

No. 03-17052

**IN THE
UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT**

WHAM-O, INC.,

Plaintiff/Appellant,

v.

PARAMOUNT PICTURES CORPORATION, et al.,

Defendant/Appellee

**On Appeal From the United States District Court
For The Northern District of California
United States District Judge Marilyn Hall Patel
U.S.D.C. No. C-03-4071 MHP**

**BRIEF OF AMICUS CURIAE MOTION PICTURE ASSOCIATION OF
AMERICA, INC., IN SUPPORT OF APPELLEES PARAMOUNT
PICTURES CORPORATION AND HAPPY MADISON, INC.**

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CORPORATE DISCLOSURE STATEMENT

F.R.A.P. 26.1

The Motion Picture Association of America, Inc. has no parent corporation, and no publicly held company owns 10% or more of its stock.

BRIEF FORMAT CERTIFICATION
PURSUANT TO CIRCUIT RULE 32(e)(4)

Pursuant to the Ninth Circuit Rule 32(e)(4), I certify that the amicus brief is Roman 14-point proportional typeface and contains 2,592 words.

Robert H. Rotstein

TABLE OF CONTENTS

	Page
INTEREST OF AMICUS	1
INTRODUCTION AND SUMMARY OF ARGUMENT	1
ARGUMENT	3
I REVERSAL OF THE DISTRICT COURT'S RULING WOULD IMPERMISSIBLY INHIBIT CREATION OF EXPRESSIVE WORKS.....	3
II. THE ADVERTISING OF THE MOTION PICTURE CANNOT GIVE RISE TO LIABILITY	8
CONCLUSION	9

TABLE OF AUTHORITIES

Page

CASES

<u>Anti-Monopoly, Inc. v. General Mills Fun Group,</u> 611 F.2d 296 (9th Cir. 1979)	4
<u>Campbell v. Acuff-Rose Music, Inc.,</u> 510 U.S. 569, 127 L. Ed. 2d 500, 114 S. Ct. 1164 (1994)	6
<u>Guglielmi v. Spelling-Goldberg Productions,</u> 25 Cal. 3d 860 (1979)	8
<u>Harper & Row, Publishers, Inc. v. Nation Enterprises,</u> 471 U.S. 539 (1985).....	6
<u>Joseph Burstyn, Inc. v. Wilson,</u> 343 U.S. 495 (1952).....	1, 2, 5, 8
<u>L.L. Bean, Inc. v. Drake Publishers, Inc.,</u> 811 F.2d 26 (1st Cir. 1987).....	4
<u>Mattel, Inc. v. MCA Records,</u> 296 F.3d 894 (9th Cir. 2002)	4, 6
<u>Page v. Something Weird Video,</u> 960 F. Supp. 1438 (C.D. Cal. 1996).....	8
<u>Ruffin-Steinback v. dePasse,</u> 82 F. Supp. 2d 723 (E.D. Mich. 2000)	8
<u>Schad v. Mt. Ephraim,</u> 452 U.S. 61 (1981).....	2
<u>Seale v. Gramercy Pictures,</u> 949 F. Supp. 331 (E.D. Pa. 1996).....	8
<u>Unelko Corp. v. Rooney,</u>	

TABLE OF AUTHORITIES
(continued)

Page

912 F.2d 1049 (9th Cir. 1990)	7
<u>Yankee Publ'g, Inc. v. News America Publ'g, Inc.</u> , 809 F. Supp. 267 (S.D.N.Y. 1992)	4

STATUTES

Lanham Act, 15 U.S.C. §1125, (a) (c)	2, 6
--	------

MISCELLANEOUS

J. Aumont, <i>et al.</i> , <i>Aesthetics of Film</i> 121	2
John Steinbeck, <i>The Grapes of Wrath</i> p. 208 (Penguin ed. 1992).....	5
<i>Restatement (2d) of Torts</i> , §623A comment d.....	7

INTEREST OF AMICUS

Amicus is a not-for-profit trade association founded in 1922 to address issues of concern to the United States motion picture industry. The members of the Motion Picture Association of America, Inc. ("MPAA") include Sony Pictures Entertainment Inc., Metro-Goldwyn-Mayer Studios Inc., Paramount Pictures Corporation, Twentieth Century Fox Film Corporation, Universal City Studios, Inc., Warner Bros. Entertainment Inc., and an affiliate of The Walt Disney Company. Amicus' members produce and distribute the vast majority of entertainment in the domestic theatrical, television, and home video/DVD markets. These works include numerous motion pictures and television programs that depict products distributed under trademark. Amicus' members therefore have a substantial interest in any case in which a party attempts, as Plaintiff/Appellant does here, to limit the right to portray common, everyday products in expressive works. For the reasons discussed, Amicus urges that this Court affirm the holding of the district court.

INTRODUCTION AND SUMMARY OF ARGUMENT¹

The United States Supreme Court recognized long ago that motion pictures function as important channels of free expression and thus receive full protection under the First Amendment. *Joseph Burstyn, Inc. v. Wilson* 343 U.S. 495, 502 (1952).

It cannot be doubted that motion pictures are a significant medium for the communication of ideas. They may affect public attitudes and

¹ The parties devote substantial portions of their briefs to the question whether this Court has jurisdiction over this appeal. Amicus takes no position on this issue, but submits this brief in the event that the Court decides to reach the merits of the appeal.

behavior in a variety of ways, ranging from direct espousal of a political or social doctrine to the subtle shaping of thought which characterizes all artistic expression. The importance of motion pictures as an organ of public opinion is not lessened by the fact that they are designed to entertain as well as to inform.

Id. at 501; *see also* *Schad v. Mt. Ephraim* 452 U.S. 61, 65 (1981) (motion pictures receive the same level of First Amendment protection as political and ideological speech). In exercise of this right, motion pictures – like works of art, music, and literature – have historically referenced products and trademarks common to the culture to tell a story or to make a particular point. The ability to portray reality in this way is particularly characteristic of motion pictures. “It has often been observed that what distinguishes the cinema from other modes of representation is the impression of reality arising from viewing films.” J. Aumont, *et al.*, *Aesthetics of Film* 121 (Translation by University of Texas Press 1992). Whether the work is factual, partly fictional, or entirely fictional, the ability to weave products and trademarks into the narrative lends an aura of verisimilitude that is critical to the success and effectiveness of the story being told.

Plaintiff/Appellant WHAM-O Inc. (“WHAM-O”) nevertheless argues that Defendants/Appellees Paramount Pictures Corporation and Happy Madison, Inc. (collectively, “Paramount”) committed trademark infringement and unfair competition under the Lanham Act (15 U.S.C. §1125(a)) merely by failing to obtain WHAM-O’s consent to use the Slip ‘N Slide in the motion picture *Dickie Roberts Former Child Star* (“*Dickie Roberts*” or the “Motion Picture”). WHAM-O alternatively argues that the “misuse” of the Slip ‘N Slide in *Dickie Roberts* violates the Lanham Act, 15 U.S.C. §1125(c), by diluting the “Slip ‘N Slide” trademark. As discussed in Paramount’s brief, the district court correctly applied the law in declining to find a Lanham Act violation. In this brief, Amicus addresses how a contrary holding would pose a significant practical threat to the

creation of future expressive works. In arguing that Paramount's depiction of the Slip 'N Slide violates the Lanham Act, WHAM-O essentially asks this Court to hold that storytellers must either depict a world devoid of certain key indicia of reality, or instead submit to the censorship and monetary demands of trademark owners. Amicus urges that this Court affirm the holding of the district court.

ARGUMENT

I.

REVERSAL OF THE DISTRICT COURT'S RULING WOULD IMPERMISSIBLY INHIBIT CREATION OF EXPRESSIVE WORKS

At the outset, Amicus must underscore that its members produce and distribute a vast amount of intellectual property. As owners of intellectual property, the enforcement of intellectual property rights is a matter of utmost importance to the members of the MPAA. Amicus thus recognizes that the law of trademark, copyright, defamation, and product disparagement serves an important function and often properly places limits on the use that a party can make of another person's intellectual property. Indeed, these laws function effectively to prevent the misuse of intellectual property. However, as the district court held, this is not a case in which a Lanham Act violation exists. A ruling reversing the district court would negatively affect the ability of producers, writers, and artists to create expressive works.

First, because uses like the one that Paramount made of the Slip 'N Slide do not meet the threshold of a trademark use, they cannot constitute trademark infringement. As this Court has recognized:

The First Amendment may offer little protection for a competitor who labels its commercial good with a confusingly similar mark, but "trademark rights do not entitle the owner to quash an unauthorized use of the mark by another who is communicating ideas or expressing

points of view." *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 29 (1st Cir. 1987). Were we to ignore the expressive value that some marks assume, trademark rights would grow to encroach upon the zone protected by the First Amendment. See *Yankee Publ'g, Inc. v. News Am. Publ'g, Inc.*, 809 F. Supp. 267, 276 (S.D.N.Y. 1992) ("When unauthorized use of another's mark is part of a communicative message and not a source identifier, the First Amendment is implicated in opposition to the trademark right."). Simply put, the trademark owner does not have the right to control public discourse whenever the public imbues his mark with a meaning beyond its source-identifying function. See *Anti-Monopoly, Inc. v. Gen. Mills Fun Group*, 611 F.2d 296, 301 (9th Cir. 1979) ("It is the source-denoting function which trademark laws protect, and nothing more.").

Mattel, Inc. v. MCA Records, 296 F.3d 894, 900 (9th Cir. 2002).

Here, the depiction of products and marks like those at issue in the Motion Picture is a non-trademark use. The scene about which WHAM-O complains is an example of how the depiction of a product that has become a cultural icon helps to bring a fanciful story to life. As a practical matter, the ability of artists and creators to depict trademarks and products in the way that Paramount did in the Motion Picture has great value in imbuing expressive works with an important quality of realism.

Indeed, not only motion pictures, but also music, art, and literature are rife with depictions of trademarks for expressive purposes. In *Mattel*, this Court cited Janis Joplin's song lyrics "Oh Lord, won't you buy me a Mercedes-Benz?" as an example of a permissible expressive use of a trademark. *Mattel*, 296 F.3d at 902. Yet, by WHAM-O's account, Mercedes-Benz could sue the composer of that song for false designation of origin or sponsorship under the Lanham Act.² John

² As could the holder of the Porsche trademark, as evidenced by the first verse of the Joplin song:

Oh Lord, won't you buy me a Mercedes Benz?

(continued...)

Steinbeck's classic novel *The Grapes of Wrath* contains the following description of hamburger stands along Route 66 in the 1930s, identifying no less than six trademarks:

At one end of the counter a covered case; candy cough drops, caffeine sulfate called Sleepless, No-Doze; candy cigarettes, razor blades, aspirin, Bromo-Seltzer, Alka-Seltzer. The walls decorated with posters, bathing girls, blondes with big breasts and slender hips and waxen faces, in white bathing suits and holding a bottle of Coca-Cola and smiling – see what you get with a Coca-Cola. . . . And little piles of Post Toasties, corn flakes, stacked up in designs.

John Steinbeck, *The Grapes of Wrath* p. 208 (Penguin ed. 1992). Steinbeck obviously wove the names of actual products into his fictional narrative as a means of evoking a particular realism crucial to his story. The passage would not have been as effective had Steinbeck been forced to create fictitious names of products. Yet, under WHAM-O's theory of the law, Steinbeck – and any motion picture producer making a film version of *The Grapes of Wrath* – would have had either to eviscerate the scene by using imaginary names or to obtain permission from the owners of the trademarks Sleepless, No-Doze, Bromo-Seltzer, Alka-Seltzer, Coca-Cola and Post Toasties, lest they face liability for trademark infringement.³ Similarly, a motion picture producer filming a street scene or a car chase would face Lanham Act liability for portraying the trademarks of automobiles or the tradename of an actual store visible from the street.

My friends all drive Porsches, I must make amends.
Worked hard all my lifetime, no help from my friends,
So Lord, won't you buy me a Mercedes Benz?

³ Any argument that songs and novels receive broader protection than that accorded motion pictures would be contrary to the established case law that motion pictures receive full First Amendment protection. *Joseph Burstyn, Inc. v. Wilson*. 343 U.S. 495, 502 (1952).

In sum, the motion picture *Dickie Roberts* is an expressive work that depicts the Slip 'N Slide mark and product to communicate an idea. Because the Lanham Act does not reach, and the principles of free speech would in any event preclude liability for such a depiction, Amicus asks that the Court affirm the district court's order rejecting WHAM-O's trademark infringement claim.⁴

WHAM-O's challenge to the district court's rejection of its trademark dilution claim likewise raises First Amendment concerns. Because the Slip 'N Slide was used as part of an expressive work, WHAM-O's trademark dilution claim is barred by the "non-commercial use" exception to Lanham Act §43(c), 15 U.S.C. §1125(c)(4)(B). This exception exists to allay the free speech concerns that would arise by application of anti-dilution statutes to expressive works. *Mattel*, 296 F.3d at 905. Where, as here, the alleged use of a trademark arises as part of an expressive work, the non-commercial use exception applies to bar any claim of trademark dilution. *Id.* at 906.

The First Amendment problems inherent in WHAM-O's position become even more evident in light of the facts that underlie its dilution claim. It is

⁴ WHAM-O tries to justify its position by arguing that, because motion picture companies often obtain permission to use copyrighted material in motion pictures, they must also invariably obtain permission to use trademarks. But permission to use even copyrighted works is required only where unconsented use violates the law. *See, e.g., Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 127 L. Ed. 2d 500, 114 S. Ct. 1164 (1994) (fair use defense permitted defendant to use, without consent, portion of plaintiff's copyrighted song in musical parody). Moreover, because copyright law exists to encourage the creation of expressive works for the public benefit (*see Harper & Row, Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 546 (1985)), requiring creators to obtain permission to copy a work protected by copyright promotes creative expression. In contrast, trademark law exists to prevent consumer confusion (*Mattel*, 296 F.3d at 900), and thus is much different and more limited than the exclusive rights granted a copyright owner.

revealing that WHAM-O devotes nearly two pages of its brief to a discussion of previous products liability litigation, redesign of the Slip 'N Slide, and new warning labels. *See* Appellant's Opening Brief pgs. 7-8. WHAM-O's true complaint is that individuals who see the Motion Picture might mimic the misuse of the Slip 'N Slide, injure themselves, and sue WHAM-O. These issues and concerns are unrelated to any purported trademark use in the Motion Picture. Rather, WHAM-O tries to invent a new tort of "product misuse." As such, WHAM-O's claim is more akin to a product disparagement claim than to a trademark dilution claim. Importantly, claims for product disparagement "are subject to the same first amendment requirements that govern actions for defamation." *Unelko Corp. v. Rooney*, 912 F.2d 1049, 1057-58 (9th Cir. 1990); *Restatement (2d) of Torts*, §623A comment d. These requirements mandate that the plaintiff prove the existence of a false and disparaging statement about the plaintiff's product. *Unelko Corp. v. Rooney*, 912 F.2d at 1057-58. They also require that the statement be made with actual malice, that is with knowledge of the statement's falsity or with reckless disregard for truth or falsity. *Id.*

The Motion Picture does not make any false or disparaging statement – or indeed, any statement at all – about the Slip 'N Slide, much less make such a statement with actual malice. The Motion Picture does not show the Slip 'N Slide to be defective, inferior, or of low quality, and the product never malfunctions. Rather, the Motion Picture accurately, though humorously, depicts the result of misuse of the Slip 'N Slide – injury to the person not using the product properly. The only disparaging elements of the scene target the Dickie Roberts character, showing him to be irresponsible and out of touch. On the facts of this case, to hold Paramount liable on a trademark dilution theory without requiring WHAM-O to satisfy the requirements of a false and disparaging statement made with actual malice would raise serious constitutional implications.

As a practical matter, moreover, if, as WHAM-O suggests, creators of films are subject to liability merely for depicting product misuse, a motion picture producer – or novelist for that matter – could never create a high speed car chase absent the consent of the automaker, since automobiles are not intended to be driven at excessive speeds. A dramatic motion picture or novel about the evils of driving intoxicated would face similar hurdles. Such a result is patently untenable. Amicus respectfully requests that this Court uphold the district court’s rejection of WHAM-O’s trademark dilution claim.

II. **THE ADVERTISING OF THE MOTION PICTURE CANNOT GIVE RISE TO LIABILITY**

As the district court recognized, WHAM-O’s attempt to distinguish between advertising for *Dickie Roberts* and the film itself should not be availing. Motion pictures are constitutionally protected. *Joseph Burstyn, Inc. v. Wilson*. 343 U.S. 495, 502 (1952). Advertisements that are incidental to a constitutionally protected activity are likewise protected. *Page v. Something Weird Video*, 960 F. Supp. 1438 (C.D. Cal. 1996) (“it would be illogical to allow [defendants] to exhibit the film but effectively preclude any advance discussion or promotion of their lawful enterprises”), citing *Guglielmi v. Spelling-Goldberg Productions*, 25 Cal. 3d 860 (1979); see also *Seale v. Gramercy Pictures*, 949 F. Supp. 331, 340 (E.D. Pa. 1996) (finding that use of plaintiff’s likeness in promotional materials for a film that he had appeared in did not constitute a Lanham Act violation); *Ruffin-Steinback v. dePasse*, 82 F. Supp.2d 723, 731 (E.D. Mich. 2000) (where musician’s likeness in a mini-series was not a violation of the right of publicity, use of clips from series in advertisements for the series also not a violation). While *Page*, *Seale* and *Ruffin-Steinback* all involved an individual’s right of publicity the logic of the opinions clearly applies in this case. It would be illogical to allow the

use of the Slip-N-Slide scene in the Motion Picture itself, but foreclose the use of that same constitutionally protected expression in the promotion of the film.

CONCLUSION

For the reasons discussed above, Amicus respectfully urges that this Court affirm the holding of the district court.

DATED: April 29, 2004

Respectfully submitted,

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