

# PATTISHALL

## insights

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## And Just Like That, A Product Placement Disaster

By Novaira T. Paul



Your company has been approached by a leading cable content provider, requesting permission to feature your well-known brand and product in a highly anticipated cult classic revival film. What do you do? If you say yes, it could increase your brand visibility, sales revenue, and the value of your trademark. If you say no, the *status quo* remains. But if you say yes and fail to control *how* your mark and product are depicted, it could be a PR disaster, a revenue loss, or worse, brand suicide.

Recently, HBO offered Peloton, the exercise and media company, to feature its stationary bike in HBO's *Sex and the City* reboot sequel, *And Just Like That*. Peloton agreed. And just like that, HBO killed off Mr. Big, a popular main character, with a heart attack after a Peloton exercise session. Death by Peloton. Peloton's stock plummeted 11%. Peloton claims it was not aware of the plot when it agreed to have one of its instructors and its bike appear in the episode, but the situation quickly turned into a PR nightmare. Peloton responded with an online ad featuring actor Chris Noth (Mr. Big) with the Peloton instructor, ready to take the bike for another spin. In a cascade of misfortune, the ad was deleted after Noth was accused of sexual assault (which he denies). Interestingly, Peloton has stated it is not going to file legal action over the matter, and HBO maintains that Mr. Big's death was caused by his lifestyle—drinking, smoking cigars, etc. and not the Peloton ride.

So what can we learn from the Peloton fiasco? Strategic placement of brands and products in films and television is a subtle yet often effective marketing technique to increase brand awareness and sales revenue. But, disparaging or harmful use of a logo or product can cause immeasurable damage.

### Authorized vs. Unauthorized Product Placement

Product placement in film and TV productions is not a recent phenomenon. Well-known product placements include Reese's Pieces in *ET*, FedEx in *Cast Away*, and Omega Seamaster watches and Aston Martin cars in *James Bond* movies. These product placements were authorized. Unauthorized placements can result in legal action. Most of the challenges have, however, been unsuccessful.

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# “ BECAUSE THE COST AND TIME OF AFTER-THE-FACT LITIGATION CAN BE EXTREMELY HIGH, THE BIGGEST TAKEAWAY FROM ALL OF THIS IS TO EMPLOY A CAREFULLY CRAFTED PRODUCT AGREEMENT IN ADVANCE ”

In 2003, the famous construction machinery manufacturer Caterpillar, sued The Walt Disney Co. for trademark infringement, dilution, unfair competition, and deceptive trade practices. It complained that Disney's *George of the Jungle 2* damaged the Caterpillar brand by associating Caterpillar bulldozers with the villain, Lyle. Lyle and his minions employed Caterpillar tractors in their campaign to tear down and destroy George's jungle, and, by extension, the environment. The Court found that Caterpillar's claims were unlikely to succeed because "the bulldozers in the movie are operated by humans and are merely inanimate implements of [the villain's] environmentally unfriendly schemes."<sup>1</sup> As a result, the Court found it would be clear to viewers that the men operating the machinery were the villains, and not the machines themselves.<sup>2</sup>

In 2011, Louis Vuitton filed a complaint against Warner Brothers for infringing upon its trademark rights in *The Hangover: Part II*, where the character Alan, played by Zak Galifianakis, is seen holding a "knock-off" Louis Vuitton bag.<sup>3</sup> In the 25-second scene, Alan describes the accessory as a "Lewis Vuitton" bag. The Court concluded that consumer confusion was "not plausible, let alone 'particularly compelling.'"<sup>4</sup> The Second Circuit's *Rogers v. Grimaldi* case establishes an even higher standard, in which artistic works are protected under the First Amendment (and the Lanham Act will not apply) when use of the trademark is both (1) artistically relevant to the work; and (2) not explicitly misleading to the source of the work.<sup>5</sup> The Court held that the use of a "knock-off" version of a Louis Vuitton bag in the film was artistically relevant:

"Alan's terse remark ... comes across as snobbish only because the public signifies Louis Vuitton ... with luxury and a high society lifestyle. His remark also comes across as funny because he mispronounces the French 'Louis' like the English 'Lewis,' and ironic because he cannot

correctly pronounce the brand name of one of his expensive possessions, adding to the image of Alan as a socially inept and comically misinformed character."<sup>6</sup>

In these cases, the brand owner objected to unauthorized, intentional product placement; however, not all product placements are unauthorized, not all unauthorized placements are intentional, and not all unintentional product displays are objected to. In the final season of HBO's *Game of Thrones*, a production crew member's Starbucks coffee cup accidentally appeared, very briefly, in an episode. While fans of the show were outraged, #StarbucksCupAccident became a top trending topic of the week on social media. Experts estimate that the scene was worth over \$1 million in free publicity for Starbucks.<sup>7</sup> Also, Manolo Blahnik's Hangisi pumps, launched in 2008, were featured in an iconic marriage proposal scene in *Sex and the City*. Since then, the brand has gained international recognition. It is even rumored that the shoe proposal scene was unplanned, happening completely organically. In another serendipitous example, a *Friends* episode is essentially a 22-minute commercial for Pottery Barn (*The One With the Apothecary Table*). Pottery Barn did not pay for product placement but company executives call the episode "the gift that keeps on giving"<sup>8</sup> every time the 2000 episode airs, even over two decades later!

When product placement is authorized and controlled to portray the brand in a positive light, the rewards can be immense. The depiction of Reese's Pieces in *ET*, for which Hershey's invested \$1 million, resulted in \$15-20 million worth of promotions. After Ray-Ban's put its aviator sunglasses on Tom Cruise in *Top Gun*, sales skyrocketed by 40% over the next year.<sup>9</sup>

Because the cost and time of after-the-fact litigation can be extremely high, the biggest takeaway from all of this is to employ a carefully crafted product agreement in advance.

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1. *Caterpillar, Inc. v. The Walt Disney Company*, 287 F.Supp.2d 913, 922 (C.D. Ill. 2003).

2. *Id.*

3. *Louis Vuitton Mallatier S.A. v. Warner Bros. Entertainment Inc.*, 868 F.Supp. 2d 172 (S.D.N.Y. 2012).

4. *Id.* at 182.

5. *Rogers v. Grimaldi*, 875 F.2d 994, 999-1000 (2d Cir. 1989).

6. *Louis Vuitton, supra*, at 178.

7. Weston Blasé and Nicole Lyn Pesce, *That 'Game of Thrones' Coffee Cup is Worth at Least \$250,000 to Starbucks*, MarketWatch, May 6, 2019, [marketwatch.com](http://marketwatch.com)

8. Ronald V. Bettig and Jeanne Lynn Hall, *Big Media, Big Money: Cultural Texts and Political Economics* (2d Ed. 2012) pp. 200.

9. *Product Placement Highlights* – Ray-Ban Aviator, September 29, 2010, [brandsandfilms.com](http://brandsandfilms.com)

## APPOINTMENTS

### ■ Seth Appel



Seth has been appointed to the Planning Committee for the 2022 Annual Meeting of the Copyright Society of the USA, which will be held in Chicago next June.

### ■ Bradley Cohn



Bradley has been elected the 2022 Vice Chair of the Illinois Institute for Continuing Legal Education (IICLE), an independent, not-for-profit, corporation dedicated to the professional development of Illinois attorneys.

## PRESENTATIONS

### ■ Jessica Ekhoft

Jessica moderated the Trademark Trial & Appeal Board Fireside Chat at the Intellectual Property Law Association of Chicago (IPLAC) Annual IP Symposium on December 7.



### ■ Janet Marvel

Janet spoke on the Strafford Live Webinar panel entitled “Functionality in Trade Dress Prosecution: Protecting the Look and Feel of Products and Packaging,” on January 25.

## PUBLICATIONS

### ■ Jonathan Jennings



In December, 2021, the Pharmaceutical Trade Marks Group (PTMG) newsletter *Law, Lore & Practice* published Jonathan’s case note on the pitfalls of inconsistent positions during trademark prosecution.

Also in December, INTA published Jonathan’s update to the Illinois Chapter of *U.S. State Trademark and Unfair Competition Law* (2021).

### ■ Belinda Scrimenti

Belinda co-authored an article for the INTA Bulletin, titled “UNITED STATES: USPTO Continues to Tackle Increased Fraudulent Filings” (Nov. 10, 2021). [Click here for article](#)

An agreement for product placement should be drafted to include as many details as possible around the planned use of the trademark and product bearing the trademark.

- How and where will the trademark and product be displayed?
- In what context? Is it an incidental or thematic display?
- By whom? Is the person the antagonist, protagonist, or uninterested third party?
- How long will the product be shown in the movie/TV show?
- Will the product and brand be shown in a positive or negative light?

Sometimes, as was the case with HBO and Peloton, a production company may not be able to provide details on the plot because the story must be kept a secret. However, there are ways around that to ensure the product is not going to be instrumental in a character’s death, injury, crimes, or misdeeds. The point is to prohibit display of the brand or the branded product that could or would give rise to negative perceptions or publicity. And just like that, you will hopefully wind up on the right side of advertising history. ■

## *firm*NOTEWORTHY

### 2022 INTA Saul Lefkowitz Moot Court Competition

On February 12, **Jonathan Jennings** will judge oral arguments for the Chicago Regional competition.

### Leading Lawyers Magazine

**Brett August, Thad Chaloemtiarana, Bradley Cohn, Jonathan Jennings, Robert Sacoff** and **Joseph Welch II** have been selected as Illinois “Leading Lawyers” for 2022.

### Martindale-Hubbell AV® Preeminent Rating

**Brett August, Ashly Boesche, Thad Chaloemtiarana, David Hilliard, Jonathan Jennings, Robert Newbury** and **Robert Sacoff** have each received an AV® Preeminent rating from the Martindale-Hubbell Bar Directory for 2022. According to Martindale-Hubbell, this rating signifies that a large number of the lawyer’s peers rank him or her at the highest level of professional excellence for their legal knowledge, communication skills and ethical standards.