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PERSPECTIVE

'That's Hot' (as in Stolen): *Paris Hilton v. Hallmark Cards on Right of Publicity Law*

By Michael Garfinkel and Schuyler Sorosky

Hollywood socialite Paris Hilton is best known for her flamboyant lifestyle and reality television show, *"The Simple Life."* She is now also the topic of conversation around law firm water coolers, and not just for her recent arrest for cocaine possession. Hilton has joined the likes of Tiger Woods, Elvis Presley, Vanna White, Kareem Abdul-Jabbar, and The Three Stooges as celebrities who have set precedent in right of publicity law.

Celebrities use the right of publicity to prohibit others from using their name, voice, signature, photograph, or likeness for commercial purposes without their consent. Recently, the 9th U.S. Circuit Court of Appeals sided with Hilton and defeated Hallmark Cards' efforts to dismiss her claims arising out of a birthday card bearing her name and likeness. The *Hilton court* concluded that Hallmark's First Amendment defense could not be determined as a matter of law and, instead, should be determined by a trier of fact.

Over the years, courts have struggled with how to reconcile the right of publicity with the First Amendment. The result is a hodgepodge of decisions based more upon the facts and circumstances of particular cases than on clear, overriding principles. In *Hilton v. Hallmark Cards,* 2010 DJDAR 4351 (9th Cir. 2010), the 9th Circuit initially set out to create some order among the preceding case law and provide some guidance going forward, but ultimately issued a decision that raised more questions than it answered.

In defending its use of Hilton's name and photograph on a birthday card, Hallmark, like many defendants before it, relies heavily upon the protections afforded by the First Amendment. In particular, Hallmark seeks to avail itself of the transformative use defense, which applies when the defendant adds significant creative elements and does not literally depict the subject celebrity. However, based upon the preexisting case law, it appears that whether a work is sufficiently transformative is often in the eye of the beholder.

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In *Winter v. DC Comics*, 30 Cal.4th 881 (2003), the state Supreme Court held that a publisher's depiction on a comic book cover of cartoon figures derived from the musicians Johnny and Edgar Winter was transformative. The cartoon characters were entitled to First Amendment protection because they were "distorted for purposes of lampoon, parody, or caricature" and drawn as half-human and half-worm.

In *Kirby v. Sega of America Inc.*, 144 Cal. App.4th 47 (2006), a state appellate court found that a videogame character reminiscent of a singer, but transmogrified into a space-age reporter in the 25th century, was sufficiently transformative to be protected by the First Amendment. Notwithstanding similarities between the videogame character and singer in terms of facial features, hair color and style, platform shoes, brightly-colored clothing, and use of catchphrases such as "groove" and "dee-lish," the *Kirby* court determined that the videogame character was not a mere imitation of the singer, noting that the game is set in outer space while the singer's style is 1960s retro and, unlike the videogame character, the singer's appearance and outfits are always changing.

By contrast, in *Comedy III Prods. Inc. v. Gary Saderup Inc.*, 25 Cal.4th 387 (2001), the state Supreme Court held that a literal depiction of the Three Stooges drawn in charcoal and sold on lithographic prints and t-shirts was clearly not transformative, as it made no creative contribution and amounted to merely merchandising a celebrity's image without consent.

In *Hilton v. Hallmark Cards*, Hilton contends that Hallmark's birthday card violates her right of publicity and the Lanham Act. The front cover of the card contains the caption "Paris's First Day as a Waitress." It also has an oversized photograph of Hilton's head on a cartoon waitress's body along with her catchphrase — "That's hot." The scene is reminiscent of an episode of *"The Simple Life"* in which Hilton and her friend and fellow heiress Nicole Richie work at a drive-through fast-food restaurant. In response, Hallmark filed an anti-SLAPP motion to dismiss, arguing that the card was transformative as a matter of law. The motion was denied, and Hallmark appealed.

In its initial decision, the 9th Circuit relied upon two prior cases — Comedy III and Winter — which "bookend the spectrum on which Hallmark's birthday card is located." "Winter provides an example of a use that is transformative as a matter of law; Comedy III illustrates one that is not. As long as Hallmark's card is not in the same category as the comic book in Winter, then the anti-SLAPP motion to strike must be denied." Since the 9th Circuit concluded that the difference between the Hallmark card and *"The Simple Life"* episode "were far afield from the total, phantasmagoric conversion of

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the musicians into the comic book characters in Winter," it affirmed the denial of Hallmark's motion to strike.

Hallmark petitioned for rehearing en banc on the grounds that the decision irreconcilably conflicts with prior right of publicity decisions. Among other things, Hallmark argued that the decision "incorrectly envisions a transformative use 'spectrum' on which only uses at opposite ends can be determined as a matter of law." Hallmark posited that the decision would have a chilling effect upon free speech, as only the extreme cases could be resolved before trial. Hallmark's petition also maintained that the decision could not be reconciled with two prior strikingly similar decisions — *Hoffman v. ABC/Capital Cities Inc.*, 255 F.3d 1180 (9th Cir. 2001), in which the 9th Circuit found as a matter of law that *Los Angeles Magazine*'s use of Dustin Hoffman's photograph from his cross-dressing role in the 1982 motion picture *"Tootsie,"* altered to promote Spring 1997 fashions, was non-commercial speech protected by the First Amendment, and *Cardtoons L.C. v. MLB Players Ass'n.*, 95 F.3d 959 (10th Cir. 1996), in which the 10th Circuit held that the First Amendment protected the sale of parody trading cards featuring caricatures of then current major league baseball players.

The 9th Circuit denied Hallmark's petition, but in March of this year filed an amended decision. While the decision continues to refer to Comedy III and Winters as two ends of a spectrum, the 9th Circuit removed the language implying that works falling between the two extremes cannot be deemed protected or unprotected as a matter of law. In its place, the *Hilton court* discussed the *Kirby* case, which it described as falling somewhere in the middle of the spectrum. The 9th Circuit concluded that when compared to the videogame in *Kirby*, Hallmark's card falls far short of the level of new expression necessary to be transformative. Interestingly, the amended decision continues to all but ignore Cardtoons and sidesteps *Hoffman* by arguing that the defendant in that case failed to raise the transformative use defense.

In *Hilton*, the 9th Circuit had an opportunity to clarify how the right of publicity and the First Amendment intersect. While it amended its decision after Hallmark sought review, the final product leaves a lot of open questions. We know that charcoal images of actors on t-shirts are not sufficiently transformative, but distorted, half-human, half-insect cartoon characters based upon musicians are. Is the standard applied to determining whether something is transformative no better than the "I know it when I see it" test promoted by former U.S. Supreme Court Justice Potter Stewart with respect to obscenity? Are greeting cards and collector plates afforded the same protection as works of art or fiction?

As the court expressed in *Comedy III,* "[T]he right of publicity cannot, consistent with the First Amendment, be a right to control the celebrity's image by censoring disagreeable portrayals. Once the celebrity thrusts himself or herself forward into the limelight, the First Amendment dictates that the right to comment on, parody, lampoon, and make other expressive uses of the celebrity image must be given broad scope." Try telling that to Paris Hilton. Her case is set for trial on Dec. 28, 2010.

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