

# Intellectual Property

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SECTION C

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## Too famous to trademark: Diana case proves point

**Court found use of her persona so widespread that it could not indicate a source of goods.**

BY JEFFREY L. EICHEN

ON JUNE 27, the U.S. District Court for the Central District of California granted the Franklin Mint summary judgment in a civil action brought by the executors of the estate of Diana, Princess of Wales, to prevent the Franklin Mint from continuing to use the name and image of Princess Diana in the sale of commemorative dolls, jewelry and plates. The decision, now being appealed by the plaintiffs, leaves the Franklin Mint free to continue selling Princess Diana memorabilia without permission from, or payment of royalties to, Princess Diana's estate. The decision illustrates in dramatic terms a paradox of trademark law: Sometimes a name and image can become too well-known and too widely used to serve as a trademark.

Princess Diana died on Aug. 31, 1997, in a horrific automobile accident in Paris. Before her death, she was, of course, among the world's most recognized and

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closely watched celebrities of the past 20 years—known for, among other things, her roles as a member of the British royal family, a mother, a bellwether of fashion and a leader of charitable and humanitarian causes.

Almost immediately after Princess Diana's death, her executors registered in California as the successor-in-interest to Princess Diana's "right of publicity" under California Civil Code § 990, the statute that grants the decedents of a celebrity the right to continue licensing (and receiving royalties for) the use of the celebrity's name and likeness after the celebrity's death. The executors also filed federal trademark registrations in various classes for the marks "Diana Princess of Wales" and "Diana Princess of Wales Memorial Fund."<sup>1</sup>

Apparently, in the days after her death, the commercial value of Princess Diana's name and image was also recognized by the Franklin Mint. On Sept. 4, 1997, the Franklin Mint sought permission from Princess Diana's executors to use her name and likeness on a number of commemorative products. On the same day, the Franklin Mint also filed federal trademark applications for a variety of marks relating to Princess Diana, including "Diana, Queen of Our Hearts," "Diana, Queen of Hearts," "Diana, Angel of Mercy" and

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"Diana, the People's Princess." A month later, Princess Diana's executors rejected the Franklin Mint's request to license her name and image. Later, the U.S. Patent and Trademark Office also rejected the Franklin Mint's trademark applications, in part because the marks suggested a connection between the Franklin Mint and Princess Diana.

Undeterred by these rejections, the Franklin Mint started selling a number of commemorative Princess Diana items, including a "Diana, Princess of Wales Porcelain Portrait Doll," a "Diana, Queen of Hearts Jeweled Tribute Ring," a "Diana, England's Rose Diamond Pendant," "Diana, Forever Sparkling Classic Drop Earrings" and other pieces with similar names. The items were offered with a "certificate of authenticity" and, in the case of one item—the "Princess Diana Tribute Plate"—a promise by the Franklin Mint to donate 100% of the purchase price to Princess Diana's favorite charities.

In response to the sale of these items, the executors of Princess Diana's estate and the trustees of the Princess Diana Memorial Fund filed suit in May 1998 in the U.S. District Court for the Central District of California against the Franklin Mint and Stewart and Lynda Resnick, the Franklin Mint's owners.

## The plaintiffs' claims

Among other claims, the complaint included a claim for false designation of origin and false endorsement under § 43(a) of the Lanham Act<sup>2</sup> and a claim of infringement of California's statutory right of publicity.<sup>3</sup> The complaint also included an allegation calling the defendants "vultures feeding on the dead," a colorful sobriquet that the court eventually struck from the complaint as inappropriate under Rule 12(f) of the Federal Rules of Civil Procedure. The plaintiffs also filed a motion for preliminary injunction against the Franklin Mint and its co-defendants.

On Oct. 16, 1998, after a hearing, U.S. District Judge Richard A. Paez denied the motion for preliminary injunction.<sup>4</sup> More significantly, Judge Paez also dismissed as a matter of law the plaintiffs' claim for infringement of the right of publicity under California law—ostensibly, the plaintiffs' strongest claim.

According to the court, California's choice-of-law rules dictated that the law of Great Britain, and not California, should apply to the question of whether Princess Diana's estate owned any right of publicity after her death. Unlike California, Great Britain—Princess Diana's domicile at the time of her death—does not recognize a post-mortem right of publicity, and the plaintiffs therefore could not bring a claim based on this nonexistent right.<sup>5</sup> In an unpublished opinion, the U.S. Court of Appeals for the 9th Circuit upheld both the denial of the preliminary injunction and the dismissal of the right-of-publicity claim.<sup>6</sup>

## The Lanham Act claim

After this decision, the parties continued their discovery. In April, the Franklin Mint filed a motion for summary judgment against the remainder of the plaintiffs' claims—primarily, their claim for false designation of origin under § 43(a) of the

Lanham Act.

The gist of the plaintiffs' Lanham Act claim was that Princess Diana's persona is recognizable as a sort of trademark indicating to consumers that her estate and Memorial Fund are the source of—or at least have given their approval to—any purportedly "authentic" Princess Diana memorabilia. According to the plaintiffs, therefore, the Franklin Mint's use of Princess Diana's name and likeness is likely to confuse or deceive consumers as to the source of these goods.

The court, however, rejected this analysis entirely. Instead, the court held that there is no violation of the Lanham Act when a celebrity's name and likeness are not being used as a trademark or endorsement but, rather, simply for the sake of aesthetic appeal. The court likened the Franklin Mint's use of Princess Diana's name and likeness on memorabilia to Andy Warhol's use of Campbell's tomato soup cans and Coca-Cola bottles in his paintings. Both the Campbell's soup can and Coca-Cola bottle are undoubtedly protected as famous trademarks; according to the court, however, Mr. Warhol's use of these brand names and images does not imply any connection, endorsement or common origin between his paintings and the products depicted therein. Similarly, the use of Princess Diana's name and likeness on the Franklin Mint's products does not indicate in any way the source or sponsorship of these goods.<sup>7</sup>

## No false endorsement found

In reaching this conclusion, the court also distinguished between the facts of this case and those of several other well-known 9th Circuit cases that have upheld a celebrity's rights under § 43(a) of the Lanham Act.<sup>8</sup> The court found that these other cases were "clearly distinguishable" in that they all involve the use of a celebrity's name or likeness, such as

Kareem Abdul-Jabbar or Vanna White, to suggest a false endorsement or approval of an unrelated product, such as corn chips, cars or VCRs. In this case, however, the Franklin Mint's use of Princess Diana's name and likeness did not suggest a false endorsement or approval but, rather, was part of the aesthetic or commercial appeal of the product itself.

Having concluded that the Franklin Mint's use of Princess Diana's persona is outside the scope of federal trademark protection, the court then considered whether there was evidence of a likelihood of confusion in this case, even if one assumes that Princess Diana's persona were somehow protected by trademark law.

In the 9th Circuit, courts typically balance eight factors to determine whether a likelihood of confusion exists in a particular case.<sup>9</sup> The court in this case, however, created a significant, and apparently decisive, ninth factor—the strength of the association between the mark and the plaintiffs—to find that no likelihood of confusion existed in this matter.<sup>10</sup>

This ninth factor is concerned not with strength of the mark, but instead with the strength of the mental link or association in the minds of consumers between the mark and the plaintiff. According to the court, the use of a celebrity's persona can become so pervasive and widespread that it is no longer capable of indicating a particular source or endorsement of the goods. When a celebrity's persona becomes this ubiquitous, any mental association between the celebrity's persona and a particular source or endorsement of goods is dulled to the point of meaninglessness.

## Too famous

In this case, the court found the use of Princess Diana's name and likeness to be so widespread that their value as a

trademark was negligible. The court took notice of the vast quantities of Princess Diana memorabilia being offered by innumerable sources, including the Franklin Mint. The court further found that, during her lifetime, Princess Diana not only knew of the widespread commercial exploitation of her persona, but also did nothing to stop it.

Under these circumstances, and regardless of the extraordinarily high degree of recognition of Princess Diana's persona among consumers, the court concluded that the use of Princess Diana's persona had reached a degree of ubiquity that any connection between her persona and her estate as a source of goods was weak at best.

As for the remaining eight factors of the likelihood-of-confusion test, the plaintiffs did not fare any better. The court found that consumers exercise a high degree of care in evaluating these goods for purchase, that there was no evidence of any bad intent by the Franklin Mint and that there was little chance the plaintiffs will expand into the product categories now being offered by the Franklin Mint—all of which supported the court's conclusion that there was no likelihood of confusion.

Even with some "minimal" evidence of actual confusion and an admittedly strong mark, the court concluded that the critical factor in this case—the lack of any meaningful association between the mark and the estate of Princess Diana—compelled the court to grant summary judgment to the defendants.

So where does this decision leave celebrities in their efforts to license and profit from public recognition? First, a celebrity would be well-advised to establish domicile in a state that recognizes both the living and

post-mortem rights of publicity. Second, the celebrity needs to take immediate action against any unauthorized uses of his or her persona on goods. Finally, the celebrity needs to be certain that any authorized use of his or her persona indicates clearly and unequivocally the celebrity's endorsement of these goods.

A number of celebrities are particularly adept at applying these "brand management" techniques to their public image—consider Oprah Winfrey or Martha Stewart. Others, like the estate of Princess Diana, have proved to be far less successful at the business of stardom.

(1) The Memorial Fund is a trust created by Princess Diana's executors after her death to engage in charitable activities in her memory. According to the executors, the Memorial Fund is the exclusive licensee of the name and likeness of Princess Diana.

(2) 15 U.S.C. 1125(a).

(3) California Civil Code § 990. The "right of publicity" refers to a person's (usually a celebrity's) inherent right to control the commercial exploitation of his or her identity—that is, the right to license, transfer and (most important) receive compensation for the use of the celebrity's name, likeness, voice and other physical characteristics in a commercial context. Trademark law, on the other hand, protects consumers from those selling goods or services identified in such a way as to cause confusion, mistake or deception as to the source, affiliation or endorsement of the goods or services being offered. In right-of-publicity cases, the focus is compensation of the celebrity for use of a valuable commodity—his or her identity. In trademark cases, the focus is prevention of consumer confusion.

(4) *Cairns v. Franklin Mint Co.*, 24 F. Supp.2d 1013 (C.D. Cal. 1998).

(5) What is not clear from the opinions in this matter is, given the court's rather straightforward analysis of California's choice-of-law rules, why the plaintiffs chose California for this action in the first place. There are a number of other states that recognize a post-mortem right of publicity similar to California Civil Code § 990, including, among others, Florida, Indiana, Kentucky, Nevada, Oklahoma, Tennessee and Texas. It is possible that one of these states might also follow a choice-of-law rule different from California's such that a federal court in that state would have been required to apply the state's law, rather than the law of Great Britain, to the question of whether the plaintiffs can

assert a post-mortem right of publicity. Thus, choice of a different forum in this case might have resulted in the plaintiffs' having a substantial claim against the Franklin Mint.

(6) *The Diana Princess of Wales Memorial Fund v. Franklin Mint Co.*, 216 F.3d 1082 (table disposition), 1999 WL 1278044 (9th Cir. 1999).

(7) Interestingly, the court does not cite the U.S. Supreme Court's recent decision in *Wal-Mart Stores Inc. v. Samara Bros. Inc.*, 120 S.Ct. 1339 (2000), as support for its conclusion that the aesthetic features of a product are outside the protection of federal trademark law. In *Wal-Mart*, the Supreme Court rejected a similar claim of trade dress infringement brought by a maker of children's garments against a retailer selling a knock-off version. The Supreme Court held that the color and configuration of the garments served primarily aesthetic purposes, rather than source-identification purposes, and therefore were not protected under § 43(a) of the Lanham Act without proof of secondary meaning. According to the Supreme Court, "[c]onsumers are aware of the reality that, almost invariably, even the most unusual of product designs—such as a cocktail shaker shaped like a penguin—is intended not to identify the source, but to render the product itself more useful or appealing." *Wal-Mart*, 120 S.Ct. at 1344. This is essentially the same argument made by the district court in favor of the Franklin Mint.

(8) *Wendt v. Host International Inc.*, 125 F.3d 806, 812 (9th Cir. 1997) (use of an animatronic figure resembling George Wendt in promoting a "Cheers"-type bar); *Abdul-Jabbar v. General Motors Corp.*, 85 F.3d 407, 410 (9th Cir. 1996) (use of Kareem Abdul-Jabbar's name in a car commercial); *Waits v. Frito-Lay Inc.*, 978 F.2d 1093-1110 (9th Cir. 1992) (use of a likeness of Tom Waits' distinctive voice in a corn chip commercial); *White v. Samsung Electronics America Inc.*, 971 F.2d 1395, 1399 (9th Cir. 1992) (use of Vanna White's likeness as a robot in television commercial for VCRs).

(9) *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979). The eight factors are strength of the mark; relatedness of the goods; similarity of the marks; evidence of actual confusion; marketing channels used; degree of care consumers are likely to use when purchasing; intent of defendants in selecting the mark; and likelihood that the parties will expand their product lines.

(10) Other courts and commentators have used the terms "secondary meaning" or "acquired distinctiveness" to describe the mental link or association between a particular mark and a source of goods. See J.T. McCarthy, *McCarthy on Trademarks and Unfair Competition* §§ 15:5 to 15:10 and cases cited therein.