



**Anna Kournikova v. General Media Communications, Inc. 278
F.Supp.2d 1111 (C.D. Cal. 2003)**

Melodia R. Palacio

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Recommended Citation

Melodia R. Palacio, *Anna Kournikova v. General Media Communications, Inc. 278 F.Supp.2d 1111 (C.D. Cal. 2003)*, 13 DePaul J. Art, Tech. & Intell. Prop. L. 453 (2003)
Available at: <https://via.library.depaul.edu/jatip/vol13/iss2/6>

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CASE SUMMARIES

ANNA KOURNIKOVA V. GENERAL MEDIA COMMUNICATIONS, INC.

278 F.Supp.2d 1111 (C.D. Cal. 2003)

I. INTRODUCTION

Anna Kournikova, a professional women's tennis player, brought suit against General Media Communications, Inc. (GMC), publisher of Penthouse Magazine, alleging false advertising and false endorsement.¹ The suit arose from GMC's publication of partially nude photographs of another woman falsely identified as Kournikova.² The United States District Court for the Central District of California granted GMC's motion for summary judgment, holding that: (1) although Kournikova presented sufficient evidence to establish that there are certain markets in which she competes with Penthouse, she had neither alleged nor presented evidence of any competitive injury arising from the publication of the photographs; (2) Kournikova had not demonstrated the existence of genuine issues of material fact as to whether a reasonable consumer might conclude that she had voluntarily associated herself with the magazine; and (3) Kournikova had not demonstrated that the publisher acted with actual malice in creating the alleged false endorsement to violate her First Amendment rights.³

1. Kournikova v. General Media Communications, Inc., 278 F.Supp.2d 1111 (C.D. Cal. 2003)

2. *Id.* at 1113.

3. *Id.* at 1111. The subject of GMC's motion for summary judgment is Kournikova's false advertising and false endorsement claim under Section 43(a) of the Lanham Act, which is Kournikova's Fifth Cause of Action in her First Amended Complaint. *Id.* at 1115.

II. FACTS

The plaintiff, Anna Kournikova, is a popular and internationally renowned women's tennis player whose annual income is also substantially derived from her endorsement and sponsorship of various corporations and their products.⁴ The defendant, GMC, publishes and distributes Penthouse Magazine, a publication known for its sexually explicit pictorials.⁵ GMC also maintains the magazine's website, Penthouse.com.⁶ In its June 2002 issue of Penthouse, GMC published a six-page article with pictures of a woman sunbathing topless, identified as Kournikova.⁷ The headline "EXCLUSIVE ANNA KOURNIKOVA CAUGHT CLOSE UP ON NUDE BEACH" appeared on the magazine's front cover, and the words "ANNA KOURNIKOVA. . . PET OF THE YEAR PLAYOFF" appeared on the magazine's spine.⁸ The same photographs and Kournikova's name also appeared on the website.⁹

On May 7, 2002, GMC publicly admitted its error in falsely identifying Kournikova as the woman in the pictorial, pursuant to a complaint filed the previous day in the U.S. District Court for the Southern District of New York by Judith Soltesz-Benetton, the woman actually pictured in the photographs.¹⁰ A settlement was reached with Soltesz-Benetton on May 20, 2002, in which GMC agreed to destroy the approximately 18,000 copies of the June 2002 edition of Penthouse Magazine still in its possession.¹¹

In the meantime, Kournikova filed suit against GMC for false advertising and false endorsement under Section 43(a) of the Lanham Act.¹² GMC moved for summary judgment, arguing: (1)

4. *Id.* at 1113.

5. *Id.* at 1114.

6. *Id.*

7. *Kournikova*, 278 F.Supp.2d at 1114.

8. *Id.*

9. *Id.*

10. *Id.*

11. *Id.*

12. *Id.* at 1114-15. 43(a) of the Lanham Act reads:

that Kournikova lacked standing to bring a false advertising claim because she is not a competitor; (2) that Kournikova's false endorsement claim should be dismissed because her voluntary association with Penthouse Magazine would not likely be believed by any reasonable customer; and (3) that the First Amendment bars Kournikova's false endorsement claim because, since her denial of the photographs' authenticity was subsequently published, Kournikova lacks evidence to show that Penthouse intended to confuse customers regarding an association with the magazine.¹³ The District Court granted GMC's motion for summary judgment, focusing its ruling only on the state of the evidence and whether genuine issues of material fact existed, and not on the court's own views of the merits of Kournikova's claim.¹⁴

III. LEGAL ANALYSIS

Section 43(a) of the Lanham Act prohibits the use of false designations of origin, false descriptions, and false representations in the advertising and sale of goods and services.¹⁵ The Act

Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which

is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to origin, sponsorship, or approval of his or her goods, services, or commercial activities,

shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

15 U.S.C. § 1125 (1988).

13. *Kournikova*, 278 F.Supp.2d at 1115.

14. Where a motion for summary judgment has been made, the court must decide the existence, and the moving party must demonstrate the absence, of any genuine issues of fact exist for resolution at trial. *Id.* at 1115. Evidence produced which would allow a reasonable jury to reach a verdict favoring the non-moving party constitutes a genuine issue of fact. *Id.*

15. *Id.* at 1116 (quoting *Waits v. Frito-Lay, Inc.*, 978 F.2d 1093, 1106 (9th

provides for protection against (1) unfair competition in the form of an action for false advertising, and (2) false association in the form of a lawsuit for false endorsement.¹⁶ Kournikova's claim sought recovery for both protectable interests.¹⁷

A. Plaintiff's False Advertising Claim

The court addressed the issue of false advertising first, noting that Kournikova's complaint did not describe a recognizable claim for false advertising, but nevertheless discussed the plaintiff's requirements for standing.¹⁸ In order to assert a claim of false advertising, a plaintiff must show that she competes with the defendant in the sale of certain goods in some marketplace.¹⁹ Additionally, the plaintiff must show that an evident competitive injury has allegedly resulted from the defendant's misrepresentation in that marketplace.²⁰ Case law defines "competitors" as "persons endeavoring to do the same thing and each offering to perform the act, furnish the merchandise, or

Cir. 1992)) (citing *Smith v. Montoro*, 648 F.2d 602, 603 (9th Cir. 1981)).

16. *Id.* at 1116-17.

17. The Fifth Cause of Action of Plaintiff's First Amended Complaint is labeled as "False Endorsement and False Advertising in Violation of 15 U.S.C. §1125." *Id.* at 1117.

18. Paragraph 67 of the Fifth Cause of Action of Plaintiff's First Amended Complaint states: "Defendant's false and misleading representations are likely to deceive as to the affiliation, connection and association of Penthouse Magazine, Penthouse.com and those media's advertisers, with Ms. Kournikova. Defendant's false and misleading representations are likely to deceive as to the sponsorship, endorsement, and approval of Defendant's goods and services by Ms. Kournikova. Defendant's aforesaid acts also constitute the use of false descriptions and false and misleading representations of fact in commercial advertising and promotion, misrepresenting the nature, character, and quality of Defendant's goods and services. As a result of Defendant's acts and representations, members of the public are induced to make payments to Defendant in the mistaken belief that its goods and services are endorsed by, associated with, or affiliated with Ms. Kournikova." *Id.* at 1118.

19. *Kournikova*, 278 F.Supp.2d at 1117. (citing *Halicki v. United Artists Communications, Inc.*, 812 F.2d 1213, 1214 (9th Cir. 1987)).

20. *Id.* (citing *Waits*, 978 F.2d at 1109).

render the service better or cheaper than his rival.”²¹ GMC publishes a magazine and markets a variety of videos and calendars which predominantly contain sexually oriented themes and are aimed towards a male audience.²² Kournikova also markets videos and calendars containing her own image, some with arguably similar sexually oriented themes, in her secondary career as a model.²³ The court held that although Kournikova, a professional athlete, and GMC, a publisher, are technically engaged in what appear to be distinctly different businesses, they are nonetheless both involved in the business of entertainment, and are thus competitors “for the same dollars from the same target audience” with respect to at least some of their commercial activities.²⁴

Continuing its analysis of false advertising, the court also accepted GMC’s argument that, notwithstanding Kournikova’s ability to demonstrate competition, she did not present evidence of a competitive injury.²⁵ In order to prove a “discernible competitive injury,” Kournikova would have to bring evidence of a measurable decline in calendar, exercise video and other product sales during the period in which the June 2002 Penthouse issue was available for consumer purchase, as well as evidence to show that those drops in sales were connected to the publication of the June 2002 Penthouse issue.²⁶ Because Kournikova presented no such evidence and even conceded that her current endorsement agreements had neither been terminated nor rescinded as a result of the June 2002 Penthouse issue’s publication, the court granted GMC’s motion for summary judgment on Kournikova’s false advertising claim.²⁷

21. *Id.* (citing *Summit Tech v. High-line Med. Instruments Co.*, 933 F. Supp. 918, 937 (C.D. Cal. 1996)(quoting *Fuller Bros. v. Int’l Mktg.*, 870 F. Supp. 299, 303 (D. Or. 1994)).

22. *Id.* at 1118.

23. *Id.*

24. *Id.*

25. *Kournikova*, 278 F.Supp.2d at 1118-19.

26. *Id.* at 1119.

27. *Id.*

B. Plaintiff's False Endorsement Claim

Next, the court addressed the issue of false endorsement. In its analysis, the court discussed: (1) the requirements for standing, (2) the likelihood of consumer confusion as a determinative issue, and (3) the need to demonstrate actual malice.²⁸ In order to successfully claim false endorsement on the basis of non-permissive use of a celebrity's identity, the plaintiff is faced with a substantially lesser burden since a showing of actual competition is not required.²⁹ Standing requires only that the parties have "a commercial interest in the product wrongfully identified with another's mark. . . or with a commercial interest in the misused mark."³⁰ Thus, the court found that Kournikova clearly had standing to pursue a false endorsement claim where her interest in the exploitation of her name and likeness is obvious, and where GMC's wrongful use of her name and likeness to promote a product with which she was not associated advanced the likelihood of commercial injury.³¹

Because the images and identities of celebrities are commonly used in newspapers and magazines in the absence of endorsement contracts, such use does not create an inference of endorsement.³² Thus, the determinative issue in false endorsement claims under the Lanham Act is the likelihood of consumer confusion with regard to the use of the names and likenesses of celebrities.³³ Two elements define the Lanham Act's standard for the existence of consumer confusion: (1) the defendant's use of the plaintiff's identity with regard to defendant's product; and (2) a finding that this use suggests the plaintiff's sponsorship or approval of that

28. *Id.* at 1119-30

29. *Id.* at 1119-20.

30. *Id.* at 1120 (quoting *Waits*, 978 F.2d at 1109).

31. *Kournikova*, 278 F.Supp.2d at 1120.

32. *See Abdul-Jabbar v. Motors Corp.*, 75 F.3d 1391, 1397 (9th Cir. 1996).

33. *Kournikova*, 278 F.Supp.2d at 1120 (citing *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1149 (9th Cir. 2002); *Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1403 (9th Cir. 1997)).

product.³⁴ Because of the standard's factual nature, the court must refer to the entire record in order to measure the likelihood of consumer confusion.³⁵ The first element was readily established by GMC's publication of Kournikova's name and purported likeness.

The court's assessment of the second element – whether the use of Kournikova's name suggested her sponsorship or approval of GMC's magazine – required a more thorough examination of a set of factors to determine the likelihood of confusion:³⁶ (1) the level of the plaintiff's recognition among the product's intended market segment;³⁷ (2) the relatedness of the plaintiff's fame or success to the defendant's product;³⁸ (3) the similarity of the likeness used by the defendant to the plaintiff;³⁹ (4) evidence of actual confusion; (5) the marketing channels used;⁴⁰ (6) the likely degree of purchaser care;⁴¹ (7) the defendant's intent in selecting the

34. *Id.*

35. *Id.* (quoting *Wendt v. Host Int'l, Inc.*, 125 F.3d 806, 812 (9th Cir. 1997); *Eastwood v. Nat'l Enquirer, Inc.*, 123 F.3d 1249, 1256 (9th Cir. 1997)).

36. *Id.*; *see also* *Downing v. Abercrombie & Fitch*, 265 F.3d 994, 1007-1008 (9th Cir. 2001) (restating the factors set forth in *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979) to make them more applicable to celebrity cases).

37. *Id.* at 1121. Both Kournikova and GMC agreed that Kournikova is a famous celebrity/athlete with a mark which is highly recognized by the public. *Id.* *See also* *YKK Corp. v. Jungwoo Zipper Co.*, 213 F. Supp. 2d 1195, 1200 (C.D. Cal. 2002) (“A mark with extensive public recognition and renown deserves and receives more legal protection than an obscure or weak mark.”).

38. The court found that although the parties are engaged in different businesses, evidence showed that they do compete in certain markets, where their endeavors overlap as members of the entertainment business. *Kournikova*, 278 F.Supp.2d at 1121.

39. GMC's use of Kournikova's name in the June 2002 issue of *Penthouse* was undisputed. *Id.* at 1121.

40. There must be a substantial likelihood of competition. *Id.* at 1126. *See also supra* note 37.

41. *Kournikova*, 278 F.Supp.2d at 1126. (citing *Brookfield Communs., Inc. v. West Coast Entm't Corp.*, 174 F.3d 1036, 1060 (9th Cir. 1999); *Sleekcraft*, 599 F.2d 341, 353 (9th Cir. 1979) (A “reasonably prudent customer” serves as the basis for determining whether a likelihood of confusion exists.)). The court found that neither GMC, asserting that customers are less likely to purchase a magazine with candid photos (of supposed inferior quality) than one containing

plaintiff;⁴² and (8) the likelihood of expansion of the defendant's product lines.⁴³ In an effort to prove actual confusion, Kournikova offered evidence including expert testimony regarding examination of the language on the magazine's front cover, the existence of a class action suit by disgruntled Penthouse readers who were disappointed to learn that the photographs of Kournikova in the June 2002 issue were not authentic, and a survey assessing consumer perceptions.⁴⁴ The court found that Kournikova's offerings did not provide real evidence of actual confusion: the conclusions of the language expert's report were unsupported and therefore created no genuine issues of material fact,⁴⁵ the class action plaintiffs did not show that they believed

posed photos, nor Kournikova, arguing that a jury should decide on the amount of care used by the average Penthouse customer, provided substantial support for their positions. *Id.* at 1126.

42. The court found that GMC "knowingly" used Kournikova's mark in attempting to increase profits in the sale of its June 2002 issue. *Id.* at 1127.

43. The court found little likelihood where Kournikova has stated that she does not intend to enter the adult entertainment market and "has gone to great lengths to disassociate herself with Penthouse." *Id.*

44. *Id.* at 1121-26.

45. In an attempt to establish a genuine issue of material fact regarding actual confusion, Kournikova hired Dr. Peter Tiersma to examine the language on the June 2002 magazine cover and spine. His analysis concentrated on the use of the word "caught" in the cover headline "EXCLUSIVE ANNA KOURNIKOVA CAUGHT CLOSE UP ON NUDE BEACH." Dr. Tiersma concluded that the word's use in connection to photography could be interpreted to suggest Kournikova's cooperation. He also argued that the meaning of "caught" is altered in the context of hard core pornographic Internet sites, where "caught" is used to describe photos in which the women are looking directly into the camera "and are clearly posing." However, the court found that the examples of instances where "caught" is used in a photographic sense were found to support GMC's assertion that readers would perceive the photographs as "snapshots" taken without the subject's permission. The court also found that the average Penthouse Magazine reader would not necessarily believe Kournikova was "caught" nude in the same way that pornography stars are "caught" nude. Furthermore, the court found that Dr. Tiersma's study was flawed because it failed to: (1) review the magazine as a whole, (2) offer a dictionary definition suggesting that "caught" is synonymous with cooperation, and (3) show that a reasonable consumer would be *likely* to conclude

that Kournikova had voluntarily posed for or endorsed the magazine,⁴⁶ and the sampling technique of the survey was flawed and thus non-probative.⁴⁷ In weighing the remaining factors, the court found that Kournikova was only able to assert at most a possibility, rather than a likelihood, of consumer confusion.⁴⁸

Continuing its analysis of false endorsement, the court considered whether GMC acted with actual malice to violate Kournikova's First Amendment rights.⁴⁹ The court noted that the standard is "a knowing or reckless creation of false impression."⁵⁰ Mere negligence is not sufficient to show actual malice.⁵¹ However, actual malice may be inferred from an accumulation of evidence that supports the inference of the defendant's intent.⁵² Thus, unless a public figure can produce clear and convincing evidence that the defendant acted with actual malice in creating the false impression of endorsement, the First Amendment bars the

Kournikova's endorsement of the magazine. *Id.* at 1122-24.

46. The court found that while the class action may show that the plaintiffs purchased the June 2002 issue of Penthouse Magazine under a hope or belief that it actually contained Kournikova's pictures, the value of this showing is not persuasive. *Id.* at 1124.

47. At Kournikova's request, the survey was designed and conducted to test GMC's assertion that, based on the magazine's cover, "no reasonable consumer. . . would believe that Plaintiff had voluntarily associated herself with Penthouse magazine." However, the sample consumer group did not appropriately represent "the average Penthouse customer" and were not asked to examine the magazine a whole, but rather were only allowed to look at digital images of the cover and spine. Thus, along with the survey's failure to establish a likelihood that a consumer might believe that Kournikova and the magazine were associated, the court found that the flaws in the survey's sampling techniques rendered it inadmissible. *Id.* at 1124-26.

48. *Kournikova*, 278 F.Supp.2d at 1127-28.

49. *Id.* at 1128.

50. *Id.* at 1129 (quoting *Solano v. Playgirl, Inc.* 292 F.3d 1078, 1084 (9th Cir. 2002))

51. *Id.* (quoting *Hoffman v. Capital Cities/ABC Inc.*, 255 F.3d 1180, 1187 (9th Cir. 2001)).

52. *Id.* (citing *Solano*, 292 F.3d at 1085 (quoting *Bose Corp. v. Consumers Union*, 692 F.2d 189, 196 (1st Cir.1982)).

plaintiff's claim.⁵³

Here, the cover and article relating to Kournikova in the June 2002 Penthouse issue were not simple advertisements.⁵⁴ Notwithstanding the fact that the photographs were actually of another woman identified as Kournikova, the reality that Kournikova did not pose for the photographs and the magazine's headline indicated that she had been "caught," demonstrated the non-commercial nature of the pictorial. As non-commercial speech, the court concluded that the article and the accompanying picture in the magazine were entitled to full First Amendment protection.⁵⁵ Kournikova failed to produce any evidence from which the court could have inferred that GMC intentionally designed the June 2002 Penthouse issue in a way that was likely to confuse the average reader into believing that she had either endorsed or was associated with the magazine.⁵⁶ Neither did Kournikova produce clear and convincing evidence from which a jury could have concluded that GMC acted with actual malice in creating a false impression of endorsement.⁵⁷ Thus, the court granted GMC's motion for summary judgment on Kournikova's false endorsement claim.⁵⁸

IV. CONCLUSION

Kournikova brought two claims, false advertising and false endorsement, against GMC for its publication of her purported photographs in its June 2002 issue of Penthouse magazine and on its website, Penthouse.com, under Section 43(a) of the Lanham

53. *Id.*

54. *Kournikova*, 278 F.Supp.2d at 1128-29.

55. *Id.* at 1128.

56. *Id.* at 1129.

57. *Id.* at 1130.

58. Furthermore, the court denied Kournikova's request for additional time to conduct discovery under Rule 56(f) because she did not indicate how further discovery might reveal a genuine issue of material fact for trial, nor did she properly file a motion under the rule; mere mention of the motion was insufficient. *Id.* at 1130; FED. R. CIV. P. 56(f).

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Act. In order to have standing for her claim of false advertising, Kournikova was required to show that GMC's publication of the pictorial in its June 2002 issue of Penthouse Magazine caused her an apparent competitive injury. To succeed under that claim, Kournikova needed to establish that GMC's publication was likely to confuse consumers by demonstrating the existence of genuine issues of fact as to whether or not a reasonable consumer might conclude that she had voluntarily associated herself with Penthouse Magazine. Furthermore, to prevent her false endorsement claim from being barred by the First Amendment, Kournikova needed to clearly show that GMC intended to confuse consumers into believing that Kournikova voluntarily posed for the photographs and endorsed its publication, and that GMC acted with malice in publishing the pictorial. Because Kournikova did not satisfy her burden of proof on either claim, GMC was entitled to summary judgment.

Melodia R. Palacio

