

TRADEMARKS

Despite the standard practice of “clearing” the use of brand names and logos, makers of films and television programs don’t actually need permission to show branded products in their works, but creators should take care not to disparage the companies whose products they show.

Using Trademarks in Film and TV

BY LISA A. CALLIF

As an entertainment attorney specializing in representing independent producers, I am routinely asked the same questions about the use of trademarks.

They go something like this—*one of the characters in my film is wearing a Lakers jersey, do I need to get permission from the NBA? My female lead is carrying a Gucci bag, but I don’t have clearance, is that okay? We have a scene where the characters are drinking Corona, do I need to contact them? etc., etc., etc.*

Surprising to most, the answer to those questions is usually “no.”

“No?” you say, “but I’ve worked on 75 movies and we’ve always cleared every single brand, trademark and logo.”

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Well, my friend, legally, you typically don’t need to clear trademarks. Here’s why.

Let’s first take a brief look at the history of trademark law. Trademarks date back thousands of years. Yeah, thousands.

Many different components of early civilization utilized marks and symbols to determine the source of each item.

For example, farmers marked animals to distinguish ownership, potters from ancient Greek and Roman times used symbols to identify their goods, and sword makers in medieval England were forced to use symbols so that low-quality work could be traced back to the maker for punishment.

For thousands of years, the purpose of a trademark has been to help the public—not the owner of the mark.

Although a powerful mark can be very valuable to the owner, the purpose of the mark is the protection of the public.

Nowadays, trademarks are a kind of intellectual property—a word, name, symbol, device—that a person or company can own which identifies them as the source of the products and, thus, prevents others from using the same mark to sell competing products.

With trademarks it’s not really the trademark itself that’s important, it’s what that mark represents. A trademark represents the source—it identifies who made the goods you are buying or who provided the services you are enjoying (hopefully).

What is trademark law intended to do?

One of the main purposes of trademark law is to prevent consumer confusion. In determining whether confusion has occurred, courts will apply the traditional “likelihood of confusion” test.

Likelihood of confusion occurs when the consumer cannot differentiate between two products bearing the same or a similar trademark.

If you see a particular “swoosh” on a piece of athletic clothing, you assume that Nike made it. Identifying the clothing as Nike gear triggers expectations about quality, durability, and style.

If every piece of clothing had Nike swooshes, consumers would not know which clothing would live up to their Nike expectations and which clothing would not. In other words, they would be confused about the source of the goods.

Trademark law seeks to prevent this confusion by sanctioning those who use trademarks without permission.

Another purpose of trademark law is to prevent unfair competition.

Continuing the Nike example above, if non-Nike athletic gear had the swoosh on it, some consumers would be more likely to buy it because of the goodwill and favorable expectations associated with Nike products.

Nike spent hundreds of millions of dollars developing their brand and educating the public about the quality of their products. Nike would not want another company to free-ride on that effort by putting a swoosh on their products, too.

The law doesn’t like it when one person benefits from another person’s work without paying for it. It’s the same logic we see in copyright law.

In order for a party to prevail on a claim of trademark infringement under Section 1114 of the Lanham Trademark Act of 1946 and common law, the party must establish that

(1)

the mark is valid and legally protectable;

(2)

the mark is owned by the plaintiff; and

(3)

use of the same mark by the defendant is likely to create confusion among the relevant consumers.

Typically when trademarks are used in films, the trademark owner will prevail on the first two elements, but not on the third, thus making it unlikely that a claimant would prevail on a trademark infringement action.

But what about trademark dilution?

The trademark infringement analysis is pretty simple—no confusion, no infringement—but what about dilution?

Trademark dilution protects “famous marks” from being weakened by blurring or tarnishment by third-party uses. A mark must be famous within the general consuming public in order to suffer dilution.

A trademark is tarnished when the mark “is linked to products of shoddy quality, or is portrayed in an un-

wholesome or unsavory context,” or if the trademark loses its ability to serve as a “wholesome identifier” of plaintiff’s product.

A perfect case about the tarnishment of a trademark because of a third-party’s unsavory use occurred when comedian D.B. Rakow used the stage name “Kodak” while performing his comedy routine. *Eastman Kodak Co. v. Rakow*, 739 F. Supp. 116 (W.D.N.Y. 1989).

Rakow’s routine consisted of humor that related to certain bodily functions and sex. Rakow also used crude, off-color language repeatedly. Eastman Kodak Co. did not like that.

Kodak the film manufacturer sued “Kodak” the comic. Eastman Kodak won. The court ruled that Eastman Kodak’s mark was tarnished because Rakow’s act was excessively grotesque and crude, which was in opposition to Eastman Kodak’s policy of keeping its mark separate from excessive and gratuitous sex and violence.

Generally speaking, the court has a harder time telling a trademark owner to turn the other cheek when a mark itself is used in connection with sex or drugs.

A trademark is blurred when the distinctiveness of the famous mark is impaired by another mark. Basically, blurring is any kind of association that diminished the value of the mark and blurs the ability of the consumer to identify the origin of the product.

A case involving blurring a trademark occurred when a car dealership in Illinois used the slogan “The Greatest Used Car Show on Earth” on signs erected on its showroom roof and in its TV commercials. *Ringling Bros.-Barnum Bailey & Combined Shows, Inc. v. Celozzi-Ettelson Chevrolet, Inc.*, 855 F.2d 480 (7th Cir. 1988).

Ringling Bros., who at the time attracted an annual audience of 10 million people in 80 cities across 48 states (including Illinois) and owned the mark “The Greatest Show on Earth,” sued to force the car dealership to stop using the slogan. Ringling Bros. sued. Ringling Bros. won.

The court protected the Ringling Bros.’ mark from dilution. The court held that the car dealership’s use of its slogan would blur the public’s association between the Ringling Bros. mark and its circus by suggesting that the car dealership was associated with the Ringling Bros. The result would cause irreparable harm.

Blurring can occur even if the two marks are not in direct competition and/or there is no public confusion between the two marks.

The key question is “whether an association, arising from the similarity of subject marks, impairs the distinctiveness of the famous mark.”

This question was dealt with when fashion house Louis Vuitton sued carmaker Hyundai for using its mark in a commercial that aired during the post-game show of the 2010 Super Bowl. *Louis Vuitton Malletier, S.A. v. Hyundai Motor America*, 2012 BL 388427 (S.D.N.Y. 2012).

The car commercial was called “Luxury” and consisted of a number of opulent scenes, such as policemen

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eating caviar, yachts parked adjacent to middle-class homes, and a basketball game played with a ball decorated in a way that resembled the famous Louis Vuitton mark, the intertwined LV pattern (but instead of intertwining LV, the commercial used intertwining LZ).

The commercial “sought to redefine the concept of luxury by communicating to consumers that Hyundai’s Sonata offered luxury for all.” Louis Vuitton sued. Louis Vuitton won.

The court held that Hyundai impaired the distinctiveness of the Louis Vuitton mark by using it for Hyundai’s own branding.

The court based its decision partly on evidence that 62 percent of the people polled who recognized the Louis Vuitton mark in the commercial believed Louis Vuitton approved the ad—and partly on evidence that the marks are very similar, that Louis Vuitton’s mark is highly distinctive and widely recognizable, that Louis Vuitton has near universal exclusivity of using its mark, and that Hyundai intended to create an association with the luxury brand Louis Vuitton.

A short three months later, Louis Vuitton noticed some of the knock-offs of their famous handbags in “The Hangover, Part II,” a rather silly character carries a knock-off Louis Vuitton “Keepall” bag. *Louis Vuitton Malletier, S.A. v. Warner Bros. Entm’t Inc.*, 868 F. Supp. 2d 172 (S.D.N.Y. 2012).

In one scene, he places the bag on a seat next to him, and when another character moves the bag so people can sit down, the character says, “Careful, that is . . . that is Lewis Vuitton.”

No other mention of Louis Vuitton or that knock-off bag was made for the remainder of the film. Louis Vuitton sued Warner Bros. This time, Louis Vuitton lost.

The court said that the trademark infringement claim could not stand if

(1)

the use of the logo in the film is artistically relevant to the film, and

(2)

the use of the logo in the film does not explicitly mislead as to the movie’s source or sponsorship.

For the first factor, the court said that the use of the logo was artistically relevant to the film because the use of the logo in this way helps demonstrate just how silly the character is.

For the second factor, the court said that it was clear from the trivial nature of the scene that there was no explicit deception as to the source of the movie. The scene does not give any indication that Louis Vuitton made, sponsored, or endorsed the film.

When the courts are deciding whether the film’s usage of a trademark amounts to tarnishment of the trademark, the focus is on the trademark rather than a user’s incompetence in using the product.

If the character in the film isn’t competent enough to figure out how to use the product, or the character is a bad person, even a criminal, the court is not likely to find tarnishment.

Caterpillar, Inc. v. Walt Disney Co., in which the film “George of the Jungle 2” used Caterpillar Inc. products in several scenes without permission and prevailed at trial. *Caterpillar, Inc. v. Walt Disney Co.*, 287 F. Supp. 2d 913, 919 (C.D. Ill. 2003).

In *Caterpillar*, the defendant, Walt Disney Co., planned to release “George 2,” which featured the villains of the film riding Caterpillar tractors with the objective of destroying the protagonist’s home, Ape Mountain.

Caterpillar sued Disney, claiming, inter alia, that the use of its products and trademarks in “George 2” tarnished the reputation of its business and products.

Even though the film uses genuine Caterpillar products with no apparent alterations, the court held that there was no trademark infringement, pointing out “the absence of any indication that the Defendants used Caterpillar’s trademarks and products to drive the sales or some other consumer awareness of George 2 videos and DVDs.” Id. at 919.

Caterpillar is instructive in the tarnishment context since it states that the use of inanimate objects in unfriendly scenes does not constitute trademark dilution.

The court in *Caterpillar* ruled that to dilute a trademark, there must be something in the movie that suggests that the product itself is shoddy or of low-quality. Id. at 921.

Disney’s use of the Caterpillar equipment implied nothing of the sort, the bulldozers were used in their intended manner. The court also pointed out that even though the narrator describes the Caterpillar products as “deleterious dozers” and “maniacal machines,” this wasn’t enough to imply that the machines are directly responsible for the attempted destruction of Ape Mountain. Id. at 919.

In fact, even the movie’s intended audience, little children, would realize that the people driving the dozers are the bad guys, not the dozers themselves. Thus, the court held there was no trademark dilution. Id. at 922.

Conclusion

A filmmaker’s right to include trademarks within a film is clear.

You do not have to ask permission to use a trademark, logo, or product bearing the trademark in your film as long as you use the trademark or logo as it was intended to be used.

If the film does not misrepresent the source of the product and does nothing that would have a negative impact on the value of the trademark, there is no legal prohibition on the use of a trademark in a film.

However, even if you have the right to use a trademark, you do not have the right to commit trade libel in the name of entertainment. Trade libel occurs when a product or service is falsely accused of some bad attribute.

For example, if you showed someone eating a McDonald’s hamburger or drinking a Coca-Cola and he or she immediately keeled over dead because the food or drink was poisonous, that would libel the trademark.

Corporations live and die by their trademarks. A filmmaker has every right to dress sets with real products, but no right to disparage a trademark. If the movie does not misrepresent the source of the product there is typically no prohibition of the use of a trademark in a film.

Remember, if anybody on earth could consider your use damaging to a trademark, you’d better believe that he owner of the mark will move swiftly to correct the perceived wrong.

Often the use of trademarks in films do not tarnish or blur the mark, but instead increases the public's identification with the product. Because they are seeing the product and mark attached and used in the way it was intended, this is generally helpful to the brand rather than harmful.

So go ahead and use trademarks, but always be respectful and accurate in your storytelling.