UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

MATTEL, INC., a Delaware Corporation,

Plaintiff,

v.

WALKING MOUNTAIN PRODUCTIONS, a business entity, TOM FORSYTHE, an individual, and DOES 1 through 10, inclusive,

Defendant.

CV 99-8543 RSWL (RZx)

ORDER GRANTING DEFENDANT'S MOTION FOR ATTORNEY'S FEES AND EXPENSES

On April 26, 2004, the Court heard Defendant Thomas Forsythe dba WALKING MOUNTAIN PRODUCTIONS' motion for attorney's fees and expenses. This Court has considered all papers and argument submitted.

Plaintiff brought various Copyright Act, Lanham Act, and state law claims against Defendant. These claims are intertwined and involve a common core of facts.

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A. Attorney's Fees and Costs for Copyright Claims

Under the Copyright Act, a district court may exercise its discretion to "award a reasonable attorney's fee to the prevailing party as part of costs." 17 U.S.C. § 505. "Courts may look to the nonexclusive Lieb factors as guides and may apply them so long as they are consistent with the purposes of the Copyright Act and are applied evenly to prevailing plaintiffs and defendants." Fantasy, Inc. v. Fogerty, 94 F.3d 553, 560 (1996); Fogerty v. Fantasy, Inc., 510 U.S. 517, 535 n.19 (1994). The Lieb factors include "[f]rivolousness, motivation, objective unreasonableness (both in the factual and in the legal components of the case) and the need in particular circumstances to advance considerations of compensation and deterrence." Lieb v. Topstone Industries, Inc., 788 F.2d 151, 156 (3d Cir. 1996).

1. Purposes of the Copyright Act

Defendant's defense of this action furthered the purposes of the Copyright Act. Defendant's defense was meritorious; it demarcated more clearly the boundaries of copyright law; and it publicized Defendant's work, possibly leading to further creative pieces. See Fogerty, 510 U.S. at 526-27.

2. Objective Unreasonableness of Plaintiff's Claims

The fair use exception excludes from copyright protection work that criticizes and comments on other work. 17 U.S.C. § 107; see also Dr. Seuss Enterprises, L.P. v.

Penguin Books USA, Inc., 109 F.3d 1394, 1399 (9th Cir. 1997). To determine whether an item falls within this exception, courts, on a case by case basis and in light of the purposes of the Copyright Act, consider four factors: "(1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes; (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion used in relation to the copy-righted work as a whole; and (4) the effect of the use upon the potential market for or value of the copyrighted work." Mattel, Inc. v. Walking Mountain Productions, 353 F.3d 792, 800 (9th Cir. 2003) (citing Dr. Seuss Enterprises, 109 F.3d at 1399-1404).

When determining the purpose and character of use when fair use is raised in defense of parody, "[t]he threshold question . . . is whether a parodic character may reasonably be perceived." Cambell v. Acuff-Rose Music, Inc., 510 U.S. 569, 582 (1994). The parodic character of Defendant's work was clear, especially in light of the dearth of legal authority Plaintiff proffered to support any argument to the contrary. The Ninth Circuit concluded, "It is not difficult to see the commentary that [Defendant] Forsythe intended or the harm that he perceived in Barbie's influence on gender roles and the position of women in society. However one may feel about his message--whether he is wrong or right, whether his methods are powerful or banal--his photographs

parody Barbie and everything Mattel's doll has come to signify." Mattel, 353 F.3d at 802. Plaintiff also inappropriately relied upon surveys of public opinion to establish that Defendant's work was not parodic in character. Finally, the Ninth Circuit also found that Defendant "created the sort of social criticism and parodic speech protected by the First Amendment and promoted by the Copyright Act." Id. at 803. Thus, the parodic character of Defendant's work is reasonably perceived and Plaintiff was objectively unreasonable to make any other claim.

As to the nature of Defendant's work, "'creative works are "closer to the core of intended copyright protection" than informational and functional works.'" Id. (quoting Dr. Suess, 109 F.3d at 1402). Plaintiff's Barbie is a creative work. Although this factor weighs slightly in Plaintiff's favor, the factor "'typically has not been terribly significant in the overall fair use balancing.'" Id. (quoting Dr. Suess, 109 F.3d at 1402). Thus, Plaintiff would have been objectively unreasonable to rely upon it.

Plaintiff also asserts that the amount and substantiality of the portion of Barbie that Defendant used was more than required to convey his message. But the Ninth Circuit rebuffed Plaintiff's argument, finding that the claim "is completely without merit and would lead to absurd results." Mattel, 353 F.3d at 804. This Court agrees and finds it objectively unreasonable that Plaintiff argued

otherwise.

As to the factor of the effect of the use on the potential market, Plaintiff's argument that Defendant's work could impair the value of Barbie and other licensed Mattel products is also objectively unreasonable. The Ninth Circuit found it "highly unlikely" due to the parodic nature of Defendant's work. Mattel, 353 F.3d at 805. At the time Plaintiff filed suit, the Supreme Court had established that "[t]he fact that a parody may impair the market for derivative uses by the very effectiveness of its critical commentary is no more relevant under copyright than the like threat to the original market . . . ." Cambell, 510 U.S. at 593. Most of Plaintiff's arguments, therefore, lack factual or legal support, making Plaintiff's copyright claims objectively unreasonable and frivolous in light of the fair use exception.

3. Plaintiff's Frivolousness

A claim or defense is not frivolous if it is brought in good faith, in an unsettled area of law, or with a reasonable likelihood of success. See Lotus Development Corporation v. Borland International, 140 F.3d 70, 74 (1st Cir. 1998). Plaintiff's copyright claims were objectively unreasonable. Plaintiff is a sophisticated entity with access to good legal representation. Plaintiff's claims were not in an unsettled area of law and had little likelihood of success. Plaintiff's copyright claims,

therefore,. were frivolous.

4. Plaintiff's Motivation

Plaintiff's conduct also does not appear to be motivated by the protection of a valid interest. Plaintiff had access to sophisticated counsel who could have determined that such a suit was objectively unreasonable and frivolous. Instead, it appears Plaintiff forced Defendant into costly litigation to discourage him from using Barbie's image in his artwork.

5. Compensation and Deterrence

As to the factors of compensation and deterrence, Mattel (a large corporation) brought objectively unreasonable copyright claims against an individual artist. This is just the sort of situation in which this Court should award attorneys fees to deter this type of litigation which contravenes the intent of the Copyright Act. See Lotus Development Corporation, 140 F.3d at 74; Earth Flag Ltd. v. Alamo Flag Co., 154 F. Supp. 2d 663, 666 (S.D.N.Y. 2001). Thus, the Court **GRANTS** Defendant's motion for attorney's fees and costs under the Copyright Act.

B. Attorney's Fees for Lanham Act Claims

Defendant also requests fees for his defense of Plaintiff's three claims under the Lanham Act: trademark, trade dress, and dilution. But the Lanham Act only allows for an award of attorney's fees in "exceptional cases." 15 U.S.C. § 1117(a). Cases are exceptional when a plaintiff

has brought a case that is "groundless, unreasonable, vexatious, or pursued in bad faith." Stephen W. Boney, Inc. v. Boney Services, Inc., 127 F.3d 821, 827 (9th Cir. 1997).

1. Trademark Claim

A trademark claim exists under the Lanham Act "'where the public interest in avoiding consumer confusions outweighs the public interest in free expression.'" Mattel, 353 F.3d at 807 (quoting Rodgers v. Grimaldi, 875 F.2d 994, 999 (2d Cir. 1989)). There was little risk of consumer confusion from Defendant's work. Defendant's parodic intent was clear. Mattel, 353 F.3d at 802. The titles of the photographs "do not explicitly mislead." Id. at 807. Defendant's use of the "Barbie mark is clearly relevant to his work." Id. Plaintiff's claim, therefore, is groundless and unreasonable such that Defendant should receive attorney's fees for its defense.

2. Trade Dress Claim

Nominative fair use of trade dress is not a violation of the Lanham Act if (1) "'the plaintiff's product or service in question [is] one not readily identifiable without the use of the trademark;'" (2) "'only so much of the mark or marks [is] used as is reasonably necessary to identify the plaintiff's product or service;'" and (3) "'the user [does] nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.'" Id. at 810 (quoting Cairns v. Franklin Mint Co.,

292 F.3d 1139, 1151 (9th Cir. 2002)).

Defendant's use "easily satisfies the first element" for nominative fair use. Mattel, 353 F.3d at 810. "[H]is use of the Barbie figure and head are reasonably necessary in order to conjure up the Barbie product in a photographic medium." Id. Additionally, "[i]t would have been extremely difficult for [Defendant] Forsythe to create a photographic parody of Barbie without actually using the doll." Id. As to the second element, "[i]t would be very difficult for [Defendant] to represent and describe his photographic parodies of Barbie without using the Barbie likeness." Id. Finally, Defendant "used only so much as was necessary to make his parodic use of Barbie readily identifiable, and it is highly unlikely that any reasonable consumer would have believed that Mattel sponsored or was affiliated with his work." Id. Thus, Plaintiff's trade dress claim was groundless and unreasonable.

3. Dilution Claim

Because of the free speech protections of the First Amendment, a trademark is not diluted through tarnishment by editorial or artistic parody that satirizes plaintiff's product or its image. Id. at 812. A dilution action only applies to purely commercial speech. Id. Parody that does more than propose a commercial transaction is noncommercial speech. Id. Defendant's parody does more than propose a commercial transaction not only because many would classify

his work as humorous, but also because his work provides a visual commentary on a cultural icon--Barbie. See Mattel, Inc. v. MCA Records, 296 F.3d 894, 906 (9th Cir. 2002); Virginia State Board of Pharmacy v. Virginia Citizens Consumer Council, 425 U.S. 748, 772 (1976). Thus, Defendant's work is noncommercial speech and it was exceptional for Mattel, a sophisticated plaintiff, to bring this groundless and unreasonable dilution claim.

C. Reasonableness of Requested Attorney's Fees and Costs

The fees and costs Defendant requests are reasonable. The motion includes adequate records and support for the fees and costs requested. At the hearing on the motion, Defendant's attorney stated that he did not spend the anticipated $200 for a hotel stay. This Court, therefore, **GRANTS** Defendant $1,584,089 in attorney's fees and $241,797.09 in costs.

IT IS SO ORDERED.

DATED: 6-21-04

RONALD S.W. LEW

RONALD S.W. LEW
United States District Judge

(Order/MattelAttorneysFees.wpd/z)