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Legal Notes

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A celebrity's public image often constitutes a moving target in the context of celebrity licensing and endorsements, particularly because the private life of a celebrity is under constant scrutiny. As a general rule, licensing music celebrities offers more flexibility than, say, licensing sports celebrities, since a licensee does not have to contend with team logos, league clearances, and related issues. But that flexibility also brings potential complications.

Sports celebrity licensing transactions typically involve a morals clause, and there is (arguably) a kind of code of conduct imposed by leagues and teams that usually doesn't apply to the music world. These differences stem in part from the fact that an entity licensing notorious rock stars or hip-hop artists understands the nature of that artist's notoriety.

Still, one of the biggest challenges occurs when an artist signs with a company, then undergoes a massive deliberate or accidental image shift in the case of a record label or management company, there may be "out" clauses if an artist encounters certain kinds of controversy. This is similar to the influence labels may exert over the "image of an artist," such as expecting an artist to maintain a certain genre, style,

or look to preserve the artist's core audience. For instance, Prince's label wanted him to continue writing songs in the same style as *Purple Rain*, his biggest-selling album, whereas he wanted to move in a different direction, thus launching a public dispute between Prince and Warner Bros. From the record label's point of view, however, the adage that "there's no such thing as bad press" often applies, so the label may tolerate and enjoy a high degree of controversy surrounding the artists. For an agent or management company, through, there might be fiduciary obligations that require the company to assist an artist through his or her hard times.

On the other hand, a licensee seeking to converge its brand with an artist's audience, which inherently depends on the artist's image, may seek a morals clause in its license agreement or the ability to terminate its agreement at will, and may prefer shorter-term arrangements. Sophisticated artist reps, however, steer away from shorter-term agreements and insulate their client from the whims of a company that feels something is not consistent with the artist's image as the licensee perceives it. Other companies may try to evolve with the celebrity's new image, but larger entities such as big-box retailers or major manufacturers may not have the dexterity or inclination to rebrand themselves around an artist.

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