

LEGAL UPDATE

STRIPPED DOWN AND REVVED UP: THE NINTH CIRCUIT’S CLARIFICATION OF THE NOMINATIVE FAIR USE AND FIRST AMENDMENT DEFENSES TO TRADEMARK INFRINGEMENT

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I. INTRODUCTION

According to the Ninth Circuit, “video games and strip clubs do not go together like a horse and carriage or, perish the thought, love and marriage.”¹ Not where the Grand Theft Auto: San Andreas video game (“San Andreas”) is concerned. Much to the dismay of ESS Entertainment, 2000, Inc. (“ESS”),

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¹ ESS Entm’t 2000, Inc. v. Rock Star Videos, Inc., 547 F. 3d 1095, 1100 (9th Cir. 2008).

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which operates the Play Pen Gentleman's Club (the "Play Pen") in East Los Angeles, the makers of San Andreas decided to include a strip club in their game that is called the "Pig Pen" and looks a good deal like the Play Pen.²

ESS filed suit against Take-Two Interactive Software, Inc. ("Take Two") and Rockstar Games, Inc. ("Rockstar Games"), a wholly-owned subsidiary of Take Two which manufactures and distributes San Andreas, on April 22, 2005 in the United States District Court for the Central District of California.³ ESS alleged that the defendants used the Play Pen's "distinctive logo and trade dress" in San Andreas without ESS's authorization, thereby creating "a likelihood of confusion among consumers as to whether [ESS] has endorsed, or is associated with, the video game."⁴ Specifically, ESS asserted four claims: "(1) trade dress infringement and unfair competition under section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a); (2) trademark infringement under California Business and Professions Code § 14320; (3) unfair competition under Business and Professions Code §§ 17200 et. seq.; and (4) unfair competition under California common law."⁵ The defendants moved for summary judgment on all four claims, and argued that even if they were guilty of trade dress infringement and unfair competition, they were entitled to both a nominative fair use defense and a defense under the First Amendment.⁶

ESS Entertainment 2000, Inc. v. Rock Star Videos, Inc. is a noteworthy case not only due to the colorful parties, but also because it deals with several complex issues involving the application of the nominative fair use and First Amendment defenses to trade dress infringement and unfair competition. This paper will explore the parties', the district court's, and the Ninth Circuit's approaches to, and ultimate resolution of, the plaintiff's trade dress infringement and unfair competition claims under section 43(a) of the Lanham Act.

² *ESS Entm't 2000, Inc. v. Rock Star Videos, Inc.*, 444 F. Supp. 2d 1012, 1017-18 (C.D. Cal. 2006).

³ *Id.*

⁴ *Id.*

⁵ *Id.* In its complaint, ESS also brought a claim against the defendants for trademark dilution under Business and Professions Code § 14330. *Id.* at 1014 n.3. Trademark dilution occurs "when consumers associate a famous mark that has traditionally identified the mark holder's goods with a new and different source." See 74 AM. JUR. 2D *Trademarks and Tradenames* § 116 (2008). The district court granted the defendants' motion to dismiss this claim on the ground that ESS's mark had not attained the requisite fame required to assert a claim of trademark dilution. *ESS Entm't 2000, Inc. v. Rock Star Videos, Inc.*, No. 05-02966 (C.D. Cal. filed Aug. 29, 2005) (citing *Avery Dennison Corp. v. Sumpton*, 189 F.3d 868, 876 (9th Cir. 1999) ("[T]he Federal Trademark Dilution Act and Business and Professions Code § 14330 apply 'only to those marks that are both truly distinctive and famous, and therefore most likely to be adversely affected by dilution.'")).

⁶ *ESS Entm't 2000*, 444 F. Supp. 2d at 1014, 1027, 1036-37.

II. THE FACTS

ESS's Play Pen is a strip club located in East Los Angeles at 1109 S. Santa Fe Avenue.⁷ Its owners devised a logo for the Play Pen, which "consists of the words 'the Play Pen' . . . and the words 'Totally Nude' displayed in publicly available font, with a silhouette of a nude female dancer inside the first 'P.'"⁸ The Play Pen features the logo on both a pole sign in a corner of its parking lot, as well as an awning above its door.⁹ The logos on these signs, however, do not identically depict the nude female silhouette, "because there is no physical master or precise template for the Play Pen Logo."¹⁰ Consequently, each artist who has created a Play Pen sign may create his or her own version.¹¹ Additionally, "some advertisements and signs for the Play Pen do not contain the silhouettes of the nude females."¹²

Rockstar Games publishes the Grand Theft Auto video game series (the "Series"), which includes San Andreas.¹³ According to the district court, "the Series is known for its signature brand of humor, and consumers expect new games in the Series to contain the same type of irreverent humor as earlier games."¹⁴ The court explained that "each game in the Series is typically set in a cartoon-style city modeled after a real-world urban center."¹⁵ An individual who wishes to play a game in the Series assumes the role of the game's protagonist to "accomplish a series of 'missions,'" thereby "advance[ing] the plot" to "ultimately win the game."¹⁶ The parties disputed whether the Series can be played without undertaking any missions.¹⁷

San Andreas allows players to "experience the Game's version of West Coast 'gangster' culture."¹⁸ San Andreas "features three virtual cities, 'Los Santos,' 'San Fierro,' and 'Las Venturas,'" which "are based on Los Angeles, San Francisco, and Las Vegas," respectively.¹⁹ The district court explained that "Los Santos mimics the look and feel of actual Los Angeles locations . . . [but that] the brand names, business names, and other aspects of the locations have been changed to fit the overall 'Los Santos' theme and the Series' irreverent

⁷ *Id.*

⁸ *Id.* at 1014-15.

⁹ *Id.* at 1020.

¹⁰ *Id.* at 1021.

¹¹ *Id.*

¹² *Id.*

¹³ *Id.* at 1015.

¹⁴ *Id.* at 1015-16.

¹⁵ *Id.* at 1016.

¹⁶ *Id.*

¹⁷ *Id.* Based on the author's experience playing San Andreas, one can play the game without participating in any missions, but this mode of play does not appear to either "advance the plot" or to allow the player to win the game.

¹⁸ *Id.*

¹⁹ *Id.* at 1016-17.

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tone.”²⁰ San Andreas actually includes a disclaimer which states that the locations depicted in the game are fictional.²¹ One of the businesses featured in the East Los Santos neighborhood of San Andreas, which mimics East Los Angeles, is a virtual strip club named the “Pig Pen.”²²

The locations depicted in Los Santos were created by a team of animation artists in Scotland who flew to Los Angeles “to take reference photographs for use as inspiration in creating the Game’s animated neighborhoods.”²³ The artists explained that they took photographs of the Play Pen and used them in the process of creating the Pig Pen.²⁴ Nikolas Taylor (“Taylor”), the Lead Map Artist for the Los Santos section of San Andreas, explained that “when drawing Los Santos, the artists changed the names, building designs, and overall look and feel of the locations and businesses they reference to make them fit the virtual, cartoon-style world of San Andreas and the Series’ irreverent tone.”²⁵ Taylor further explained that these alterations were purposely made in an attempt to “creat[e] ‘Los Santos,’ a fictional city that lampooned the seedy underbelly of Los Angeles and the people, businesses, and places [that] comprise it.”²⁶ ESS contends that the Pig Pen logo, featured on the Pig Pen building and the pole sign in the Pig Pen’s parking lot, uses the same font as the Play Pen’s logo.²⁷

There are, however, numerous differences between the Play Pen and the Pig Pen.²⁸ The district court noted that the buildings are “totally different” sizes, colors, shapes, and structures.²⁹ The Play Pen features “a stone façade, a valet stand, large plants and gold columns around the entrance,” as well as “a six foot black iron fence surrounding the parking lot,” whereas the Pig Pen does not.³⁰ Additionally, “[a]lthough the Pig Pen and the Play Pen both have pole signs, the signs have different color schemes.”³¹ Finally, the Pig Pen’s sign does not, like the Play Pen sign, feature either “a trio of nude silhouettes above the logo” or a “separate ‘totally nude’ sign below.”³²

Although “Rockstar Games has advertised San Andreas via television commercials on national networks and print advertisements in national magazines, . . . [t]he Pig Pen does not appear in any of San Andreas’

²⁰ *Id.* at 1017.

²¹ *Id.* at 1018.

²² *Id.* at 1017-18.

²³ *Id.* at 1018.

²⁴ *Id.*

²⁵ *Id.*

²⁶ *Id.* at 1019.

²⁷ *Id.* at 1022.

²⁸ *See id.* at 1019-20.

²⁹ *Id.* at 1019.

³⁰ *Id.*

³¹ *Id.* at 1019-20.

³² *Id.* at 1020.

advertising or promotional materials.”³³ Furthermore, the Pig Pen does not appear on San Andreas’ exterior packaging, and “is not visible to consumers until after they purchase the Game, insert it into a computer or other player, and actually play the Game.”³⁴ Additionally, it is possible to play and win San Andreas “without ever seeing the Pig Pen.”³⁵

At some point after ESS filed suit against the defendants, Rockstar Games engaged Dr. Carol Scott to conduct an expert survey.³⁶ Dr. Scott surveyed 503 San Andreas players and found that, of the players surveyed, thirty percent “had been to an adult entertainment or gentlemen’s club in the past year,” and over thirty-three percent “planned to go to an adult entertainment or gentlemen’s club in the next year.”³⁷ Sixteen of the surveyed players mentioned the Play Pen after they were shown a screen shot depicting the Pig Pen and asked what the image reminded them of.³⁸ Additionally, “five thought that the Pig Pen was endorsed by, sponsored by, or affiliated with the Play Pen.”³⁹ Finally, of the surveyed players who responded that they had been in a strip club or planned to go to a strip club, over four percent “thought that the Pig Pen was endorsed by, sponsored by, or affiliated with the Play Pen.”⁴⁰

III. THE DISTRICT COURT OPINION

A. *Trade Dress Infringement and Unfair Competition Claim Under the Lanham Act*

ESS’s first cause of action against the defendants was a claim for trade dress infringement and unfair competition under section 43(a) of the Lanham Act.⁴¹ Trade dress “involves the total image of a product and ‘may include features such as size, shape, color, color combinations, texture or graphics.’”⁴² According to the district court, section 43(a),

prohibits use ‘of a word, term, symbol, or device’ or a ‘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 the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another

³³ *Id.* at 1023.

³⁴ *Id.*

³⁵ *Id.* at 1024.

³⁶ *Id.* at 1025.

³⁷ *Id.* at 1025 & n.87.

³⁸ *Id.* at 1025.

³⁹ *Id.*

⁴⁰ *Id.*

⁴¹ *Id.* at 1026 (referring to 15 U.S.C. § 1125(a) (2006)).

⁴² *Id.* at 1027 (quoting *Vision Sports, Inc. v. Melville Corp.*, 888 F.2d 609, 613 (9th Cir. 1989)).

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person.”⁴³

There are two affirmative defenses available to those accused of trade dress infringement and unfair competition under section 43(a) that are relevant here: (1) use of trade dress that qualifies as a nominative fair use, and (2) use of trade dress that is protected by the First Amendment.⁴⁴ The defendants asserted both defenses in this case.⁴⁵

1. Nominative Fair Use Defense

The nominative fair use defense applies when a defendant has “used the plaintiff’s mark to describe the plaintiff’s product, *even if the defendant’s ultimate goal is to describe his own product.*”⁴⁶ A defendant who wishes to show that it is not guilty of infringement by means of the nominative fair use defense must prove the following, “(1) ‘the plaintiff’s product or service in question must be one not readily identifiable without use of the trademark’; (2) ‘only so much of the mark or marks may be used as is reasonably necessary to identify the plaintiff’s product or service’; and (3) ‘the user must do nothing that would in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.’”⁴⁷

In *New Kids on the Block v. News American Publishing, Inc.*, the Ninth Circuit explained that the nominative fair use defense is available because,

[i]t is often virtually impossible to refer to a particular product for purposes of comparison, criticism, point of reference, or any other such purpose without using the mark. . . . Much useful social and commercial discourse would be all but impossible if speakers were under threat of an infringement lawsuit every time they made reference to a person, company, or product by using its trademark.⁴⁸

The Ninth Circuit further explained that “because it does not implicate the source-identification function that is the purpose of trademark, it does not constitute unfair competition,” and that “such use is fair because it does not imply sponsorship or endorsement by the trademark holder.”⁴⁹ The Ninth Circuit extended the nominative fair use defense to trade dress infringement claims in *Mattel, Inc. v. Walking Mountain Products*.⁵⁰

⁴³ *Id.* at 1026 (quoting 15 U.S.C. § 1125(a); *Waits v. Frito-Lay, Inc.*, 978 F.2d 1023, 1106 (9th Cir. 1992)).

⁴⁴ *Id.* at 1027, 1037.

⁴⁵ *Id.*

⁴⁶ *Mattel, Inc. v. Walking Mountain Prod.*, 353 F.3d 792, 809 (9th Cir. 2003) (emphasis in original).

⁴⁷ *ESS Entm’t 2000*, 444 F. Supp. 2d at 1029 (quoting *Walking Mountain*, 353 F.3d at 809).

⁴⁸ *New Kids on the Block v. News Am. Publ’g, Inc.*, 971 F.2d 302, 305 (9th Cir. 1992).

⁴⁹ *Id.* at 306-08.

⁵⁰ *ESS Entm’t 2000*, 444 F. Supp. 2d at 1031 (citing *Walking Mountain*, 353 F.3d at 809-).

As a threshold matter, the district court found, based largely on Taylor's testimony, that the artists did not design the Pig Pen to "identify or refer specifically" to the plaintiff's business.⁵¹ As discussed above, Taylor testified that he intended to create "'a parody of an East Los Angeles strip club,'" but not necessarily the Play Pen "'*per se.*'"⁵² Furthermore, the district court found that the "defendants' intention in creating the Play Pen was not to identify plaintiff's service," which is also required by the definition of the nominative fair use defense, "but only to describe [the defendants'] own product."⁵³ Therefore, the district court concluded that the defendants were "not entitled to assert a nominative fair use defense," and denied their motion for summary judgment on this basis.⁵⁴

2. First Amendment Defense

The Ninth Circuit has held that "trademark rights do not entitled the owner to quash an unauthorized use of the mark by another who is communicating ideas or expressing points of view."⁵⁵ To enforce this principle, the Ninth Circuit adopted the the Second Circuit's test in *Rogers v. Grimaldi* for "assessing use of a trademark in a literary title."⁵⁶ The *Rogers* test "requires that courts construe the Lanham Act 'to apply to artistic works *only* where the public interest in avoiding consumer confusion *outweighs* the public interest in free expression.'"⁵⁷ Under this test, "a literary title falls outside the reach of the Lanham Act if it (1) has some artistic relevance and (2) does not explicitly mislead as to the source or content of the work."⁵⁸

The district court noted that the Ninth Circuit "has not definitively determined whether the *Rogers* test should be applied to 'non-titular' uses of trade dress and trademarks,"⁵⁹ but that other courts have extended the test to the non-titular context.⁶⁰ The district court followed the approach adopted by other courts, holding that "'the *Rogers* balancing approach is generally applicable to Lanham Act claims against works of artistic expression, a

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⁵¹ *Id.* at 1032, 1034 (citing *Playboy Enter., Inc. v. Welles*, 279 F.3d 796, 801 (9th Cir. 2002)).

⁵² *Id.* at 1033.

⁵³ *Id.* at 1036.

⁵⁴ *Id.*

⁵⁵ *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 900 (9th Cir. 2002).

⁵⁶ *ESS Entm't 2000*, 444 F. Supp. 2d at 1037 (citing *Rogers v. Grimaldi*, 875 F.2d 994, 994 (2d Cir. 1989)).

⁵⁷ *Id.* (quoting *Walking Mountain*, 353 F.3d at 807).

⁵⁸ *Id.* (citing *MCA Records*, 296 F.2d at 902).

⁵⁹ *Id.* (citing *Walking Mountain*, 353 F.3d at 808).

⁶⁰ *Id.* (citing *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ'g Group, Inc.*, 886 F.2d 490, 495 (2d Cir. 1989)).

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category that includes parody.”⁶¹ It did so because “just as in *Rogers*, where [the court] said that the expressive element of titles requires more protection than the labeling or ordinary commercial products, so here the expressive element of parodies requires more protection than the labeling of ordinary commercial products.”⁶²

As a threshold matter, the district court analyzed whether San Andreas was an artistic work.⁶³ It found that San Andreas is “highly complex,” because it contains “hundreds of interactive locations created by animated graphics” and “incorporates a narrative, and offers an array of musical soundtracks.”⁶⁴ The court thus concluded that San Andreas “clearly qualifies as an ‘artistic work’ entitled to First Amendment protection.”⁶⁵ For support, the court cited *Video Software Dealers Association v. Schwarzenegger*, which held that video games, “even though mere entertainment, are nonetheless protected by the First Amendment.”⁶⁶ The court also found that “[b]ecause defendants’ use of plaintiff’s trade dress and trademark are ‘part of a communicative message and not a source identifier,’—the very reason why the nominative fair use defense was not available—the First Amendment is implicated in opposition to the trademark right.”⁶⁷

Once the district court determined that San Andreas is an artistic work, it proceeded to apply the *Rogers* two-prong test.⁶⁸ The test first requires that the defendant show “that the use of plaintiff’s trade dress and trademark ‘surpasses the minimum threshold of artistic relevance to the [work’s] content.’”⁶⁹ The district court clarified that *Rogers* “makes it clear that the court’s inquiry is limited to determining whether the title has *some* artistic relevance to the underlying work; it does not extend to assessing whether use of the trade dress or mark is absolutely necessary to the goals of the artist.”⁷⁰ The district court held that the Pig Pen does indeed have artistic relevance to San Andreas’ “twisted irreverent image of urban Los Angeles.”⁷¹ It explained that San Andreas intends to allow players to “experience the Game’s version of West

⁶¹ *Id.*

⁶² *Id.*

⁶³ *Id.* at 1039.

⁶⁴ *Id.*

⁶⁵ *Id.* (citing *Video Software Dealers Ass’n v. Schwarzenegger*, 401 F. Supp. 2d 1034, 1044 (N.D. Cal. 2005)).

⁶⁶ *Video Software Dealers Ass’n*, 401 F. Supp. 2d at 1044.

⁶⁷ *ESS Entm’t 2000*, 444 F. Supp. 2d at 1039 (quoting *Yankee Publ’g, Inc. v. News Am. Publ’g, Inc.*, 809 F. Supp. 267, 276 (S.D.N.Y.1992)).

⁶⁸ *Id.* at 1040-48.

⁶⁹ *Id.* at 1040 (citing *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989); *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 902 (9th Cir. 2002)).

⁷⁰ *Id.* at 1043 (citing *Rogers*, 875 F.2d at 999). As discussed, the district court decided to extend the *Rogers* test to non-titular uses of trademarks and trade dress.

⁷¹ *Id.* at 1041.

Coast ‘gangster’ culture,” and that “[w]hen creating Los Santos, defendants’ artists sought to mimic the look and feel of real-life locations and businesses.”⁷² The court further concluded that “rather than being arbitrary, defendants’ decision to borrow the Play Pen trade dress and mark was closely connected to the artistic design of Los Santos and the overall theme of the Game.”⁷³

After determining that defendants satisfied the first prong of the *Rogers* test, the court moved to the second prong of the test, which requires that “the use of the mark not explicitly mislead as to the source or content of the work.”⁷⁴ The court broke this inquiry down into two parts: one focusing on the content of the defendants’ work, and the other focusing on the source of the defendants’ work.⁷⁵ The court first determined that San Andreas’ use of the Play Pen’s trade dress and trademark did not explicitly mislead consumers as to the content of San Andreas because the defendants make no representations that the game is about, or even includes, the Pig Pen.⁷⁶ It noted that, (1) Rockstar Games’ advertisements do not include images of the Pig Pen, (2) the Pig Pen does not appear in either promotional literature for San Andreas or its exterior packaging, and (3) “there is no guarantee that a consumer will actually see the Pig Pen” while playing San Andreas.⁷⁷

The court also found that San Andreas does not explicitly mislead consumers as to its source, noting that neither San Andreas nor any of its promotional materials explicitly indicates that the Play Pen’s owners either endorsed or produced San Andreas.⁷⁸ The court clarified that “while the similar font and common use of nude silhouettes might suggest an association between the Play Pen and the Game to some consumers, this is not enough to defeat First Amendment protection under *Rogers*.”⁷⁹ For support, the court referenced Dr. Scott’s survey, which “presents a low likelihood of confusion regarding the Play Pen’s sponsorship or endorsement of the Game—much lower, in fact, than the survey in *Rogers*,” where the Second Circuit found that consumers were not explicitly misled as to source.⁸⁰ Additionally, the court noted that its conclusion was “further supported by the fact that video games and strip clubs are not related products, and the Play Pen and San Andreas do not directly compete for purchasers,” thus making it “improbable that a player who sees the Pig Pen, and recognizes that it was modeled after the Play Pen, will believe that the owners of the Play Pen endorsed or sponsored the

⁷² *Id.*

⁷³ *Id.* (citing *Rogers*, 875 F.2d at 1001).

⁷⁴ *Id.* at 1044 (citing *MCA Records*, 296 F.2d at 902; *Rogers*, 875 F.2d at 999).

⁷⁵ *Id.* at 1044-45.

⁷⁶ *Id.* at 1044.

⁷⁷ *Id.*

⁷⁸ *Id.* at 1045.

⁷⁹ *Id.*

⁸⁰ *Id.* at 1046.

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Game.”⁸¹

Because the court found that the defendants’ use of the Play Pen’s trade dress and mark both “(1) bears some artistic relevance to the Game, and (2) does not explicitly mislead consumers as to the source or content of the Game,” the defendants were “entitled, as a matter of law, to a First Amendment defense to the Plaintiff’s Lanham Act claims.”⁸² Thus, the court concluded that even if the defendants infringed the Play Pen’s trade dress and engaged in unfair competition under section 43(a) of the Lanham Act, as the plaintiff alleged in its first claim, the defendants were entitled to summary judgment on this cause of action because they raised a valid defense.

B. State Law Trademark Infringement and Unfair Competition Claims

The district court then evaluated the Play Pen’s three remaining claims, which were based on California statutory and common law.⁸³ The court noted that “the legal framework used to analyze these claims is substantially the same as the framework used to evaluate Lanham Act claims under federal law.”⁸⁴ It thus concluded that because the Play Pen’s Lanham Act claim failed, since the First Amendment protects San Andreas’ use of the Play Pen logo, the Play Pen’s related state law claims also fail under the same rationale.⁸⁵ The court consequently granted the defendants’ motion for summary judgment on the plaintiff’s three remaining causes of action.

IV. ARGUMENTS ON APPEAL

After the district court issued its opinion, ESS appealed the decision to the Ninth Circuit Court of Appeals.

*A. Nominative Fair Use Defense*⁸⁶

1. ESS’s Argument

ESS’s argument that the defendants are not entitled to a nominative fair use defense is fairly straightforward. ESS stated that this defense only applies when a defendant uses a plaintiff’s mark “to describe [the] plaintiff’s product, even if the defendant’s ultimate goal is to describe his own product.”⁸⁷ ESS

⁸¹ *Id.* at 1047.

⁸² *Id.* at 1048.

⁸³ *Id.* at 1049.

⁸⁴ *Id.*

⁸⁵ *Id.*

⁸⁶ Although the district court decided in ESS’s favor on this issue, ESS raised it again in its opening brief to the Ninth Circuit Court of Appeals. Brief for Appellant at 25-26, *ESS Entm’t 2000*, 547 F.3d 1095 (No. 06-56237). ESS did not explain why it appealed its victory on this issue.

⁸⁷ *Id.* (citing *Cairns v. Franklin Mint*, 292 F.3d 1139, 1151 (9th Cir. 2002)).

noted that the defendants contend that they have only used ESS's intellectual property to create a "parodic version" of East Los Angeles, and that the defendants "unequivocally deny that they meant to identify ESS's Play Pen club."⁸⁸ Thus, ESS concluded, the nominative fair use defense does not apply.

2. Rockstar Games' Argument

Rockstar Games argued that its use of ESS's mark is a nominative fair use by proceeding through the three-prong nominative fair use analysis.⁸⁹ As a threshold matter, Rockstar Games addressed ESS's argument that the nominative fair use defense is completely unavailable to it because San Andreas does not refer to the Play Pen. Specifically, Rockstar Games asserted that "[t]he fact that the reference here is used to conjure the image of something broader than ESS's mark should not affect the result of the analysis."⁹⁰ Rockstar Games further argued that it intended to comment on more than just the Play Pen, and, citing *Walking Mountain* in support, stated that the nominative fair use defense is available "even if the defendant intends [to] comment on more than just the plaintiff's product."⁹¹

B. First Amendment Defense

1. ESS's Argument

ESS argued that Rockstar Games is not entitled to a First Amendment defense because Rockstar Games's unauthorized use of the Play Pen mark is not relevant to the artistic purpose of the game.⁹² ESS supported this argument by claiming that in both *Rogers* and the two Ninth Circuit cases that have discussed *Rogers*, "the allegedly infringed mark was essential to the defendant's artistic purpose."⁹³ ESS focused on *Mattel, Inc. v. MCA Records*, where the defendant had produced a song entitled "Barbie Girl" without the Barbie trademark owner's authorization.⁹⁴ ESS argued, "the BARBIE mark was plainly relevant to the song at issue because that song was 'about Barbie and the values [defendant] claims she represents.'"⁹⁵ In contrast, ESS noted, San Andreas was not about the Play Pen, does not comment on the Play Pen, and does not identify the Play Pen in the process of commenting on anything else.⁹⁶ ESS also argued that the Play Pen had not achieved "iconic stature,"

⁸⁸ *Id.*

⁸⁹ Brief for Appellee at 24, *ESS Entertainment 2000, Inc. v. Rock Star Videos, Inc.*, 547 F.3d 1095 (9th Cir. 2008) (No. 06-56237).

⁹⁰ *Id.* at 29.

⁹¹ *Id.* (citing *Walking Mountain*, 353 F.3d at 811).

⁹² Brief for Appellant, *supra* note 86, at 13.

⁹³ *Id.* at 15.

⁹⁴ *Id.* at 16-18.

⁹⁵ *Id.* at 18 (citing *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 900 (9th Cir. 2002)).

⁹⁶ *Id.* at 19.

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and does not “represent a style characteristic of East Los Angeles,” and that additionally, the defendants stated that they did not intend to refer to the Play Pen.⁹⁷ Therefore, ESS concluded that San Andreas’s use of the Play Pen mark has no artistic relevance.⁹⁸

ESS next addressed the second prong of the *Rogers* test, and argued that San Andreas’s use of ESS’s mark explicitly misleads consumers.⁹⁹ ESS stated that *Rogers*, although unhelpful because it focused on trademark infringement of the title of a work, nonetheless implies that “‘explicitly misleading’ contemplates an ‘overt indication of authorship or endorsement’ apart from the mere use of a confusingly similar mark.”¹⁰⁰ ESS claimed the defendants’ actions were “explicitly misleading” because they used confusingly similar words, included “every visual element comprising the logo” in the Pig Pen’s logo, and placed the Pig Pen in a geographic location similar to that of the Play Pen.¹⁰¹ Furthermore, ESS claimed that the fact that the Pig Pen is a “fully interactive destination which can be entered by the player” gives it a high status level within San Andreas.¹⁰²

2. Rockstar Games’ Argument

Rockstar Games argued, in contrast, that the First Amendment does protect its use of ESS’s intellectual property.¹⁰³ Rockstar noted that, under the first prong of the *Rogers* test, the standard for artistic relevance is a low one, which Rockstar satisfies because its alleged use of ESS’s mark “adds realism, critical commentary, and humor to the Game.”¹⁰⁴ Rockstar Games further argued that its alleged depiction of the Play Pen is relevant to San Andreas’s artistic expression in that it helps achieve “geographic realism,” and also because “quite apart from the location of ESS’s club, the type of business ESS conducts and the image that business portrays add relevant context to San Andreas’ urban commentary.”¹⁰⁵ Furthermore, Rockstar Games argued, its depiction of the Play Pen has artistic relevance to San Andreas because this depiction “conveys humor,” and “[t]he Series is known for its signature brand of irreverent humor.”¹⁰⁶ Finally, Rockstar Games argued that its decision to use the Play Pen’s trade dress was not arbitrary, and that it was “closely connected to the artistic design of Los Santos and the overall theme of the Game.”¹⁰⁷

⁹⁷ *Id.* at 20.

⁹⁸ *Id.* at 22.

⁹⁹ *Id.*

¹⁰⁰ *Id.* at 23 (quoting *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989)).

¹⁰¹ *Id.*

¹⁰² *Id.* at 23-24.

¹⁰³ Brief for Appellee, *supra* note 89, at 11.

¹⁰⁴ *Id.* at 14.

¹⁰⁵ *Id.* at 14-16.

¹⁰⁶ *Id.* at 16.

¹⁰⁷ *Id.* at 20.

Rockstar Games challenged ESS's arguments that the *Rogers* test is limited to artistic works that mimic buildings that have attained iconic status. Specifically, Rockstar Games noted that this "would contradict *Rogers*, which makes it clear that the court's inquiry is limited to determining whether the title has *some* artistic relevance to the underlying work," and that "the Court's inquiry does not extend to assessing whether use of the trade dress or mark is absolutely necessary to the goals of the artist."¹⁰⁸ Rockstar Games also challenged ESS's argument that "the First Amendment is limited to circumstances in which the artistic work comments on the underlying work," noting that ESS provides no support for this argument, and arguing that "the First Amendment is not so limited."¹⁰⁹

Moving on to the second prong of the *Rogers* test, Rockstar Games argued that its use of ESS's intellectual property did not "explicitly mislead" consumers as to either San Andreas's source or content."¹¹⁰ Rockstar Games supported its argument by noting that "San Andreas carries an express disclaimer on its exterior packaging and on its in-game title screen, which states: '[t]he content of this videogame is purely fictional and is not intended to represent any actual person, business, or organization.'" Similarly, San Andreas's promotional materials also do not indicate that ESS endorsed the game.¹¹¹ Rockstar Games further argued, citing *MCA Records* for support, that "to hold that the mere alleged inclusion of the Pig Pen logo and façade in the Game sufficed to prove an 'explicitly misleading' use would render the *Rogers* test a nullity."¹¹² Finally, *MCA Records* stated that "the undisputed fact that the Game present the Playpen as an unflattering parody of a typical East Los Angeles strip club precludes any possibility of even *implicitly* misleading consumers as to source."¹¹³

V. NINTH CIRCUIT OPINION

In March 2008, the Ninth Circuit affirmed the district court's decision to grant summary judgment to the defendants on all four of the plaintiff's claims.¹¹⁴ The Ninth Circuit evaluated the defendants' arguments that they were entitled the nominative fair use defense and First Amendment protection against ESS's claims of trade dress infringement and unfair competition, and concluded that although the nominative fair use defense did not apply, the First

¹⁰⁸ *Id.* at 18 (quoting *ESS Entm't 2000, Inc. v. Rock Star Videos, Inc.*, 444 F. Supp. 2d 1012, 1043 (C.D. Cal. 2006) (citing *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989))).

¹⁰⁹ *Id.* at 19 (citing *Yankee Publ'g, Inc. v. News Am. Publ'g, Inc.*, 809 F. Supp. 267, 276 (S.D.N.Y.1992)).

¹¹⁰ *Id.* at 20.

¹¹¹ *Id.* at 21.

¹¹² *Id.* at 22.

¹¹³ *Id.* at 24.

¹¹⁴ *See generally* *ESS Entm't 2000, Inc. v. Rock Star Videos, Inc.*, 547 F. 3d 1095, 1095 (9th Cir. 2008).

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Amendment, in all four claims, protected San Andreas's use of the Pig Pen.¹¹⁵

A. *Nominative Fair Use Defense*

The Ninth Circuit dismissed the defendants' nominative fair use argument fairly quickly. The court first noted that nominative fair use occurs when a defendant "uses the trademarked term to describe not its own product, but the plaintiff's."¹¹⁶ It found that because the Pig Pen is not identical to the Play Pen mark, and because the San Andreas's artists' goals were not to "comment on Play Pen *per se*," San Andreas was not using the plaintiff's trademark to describe the plaintiff's business.¹¹⁷ Thus, the Ninth Circuit concluded that the nominative fair use defense was not applicable.¹¹⁸

B. *First Amendment Defense*

The Ninth Circuit then evaluated the defendants' claim that they were entitled to a First Amendment defense against the plaintiff's claims of trademark infringement and unfair competition.¹¹⁹ The court first affirmed the district court's decision to apply the two-pronged *Rogers* test to whether the public interest in avoiding consumer confusion under the Lanham Act outweighs the public interest in free expression to non-titular uses of a mark.¹²⁰ The court stated, "there is no principled reason why [the *Rogers* test] ought not also apply to the use of a trademark in a body of the work."¹²¹ The Ninth Circuit also noted that the parties did not dispute extending the *Rogers* test to the context of this case.¹²²

Moving to the first prong of the *Rogers* test, the Ninth Circuit held that ESS's arguments that (1) San Andreas is not "about" the Play Pen in the same way that Barbie Girl was not "about" the Barbie doll, and (2) that the Play Pen is not a cultural icon, were irrelevant.¹²³ It stated, first, that under *MCA Records* and the line of cases following it, only the use of a trademark with "no artistic relevance to the underlying work *whatsoever*" does not merit First Amendment protection.¹²⁴ The Ninth Circuit then explained that although San Andreas "is not 'about' the Play Pen the way that Barbie Girl was about Barbie, . . . given the low threshold the Game must surmount, that fact is

¹¹⁵ *Id.* at 1099, 1101.

¹¹⁶ *Id.* at 1098 (citing *Playboy Enter., Inc. v. Welles*, 279 F.3d 796, 801 (9th Cir. 2002)).

¹¹⁷ *Id.* at 1099.

¹¹⁸ *Id.*

¹¹⁹ *Id.*

¹²⁰ *Id.*

¹²¹ *Id.*

¹²² *Id.*

¹²³ *Id.* at 1100.

¹²⁴ *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 902 (9th Cir. 2002) (quoting *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989) (emphasis in original)).

hardly dispositive.”¹²⁵ The Ninth Circuit also felt that although the Play Pen is not a cultural icon, East Los Angeles tends to lack cultural icons, and that “like most urban neighborhoods, its distinctiveness lies in its ‘look and feel,’ not in particular destinations as in a downtown or tourist district.”¹²⁶ Furthermore, the court noted that this neighborhood, “with all that characterizes it, is relevant to Rockstar’s artistic goal, which is to develop a cartoon-style parody of East Los Angeles.”¹²⁷ The Ninth Circuit thus concluded that “to include a strip club that is similar in look and feel to the Play Pen does indeed have at least have ‘some artistic relevance.’”¹²⁸

The Ninth Circuit next evaluated the second prong of the *Rogers* test: whether the defendants’ use of the Plaintiff’s mark explicitly misleads consumers as to either the source or content of the defendants’ work.¹²⁹ The court explained that “the relevant question . . . is whether the Game would confuse its players into thinking that the Play Pen is somehow behind the Pig Pen or that it sponsors Rockstar’s product.”¹³⁰ It noted that in answering this question, it is necessary to make note of the court’s observation in *MCA Records* that “the mere use of a trademark alone cannot suffice to make such use explicitly misleading.”¹³¹

The Ninth Circuit felt that San Andreas and the Play Pen “have nothing in common” aside from their provision of “low-brow entertainment”—an observation that San Andreas fans might dispute.¹³² The court felt that “[t]he San Andreas Game is not complementary to the Play Pen; video games and strip clubs do not go together like a horse and carriage or, perish the thought, love and marriage;” and “[n]othing indicates that the buying public would reasonably have believed that ESS produced the video game or, for that matter, that Rockstar operated a strip club.”¹³³ The Ninth Circuit also dismissed ESS’s argument that, “because players are free to ignore the storyline and spend as much time as they want at the Pig Pen, the Pig Pen can be considered a significant part of the Game, leading to confusion.”¹³⁴ The court responded by noting that “fans can spend all nine innings of a baseball game at the hot dog stand; that hardly makes Dodger Stadium a butcher’s shop.”¹³⁵ The Ninth Circuit thus concluded that the defendants’ had satisfied both prongs of the *Rogers* test and were entitled to summary judgment on the plaintiff’s Lanham

¹²⁵ *ESS Entm’t 2000*, 547 F.3d at 1100.

¹²⁶ *Id.*

¹²⁷ *Id.*

¹²⁸ *Id.* (citing *Rogers*, 875 F.2d at 999).

¹²⁹ *Id.*

¹³⁰ *Id.*

¹³¹ *Id.* (citing *MCA Records*, 296 F.3d at 902).

¹³² *Id.*

¹³³ *Id.*

¹³⁴ *Id.* at 1101.

¹³⁵ *Id.*

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Act and California state law claims.

VI. CONCLUSION

The Ninth Circuit's opinion is significant in several respects. First, it extends the *Rogers* First Amendment defense to trademark infringement of non-titular uses of trade dress and trademarks in artistic works.¹³⁶ In doing so it “elevate[s] the non-titular application of the doctrine from footnote dictum in *Walking Mountain* . . . and incorporate[s] it fully into the *Rogers* doctrine—a doctrine itself adopted by the Ninth Circuit in . . . *MCA [Records]*.”¹³⁷ Furthermore, the Ninth Circuit reiterated that the level of artistic relevance required by the *Rogers* test “merely must be above zero.”¹³⁸ This is noteworthy because it clarifies that a defendant need not “directly parody” a plaintiff's work or mark, or “serve as a commentary about the plaintiff or otherwise directly spoof the plaintiff's [business]” to qualify for the *Rogers* First Amendment defense.¹³⁹ Finally, the Ninth Circuit affirmed that the nominative fair use defense is only available to defendants who use a mark to describe a plaintiff's business.¹⁴⁰ If this threshold requirement is not met, a court need not proceed with the three-step analysis required by the nominative fair use defense.¹⁴¹

¹³⁶ Jane Shay Wald, *Ninth Circuit to Plaintiff: Game Over!*, 15 No. 6 INTELL. PROP. STRATEGIST 1 (2009).

¹³⁷ *Id.*

¹³⁸ *Id.* (citing *ESS Entm't 2000*, 547 F.3d at 1100).

¹³⁹ *Id.*

¹⁴⁰ *ESS Entm't 2000*, 547 F.3d. at 1099.

¹⁴¹ *Id.*