

IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

LEAF TRADING CARDS, LLC,	§	
	§	
Plaintiff,	§	
	§	
v.	§	Civil Action No. 3:17-CV-3200-N
	§	
THE UPPER DECK COMPANY,	§	
	§	
Defendant.	§	

ORDER

This Order addresses Plaintiff Leaf Trading Cards, LLC’s (“Leaf”)¹ motion to strike [28]. For the reasons set forth below, the Court denies the motion.

I. ORIGINS OF THE MOTION

This case is a dispute between two companies that produce and sell trading cards. Defendant The Upper Deck Company (“Upper Deck”) has exclusive publicity licenses with many notable athletes (the “Athletes”) to use their names and likenesses on its trading cards. At issue in this case are Leaf’s trading cards that feature small swatches of the Athletes’ jerseys, photographs of the jerseys, names of the Athletes, and often, photographs of the

¹ This motion was originally filed in *Upper Deck Company v. Leaf Trading Cards, LLC*, Case No. 17-CV-2364-BEN-BLM (S.D. Cal. filed Nov. 21, 2017) (the “California Case”). At the time this motion was filed in the California Case, Leaf was the defendant. Since then, the California Case has been transferred before this Court as *Upper Deck Company v. Leaf Trading Cards, LLC*, Case No. 18-CV-513-N (N.D. Tex. filed Nov. 21, 2017) and has been consolidated with *Leaf Trading Cards, LLC v. The Upper Deck Company*, Case No. 17-CV-3200-N (N.D. Tex. filed Nov. 22, 2017). As a result, this Order refers to Leaf as Plaintiff.

Athletes. Upper Deck here brings claims against Leaf on the grounds that Leaf's use of the Athletes' names and likenesses on these trading cards violates Upper Deck's publicity rights. Leaf, however, contends that Upper Deck's complaint is a strategic lawsuit against public participation ("SLAPP"). Thus, now before the Court is Leaf's motion to strike Upper Deck's complaint under California Code of Civil Procedure § 425.16(b)(1) (the "California Anti-SLAPP Statute"). For the reasons that follow, the Court denies Leaf's motion.

II. APPLICABLE LAW

Any cause of action arising from a person or entity's exercise of free speech under the United States or California Constitutions in connection with a public issue is subject to a special motion to strike, unless the plaintiff establishes that it will probably prevail on its claim.² CAL. CIV. PROC. CODE § 425.16(b)(1). To prevail on a motion to strike under the California Anti-SLAPP Statute, the movant must first show that the challenged cause of action arises from a protected activity. *Equilon Enters., LLC v. Consumer Cause, Inc.*, 52 P.3d 685, 694 (Cal. 2002). Protected activities include those in furtherance of a person or entity's free speech in connection with a public issue. *Id.* A public issue is "any issue in which the public is interested," and it need not be significant. *Nygaard, Inc. v. Uusi-Kerrula*, 72 Cal. Rptr. 3d 210, 220 (Cal. Ct. App. 2008) (emphasis in original) (holding that magazine article about prominent Finnish celebrity is protected because celebrity is of interest to Finnish public); see also *Montana v. San Jose Mercury News, Inc.*, 40 Cal. Rptr. 2d 639, 642

² A transferee court applies the law of the transferor court. *Ferens v. John Deere Co.*, 494 U.S. 516, 523 (1990). Because this motion was filed in an action later transferred from the Southern District of California, this Court applies the law of that forum.

(Cal. Ct. App. 1995) (holding that professional football is a matter of public interest). If the movant can demonstrate its activity furthered its right to free speech, the burden shifts to the nonmovant to demonstrate it will probably prevail on its claim. *Equilon*, 52 P.3d at 694.

California law provides for a right of publicity – the exclusive right of a specific person or entity to use a celebrity’s name, voice, signature, or likeness for commercial purposes. *See Comedy III Prods., Inc. v. Gary Saderup, Inc.*, 21 P.3d 797, 799 (Cal. 2001). California’s right of publicity is in tension with the First Amendment’s guarantee of free speech. *Id.* The use of a celebrity likeness is protected speech if the work in question adds significant creative elements so as to transform it into something more than a celebrity likeness. *Id.* at 810. In other words, the work is protected if it is transformative. *See id.* Indeed, a work is protected speech and does not interfere with another’s publicity rights if the value of the work does not derive from the fame of the individual depicted but derives from a person or entity’s expression in creating the work. *Id.*

III. THE CALIFORNIA ANTI-SLAPP STATUTE APPLIES IN FEDERAL COURT

While jurisdictions disagree as to whether state anti-SLAPP statutes apply in federal court, the Ninth Circuit has concluded that California’s Anti-SLAPP Statute indeed applies in federal court. *United States ex rel. Newsham v. Lockheed Missiles & Space Co.*, 190 F.3d

963, 972 (9th Cir. 1999).³ For the purposes of this motion, this Court is bound by Ninth Circuit precedent and thus deems the California Anti-SLAPP Statute applicable.

IV. THE COURT DENIES LEAF'S MOTION TO STRIKE

Leaf's use of the Athletes' likenesses on its trading cards is not protected activity because such use is not transformative. In *Comedy III*, an artist sketched a nearly photographic charcoal drawing of The Three Stooges and reproduced it on t-shirts. *Comedy III*, 21 P.3d at 800. In deciding whether the publicity rights to The Three Stooges' likenesses should trump the artist's free speech right, the California Supreme Court held that the depiction was not transformative, and thus not protected speech, because the drawing was simply a literal, conventional depiction. *Id.* at 811. Leaf's use of the Athletes' names and likenesses on its trading cards here is analogous to the use of The Three Stooges' likenesses on t-shirts in *Comedy III*. First, Leaf uses actual photographs of the Athletes and does not creatively alter them. Similarly, the depiction of The Three Stooges on the t-shirts in *Comedy III* was literal and unadorned, even though it was a drawing. *Id.* Second, without the Athletes' names and likenesses, Leaf's trading cards contain only unidentifiable swatches of fabric. Likewise, in *Comedy III*, without the likenesses of The Three Stooges, the t-shirts would have been plain. The Athletes' names and likenesses garner interest in the cards here just as The Three Stooges' likenesses garnered interest in the t-shirts in *Comedy III*. Both

³ Members of the Fifth Circuit have indicated the same may not hold true in this jurisdiction. See *Culbertson v. Lykos*, 790 F.3d 608, 631 (5th Cir. 2015) ("We have not specifically held that the [Texas anti-SLAPP statute] applies in federal court; at most we have assumed without deciding its applicability."); see also *Cuba v. Pylant*, 814 F.3d 701, 718 (5th Cir. 2016) (Graves, J., dissenting) (concluding that Texas' anti-SLAPP statute is inapplicable in federal court because it is a state procedural statute).

in *Comedy III* and here, the value of the items being sold primarily derives from the individuals depicted thereon. Therefore, Leaf's trading cards are not transformative.⁴

Despite this, Leaf relies heavily on *Cardtoons, L.C. v. Major League Baseball Players Association* to argue that trading cards are protected speech. 95 F.3d 959 (10th Cir. 1996). Leaf's contention, however, is unavailing. First, *Cardtoons* – a Tenth Circuit opinion interpreting the Lanham Act – is not binding here. Second, *Cardtoons* is distinguishable from the instant case. In *Cardtoons*, an entity produced parody trading cards featuring caricatures of Major League Baseball players, displaying names similar to the players' names, and reciting humorous commentary about their careers. *Id.* at 962. The *Cardtoons* Court held the trading cards were protected speech because they used artistic and literary devices, such as parody, to provide social commentary on the players depicted. *Id.* at 969. Leaf's use of the Athletes' names and likenesses on its trading cards, however, is not like the use of baseball players' likenesses on the trading cards in *Cardtoons*. In *Cardtoons*, the trading cards were valuable because they were funny – a parody of famous players and the product of artistic comedy. The cards in *Cardtoons*, therefore, did not derive value from the names and likenesses on them like Leaf's cards do. Indeed, the cards in *Cardtoons* featured

⁴ Also illustrative is *In re NCAA Student Athlete–Athlete Name & Likeness Licensing Litigation*, 752 F.3d 1268 (9th Cir. 2013). There, the Ninth Circuit held that a football video game was not a protected activity, and thus not subject to the California Anti-SLAPP Statute, because it featured college athletes exactly as they appeared in games. *Id.* at 1276. Despite argument by the video game creator that focus should be primarily on the transformative nature of the video game as a whole, the court concluded that the video game, while containing many other creative elements, did not transform the athletes' avatars into anything other than exact depictions of the athletes. *Id.* If use of athletes' likenesses in such a video game was not a protected activity, Leaf's use of the same on the trading cards at issue is clearly not either.

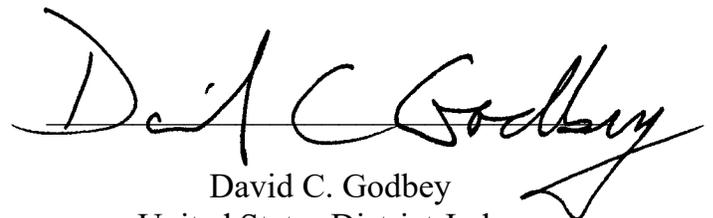
caricatures rather than photographs and did not display the baseball players' true names. Leaf's cards – which display true names and photographs of the Athletes without adding any creative elements, such as humor – are thus distinguishable from the trading cards in *Cardtoons*. Accordingly, Leaf's use of the Athletes' likenesses on the trading cards at issue is not a protected activity.

Overall, Leaf's trading cards are not transformative because they derive their value from the names and likenesses of the Athletes they depict rather than from creativity. Leaf's use of the Athletes' likenesses on the cards is thus not protected speech. Therefore, Leaf cannot prevail on its motion to strike.

CONCLUSION

Because Leaf is unable to demonstrate that this challenged cause of action arises from a protected activity, the Court denies its motion to strike.

Signed June 13, 2018.


David C. Godbey
United States District Judge