

Ninth Circuit Report



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VIDEO GAME DEPICTION OF LOS ANGELES STRIP CLUB IS NOT INFRINGEMENT AND IS PROTECTED UNDER THE FIRST AMENDMENT.

***ESS Entertainment 2000, Inc. d/b/a Playpen v. Rock Star Video, Inc. et al.* ____ F.3d ____
November 5, 2008**

IN THIS INTERESTING CASE the Ninth Circuit considers trademark infringement and unfair competition within the content of a video game.

Rock Star Games, Inc., manufactures the Grand Theft Auto series of video games, which includes Grant Theft Auto: San Andreas. The series is known for an irreverent and sometimes crass brand of humor, gratuitous violence and sex, and overall seediness. The San Andreas game allows a player to experience a version of West Coast “gangster” culture, taking place in West Coast cities, with Los Santos, one of the cities, mimicking the look and feel of actual Los Angeles neighborhoods. Los Santos is populated with virtual liquor stores, ammunition dealers, casinos, pawnshops, tattoo parlors, bars, and strip clubs.

The artist who designed the video game visited Los Angeles neighborhoods, taking pictures, including a picture of a Los Angeles strip club occupied by plaintiff ESS Entertainment. This strip club features females dancing nude, and is named the “Play Pen.” ESS (“Play Pen”) filed a suit against Rock Star for trade dress infringement and unfair competition under Section 43 of the Lanham Act, 15 U.S.C. § 1125(a) and trademark infringement and unfair competition under California law. ESS complains that Rock Star has used Play Pen’s logo and trade dress in its video game visual of its “Pig Pen bar,” and used Play Pen’s distinctive logo and trade dress without authorization, creating a likelihood of confusion among consumers as to whether ESS or its “Play Pen” bar has endorsed, or is associated with, the video game.

In the Los Angeles district court Rock Star moved for and was granted summary judgment on all claims. It argued the affirmative defense that it was making nominative fair use of a visual display of the “Play Pen,” and that, in any event, the First Amendment protected it against liability. It also argued that its use of ESS’s intellectual property did not infringe, since its video game usage did not create any likelihood of confusion.

While rejecting the defense of nominative fair use, the district court granted summary judgment based on the First Amendment defense, and found it unnecessary to address the trademark infringement claims directly.

This Is Not Nominative Fair Use

Nominative Fair Use is the fair use scenario when the accused infringer uses “the trade mark term to describe

not its own product but the plaintiff’s.”¹ The doctrine protects those who deliberately use another’s trademark or trade dress for the purposes of comparison, criticism or point of reference. The Ninth Circuit looked at the video game and its purpose, and concluded that the use of the video game was not nominative fair use. First, the video game’s use of “Pig Pen” was not “identical to the plaintiff’s mark.” Rock Star had “testified the goal in designing the Pig Pen was...not to comment on Play Pen *per se*.” Since Rock Star did not use the Pig Pen logo to describe the Play Pen Strip Club, the Ninth Circuit noted that the district court correctly held that the nominative fair use defense did not apply. The nominative fair use defense is for a defendant’s use of the plaintiff’s trademark to describe the plaintiff or its goods or services; this was not the case here. Rock Star wanted only a Los Angeles genre, seedy neighborhood and a strip club, but was not seeking to imitate the Play Pen.

Rock Star’s second defense was the First Amendment. As the court noted, the First Amendment is appropriate as a defense to an infringement claim under the Lanham Act “to apply to artistic works *only* where the public interest in avoiding consumer confusion *outweighs* the public interest in free expression.” The Court cited its decision in *Mattel Inc. v. Walking Mountain Prods.*,² where an artist was permitted to use Mattel’s Barbie Dolls in his artwork.

In order for there to be a First Amendment defense, two findings are necessary: First, an artistic work’s use of a trademark that otherwise would violate the Lanham Act is not actionable “unless the [use of the mark] has no artistic relevance to the underlying

work whatsoever, or, if it has some artistic relevance, unless [it] explicitly misleads as to the source or the content of the work.” The court noted initially that although this test traditionally applies to uses of a trademark in the title of an artistic work, it found no principled reason why it ought not to apply equally to the use of a trademark in the body of a work.

Although ESS acknowledged that the game was artistic and that the test applied, it argued both that the incorporation of the Pig Pen bar into the game had no artistic relevance and that its use of it was not explicitly misleading. First ESS observed that the game was not “about” ESS’s Play Pen Club the way the artwork was about the Barbie doll in the *Mattel* case, and secondly that unlike the *Barbie* case, where the trademark, Barbie Doll, was a cultural icon, ESS’s Play Pen was hardly a cultural icon.

The Ninth Circuit analyzed the law in terms of its own case, *Mattel v. MCA Records, Inc.*,³ another Barbie Doll case where Mattel had sued a record company with a song called “Barbie Girl” which was a commentary about Barbie and the values she supposedly represented. The court in this *Mattel* case had applied the First Amendment test to hold that it protected the record company, noting that the accused song was about the Barbie doll.

ESS agreed that in the *Mattel* case the only indication that Mattel might be associated with the song was the use of “Barbie” in the title. The Ninth Circuit noted that ESS’s objections, though factually accurate, missed the point of the rule. Under the *Barbie* song case and others that followed it “only the use of a trademark with ‘no artistic relevance to the underlying work whatsoever’ does not merit First Amendment protection.” In other words, as the court noted, “the level of relevance merely must be above zero.” The court noted that in this case, while it was true that

the game was not about the Play Pen the way the Barbie Girl song was about the Barbie doll, given the low threshold of relevance the game must surmount, this fact would hardly be dispositive.

Secondly the court also noted it was also true that the Play Pen bar had “little cultural significance, but that the same could be said about most of the individual establishments in East L.A.; its distinctiveness lies in its “look and feel,” not in particular destinations. As the court noted, that neighborhood with all its seedy characteristics was relevant to Rock Star’s artistic goal, which was to develop a cartoon-style parody of East Los Angeles. The court found that possibly the only way, or at least certainly a reasonable way, to do this would be to recreate a critical mass of the businesses and buildings there, as the game did. As such the court concluded that to include a strip club that is similar in “look and feel” to the Play Pen strip club does indeed have at least “some artistic relevance,” so as to support the application of the First Amendment here.

Thus the First Amendment applied as a defense to infringement and unfair competition, since the video game was an artistic work, where the public interest in avoiding customer confusion did not outweigh the public interest in free expression. The use of the image had artistic relevance to the underlying work, and did not explicitly mislead customers as to the source or content of the work.

As to confusion, the Ninth Circuit noted that while the purpose of the Lanham Act was to avoid confusion in the marketplace, the relevant question here was whether the game would confuse its players into thinking that the Play Pen was somehow behind the Pig Pen, or that it sponsors or authorizes the video games. In other words the mere use of a trademark alone would not suffice to make such use explicitly misleading.

The court analyzed the two bars and uses, and found that while the San Andreas Game, and the Play Pen strip club both “offer a form of low brow entertainment,” that besides this general similarity, they have nothing in common. Video games and strip clubs do not as the court noted “go together like a horse and carriage or, perish the thought, love and marriage.” Nothing would indicate that the buying public

could reasonably have believed that ESS produced the video or, that Rock Star operated a strip club. The court found it farfetched that someone playing the game would think that ESS had provided any expertise support or unique strip club knowledge it possesses to the production of the game. After all this strip club was only a backdrop within the game and whatever one can do at the Pig Pen, the video game seemed quite incidental to the court to the overall story of the game. The court concluded the reasonable consumer would not think that a company that owns one strip club in East Los Angeles, which was not well known to the public, also produces a technologically sophisticated video game like San Andreas.

One has to believe that Judge O’Scannlain must have enjoyed writing this opinion. As he noted “undeterred, ESS also argues that because players are free to ignore the storyline and within the video game spend as much time as they want at the Pig Pen, the Pig Pen can be considered to be a significant part of the game, thus leading to confusion.” The court found this argument to be farfetched, but it certainly allows one to raise such issues within a virtual world of a video game. Judge O’Scannlain answered this argument with the analogy to Dodger Stadium. As he said “fans can spend all nine innings of a baseball game at the hot-dog stand; that hardly makes Dodger Stadium a butcher’s shop.” As he noted “the chance to attend a virtual strip club is unambiguously *not* the main selling point of the game.”⁴

The virtual world creates another most interesting legal issue, but this court seems to sanction the background use of actual locations, buildings and businesses within simulated video and virtual worlds, at least where such use is either incidental or not explicitly misleading. ■

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Endnotes

1. *See Playboy Enterprises, Inc. v. Welles*, 279 F.3d 796 (9th Cir. 2002).
2. *Mattel Inc. v. Walking Mountain Prods.*, 353 F.3d 792 (9th Cir. 2003).
3. *Mattel v. MCA Records, Inc.*, 296 F.3d 894 (9th Cir. 2002).
4. Author's note: Some youthful voyeurs might disagree!