

Swimming with Sharks and Protecting a Good Name

BY VERED YAKOVEE

Noteworthy athletes in major sports events face legal and financial considerations that might not be shared with the host entity. Such considerations include, among other things, protecting the athlete's good name—both against defamation and against the loss of trademark rights. These timeless issues are well-framed by the trials and tribulations of Olympic swimming legend and Father of Modern Surfing, Duke Kahanamoku.

"The Duke" was the quintessential, marketable athlete—winning, handsome, and charming. He lived from 1890 to 1968, earning three Olympic gold medals and two Olympic silver medals in freestyle swimming in the 1912, 1920, and 1924 Games combined.¹ When the 1916 Games were canceled due to World War I, he raised money for the American Red Cross via surfing and swimming exhibitions around the globe and trained Red Cross volunteers in water lifesaving techniques.²

Duke first participated in the Amateur Athletic Union's (AAU) swimming championships in 1911, where he shattered the 100-yard world record by 4.6 seconds. On receipt of those results, the AAU headquarters in New York preliminarily declined to recognize the time, questioning whether the Hawaiian timers used alarm clocks instead of stopwatches.³

In the 1912 Games, Duke set the 63.4-second Olympic record in the 100-meter freestyle.⁴ In 1920, the men's swimming finals were nullified due to disputes over the results showing 30-year-old Duke breaking his own Olympic record of eight years earlier, swimming the event in 61.4 seconds.⁵ When the finals were re-swum, Duke finished his heat even faster, in 60.4 seconds.⁶

His legendary 200-pound, koa-wood surfboards and storied wave rides introduced modern surfing not only to Hawaii, but to the world—including New Zealand, Australia, Europe, the Atlantic Seaboard, and Southern California. Duke also famously rescued 8 of the 12 survivors of a capsized boat in Corona del Mar, California, by paddling them to safety on his surfboard.⁷

Duke graced the cover of the October 1999 issue of *Surfer Magazine*, in which he was named Surfer of the Century.⁸ The U.S. Post Office honored him in 2002 with a stamp in his image.⁹ Well before that time, however, he sought to preserve his good name.

LIBEL

Notwithstanding his undeniable athleticism, the October 29, 1919, issue of the *Pacific Commercial Advertiser* in Honolulu contained a story beginning: "The Duke has quit cold."¹⁰ The story complained of Duke's nonparticipation in a particular swim meet due to his "muscles hardened from rowing" in a regatta (outrigger race).¹¹ The writer questioned the legitimacy of his sore muscles and charged Duke with being, *inter alia*, "a slacker, a loafer, . . . and a person unworthy to represent the Territory of Hawaii as a swimmer and amateur athlete."¹²

Duke brought the ensuing libel action against the publisher. The court held that Duke did not bear the burden of proving the falsity of the statements¹³ and that injury would be presumed if the publication is libelous *per se*. And the court concluded that "it is libelous *per se* to charge one with being a loafer."¹⁴

Upholding its decision, the same court later refused to award punitive damages to Duke because

any actual malice of the writer was not ratified by the defendant-publishing company.¹⁵

While jurisdictions vary, the general modern rule is exemplified by the decision of a New York District Court finding famed sportscaster Howard Cosell not to have committed libel in the book entitled *I Never Played the Game*.¹⁶ There, Cosell states that various sanctioning bodies of boxing are "conspirators in rigging ratings," "instruments of extortion," and "easily manipulated by the gifts and favors of promoters and managers who are seeking special considerations for their fighters."¹⁷ Relying on well-established New York law, the court stated that the plaintiff

would be required to demonstrate, by clear and convincing evidence, that the offending passage was false and that Cosell wrote it with "actual malice"—that is, with knowledge that it was false or with reckless disregard of whether it was false or not.¹⁸

Notably, the court added a caveat to libel as it applies in sports:

It is true that language which might be deemed libelous in other contexts has been tolerated and even encouraged in the world of professional sports.¹⁹

With respect to libel law in the United Kingdom, it "is far more favorable to the plaintiff than in the United States [because t]he right to free speech is more limited and the burden of proof rests on the defendant."²⁰ In France, "libel law more closely resembles that of the U.S."²¹

Countless athletes around the globe have pursued their rights based on alleged libel.

For example, Lance Armstrong brought such actions in London and France, respectively, on June 15, 2004, and September 10, 2004, based on a book published in France²² and subsequent international news articles, stating that the cycling champ employed performance-enhancing drugs.²³ After the High Court in London ruled in Armstrong's favor on a pretrial motion, the parties reached a settlement.²⁴ Armstrong subsequently dropped the lawsuits in France.²⁵

Even where damages are recovered by settlement or award, a defamed athlete might still suffer—both in the public eye as well as on the bottom line. For example, days before the 1995 NFL draft, the *New York Times* cited league sources to report that then-draftee Warren Sapp had tested positive for illegal narcotics. Even though the league subsequently issued a statement that he did not and he was projected to be a top-five pick, Sapp was selected 12th overall. He signed a deal worth millions less than any of the top five picks that year.²⁶ Defamatory statements also can potentially cost an athlete sponsorship support.

OWNERSHIP OF TRADEMARK RIGHTS

It is clear that a notable athlete possesses certain valuable rights to his or her name and persona. Those rights can maintain their value well after the athlete's death, as exemplified by the likes of Vince Lombardi²⁷ and "Shoeless" Joe Jackson.²⁸

The general rule with respect to the passing of those rights in the absence of children is that the surviving spouse inherits them.²⁹ Duke Kahanamoku died in 1968 without children, leaving his widow Nadine his trademark rights. During that era, when the commerce of surfing in Hawaii was governed by aloha spirit and handshake deals,³⁰ those rights were inadvertently doled out in pieces, which are unlikely to reconnect. Patti Paniccia, a California- and Hawaii-licensed lawyer and professional surfer, is the leading historian-author on the struggle that ensued.

The following account is based on her writings.³¹

In 1973, five years after Duke's death, Nadine sold the clothing trademark in his name to a swimwear company (Catalina). Whether Catalina made use of the trademark remains a point of contention. Nadine believed that because Catalina failed to create a Duke line of clothing within two years, it legally "abandoned" the trademark, which reverted to her. Thus, she gave the trademark to the Outrigger Canoe Club to run a non-profit foundation in Duke's name.

Subsequently, Catalina agreed to sell a third party (Carr) the trademark, which Carr alleges Catalina never abandoned, prompting Outrigger to pursue its rights.

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Meanwhile, Outrigger granted permission to California-corporation TS Restaurants to open a Waikiki restaurant using Duke's name.

The year 1997 brought Nadine's passing, but it also brought Carr and Outrigger to the negotiating table. Eventually, they agreed to split ownership, agreeing that Outrigger would receive 90 percent of restaurant-related income and 10 percent of clothing income and vice versa for Carr. A co-owner of TS Restaurants agreed to pay \$80,000 per year to operate four Duke's restaurants in Waikiki, Lihue, Huntington Beach, and Malibu.

Subsequently, Carr and Outrigger entered into a supplemental agreement whereby both parties transferred their trademark rights to holding company Malama Pono, which means, in Hawaiian, "to take care of in a righteous way."

In 2005, Malama Pono sued Mark Gunter, stepson of Duke's nephew Sandy Kahanamoku and proprietor of manufacturing company Kahanamoku Sons, for trade-

mark infringement. Gunter and his sister, Juli Kahanamoku, also had opened a surf shop in El Segundo, California, Kahanamoku Swimboat, where, among their stock, are Kahanamoku Sons-brand surfboards. Eventually, Juli and Mark reached a settlement agreement with Malama Pono on behalf of the Kahanamoku family, whereby each can continue certain use of the name Kahanamoku.

Duke is not the only athlete to leave behind a dispute over his rights. The heirs of Babe Ruth faced a different but related struggle. His daughters filed a lawsuit alleging, inter alia, infringement of their trademark rights in the words "Babe Ruth."³² The defendant publishing company printed various

likenesses of Babe Ruth in a calendar that it manufactured. There was no dispute that Babe's daughters registered the words "Babe Ruth" as a trademark for "paper articles, namely, playing cards, writing paper and envelopes."³³ Instead, the parties disputed the scope of those rights. The court applied the standard analysis to the plaintiffs' trademark infringement and unfair competition claims but stated that until further clarification by New York's higher courts, "the heirs of celebrities cannot state a claim [for right of publicity] since 'there is no independent common law right of publicity.'"³⁴ Thus, heirs to athlete trademarks can assert their rights under most scenarios.

Meanwhile, Mark and Juli Kahanamoku continue to perpetuate their family name and its legacy through Kahanamoku Sons and the Kahanamoku Swimboat.

Once asked whether he was bothered by the sharks in particularly infested waters, Duke answered: "No and I didn't bother them."³⁵ The Kahanamoku descendants share his

spirit as they continue to swim.

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1. http://www.olympic.org/uk/athletes/results/search_r_uk.asp (last visited May 27, 2007). In 1932 at the age of 42, he also earned Olympic Bronze with the U.S. water polo team; <http://www.h2opolobefamousplayers.php> (last visited May 28, 2007). He was inducted into the Swimming and Surfing Halls of Fame in 1965 and U.S. Olympic Hall of Fame in 1984; http://www.usoc.org/11631_50085.htm (last visited May 28, 2007).

2. Patti Paniccia, *In the Name of the Duke; Thirty-Five Years After His Death, a Trademark War Has Pulled Hawaiian Surf Pioneer Duke Kahanamoku into an Unpredictable Undertow*, LOS ANGELES TIMES MAGAZINE, Nov. 16, 2003, at 16; and <http://www.hawaiianswimboat.com/duke5.html> (last visited May 28, 2007).

3. <http://www.hawaiianswimboat.com/duke1.html> (last visited May 28, 2007).

4. <http://sports.jrank.org/pages/2417/Kahanamoku-Duke-Olympic-Star.html> (last visited May 28, 2007).

5. *Id.*

6. *Id.*

7. <http://www.hawaiianswimboat.com/duke6.html> (last visited May 28, 2007).

8. http://www.usps.com/news/2002/philatelic/sr02_048.htm (last visited May 28, 2007).

9. *Id.*

10. *Kahanamoku v. Advertiser Publ'g Co., Ltd.*, 1920 WL 832, at *2 (Hawai'i Terr. 1920).

11. *Id.* at *2.

12. *Id.* at *3.

13. *Id.* at *5.

14. *Id.* at *9.

15. *Kahanamoku v. Advertiser Publ'g Co., Ltd.*, 1922 WL 2094, at *3 (Hawai'i Terr. 1922).

16. *World Boxing Council v. Cosell*, 715 F. Supp. 1259 (1989).

17. *Id.* at 1260.

18. *Id.* at 1262 (citations omitted).

19. *Id.* at 1261-62.

20. <http://outside.away.com/outside/features/200512/lance-armstrong-2.html> (last visited May 28, 2007) (quoting Michael Overing, Esq., professor of Internet and communication law at the University of Southern California).

21. *Id.*

22. "As a result of the book, SCA Promotions, a Dallas-based insurance company, has [at least preliminarily] withheld a \$5 million bonus for winning the Tour from Armstrong." Juliet Macur, *Armstrong to Seek a 7th Tour Title*, NEW YORK TIMES, Feb. 17, 2005, at D5.

23. <http://outside.away.com/outside/features/200512/lance-armstrong-2.html> (last visited May 28, 2007); and Richard Sandomir, *Armstrong Is Suing Accuser*, NEW YORK TIMES, June 16, 2004, at D6.

24. Staff and Wire Reports, *Armstrong Settles Libel Lawsuit*, ATLANTA J.-CONST., July 1, 2006, at D11.

25. Samuel Abt, *Little Rest and a Lot of Wind in Normandy*, NEW YORK TIMES, July 7, 2006, at D3.

26. Michael Bamberger and Don Yaeger, *Big Brother Is Watching; If You're an NFL Draft Prospect, the League's Investigators Have Their Eyes on Your Every Move*, SPORTS ILLUSTRATED, Apr. 15, 1996, at 34. Also, the 2007 NFL combine leaked certain admissions that three different players made concerning prior use of marijuana. The 2006 combine leaked the low Wonderlic scores of quarterback Vince Young. <http://sports.yahoo.com/nfl/news?slug=jcmarijuanaleak042007&prov=yhoo&type=lgns> (last visited May 28, 2007).

27. Vince Lombardi Jr. has authored numerous books based on the notoriety of his father, including *What It Takes to Be Number One* (SimpleTruths 2006), and he is available to speak on related topics for a fee. See http://www.leadingauthorities.com/3531/Vince_Lombardi_Jr.htm (last visited May 28, 2007).

28. His ongoing commercial value is evidenced by the many books written about him, the characters he inspires in movies, and the efforts seeking to allow him to be inducted into the Baseball Hall of Fame despite the 1919 World Series scandal.

29. See, e.g., CAL. CIV. CODE § 3344.1(d)(1) (West 2007) and FLA. STAT. ANN. § 540.08(1)(c) (2007).

30. According to Mark Gunter, proprietor of Kahanamoku Sons.

31. See Patti Paniccia, *Who Owns the Duke? The Battle for the Trademark to Duke Kahanamoku's Name Has Been Far Less Dignified than the Man Himself*, HONOLULU MAGAZINE, Nov. 2006, 51; and Patti Paniccia, *In the Name of the Duke; Thirty-Five Years After His Death, a Trademark War Has Pulled Hawaiian Surf Pioneer Duke Kahanamoku into an Unpredictable Undertow*, LOS ANGELES TIMES MAGAZINE.

32. *Pirone v. MacMillan Inc.*, 894 F.2d 579 (N.Y. Jan. 29, 1990).

33. *Id.* at 581.

34. *Id.* at 586 (ultimately upholding the district court's decision that the defendant was within its rights in manufacturing the calendar).

35. <http://www.answers.com/topic/duke-kahanamoku> (last visited May 28, 2007) (crediting Malcolm Gault-Williams, *Legendary Surfers*).