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INTELLECTUAL PROPERTY LAW

Using Pop Culture References in Advertisements? Just Do It Right

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In this age of smartphone cameras and hashtags, an impromptu remark or a right-place-at-the-right-time snapshot can “go viral” and create instant and immense goodwill. Businesses today use social media as a tool to promote and exploit their brands, and to reach an audience that is simultaneously bigger and better targeted. They should be wary, however, when seeking to appropriate or capitalize on pop culture references, and understand that there can be unintended consequences. The following cases are cautionary reminders that a business needs to be vigilant when adopting promotions or trademarks that incorporate words, slogans or images from pop culture. Trademarks, copyrights, right of publicity and public relations issues all must be cleared before filing a trademark application or kicking off a new advertising campaign.

Intellectual property issues have always posed a risk in advertising campaigns. The time, money and effort that it took to create and develop a traditional ad campaign usually meant that everything was reviewed and proper clearances were obtained. Content that arguably infringed the rights of another would usually be discovered and changed before publication. The use of social media in advertising, however, has dramatically shortened the time frame in which a company can review and clear the content of its message. It is crucial that companies develop a system for such review, because the risk of intellectual property infringement still exists and is perhaps even greater.

There have been many trademark, copyright and right of publicity claims filed against companies who have used and registered popular catchphrases and quotes. The greeting card company Hallmark used Paris Hilton’s caricature and signature phrase “That’s Hot” on a greeting card. Ms. Hilton promptly returned the greeting by sending a cease-and-desist letter. The letter alleged trademark infringement – Ms. Hilton had filed six applications to register the phrase THAT’S HOT in the US Patent and Trademark Office – and also alleged that the use of her caricature violated her right of publicity. Ms. Hilton’s case was eventually settled out of court, but not before it reached the Ninth Circuit Court of Appeals. Hallmark’s initial arguments that Ms. Hilton was a public figure (which would have been a defense to the right of publicity claim) and that the card should be deemed a parody (which would have been a defense to the trademark claim) were unsuccessful before the district court.

The use of the phrase “Nobody puts baby in a corner” in an advertisement has resulted in litigation in *Lion’s Gate Entertainment, Inc. v. TD Ameritrade Services Company, Inc.* The phrase originated in the 1987 Oscar-nominated film “Dirty Dancing.” Almost thirty years later, TD Ameritrade aired a commercial using the slogan “Nobody puts your old 401(k) in the corner” with a visual of a man lifting a piggy bank over his head. This visual was similar to a dance move from the movie’s climax, and the audio used the music to the song “(I’ve Had) the Time of My Life” which was also from the movie. Lion’s Gate Entertainment, the owner of the copyright to the movie and a registration for the trademark NOBODY PUTS BABY IN THE CORNER, sent a cease-and-desist letter to TD Ameritrade. TD Ameritrade agreed to stop running the ad, but refused to pay Lion’s Gate a “seven figure” number for damages. Lion’s Gate subsequently filed a lawsuit against both TD Ameritrade and Havas Worldwide New York, the advertising firm that created the ad campaign. The suit has had many twists and turns, but is still going on a year and half later.

A business needs to understand how attempting to protect or preempt rights to pop culture references can have unintended consequences. The Walt Disney Company and its related entities have provided several illustrative examples. A few years ago, Pixar, a Disney subsidiary, decided to produce a film relating to “Día de los Muertos” or “Day of the Dead.” Day of the Dead is a traditional Latin American holiday that dovetails with the American holiday Halloween, and is widely celebrated in parts of the US.

Disney is well-known for aggressively protecting movie-themed merchandise such as foods, toys and apparel. In preparation for the film, Disney filed ten separate trademark applications to register “Día de los Muertos” for an extensive list of consumer goods and services. A US trademark registration gives the owner of the registered trademark the presumption of an exclusive right to use the trademark, as well as the presumptive right to exclude others from using the trademark

without authorization. The filing of a US trademark application usually becomes public knowledge within 24 hours, and it was at that approximate moment that Disney discovered it had a public relations problem.

Social media went wild. A few of the milder Tweets include “Tell @Disney not to trademark Day of the Dead. Culture is NOT for sale!” “Are we okay with @DisneyPixar commercializing our culture?” and “Disney to trademark Dia de Los Muertos, also your dead relatives.” A petition went up on the website Change.org – whose stated mission is to “empower people everywhere to create the change they want to see” – to stop Disney’s trademark efforts, stating that to trademark Día de los Muertos was “cultural appropriation and exploitation at its worst.” The petition garnered more than 20,000 signatures in just a few days, and it was clear that the negative publicity was only going to get worse.

Within a week of filing, Disney voluntarily withdrew all ten of its trademark applications. Disney did not comment directly on whether or not the social media reaction led to its decision to withdraw the trademark applications. A Disney spokesperson did indicate that Disney had decided to change the title of the film. To Disney’s credit, after the controversy subsided, it hired Lalo Alcaraz to be a consultant for the film. Mr. Alcaraz is a well-known political cartoonist and writer, and had been a very vocal critic of Disney during the short life of the trademark applications.

This wasn’t the first time Disney had sought to trademark a well-known phrase. A few years earlier, Disney filed three trademark applications for the trademark SEAL TEAM SIX. SEAL TEAM SIX refers to the US Navy SEAL team that is credited with the raid resulting in the elimination of Osama bin Laden. The Disney trademark applications were filed two days after the news became public. The three applications covered “entertainment and education” services, “clothing, footwear and headwear” and other consumer goods such as toys, games, Christmas tree decorations and snow globes.

The fallout from the Disney trademark filings was as swift and lethal as the Navy SEAL Team, and was overwhelming negative. The Navy filed its own trademark applications for the trademarks NAVY SEALS and SEAL TEAM a few days later, and Disney withdrew its applications shortly thereafter “out of deference to the Navy.”

As the above examples illustrate, it is crucial that a company carefully consider the potential ramifications of adopting a pop culture reference in connection with its business, and obtain the proper clearances before launching it into the world.

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