (SECOND) OF TORTS § 652B (1965)).

272. NY LAB. LAW § 201-d (McKinney 2009).

Unless otherwise provided by law, it shall be unlawful for any employer . . . to refuse to hire, employ or license, or to discharge from employment or otherwise discriminate against an individual in compensation, promotion or terms, conditions or privileges of employment because of: a. an individual's political activities outside of working hours, off of the employer's premises and without use of the employer's equipment or other property, if such activities are

Other states with similar “lifestyle discrimination” laws include California,²⁷³ North Dakota,²⁷⁴ and Colorado,²⁷⁵ although the latter two have exceptions for activities that may create a conflict with the employer’s interests.²⁷⁶ Other states have various levels of statutory protection for off-duty conduct.²⁷⁷

Both common law and statutory privacy expectations could be balanced against an employer’s legitimate interests in investigating off-duty conduct.²⁷⁸ For example, courts have upheld the termination of police officers who had been involved in fights²⁷⁹ or engaged in so-called “disreputable activities”²⁸⁰ while off duty. This “legitimate business” carve-out could be used to rationalize a ban on the seller from engaging in private behavior that could injure the value of the Personal Name Mark.

While the purchaser of a Personal Name Mark could make a nonfrivolous argument that certain behavior by the seller would adversely affect his or her ability to fully exploit the mark, courts in jurisdictions with strong employee “off-duty activity” protections could find that similar clauses in the Personal Name Mark sales agreements are unenforceable based on the same privacy considerations. If terminations based on private activities are against public policy in the employment context, one could reasonably argue that the same is true for similar prohibitions incorporated into Personal Name Mark assignments.

Even if clauses in assignment contracts that restrict private activities are enforceable, the question arises as to how one would enforce such a provision, or seek remedies for a breach. In both the sale of the Personal Name Mark and employment circumstances, the seller/employee has received consideration (financial gain and a job, respectively) in return for agreeing to the terms of the sale or terms of employment. However, while an employer may terminate an

legal, . . . b. an individual’s legal use of consumable products prior to the beginning or after the conclusion of the employee’s work hours, . . . c. an individual’s legal recreational activities outside work hours, . . . d. an individual’s membership in a union

Id.

273. CAL. LAB. CODE §§ 96(k), 98.6 (West 2003).

274. N.D. CENT. CODE §§ 14-02.4-01 et seq. (2004).

275. COLO. REV. STAT. § 24-34-402.5(1)-(2) (2009).

276. Stephen Keyes, *Can Employees Be Fired for Off-Duty Smoking or Other Lawful Consumer Activities Outside of Work? (It Depends on What State They’re In)*, EMP. L. COUNS., May 2007, available at 201 EMPL. L. COUNS. Art. I (Westlaw).

277. In addition, eighteen states plus the District of Columbia prohibit termination for some or all employees for off-duty smoking and other tobacco use during non-working hours. *Id.* Other states expand this to include other lawful products, either generally or specifically, such as alcohol. *Id.* These statutes, however, often contain a “bona fide occupational qualification” exception, such as an employee who worked for the American Lung Association that was seen smoking outside of work hours. *Id.* For an in-depth discussion on employee privacy rights and state variations concerning an employer’s ability to fire an employee based on off-duty conduct, see Dworkin, *supra* note 269; Pagnattaro, *supra* note 267; and Bosch, *supra* note 269.

278. Pagnattaro, *supra* note 267, at 680–84.

279. *See Davenport v. Bd. of Fire & Police Comm’rs*, 278 N.E.2d 212, 216 (Ill. App. Ct. 1972) (affirming discharge of officer due to his involvement in fight while off-duty).

280. *See Righter v. Civil Serv. Comm’n*, 136 N.W.2d 718, 718 (Mich. Ct. App. 1965) (upholding termination of police officer who “had been observed visiting a certain single woman . . . ‘at such hours and in such a manner as to bring discredit upon the police department’”).

employee who does not abide by company policy,²⁸¹ no such remedy is available to the new owner of the Personal Name Mark. Damage to goodwill may be difficult to assess, and a liquidated damages clause may not be enforceable if it assigns too high a value caused by a breach.²⁸² In order for these forms of restrictions to be valid contractual transfers of rights, courts would most likely construe such clauses narrowly, and only consider such restrictions valid if the parties could demonstrate adequate enforcement and monitoring mechanisms which did not place an undue burden on the court.

E. *Completely Selling One's Identity*

In the outer limits of the spectrum one would argue that there should be no limitations as to how much may be sold; that everything—every aspect of one's identity—is alienable.²⁸³ Supporting the sale of one's identity is our strong public policy in this country to avoid restraints on the ability to sell, gift or otherwise transfer private property.²⁸⁴ As a brand, one's name has thus become property capable of transfer.²⁸⁵

Restraints upon alienation are not favored by the law. The modern rule is that one may do what he will with his own, unless prohibited by a positive statute or restrained by manifest public policy. The principal value of property inheres in the right to sell it, and all property is presumed to be salable and assignable, unless its sale or assignment is clearly forbidden.²⁸⁶

Still, it may be elusive to find the point prior to where one would be selling his fundamental right “to be known as a particular individual,”²⁸⁷ and would thus not be selling that which is unsellable. Beyond constitutional issues,²⁸⁸ it has long been held that one of the limitations on freedom of contract is one's ability to sell

281. See, e.g., *Lugo v. Milford Mgmt. Corp.*, 956 F. Supp. 1120, 1129 (S.D.N.Y. 1997) (upholding termination of security guard for violation of company policy which forbade working while intoxicated).

282. See RESTATEMENT (SECOND) OF CONTRACTS § 356 (1981) (indicating unreasonably large liquidated damages are unenforceable on grounds of public policy).

283. One could consider this end of the spectrum as the libertarian position—that is, supporting complete self-ownership whereby one owns oneself as a person just as one can fully own any inanimate object—along with, and all rights associated with, such ownership, including the right to transfer ownership to others. *Libertarianism*, STANFORD ENCYCLOPEDIA OF PHILOSOPHY, available at <http://plato.stanford.edu/entries/libertarianism/>.

284. See, e.g., *RTS Landfill, Inc. v. Appalachian Waste Sys., LLC*, 598 S.E.2d 798, 802 (Ga. Ct. App., 2004) (“[R]estraints on alienation of personal property are disfavored.”); *LaFond v. Rumler*, 574 N.W.2d 40, 42 (Mich. Ct. App. 1997) (“Michigan follows the common-law rule against unreasonable restraints on alienation of property.”).

285. See *supra* Part II.D for a discussion of the commercial value associated with a name and the ability to transfer this value.

286. *Fish Bros. Wagon Co. v. Fish Bros. Mfg. Co.*, 95 F. 457, 461 (8th Cir. 1899).

287. *Premier-Pabst Corp. v. Elm City Brewing Co.*, 9 F. Supp. 754, 758 (D. Conn. 1935).

288. See U.S. CONST. amend. XIII, § 1 (“Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction.”). *But see* Nathan B. Oman, *Specific Performance and the Thirteenth Amendment*, 93 MINN. L. REV. 2020, 2023 (2009) (“[I]n most situations [court enforcement through] specific performance of a personal service contract does not violate the Thirteenth Amendment.”).

oneself into slavery. In his seminal essay *On Liberty*,²⁸⁹ John Stuart Mill expounded on this limitation. He first noted that, under what we now call the freedom of contract doctrine,

the liberty of the individual, in things wherein the individual is alone concerned, implies a corresponding liberty in any number of individuals to regulate by mutual agreement such things as regard them jointly, and regard no persons but themselves. This question presents no difficulty, so long as the will of all the persons implicated remains unaltered; but since that will may change, it is often necessary, even in things in which they alone are concerned, that they should enter into engagements with one another; and when they do, it is fit, as a general rule, that those engagements should be kept.²⁹⁰

However, Mill recognized that “in the laws, probably, of every country, this general rule has some exceptions. Not only persons are not held to engagements which violate the rights of third parties, but it is sometimes considered a sufficient reason for releasing them from an engagement, that it is injurious to themselves.”²⁹¹ As an example of such an exception, Mill explained why individuals may not sell themselves into slavery:

In this and most other civilized countries . . . an engagement by which a person should sell himself, or allow himself to be sold, as a slave, would be null and void; neither enforced by law nor by opinion. The ground for thus limiting his power of voluntarily disposing of his own lot in life, is apparent, and is very clearly seen in this extreme case. The reason for not interfering, unless for the sake of others, with a person’s voluntary acts, is consideration for his liberty. His voluntary choice is evidence that what he so chooses is desirable, or at the least endurable, to him, and his good is on the whole best provided for by allowing him to take his own means of pursuing it. *But by selling himself for a slave, he abdicates his liberty; he foregoes any future use of it beyond that single act. He therefore defeats, in his own case, the very purpose which is the justification of allowing him to dispose of himself. He is no longer free; but is thenceforth in a position which has no longer the presumption in its favour, that would be afforded by his voluntarily remaining in it. The principle of freedom cannot require that he should be free not to be free. It is not freedom, to be allowed to alienate his freedom.* These reasons, the force of which is so conspicuous in this peculiar case, are evidently of far wider application; yet a limit is everywhere set to them by the necessities of life, which continually require, not indeed that we should resign our freedom, but that we should consent to this and the other limitation of it.²⁹²

289. JOHN STUART MILL, *On Liberty*, in *ON LIBERTY AND OTHER ESSAYS* 5 (John Gray ed., 1991).

290. *Id.* at 113.

291. *Id.*

292. *Id.* at 113–14 (emphasis added). See generally Harry G. Frankfurt, *Freedom of the Will and the Concept of a Person*, 68 J. PHIL. 5 (1971). Gerald Dworkin notes that, while Mill objects to governmental paternalism to interfere with an individual’s liberty, Mill also justifies “some paternal interferences. . . . to preserve a wider range of freedom for the individual in question”—a position which relies “on the absolute value of choice itself.” Gerald Dworkin, *Paternalism*, in *INTERVENTION AND REFLECTION: BASIC ISSUES IN MEDICAL ETHICS* 407 185, 191 (Ronald Monson ed., 1979).

Thus, the use of a personal name as a mark does not terminate its separate function “as a symbol of that individual’s personality, reputation and accomplishments.”²⁹³ It is most likely impossible to completely disconnect a person from their personal identity through contract, as it would require the Herculean task of divorcing that connection from the minds of the public. It is not possible to enforce the contract against the general public and thus prevent others from continuing to refer to the seller by her former identity. It is questionable whether it is sound public policy to allow for such contract clauses to be enforced because—through no fault of the seller—others could continue to identify her by her former name, and no action on her part would be successful in ending such use. It would be impossible for the purchaser to attempt to enforce such a restriction against the general public, making the contractual name change meaningless.

F. Future Discussions

Issues raised by the sale rights tangential to one’s Personal Name Mark extend beyond what may be discussed in a single article. Further dialogue is needed as to whether there is a reciprocal obligation; that is, whether the purchaser of the Personal Name Mark has an implied duty to maintain the seller’s reputation in their name.

In addition, we must also consider whether consumers have an expectation that the person behind the name is “still back there,” as well as whether customer expectations should also be taken into account—that is, whether there is a *social interest* in not allowing complete disassociation with one’s name. We must also consider to what extent the individual consumer is affected by the sale of a Personal Name Mark. The public may expect that the originator of the Personal Name Mark is still associated with the product bearing her name.²⁹⁴ Also to be

293. *Madrigal Audio Labs., Inc. v. Cello, Ltd.*, 799 F.2d 814, 822 (2d Cir. 1986); see generally Margaret Jane Radin, *Property and Personhood*, 34 STAN. L. REV. 957 (1982).

294. For example, the book series supposedly authored by VC Andrews and Carolyn Keene (the Nancy Drew series) are in fact penned by others, and clothing designer companies bear their name long after the originator ceases being associated with the brand. Nevertheless, such distinctions may be lost on many consumers. As noted *supra*, in notes 191–218 and accompanying text, Joseph Abboud and Sigrid Olsen are no longer involved in the products that bear their name, yet the public may continue to believe that they are, and a non-frivolous claim could be made that to advertise using the designer’s name is a form of false advertising if the public continues to believe that the designer is “still behind the label.” When JA Apparel recently launched a new “JOE Joseph Abboud” line of clothing, the corporation did not indicate that Abboud was no longer associated with his Mark. *JOE Joseph Abboud to Launch at JCPenny This Fall*, REUTERS.COM, (Apr. 16, 2009, 10:00 AM), <http://www.reuters.com/article/idUS141385+16-Apr-2009+BW20090416>. This dilemma is illustrated in JCPenney’s statement regarding the alliance with JA Apparel, that “[i]n response to the emerging need of men seeking well-known, high-quality brands, we are . . . making a renowned designer brand accessible to the moderate consumer at an incomparable value.” *Id.* In this instance, the average consumer might reasonably infer that Joseph Abboud (the person) is still associated with his clothing line. It could be argued that, as a matter of public policy, the new owner may have a duty to disclaim affiliation with the originator of the Personal Name Mark if such an affiliation is likely to continue after the transfer of the mark.

addressed is the social harm in not allowing the public to benefit from the skills of a person who has been prohibited—through contract—from practicing her trade.

Future discussions should also look at situations where the seller is involuntarily divested of her Personal Name Mark, such as through bankruptcy or divorce.²⁹⁵ While the mark itself may be involuntarily transferred, we must look for the boundaries of those tangential rights attached to the mark that may also be divested as a component of the transfer, or if there are any duties that may be attached to an involuntary sale, such as a duty to maintain the value of the mark. We can see hints of such issues through the scholarship on the involuntary transfer of one's right of publicity. In 1993 when Kim Basinger filed for bankruptcy protection, her creditors sought ownership of her name, including the right to "exercise control over whether or not Basinger should accept particular acting roles and forced disclosure of any plans Basinger had to have a baby."²⁹⁶ O.J. Simpson was at one point in a similar predicament when his former in-laws and the Goldman family sought to acquire his publicity rights to satisfy their civil judgment against him for the death of their daughter.²⁹⁷ However, the Superior Court of California denied Goldman's motion, holding that "neither the law, nor the limits of [the] court's equity jurisdiction, support outright transfer of a judgment debtor's inter vivos right of publicity."²⁹⁸

295. Problems with such a transfer are briefly discussed in Westfall & Landau, *supra* note 78, at 107–09. Those authors note that requiring that a celebrity's right of publicity be sold to a third party through bankruptcy "violate[s] the strong, and perhaps constitutionally undergirded, public policy against forced labor if the . . . third party has the power to force the celebrity to appear in commercials or other promotions." *Id.* at 107. The authors argue that, it would be "difficult to find a basis, in either divorce or bankruptcy law, to support requiring a spouse to perform services after divorce for the holder of her rights of publicity." *Id.* at 107–08. The article also briefly notes that if a celebrity's right of publicity is given to a third party in the course of a bankruptcy proceeding, the celebrity could conceivably be liable "for various highly personal actions . . . (like poor on-screen performance or a divorce) that sharply reduce the value of her publicity rights." *Id.* at 115.

296. Campbell, *supra* note 82, at 180. Breach of contract damages awarded in a lawsuit that precipitated the bankruptcy filing were overturned on appeal. Consequently, there was no resolution in the courts as to whether Ms. Basinger could lose control over her right of publicity through a forced bankruptcy sale, and whether her actions as related to her right of publicity could be controlled by a creditor. *Id.* at 204.

297. Notice of Motion and Motion by Plaintiff Frederic Goldman for Order Transferring and Assigning Right of Publicity of Defendant and Judgment Debtor Orenthal James Simpson; Memorandum of Points and Authorities in Support at 1, *Goldman v. Simpson*, No. SC 036340 (Cal. Super. Ct. Oct. 31, 2006); Associated Press, *Ron Goldman's Family Seeks O.J. Simpson's Publicity Rights*, L.A. TIMES, Sept. 6, 2006, at 6.

298. *Goldman v. Simpson*, No. SC 036340, slip op. at 13 (Cal. Super. Ct. Oct. 31, 2006).

Although assignable during lifetime, and thus bearing at least one characteristic of a property right, the nature of the publicity right during the lifetime of the celebrity is equally characterized by privacy rights which mitigate against court-enforced transfer of the right to obtain commercial profit from his or her likeness. . . . [T]here are critical distinctions between the nature of the inter vivos right of publicity, and its post mortem survival. . . .

Id. at 9. The court noted that "to base transfer of the right of publicity upon the post-judgment inequitable conduct of the judgment debtor 'celebrity' raises substantial procedural—if not constitutional issues—involving due process rights to further hearing upon the equity issues, etc." *Id.* at 12. The court also lists other problems with such a transfer, including the court's ability to audit and monitor credits against judgment, whether the assignee has a fiduciary duty for prudent decision-

However, this fails to answer the question of whether the Personal Name Mark when voluntarily separated from the named person, may extend to any tangential rights associated with the mark as discussed in this Article. Therefore, any future dialogue should consider whether distinguishing between unintentional and intentional transfers should have an effect in the limitations of the former owner's use of her name.

Finally, further discussion is warranted regarding how judicial interpretation of the above discussed clauses via objective principles of construction would influence their validity.²⁹⁹ Doctrines of contract construction would influence a finding of the validity and enforceability of the clause in question.³⁰⁰ A judge would also likely consider how the complexities of monitoring, administering and enforcing any court-fashioned remedy for a breach would weigh when determining the validity of the restrictive clause in question.

VI. FINAL THOUGHTS

While most intellectual property attorneys would advise their clients to avoid naming their company after themselves,³⁰¹ egos and other considerations continue to have businesses so named, and such advice often arrives after the enterprise is already in existence. This seemingly unremarkable decision to self-name one's business has opened up a Pandora's box in terms of the intermingling of the person with the Personal Name Mark, and the compromise of personal

making, and the effect of licensing and infringement suits against third parties. *Id.* at 7–8. *See generally* Melissa B. Jacoby & Diane Leenheer Zimmerman, *Foreclosing on Fame: Exploring the Uncharted Boundaries of the Right of Publicity*, 77 N.Y.U. L. REV. 1322 (2002). The Goldman family did eventually gain control over Simpson's book, "If I did it," changing the title to "I did it." Charles Montaldo, *Goldmans Buy Rights to O.J. Simpson's Book*, ABOUT.COM (July 4, 2007), <http://crime.about.com/b/2007/07/04/goldmans-buy-rights-to-ojs-book.htm>; Patrick Oppmann and Susan Candiotti, *O.J.'s Book Proceeds Will go to Goldman Family*, CNN.COM (July 30, 2007, 09:29 PM), <http://www.cnn.com/2007/US/law/07/30/simpson.book/index.html?iref=storysearch>.

299. *See City of Phila. v. Phila. Transp. Co.*, 26 A.2d 909, 912 (Pa. 1942) (stating five principals of contract interpretation).

In interpreting [a contract] provision, five principles of construction should be kept in mind. The first is that the entire contract should be read as a whole and every part interpreted with reference to the whole, so as to give effect to its true purpose[.] The second is that "the contract itself must be read in the light of the circumstances under which it was made" and that it is necessary to "consider the situation of the parties at that time, the necessities for which they naturally provided, the advantages each probably sought to secure and the relation of the properties and rights in regard to which they negotiated." The third is that where a public interest is affected, an interpretation is preferred which favors the public[.] The fourth is that specific provisions ordinarily will be regarded as qualifying the meaning of broad general words in relation to a particular subject[.] And the fifth is that, unless contrary to the plain meaning of the contract, an interpretation given by the parties themselves will be favored[.]

Id. (citations omitted); *see also* RESTATEMENT (SECOND) OF CONTRACTS §203(a) (1981) ("[A]n interpretation which gives a reasonable, lawful, and effective meaning to all the terms is preferred to an interpretation which leaves a part unreasonable, unlawful, or of no effect . . .").

300. *See generally* *Phila. Transp. Co.*, 26 A.2d 909.

301. As discussed *supra* note 17, a mark that is primarily a surname is a weak mark, and not one that is immediately registerable on the Principle Register.

liberties that may occur tangentially to the sale of the mark. While freedom of contract should dictate no limits, as discussed above, this is not an option.³⁰² And it's usually a bad idea to sell one's soul or other essentials deeply associated with the person.

John Stuart Mill noted that any interference with an individual's liberty is governmental paternalism,³⁰³ and we must carefully consider whether the chosen limitation smacks of an overbroad use of the state's paternalistic power.³⁰⁴ However,

[s]ince we are all aware of our irrational propensities, deficiencies in cognitive and emotional capacities and avoidable and unavoidable ignorance it is rational and prudent for us to in effect take out "social insurance policies." We may argue for and against proposed paternalistic measures in terms of what fully rational individuals would accept as forms of protection [but there] are certain kinds of conditions which make it plausible to suppose that rational men could reach agreement to limit their liberty³⁰⁵

Yet it is not paternalism that provides for so-called government "interference" with contracting parties. Contracts are created with the assumption that the government will enforce them through its judicial branch.³⁰⁶ And as such, doctrines on what a court is willing and unwilling to enforce plays a role in any private ordering between parties. One must wonder how a court would possibly enforce the selling of one's soul, or whether it would force the seller to live as a hermit rather than be associated with any brand in the eyes of the public. No bright line is likely to be drawn on a spectrum of what may or may not be sold in conjunction with one's Personal Name Mark. However, it may be possible to provide guidance for what is—and is not—possible, as well as open the discussion concerning whether what can be done should be done.

302. See *supra* Part III for a discussion of restraints on the freedom of contract.

303. MILL, *supra* note 289, at 113 ("It is only because the institutions of this country are a mass of inconsistencies, that things find admittance into our practice which belong to the system of despotic, or what is called paternal, government . . .").

304. Dworkin, *supra* note 292, at 191 (noting that we already have some "principles governing the acceptable use of paternalistic power in cases where it is generally agreed that it is legitimate").

305. *Id.* at 192. "The difficulty is in specifying in advance, even vaguely, the class of cases in which intervention will be legitimate." *Id.* at 194. Indeed, individuals often want the thrill of adventure that comes with "ultra-hazardous activities . . . e.g. mountain-climbing," which we would not want subject to state intervention. *Id.* "There are some risks—even very great ones—which a person is entitled to take with his life." *Id.* at 194–95.

306. See RESTATEMENT (SECOND) OF CONTRACTS § 1 (1981) ("A contract is a promise or a set of promises for the breach of which the law gives a remedy, or the performance of which the law in some way recognizes as a duty.").

