

Marilyn Monroe: Trade Dress From Whole Cloth? (2007)

Ideas and concepts, other than those that are not obvious and may be subject to patent protection, are generally freely available to all. Trademark protection usually extends only to the owner's use of a *particular* mark, including any logo or image. Yet a judge in the Northern District of California held recently that a trade dress owner acquired protection even for images that it had never used and even though it had no rights to the underlying trademarks. In addition, the court held that trade dress acquired through the accretion of copyright licensing ultimately trumped a copyright owner's rights.

THE DECISION

In *Nova Wines, Inc. v. Adler Fells Winery LLC et al*, No. C06-06149 MHP, a California federal district court held, on a motion for preliminary injunction, that Nova's use of photographic images of Marilyn Monroe on wine bottles was a protected trade dress, preventing others from using even *different* images of Monroe on bottles, and restricting a copyright owner from licensing any Monroe images for use on wine bottles.

FACTS

Tom Kelly Studios ["TKS"] holds the copyright to a series of nude photographs of Monroe, shot in 1949, called the "Red Velvet Collection. Over 50 years later, in 2004, TKS licensed these images to Nova, but the relationship deteriorated and the parties thereafter terminated the agreement. For its 2005 and 2006 Velvet Collection wines, Nova later licensed the rights to another Monroe photo from Playboy.

In June or July 2006, Nova learned that Adler Fels was marketing a wine with a photo from the TKS collection. Then in September 2006, Nova received a mailing from Fels with a mock-up of a bottle of red wine, using a photo from the TKS series that Nova had never used on any of its wines. Nova later filed suit against Fels and several other defendants alleging trademark and trade dress infringement, unfair competition, and passing off.

NOVA'S TRADEMARKS

Nova sought protection for the trademarks and trade dress for MARILYN MONROE (both registered and common law), the common law marks consisting of images and the likeness of Monroe, and the trade dress of the photos of Monroe taken in various poses during her career. Nova also argued that it owned the trade dress for VELVET COLLECTION and MARILYN wines, and that it was the exclusive licensee of the other marks for use in connection with wine, that were owned by the Monroe estate. The court held that Nova owned no trademarks for which it would be entitled to the preliminary injunction.

TRADE DRESS

Trade dress protects the total image of a product. As with trademarks, trade dress, in ascending order of distinctiveness and strength, may be generic, descriptive, suggestive, arbitrary or fanciful. The latter three categories, which are inherently distinctive, are protectible without demonstrating secondary meaning (i.e. a mark may acquire distinctiveness once the public associates it with a particular source for the goods or services).

To establish the protectibility of trade dress one must prove three elements: that the image is inherently distinctive or has acquired secondary meaning, that the trade dress is nonfunctional, and that defendant's product creates a likelihood of confusion.

Here, Nova argued that its trade dress was arbitrary, since there is no natural connection between Monroe and wine, while defendants maintained that images of Marilyn are attached to a wide variety of products and that placing Monroe images on wine bottles constitutes merely the idea or concept of putting photos on wine bottles.

a. Secondary Meaning

Even though the judge determined that Nova's trade dress was inherently distinctive -- adopting its argument that there is no natural connection between Marilyn Monroe and wine -- she nevertheless performed secondary meaning analysis: Nova had been using Monroe images on wine bottles for nearly 20 years and had invested substantial amounts in

marketing the Monroe brand. The defendants countered that the photos were part of the product itself, rather than a source identifier.

The court concluded that Marilyn was not the product; rather the good was the wine in the bottle and the photographic image was a mark on the bottle indicating the source of the good. Thus, based on Nova's longstanding practice of placing various images of Monroe on wine bottles, Nova created a trade dress limited to the sale of wine. So even though Nova owned no independent underlying trademark rights, its use of the Monroe image was still a Nova source indicator.

Interestingly, the court distinguished a long line of cases in which plaintiffs had tried to stop the use of celebrity images as trademarks. As noted above, trademark protection of a logo or image is limited to the particular rendering as applied to the same or similar products or services. Although trade dress protects only the general appearance of product or service packaging, it is effectively broader than trademark protection since it may extend to the embodiment of an idea or concept – here, for example, the application of an image of Marilyn Monroe to a wine bottle. And even though, in acquiring its trade dress, Nova had only used a limited universe of Monroe images, it had effectively occupied the field so no one else was permitted to use *any* image of Monroe in association with wine.

b. Functionality

Trade dress is functional and thus not protectible, if the protection of a feature imposes a significant non-reputation related competitive disadvantage to competitors. Here, the judge determined that the trade dress was not functional since Fels could still sell wine with other label images, so it would not be placed at a disadvantage by not being permitted to place Monroe images on wine bottles.

c. Likelihood of Confusion

The Ninth Circuit, which includes California, uses an eight factor test for determining likelihood of confusion: similarity of the marks; strength of the plaintiff's mark; relatedness or proximity of the goods; the marketing channels used by each party; the degree of care likely to be exercised by the purchaser; the defendant's intent in selecting the mark; any evidence of

actual confusion; and the likelihood of expansion of the parties' product lines. The same test is used for both trademark and trade dress analysis. The most crucial factor in the confusion analysis is the similarity of the respective marks to the ordinary consumer. Viewing the respective labels as a purchasing consumer would, the judge determined that Fels' Red Velvet Collection bottles were virtually identical to Nova's 2002 and 2004 Velvet Collection bottles, and that even the poses were strikingly similar. The strength of trade dress is proportionate to the likelihood that the public will remember the mark and associate it with the source of the goods. Here, the Monroe label was a strong mark because there is no natural connection between Marilyn and wine.

Convergent marketing channels and similarity of advertising methods increase the likelihood of confusion. The judge did not reach this issue as conjectural, since Fels had not yet sold its Red Velvet collection wines. The benchmark for measuring the degree of care exercised by a purchaser is the typical buyer using ordinary caution. So sophisticated buyers of expensive goods will be more careful in their purchases, reducing the likelihood of confusion or mistake as to the source of the goods. On the other hand, confusion is more likely with inexpensive, impulse purchases by the average, unsophisticated consumer, who does not devote care and consideration to a particular purchase. Wine, per the court, is clearly an impulse purchase. The defendants nevertheless made an interesting, albeit ridiculous, argument: That their Monroe images are on the back labels of the wine bottles, while the front labels contain source-identifying information required by federal law, so there is no likelihood of confusion.

The judge responded that federal law does not specify the front or back label of a wine bottle. Moreover, Fells' promotional announcement reproduced the Monroe image, and consumers are drawn to a label's image, not the textual source information on a bottle. Also, no wine retailer deliberately shelves wine bottles with the artwork facing the wall.

Courts assume that defendants who intentionally attempt to confuse consumers will succeed, so evidence of this intent is relevant to the likelihood of consumer confusion. Good faith, on the other hand, is only marginally probative of consumer confusion. Here, the court determined that Nova had not established that the defendants intended to capitalize on Nova's trade dress or create consumer confusion, since the correspondence between the parties related to contractual rights and did

not mention trademarks, trade dress or consumer confusion.

Finally, the court determined that since Fels was not yet selling products and the parties were direct competitors, the factors of actual confusion and likelihood of expansion were not relevant. On balance, then, the confusion factors favored Nova, so the court determined that Nova would be able to prove likelihood of confusion at trial.

TKS'S CLAIMS TO SUPERIOR RIGHTS IN THE MONROE IMAGES

In spite of the court's determination that Nova had a protectible trade dress interest in the use of Marilyn Monroe images on wine bottles, the copyright owner of the Red Velvet Collection made several interesting arguments that it was still free to license to Fels rights to use TKS's Monroe images. First, TKS owned the copyright to the Red Velvet Collection images, so Nova's trade dress could not prevent TKS from licensing its works. The court responded that a valid copyright does not entitle a copyright owner to infringe another's trade dress. This is particularly true, the court stated, where as here, the trade dress rights are much broader than the copyright interests at issue.

The court's reasoning was that Nova's trade dress rights accrued over a long period of time and extended to all images of Monroe on a wine bottle, including images that Nova had never used. These rights were broader than TKS's copyright interests in the specific images of the Red Velvet Collection. So trade dress rights entitled Nova to prevent TKS from exercising a narrow portion of the latter's copyright interests, consisting of licensing images for use on wine bottles.

Despite the Solomonic fairness of this conclusion, it is not clear that the court's reasoning is correct. Nova's trade dress rights were based upon common law usage, not the federal Lanham Act, so one would think that under the Supremacy Clause the federally-created copyrights would preempt competing state law rights.

Second, the intended use of the Red Velvet Collection images was authorized by a model release signed by Monroe before her death. The rights granted to TKS by the model release, the court said, were no stronger than the copyright interests. Since the copyright interests could not

defeat Nova's trade dress rights, neither would any rights granted by the model release.

Third, the Monroe estate had no valid rights of publicity to assign to Nova, and any rights of publicity would be preempted by TKS's copyrights. The court dismissed this argument as irrelevant, since the case involved trademark and trade dress issues and not publicity rights.

Finally, under TKS's licensing agreement, Nova was prohibited from acquiring any rights in the Red Velvet Collection images based on Nova's use of the images on its wine bottles.

The judge determined, however, that Nova's trade dress arose from common law use, not the license of use of TKS's images. Although it was necessary to secure copyright licenses for various Monroe images over time to develop the trade dress, the dress was well established before Nova licensed the TKS images. Conversely, the 2004 license between Nova and TKS did not transfer Nova's already established trade dress once the licensing agreement was terminated.

Clearly, if Nova had rights in the trade dress and Fells was a later user of a confusingly similar dress, the latter should be enjoined. But there are several problems with the court's reasoning.

First, trademark rights arise from either use, so-called common law rights, or from federal registration. In either situation, though, the user must be able to show that it has superior rights to other parties. Even if Nova had been using the name, likeness and images of Monroe for many years before it licensed images from the Red Velvet Collection in 2004, presumably it would have had to license these rights from the Monroe estate or someone else, so that entity or individual would probably have superior rights to Nova.

Likewise, most copyright licenses have standard language stating that licensees acquire no rights in the images other than the specific use rights. If Nova signed a succession of such licenses, it is not at all clear how it acquired the trade dress in the first place.

Finally, to prevent TKS from abetting Fells' trade dress infringement, the court forbids TKS from exercising its rights as a copyright owner to license

Monroe images for use on wine bottles. Again, it's not at all clear, other than as a bootstrap mechanism, why trade dress should trump copyright. If, for example, TKS licensed the images for any use and was not aware that they would be used on a wine label, would TKS still be infringing Nova's trade dress?

BALANCE OF HARSHIPS

Granting the preliminary injunction for Nova, the court determined that the equities strongly favored the long-time user of Monroe images. For over twenty years, the court stated, Nova has been the sole purveyor of Marilyn Monroe wines and would suffer immeasurable and irreparable damage to its reputation and goodwill if other wineries were able to sell wines with nearly identical packaging outside of Nova's control. Fells' wine, on the other hand, had not yet been released into the market and there were numerous other available names and images, so it was hard to see how Fells' business would be damaged by not being permitted it to use Monroe's name and images.