

Ninth Circuit Lets Right of Publicity/Parody Case Go to the Trier of Fact

by **David Jacobs**

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Celebrity Paris Hilton, whom the U.S. Court of Appeals for the Ninth Circuit has styled as “famous for being famous,” sued Hallmark Cards for what Hallmark contended was social commentary on Paris’ television show “The Simple Life.” The cover of the greeting card at issue in the lawsuit depicts a cartoon waitress with an oversized photograph of Paris Hilton’s head superimposed on the cartoon waitress’s body. On the front of the card, Paris Hilton says to the customer, “Don’t touch that, it’s hot.” The customer asks, “What’s hot?” Paris Hilton replies, “That’s hot.” On opening the card, it reads: “Have a smoking hot birthday.”

Hilton sued Hallmark asserting misappropriation of her right of publicity under California common law, false designation or origin under the Lanham Act, and infringement of a federally registered trademark. Hallmark moved to strike Hilton’s right of publicity claim under California’s anti-SLAPP (Strategic Lawsuit against Public Participation) statute and raised defenses based on the First Amendment. The trial court denied the anti-SLAPP motion, finding that a more fact-intensive inquiry was required, and on August 31, 2009, the Ninth Circuit agreed.

The Ninth Circuit, after deciding it did not have jurisdiction of the appeal over the denial of the motion to dismiss the Lanham Act claim because it was not a final order and was not inextricably intertwined with the anti-SLAPP motion, then considered whether it could find as a matter of law that Hilton could not state a claim for misappropriation.

The court held that for Hallmark’s anti-SLAPP motion to succeed, it had to make a threshold showing that the act or acts complained of were taken in furtherance of a defendant’s right of petition or free speech under the United States or California Constitutions in connection with a public issue or an issue of public interest. Noting

that the California courts have interpreted this standard “rather loosely,” the Ninth Circuit found that Hallmark’s card qualified as speech and fell comfortably within the universe of types of communication that California courts have considered conduct in furtherance of the exercise of free speech. However, Hallmark also had to show that its card was in connection with a public issue or an issue of public interest. The Ninth Circuit remarked that the California Supreme Court has not clearly established what constitutes an “issue of public interest,” but did note that ordinary commercial causes of action such as breach of contract or misappropriation of publicity can be the subject of anti-SLAPP motions, and also noted that the California Supreme Court has specifically applied anti-SLAPP motions to events that transpire between private individuals, and activity that involves questions of “even low brow topics.”

The Ninth Circuit concluded that it “must construe ‘public issue or issue of public interest’ in Section 425.16(e)(4) broadly in light of the statute’s stated purpose to encourage participation in matters of public importance or consequence.” It, therefore, found that Hallmark’s card involved statements that “concerned a person or entity in the public eye or were a topic of widespread public interest.”

The court then considered the second step of the SLAPP inquiry that required probability that Hilton would prevail on her cause of action, and noted that the California Supreme Court said that suits being stricken at step two are those that lack even minimal merit.

In order to state a claim for common law right of publicity in California, a plaintiff must show: (1) the defendant’s use of the plaintiff’s identity; (2) the appropriation of plaintiff’s name or use of the plaintiff’s likeness for the defendant’s advantage, commercial or otherwise; (3) lack of consent; and (4) resulting injury. Under California law, a defense that the work is protected by the First Amendment may be asserted if the work contains significant transformative elements or the value of the work is not derived primarily from the celebrity’s fame. The transformative use defense balances First Amendment concerns against the right of publicity. *Winter v. DC Comics*, 30 Cal.4th 881, 885 (Cal. 2003). The test is then whether the product containing the celebrity’s likeness is so transformed that it has become primarily the defendant’s own expression rather than the celebrity’s likeness. When the art of skill and talent is “manifestly subordinated to the overall goal of creating a conventional portrait of a celebrity so as to commercially exploit his or her fame, then the artist’s right of free expression is outweighed by the right of publicity.” *Comedy Three Productions, Inc. v. Gary Saderup, Inc.*, 25 Cal.4th 387, 407 (Cal. 2001). (The Ninth Circuit did not rule on whether there were available other First Amendment defenses that could have been raised, besides the transformative use defense, since no other defenses were raised by Hallmark in this regard. The court also made reference to *Hoffman v. Capital Cities/ABC, Inc.*, 255 F.3d 1180 (9th Cir. 2001) in another part of its opinion, noting that the *Hoffman* case successfully used a First Amendment defense as a matter of law other than the transformative use test.)

While the Ninth Circuit found that Hallmark could have a transformative use defense, it said it could not rule as a matter of law that the work was transformative. The court held that whether, as Hilton claimed, the card was a “rip off” of a particular “Simple Life” episode or a spoof of that episode (*i.e.*, whether the use was transformative) required a factual inquiry by the trier of fact. The court also found that although California law holds that “no cause of action will lie for the publication of matters in the public interest, which rests on the public right to know and the freedom of the press to tell it” (*Montana v. San Francisco Mercury News, Inc.*, 40 Cal.Rptr. 2d 639, 640 (Cal.App. 1995)), Hallmark could not employ the “public interest” defense because its birthday card did not publish or report newsworthy information.

This case is significant because although courts normally give wide berth to parody to protect expression, in this instance, that inquiry will be left to the fact-finder. This case also is an important reminder to assert all First Amendment defenses in cases of this kind.

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