

WHO FRAMED *ROGERS V. GRIMALDI*? : WHAT PROTECTS
TRADEMARK HOLDERS AGAINST FIRST AMENDMENT
IMMUNITY FOR VIDEO GAMES?

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INTRODUCTION

Imagine this: From a third-person view, you watch yourself navigate a bustling market in Milan. You just left a clothier where you scrolled through a selection of Italian suits and made a virtual transaction with your credit card. You equipped your stylish purchase immediately. In the market, you pan to see the urbane fare that marks many metropolises: Ferrari sports cars, Gucci purses, advertisements for Rolex watches. The unseen third person continues to track your every move on a real-time map. Before you have time to answer a call on your Samsung Galaxy S III, the extra-dimensional third person hits the “Pause” button and “Saves” the game. Frozen in time, it becomes clear that the world you inhabit and its various and sundry elements are not real. This virtual universe is the creative culmination of designers, developers, and programmers—a video game. The third person is you, living a virtual life in a virtual universe filled with virtual products.

Rivaling TV and movies, video games are a ubiquitous aspect of entertainment in the twenty-first century. Now more than ever, game developers are incorporating aspects of the “real world” into video games in an effort to blur the line between reality and fantasy. The menagerie of consumer products is no exception. Brand-named weapons, clothing, and even furniture have virtual doppelgangers in video games, designed to assimilate the player’s senses into their virtual world. To further bridge the gap to reality, game developers often name their virtual depictions after real products—and these names are often trademarked.

This virtual re-creation of reality carries real-world consequences. Using a readily identifiable mark on a virtual product risks unfair

competition with those who own the intellectual property rights backing the product's real-world counterpart. Certainly, markholders can bargain away the right to use their mark; however, in their quest to rival reality, game developers often forgo the step of seeking approved sponsorship of a use. For instance, consider the video game *Second Life* produced by Linden Labs. Players, called "Residents," literally live a second life in a virtual reality where they have access to a broad marketplace of virtual products. Linden Labs branded many of these virtual goods after real brands, causing companies such as Taser and Herman Miller to file real-world claims of unfair competition.¹ In addition to exact renditions, developers often incorporate satirical depictions of a readily recognizable mark into their games for comedic effect. An example is the "GetaLife" Insurance Building depicted in the game *Grand Theft Auto IV*.² Whether marks are displayed as a mirror image or a parody, aggrieved mark holders are increasingly resorting to "lawsuits claiming infringement of disparate trademark rights in the context of video games."³

However, courts evaluating these claims of unfair competition have been challenged by the application of traditional trademark doctrines to video games. The traditional test for unfair competition under the Trademark Act, "likelihood of confusion analysis," is an ill fit in the context of video games—because the use of the mark is only incidental to the game itself and not integral to its sale or marketing, the likelihood is slim that the average gamer would be confused that the markholder actually developed the game.⁴ Therefore, courts are increasingly employing tests other than the likelihood-of-confusion test when examining a mark within a video game.⁵

Additionally, courts are being challenged by the recognition that the medium of video games is a protected form of expression under the First Amendment.⁶ Taking a cue from the Supreme Court, courts are increasingly employing tests that balance the expressive rights of game developers with the property rights of markholders. The two notable tests that have emerged are the *Rogers* test and the transformative-use test. This Note explores the interaction of trademark law and the First Amendment in

1. Richard Acello, *Virtual Worlds, Real Battles: Trademark Holders Take on Use in Games*, ABA JOURNAL (Jan. 1, 2011, 2:20 AM), http://www.abajournal.com/magazine/article/virtual_worlds_real_battles/.

2. *GTA IV Parodies and References*, GTAGAMING, <http://www.gtagaming.com/gtaiv/inc/information/parodies> (last visited Feb. 17, 2013).

3. Russell Frackman & Joel Leviton, *Trademarks, Video Games and the First Amendment: An Evolving Story*, WORLD TRADEMARK REV., Oct./Nov. 2010, at 62, 63.

4. *Id.*

5. *Id.*

6. *Id.* at 63–64.

the realm of video games and seeks to determine which test best serves the interest of all stakeholders. Part I explores the market for video games and the opportunities that developers have to exploit popular marks in their games. Part II focuses on trademark protection and instances where courts have recognized free speech interests must bow to the property rights of IP holders. Part III then introduces the *Rogers* test, the test most commonly employed by courts to strike a balance between competing free speech and property interests surrounding the use of a mark. Part IV then introduces the transformative-use test and advocates for its integration into the balance between free expression and trademark rights. While others have explored the interaction between the right of publicity and the First Amendment, trademark use within video games presents an uncharted area for the application of trademark law and the First Amendment.

I. VIDEO GAMES AND TRADEMARKS

Demand fuels the growth of a huge market for video games. It is estimated that seventy-two percent of American households contain a member who plays video games.⁷ The average video game player (or “gamer”) is a thirty-year-old male;⁸ however, women make up a substantial portion of the game-playing population at forty-two percent.⁹ These gamers push entertainment software sales to new heights: in 2012, software sales reached \$6.71 billion, slumping off from \$8.69 billion in 2011.¹⁰ When adding hardware and accessory sales to that figure, the industry garnered gross receipts of \$13.26 billion in 2012, down from \$16.99 billion in 2011.¹¹

Like TV and movie viewers, gamers have become accustomed to product placement within video games.¹² The controversial game franchise *Grand Theft Auto* serves as a chief example of this tactic.¹³ Published by Rockstar Games, *Grand Theft Auto* places the player in a fictional city where his or her primary objective is to gain dominance of its criminal

7. ENTM'T SOFTWARE ASS'N, 2011 SALES, DEMOGRAPHIC AND USAGE DATA 2 (2011).

8. ENTM'T SOFTWARE ASS'N, 2012 SALES, DEMOGRAPHIC AND USAGE DATA 2-3 (2012).

9. *Id.* at 3.

10. *Annual Revenue of the U.S. Video Game Industry from 2010 to 2012, by Segment*, STATISTA, <http://www.statista.com/statistics/249996/annual-revenue-of-the-us-video-game-industry-by-segment/> (last visited Feb. 17, 2013).

11. *Id.*

12. Elizabeth L. Rosenblatt, *Rethinking the Parameters of Trademark Use in Entertainment*, 61 Fla. L. Rev. 1011, 1020 (2009).

13. Currently there are fourteen games in the franchise, which, as of September 2011, has sold “more than 114 million units since its debut in 1997.” Kyle Orland, *Grand Theft Auto IV Passes 22M Shipped, Franchise Above 114M*, GAMASUTRA (Sept. 14, 2011), http://www.gamasutra.com/view/news/37228/Grand_Theft_Auto_IV_Passes_22M_Shipped_Franchise_Above_114M.php.

underworld. Players engage in gun fights, robberies, and the unavoidable high speed police chase. For each game, Rockstar's creative team designed elaborate virtual settings that reflect actual American cities. Examples include the fictional cities "Los Santos" (Los Angeles),¹⁴ "Vinewood" (Hollywood),¹⁵ and "Liberty City" (New York City).¹⁶ And these cities need buildings—"virtual liquor stores, ammunition dealers, casinos, pawn shops, tattoo parlors, bars, and strip clubs" dot the virtual cityscape.¹⁷ In a case examined later in this Note, one real-world building owner sued over the virtual depiction of its establishment in the *Grand Theft Auto* universe.¹⁸

Some video games equip the player with a virtual arsenal inspired by real-world weapons. For example, in Electronic Art's *Godfather* series of games, based on the films by Francis Ford Coppola, players must fight their way to the top of New York's mafia scene by "utilizing period-appropriate vehicles and weapons."¹⁹ Of the fifteen firearms available in the first *Godfather* game, the developers styled one the "Dillinger Tommy Gun."²⁰ The family of John Dillinger, the notorious gentlemen bandit, was not amused. Holding a trademark in relation to the name's use on guns, the Dillinger family sued the game's developer for trademark infringement and unfair competition under the Trademark Act.²¹

As these two games demonstrate, markholders face increased potential for unfair competition from actual or parodied depictions of their trademarks in the virtual world. Markholders find little or no protection from applying the traditional likelihood-of-confusion test to their claims, because, unless they themselves are video game publishers, their marks are not likely to be confused with the marketing of the game itself.²² In order to fill this gap, two tests have emerged to evaluate a mark incorporated within a work—the *Rogers* test²³ and the transformative-use test.²⁴ Each places emphasis on different aspects of an unfair competition claim: the *Rogers*

14. Frackman & Leviton, *supra* note 3, at 64 (noting that Los Santos was an intentional attempt to "lampoon the seedy underbelly" of Los Angeles").

15. Harwood, *GTA V Set in Hollywood (Vinewood)?*, GRAND THEFT AUTO V (July 26, 2010), <http://grandtheftautofive.com/2010/07/26/gta-v-set-in-hollywood-vinewood/>.

16. Grand Theft Auto IV *Comparisons*, GTA4.NET, <http://www.gta4.net/setting/liberty-city-versus-real-world.php> (last visited May 1, 2012).

17. E.S.S. Entm't 2000 v. Rock Star Videos, 547 F.3d 1095, 1097 (9th Cir. 2008).

18. See *infra* Part III.

19. Dillinger, L.L.C. v. Elec. Arts, Inc., No. 1:09-CV-1236-JMS-DKL, 2011 U.S. Dist. LEXIS 64006, at *6 (S.D. Ind. June 16, 2011).

20. *Id.* at *7.

21. *Id.* at *1–2.

22. Frackman & Leviton, *supra* note 3, at 65.

23. See *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989).

24. See *Comedy III Prods., Inc. v. Gary Saderup, Inc.*, 21 P.3d 797 (Cal. 2001).

test focuses on whether the use of the mark itself is explicitly misleading,²⁵ while the transformative-use test focuses on whether the use varies in a creative way from the protected mark.²⁶ The next Part of this Note will explore the shift away from traditional trademark doctrines to these new tests as required by First Amendment protection for video games.

II. TRADEMARK LAW AND FIRST AMENDMENT PROTECTION FOR VIDEO GAMES

The Trademark Act of 1946, or the Lanham Act, protects rights holders from various forms for unfair competition, including trademark infringement and trademark dilution.²⁷ Section 32 of the Act protects holders of registered trademarks from a use of that mark that is “likely to cause confusion, or to cause mistake, or to deceive” in the sale or advertising of a product.²⁸ Even where a markholder does not own a trademark registration, Section 43 of the Lanham Act protects a mark from various forms of “unfair competition.” Section 43(a) makes it actionable to use “any word, term, name, symbol, or device” in a misleading way that is “likely to cause confusion . . . as to the affiliation, connection, or association of such person with another person, or as to the . . . sponsorship, or approval” of the use.²⁹ Unfair competition under Section 43(a) encompasses a broader range of conduct than infringement under Section 32: actionable infringement is only committed through the sale or offering for sale of any product.³⁰ However, unfair competition may come in the form of misleading sponsorship of the goods, regardless of whether this misleading effect results from the sale of the product.³¹ Since game distributors are unlikely to use another’s mark in the advertisements or trade dress of their own game, actual trademark infringement occurs only rarely.³² Rather, it is confusion over the sponsorship of a mark’s use, whether or not in connection with the sale of a game that gives markholders a cause of action against game developers.³³

Despite its broad coverage, the Trademark Act’s protection is not absolute. As a shield to an unfair competition claim, defendants may assert

25. See *Rogers*, 875 F.2d at 999.

26. See *Comedy III*, 21 P.3d at 812.

27. 15 U.S.C. §§ 1051–1127 (2006).

28. *Id.* at § 1114(1)(a).

29. *Id.* at § 1125(a)(1)(A).

30. *Id.* at § 1114(1)(a).

31. See *id.*

32. Frackman & Leviton, *supra* note 3, at 65–66.

33. *Id.*

that the First Amendment immunizes their use of a protected mark.³⁴ This defense is well-accepted. Since the early 2000s, federal courts have acknowledged that it is “well established that ‘video games are a form of expression protected by the First Amendment.’”³⁵ In the summer of 2011, the United States Supreme Court solidified this principle.³⁶ In *Brown v. Entertainment Merchants Association*, the Court considered the constitutionality of a California bill that prohibited the sale of violent video games to minors.³⁷ Applying strict scrutiny, the Court struck down the bill’s prohibition.³⁸ Writing for the majority, Justice Scalia found that video games are worthy of protection under the Free Speech Clause because

[l]ike the protected books, plays, and movies that preceded them, video games communicate ideas—and even social messages—through many familiar literary devices (such as characters, dialogue, plot, and music) and through features distinctive to the medium (such as the player’s interaction with the virtual world). That suffices to confer First Amendment protection.³⁹

Before the Court announced this articulation, scholars and courts debated whether video games were entitled to First Amendment protection categorically or rather protection on a game-by-game basis.⁴⁰ Courts fell on two sides: (1) those that limited constitutional protection to only the “communicative aspects” of video games; (2) those that adopted a bright-line rule that video games were protected as a medium.⁴¹ Some commentators warned against the former approach, arguing that it unjustly risks “encapsulating both expressive and non-expressive forms of entertainment” to the detriment of rights holders.⁴² In their view, the line should be drawn between games that are “story-laden” and games that are “arcade,” having only a linear objective without a story element.⁴³ However, the Court seems to have foreclosed this dichotomy; the Court noted that the player’s interaction with the virtual world is itself an

34. *Id.*

35. *Brown v. Elec. Arts, Inc.*, 2009 U.S. Dist. LEXIS 131387, at *8 (C.D. Cal. Sept. 23, 2009) (quoting *Video Software Dealers Ass’n v. Schwarzenegger*, 556 F.3d 950, 958 (9th Cir. 2009)); *accord Interactive Digital Software Ass’n v. St. Louis*, 329 F.3d 954, 956–58 (8th Cir. 2003); *Am. Amusement Mach. Ass’n v. Kendrick*, 244 F.3d 572 (7th Cir. 2001).

36. *Brown v. Entm’t Merchs. Ass’n*, 131 S. Ct. 2729 (2011).

37. *Id.* at 2732.

38. *Id.* at 2742–43.

39. *Id.* at 2733.

40. Neil G. Hood, *The First Amendment and New Media: Video Games as Protected Speech and the Implications for the Right of Publicity*, 52 B.C. L. REV. 617, 632–33 (2011).

41. *Id.* at 633–34.

42. *Id.* at 644.

43. *Id.* at 646.

expressive element of video games.⁴⁴ Even arcade games are capable of facilitating this expressive interaction. Thus, it appears that protection for video games as a medium has won the day.

Even with categorical First Amendment protection for video games, the possibility still remains that specific content within a video game will not fall under the absolute shield of the First Amendment. Clear examples of content not worthy of First Amendment protection, even in an otherwise expressive game, are obscenity, incitement, and fighting words.⁴⁵ Another gap in the First Amendment shield is the exploitation of content subject to countervailing property interests of others.⁴⁶

In contexts other than video games, the Supreme Court has demonstrated that free speech may constitutionally be subordinated to certain IP rights. The Court first indicated that a balance may be struck between free speech and property rights in *Zacchini v. Scripps-Howard Broadcasting*.⁴⁷ *Zacchini*, a human cannon-baller, claimed that a TV station infringed his “right to the publicity value of his performance” by replaying his entire stunt during a nightly news broadcast.⁴⁸ The Ohio Supreme Court had held the replay privileged by the First Amendment.⁴⁹ The United States Supreme Court reversed, holding that the First Amendment did not immunize the TV station for its infringement of the “state-law ‘right of publicity.’”⁵⁰ Importantly, the Court acknowledged that the right of publicity is a protection of the “proprietary interest of the individual in his act,”⁵¹ and that the goal of this right of publicity “is closely analogous to the goals of patent and copyright law.”⁵² The Court placed significant emphasis on the fact that *Zacchini* did not seek to enjoin the depiction of his performance, but rather simply sought compensation for reproduction of his artistic endeavors.⁵³ The Court indicated that the First Amendment was not violated by forcing the user (the station) to bargain with *Zacchini* (the rights holder) for the use of his creative asset. Stated differently, the First Amendment does not permit the “defendant [to] get free some aspect

44. See *supra* text accompanying note 34.

45. *Brown v. Entm't Merchs. Ass'n*, 131 S. Ct. 2729, 2733 (2011).

46. See *Rogers v. Grimaldi*, 875 F.2d 994, 998 (2d Cir. 1989) (“First Amendment concerns do not insulate [expressive content] from all Lanham Act claims.”).

47. 433 U.S. 562, 565 (1977).

48. *Id.* (quoting *Zacchini v. Scripps-Howard Broad. Co.*, 351 N.E.2d 454 (Ohio 1976)).

49. *Id.*

50. *Id.*

51. *Id.* at 573.

52. *Id.*

53. *Id.* at 578 (“[I]t is important to note that neither the public nor [the TV station] will be deprived of the benefit of [the cannon-baller’s] performance as long as his commercial stake in his act is appropriately recognized.”).

of the plaintiff that would have market value and for which he would normally pay.”⁵⁴

Trademarks are amenable to the free speech exception laid down in *Zacchini*. Like the value of publicity, trademarks carry value in their ability to immediately tune the viewer’s mind to a certain identifiable product. This effect is true in video games as well—viewing a mark in a game connects the player’s mind to a real-world product, drawing him or her deeper into their gaming experience. Rather than enjoining this phenomenon, markholders simply seek compensation for the use of their mark in video games. Because the public perceives that most depictions of a mark result from bargained-for exchanges,⁵⁵ markholders are losing the value of their sponsorship through unauthorized uses. Rather than impeding developers’ free speech, the Trademark Act simply seeks to prevent game developers from getting free an asset for which they would normally be required to pay. The next two Parts explore the two primary tests that have emerged to strike a balance between these competing interests.

III. GIVING THE FIRST AMENDMENT ITS DUE: THE *ROGERS* TEST

As mentioned in the Introduction, courts are abandoning the traditional likelihood-of-confusion test when required to balance the First Amendment rights of content producers against the property interests of markholders. Section 43 of the Trademark Act protects against the use of any “word, term, name, symbol, or device” that is likely to cause confusion as to “sponsorship” of the use.⁵⁶ Thus, unauthorized use of a mark within a video game invites an unfair competition claim from markholders who fear a perceived endorsement of that use. To avoid intrusion on First Amendment values, courts construe these Trademark Act actions narrowly.⁵⁷ In their view, the expression that the mark adds to the defendant’s content deserves more protection than the mere labeling of commercial products, to which the likelihood-of-confusion test would normally apply.⁵⁸ This view gave rise to the *Rogers* test.

In *Rogers v. Grimaldi*, the Second Circuit was the first to hold that, under the aegis of the First Amendment, Section 43(a) of the Trademark Act is inapplicable to the use of a protected name in a creative work.⁵⁹ The

54. *Id.* at 576 (quoting Harry Kalven, Jr., *Privacy in Tort Law—Were Warren and Brandeis Wrong?*, 31 LAW & CONTEMP. PROBS. 326, 331 (1966)).

55. Rosenblatt, *supra* note 12, at 1016.

56. 15 U.S.C. § 1125(a)(1)(A) (2006).

57. *See* *Rogers v. Grimaldi*, 875 F.2d 994, 998 (2d Cir. 1989).

58. *Id.*

59. *Id.* at 1005 (“[W]e hold that section 43(a) of the Lanham Act does not bar a minimally relevant use of a celebrity’s name in the title of an artistic work . . .”).

Rogers case centered on a film by Federico Fellini titled *Ginger and Fred*.⁶⁰ The film portrayed the fictional story of two Italian cabaret performers known in Italy as “Ginger and Fred.” Actress and dancer Ginger Rogers sued under Section 43(a), alleging that the film’s title was misleading as to sponsorship.⁶¹ Denying Rogers relief, the Second Circuit affirmed summary judgment for the film producer, holding that the title contained an expressive element that “preclude[d] a Lanham Act claim for false description of content.”⁶² The Trademark Act’s protections must be construed narrowly, the court said, to avoid “instru[sion] on First Amendment values.”⁶³ Narrowing the Act’s protections, the court held that only where use of a mark is “explicitly mislead[ing]” will a plaintiff have recourse for unfair competition.⁶⁴

The *Rogers* court created a two-prong test to balance the public’s interest in free expression with the interest in protecting the public from “flagrant deception.”⁶⁵ Trademark protection overcomes the First Amendment only if “the title has *no artistic relevance* to the underlying work whatsoever, or, if it has some artistic relevance, unless the title *explicitly misleads* as to the source or the content of the work.”⁶⁶ These two prongs, the “relevance prong” and the “explicitly-misleading prong,” embody the *Rogers* court’s balance between a content producer’s freedom of artistic expression and the traditional likelihood-of-confusion analysis.⁶⁷

Although the *Rogers* test was created to examine the use of a name within the *title* of a work, it has readily been applied to the use of a protected mark within the *content* of a work as well.⁶⁸ In 2008, the Ninth Circuit adopted the *Rogers* test to evaluate the depiction of a building, protected by trademark and trade dress under the Trademark Act, within a video game.⁶⁹ In 2011 a district court in the Seventh Circuit applied the

60. *Id.* at 996.

61. *Id.* at 997. Ginger Rogers gained international fame for her appearance with co-star Fred Astaire in numerous films during the 1930s and 1940s. THE CAMBRIDGE DICTIONARY OF AMERICAN BIOGRAPHY 623 (John S. Bowman ed., 1995).

62. *Rogers*, 875 F.2d at 1001 (noting that titles may be used for irony and satire and constitute “an integral element of the film and the film-maker’s artistic expressions”).

63. *Id.* at 998.

64. *Id.* at 999.

65. *Id.*

66. *Id.* (emphasis added).

67. Rosenblatt, *supra* note 12, at 1015.

68. *See No Doubt v. Activision Publ’g, Inc.*, 122 Cal. Rptr. 3d 397, 413–14 (Cal. Ct. App. 2011) (“The Ninth Circuit, along with several other federal circuit courts, has since extended the *Rogers* test beyond titles of artistic works to artistic works in general.”); *see also E.S.S. Entm’t 2000, Inc., v. Rock Star Videos, Inc.*, 547 F.3d 1095, 1099 (9th Cir. 2008) (noting that there is “no principled reason why [the *Rogers* test] ought not also apply to the use of a trademark in the body of the work.”).

69. *See E.S.S. Entm’t*, 547 F.3d.

Rogers test to the name of a virtual machine gun within a video game.⁷⁰ Thus, the *Rogers* test has become a prime way for courts to evaluate the First Amendment protections to which video games are entitled.

While it immunizes the work of content producers, the *Rogers* test provides minimal protection, if any, to markholders. One reason for this stems from the fact that the test was not drawn to protect those with intellectual property rights but rather to protect consumers from “flagrant deception.”⁷¹ However, in a media world saturated with product placement, it takes less than “flagrant deception” on the part of content producers to lead consumers to believe that a claim of sponsorship is being made.⁷² Despite this danger, the *Rogers* test was intentionally designed as a low bar for those invoking the protection of the First Amendment.

First, consider the relevance prong. The *Rogers* court defined the relevance prong as an “appropriately low threshold of minimal artistic relevance.”⁷³ Two recent cases applying the *Rogers* test to video games demonstrate that the relevance prong is effectively no threshold at all: *E.S.S. Entertainment v. Rock Star Videos*⁷⁴ and *Dillinger v. Electronic Arts*.⁷⁵

In *E.S.S.*, the Ninth Circuit considered the depiction of a virtual strip club, the “Pig Pen,” in Rockstar’s video game, *Grand Theft Auto: San Andreas*.⁷⁶ The developers drew inspiration from a real-world strip club, the “Play Pen,” located in East Los Angeles.⁷⁷ *E.S.S.*, the Play Pen’s proprietor, held trademark and traddress registrations for the exterior appearance of its establishment.⁷⁸ Holding that the game was immune to *E.S.S.*’s claims of unfair competition, the Ninth Circuit found that Rockstar Game’s re-creation of the Play Pen met the *Rogers* test’s relevance prong.⁷⁹ That prong, the court reasoned, requires only that “the level of relevance . . . be above zero.”⁸⁰ Because Rockstar had the “artistic

70. See *Dillinger, L.L.C. v. Elec. Arts, Inc.*, No. 1:09-CV-1236-JMS-DKL, 2011 U.S. Dist. LEXIS 64006 (S.D. Ind. June 16, 2011). Most recently, the *Rogers* test was applied in a non-video game case involving the depiction of designer luggage in the movie, *Hangover II*. *Louis Vuitton Mallatier S.A. v. Warner Bros. Entm’t*, 868 F. Supp. 2d 172 (S.D.N.Y. 2012).

71. See *supra* text accompanying note 65.

72. Rosenblatt, *supra* note 12, at 120. (“If consumers believe that a particular kind of trademark use must always be authorized by the markholder, then consumers will infer that any such use implies sponsorship or approval by the markholder and an unauthorized use becomes, by definition, an infringement.”).

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

74. 547 F.3d 1095 (9th Cir. 2008).

75. 2011 U.S. Dist. LEXIS 64006 at *15–16.

76. 547 F.3d at 1097.

77. *Id.*

78. *Id.*

79. *Id.* at 1100.

80. *Id.*

goal . . . to develop a cartoon-style parody of East Los Angeles,” the re-creation of the Play Pen was relevant because it supplied a “look and feel” that advanced that goal.⁸¹ Under this nebulous formulation of relevance, it is difficult to imagine that anything found in East Los Angeles would be beyond reach of the first prong of the *Rogers* test.

The minimal requirements of the relevance prong were also satisfied in *Dillinger*. In *Dillinger*, the district court considered the name of weapons featured in *Godfather* video games.⁸² Electronic Arts indentified two guns within the games as “Dillinger Tommy Gun” and “Modern Dillinger.”⁸³ The family of John Dillinger sued for trademark infringement.⁸⁴ Seeking to overcome the relevance prong, the family argued that because John Dillinger appeared nowhere in the games’ plots, naming the guns “Dillinger” bore no relevant connection to any tangible aspect of the games. The court rejected this argument.⁸⁵ To the court, it was clear that the “*Godfather* games [were] not ‘about’ Tommy Guns”; however, Dillinger’s name, though protected by trademark, had “above-zero relevance to a game whose premise enables players to act like members of the mafia and spray Tommy Guns.”⁸⁶ Thus, the Dillinger guns’ relationship to the virtual mafia world, even if “attenuated,” was enough to satisfy the *Rogers* test.⁸⁷

With these applications of the relevance prong in mind, it is plain to see that the *Rogers* test is met by uses that are barely relevant to overall gameplay experience. Although John Dillinger played no part in the *Godfather* universe, his real-world predilection for Tommy Guns made the use of his name in video games based on the *Godfather* relevant. Even accepting this as the proper application of the relevance prong, one cannot help but notice the significant line-drawing problem that such a nebulous formulation of relevance poses. Consider *Second Life* and its goal to mirror real life in every respect. When a video game attempts to re-create life itself, is every real-world product “relevant” to that game simply because that product exists? The “above zero” relevance standard of the *Rogers* test seems to indicate so.

This line-drawing problem might be the result of a misapplication of the *Rogers* test that occurred when it was applied to the content of works.

81. *Id.*

82. *Dillinger, L.L.C. v. Elec. Arts, Inc.*, No. 1:09-CV-1236-JMS-DKL, 2011 U.S. Dist. LEXIS 64006, at *6–7 (S.D. Ind. June 16, 2011).

83. *Id.* at *7–8. The “Dillinger Tommy Gun” was available for use in the first *Godfather* game, while the “Modern Dillinger” could be downloaded for use in *The Godfather II*. *Id.*

84. The Dillinger family holds the trademark registration for the use of the name “Dillinger” in relation to guns. JOHN DILLINGER, Registration No. 4,022,992. The family also owns the trademarks in relation to checkbook covers, key chains, clothing, and restaurants bearing the Dillinger name.

85. *Dillinger*, 2011 U.S. Dist. LEXIS 64006, at *11.

86. *Id.*

87. *Id.* at *14.

Remember that the *Rogers* court first articulated the test for the purpose of balancing opposing expressive and property interests within the title of a work. Clearly, the *Rogers* test protects markholders from misleading sponsorship when their mark is used in a title that bears no relevance to the actual content of work. The title, “*Godfather: The Dillinger Chronicles*,” would have zero relevance to a game in which the character John Dillinger played no role. However, this protection is much less meaningful where a mark is used within the game itself. Game producers are unlikely to utilize a mark in gameplay that bears no relevance whatsoever to their overall game. Only the aberrational producer would name an object “Dillinger” in a game based on, say, Dr. Seuss. The natural desire to produce a cohesive, immersive story forces game developers to use marks that bear some minimal relevance to their overall work. The relevance prong of the *Rogers* test does little to guarantee this.

The second prong of the *Rogers* test also provides unsatisfactory protection from false perceptions of sponsorship. The explicit-misleading prong ensures that uses of a mark, though protected by the First Amendment, do not constitute false or misleading advertisement to the public.⁸⁸ Thus, even if the use of the mark passes the above-zero relevance requirement, the “consumer’s interest in avoiding deception would warrant application of the Lanham Act” to an explicitly misleading use of a mark.⁸⁹ However, by defining what constitutes an “explicitly misleading” use, courts have further eviscerated the Trademark Act’s protection against consumer confusion.

Applying the explicitly-misleading prong to video games, courts have required “some *affirmative statement* of the plaintiff’s sponsorship or endorsement” beyond the mere use of the plaintiff’s mark.⁹⁰ Absent an overt claim of sponsorship, the mere depiction of a mark does not satisfy the explicitly-misleading prong, else “it would render *Rogers* a nullity.”⁹¹ Thus, the mere possibility of consumer “misunderstanding, not engendered by any overt claim” of sponsorship, is outweighed by interests in free expression and precludes liability under the Trademark Act.⁹² As will be

88. E.S.S. *Entm’t 2000, Inc., v. Rock Star Videos, Inc.*, 547 F.3d 1095, 1100 (9th Cir. 2008) (“This prong of the test points directly at the purpose of trademark law, namely to ‘avoid confusion in the marketplace by allowing a trademark owner to prevent others from duping consumers into buying a product they mistakenly believe is sponsored by the trademark owner.’” (quoting *Mattel, Inc. v. Walking Mountain Productions*, 353 F.3d 792, 806 (9th Cir. 2003))).

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

90. *Dillinger*, 2011 U.S. Dist. LEXIS 64006, at *18 (emphasis added).

91. E.S.S. *Entm’t*, 547 F.3d at 1099 (“A trademark infringement claim presupposes a use of the mark. If that necessary element in every trademark case vitiated a *First Amendment* defense, the *First Amendment* would provide no defense at all.” (emphasis added) (citing *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 902 (9th Cir.2002))).

92. *Rogers*, 875 F.2d at 1001.

seen, the explicitly-misleading prong is easily avoided by content producers and provides no meaningful protection from uses that are likely to create serious consumer misconceptions as to sponsorship.

Consider our two cases from before. Evaluating the depiction of the “Play Pen” in *Grand Theft Auto: San Andreas*, the court in *E.S.S.* held that a “reasonable consumer would not think a company that owns one strip club in East Los Angeles . . . also produces a technologically sophisticated video game.”⁹³ The court considered it “far-fetched that someone playing *San Andreas* would think [E.S.S.] had provided whatever expertise, support, or unique strip-club knowledge it possesses to the production of the game.”⁹⁴ Likewise, in *Dillinger*, the district court found no material issue of fact over *Rogers*’ second prong because of the absence of empirical “evidence that any consumer bought the *Godfather* [g]ames because of the Dillinger name.”⁹⁵ This focus on overt misrepresentation ignores the erosion that misleading claims of sponsorship cause on the boundaries of trademark owners’ rights.

The mere use of a mark, while insufficient to satisfy the explicitly-misleading prong of the *Rogers* test, is enough to trigger consumer confusion as to sponsorship of that use. The public has good reason to be confused. The practice of blurring out marks appearing in music videos and reality TV shows draws the public’s attention to the mark and “sends a message to consumers that gratuitous appearances of marks need to be licensed.”⁹⁶ This has led “consumers [to] believe that a particular kind of trademark use must always be authorized by the markholder,” causing an inference “that any such use implies sponsorship or approval by the markholder.”⁹⁷ *E.S.S.*’s restriction of consumer confusion to production ignores this reality, and *Dillinger*’s emphasis on empirical evidence of consumer reliance ignores the growing public perception that all markholders have bargained for every depiction of their mark. Without emphasis on the likelihood of confusion about sponsorship, the *Rogers* test ignores the rights of markholders to profit from the sponsorship of their marks.

Another flaw with the explicitly-misleading prong is how easily game producers can avoid its effect. By requiring an “explicit misrepresentation” that the markholder sponsored the use, video game developers could easily avoid the *Rogers* test by placing a disclaimer on the packaging or initial

93. 547 F.3d at 1100–01.

94. *Id.* at 1100.

95. 2011 U.S. Dist. LEXIS 64006, at *19.

96. Rosenblatt, *supra* note 12, at 1034.

97. *Id.* at 1020.

title screen of their games.⁹⁸ By disclaiming that any markholder actually endorsed any depiction of their mark within the game, a developer could claim that any misleading effect by that mark's use is not "explicit," thus defeating *Rogers'* second prong. Many games already employ such tactics, including the one at issue in *E.S.S.*⁹⁹ It remains an open question whether a lone disclaimer would be sufficient to negate an otherwise explicitly misleading use; however, if the *Rogers* test continues to be the predominant test, video game producers are increasingly likely to lean on disclaimers to avoid Trademark Act violations.¹⁰⁰

This ease of avoidance demonstrates that the *Rogers* test does not supplement the Trademark Act, but rather works a complete circumvention of it. Gamers play a large number of games over their gaming careers. Inevitably, they come to view disclaimers as boilerplate and view their language as perfunctory. The explicitly-misleading prong does nothing to protect from misleading claims of sponsorship preceded by disclaimers that are unlikely to have any effect on consumers' perceptions. With one prong that requires only tenuous relevance and another prong that opens itself to complete preemptory circumvention, the *Rogers* test serves no meaningful protection for markholders who find their marks misappropriated in video games.

IV. A BETTER SOLUTION: THE TRANSFORMATIVE-USE TEST

Another test has emerged that grants First Amendment protection to the use of a mark within a creative work. The "transformative-use test" has been applied in this context by California state courts¹⁰¹ and has recently been adopted by a district court in the Third Circuit.¹⁰² Unlike the *Rogers* test, which assumes that every use of a mark is protected speech, the

98. See *id.* at 1075 ("[T]he limitation that misleading uses will be prohibited only if they are explicitly misleading means that content creators need only avoid explicit statements of sponsorship, affiliation, and approval, and need not be concerned with the degree to which consumers could infer sponsorship, affiliation, or approval from any given use.").

99. The disclaimer on the start-up screen of *Grand Theft Auto: San Andreas* reads:

Note: The content of this videogame is purely fictional, and is not intended to represent any actual person, business or organization. Any similarity between any character, dialogue, event or plot element of this game and any actual person, business or organization is purely coincidental. The makers and publishers of this videogame do not in any way endorse, condone or encourage this kind of behavior.

MOBY GAMES, <http://www.mobygames.com/game/windows/grand-theft-auto-sanandreas/screenshots/gameShotId,114017/> (last visited Mar. 13, 2013).

100. Frackman & Leviton, *supra* note 3, at 65.

101. See, e.g., *Comedy III Prods., Inc. v. Gary Saderup, Inc.*, 21 P.3d 797 (Cal. 2001); *No Doubt v. Activision Publ'g, Inc.*, 122 Cal. Rptr. 3d 397 (Cal. Ct. App. 2011); *Kirby v. Sega of Am., Inc.*, 50 Cal. Rptr. 3d 607 (Cal. Ct. App. 2006).

102. *Hart v. Elec. Arts, Inc.*, 808 F. Supp. 2d 757 (D.N.J. 2011).

transformative-use test withholds the shield of the First Amendment until the defendant demonstrates that its use is more than a mere reproduction of the plaintiff's mark. In that way, the transformative-use test recognizes the individual IP rights backing a mark and requires a user to make a clear differentiation between use and mark.

The notion of a "transformative use" first emerged out of the doctrine of fair use in copyright.¹⁰³ In *Comedy III Productions v. Gary Saderup*, the California Supreme Court was the first to adopt the test as a balance between the First Amendment and the right of publicity.¹⁰⁴ Like the *Rogers* test, the transformative-use test recognizes that a content producer's "First Amendment right of free expression is in tension with the rights of [IP rights holders] to control the commercial exploitation" of their property interests.¹⁰⁵ Recognizing the right of publicity as a form of intellectual property, the court in *Comedy III* declared that "the state's interest in preventing the outright misappropriation of such intellectual property by others is not automatically trumped by the interest in free expression or dissemination of information."¹⁰⁶ Thus, the court adopted the transformative-use test as a filter to determine which types of uses qualify for absolute protection under the First Amendment.

The transformative-use test asks "whether the work in question adds significant creative elements so as to be transformed into something more than a mere celebrity likeness or imitation."¹⁰⁷ Put differently, the test asks whether a celebrity likeness is "one of the 'raw materials' from which an original work is synthesized," or whether the depiction is the "very sum and substance of the work in question."¹⁰⁸ The First Amendment protects the former and not the latter. When the defendant's use is so transformed that "it has become primarily the defendant's own expression," only then is the defendant entitled to the absolute shield of the First Amendment.¹⁰⁹

Unlike the *Rogers* test, the transformative-use test does not assume that every use of a mark is protected by the First Amendment; rather, the test seeks to determine at the threshold whether the use is protected free speech. Under this analysis, the use is "protected by the First Amendment [only] inasmuch as it contains significant transformative elements."¹¹⁰ Another difference is that the transformative-use test is a *defense* to an unfair

103. Pierre N. Leval, *Towards a Fair Use Standard*, 103 HARV. L. REV. 1105, 1111 (1990).

104. *No Doubt*, 122 Cal. Rptr. 3d at 400-01 (noting that the "transformative-use" test was first applied in *Comedy III*).

105. *Id.* at 408.

106. *Comedy III*, 21 P.3d at 806.

107. *Id.* at 799.

108. *Id.* at 809.

109. *Id.*

110. *Id.* at 810.

competition claim: when faced with a prima facie claim for unfair competition, the defendant may raise the “affirmative defense that the work is protected by the First Amendment.”¹¹¹ On the other hand, the *Rogers* test is a narrow construction of the Trademark Act cause of action, placing the burden on the plaintiff to prove its two prongs.¹¹² Thus, unlike the *Rogers* test, the transformative-use test places the responsibility on content producers to prove that their uses of trademarks are entitled to immunity from claims of unfair competition. These qualities strike a more equitable balance in the evaluation of trespass on Trademark Act protections.¹¹³

The first California opinion to apply *Comedy III* to a video game was *Kirby v. Sega of America*.¹¹⁴ In that case, Sega of America prevailed in securing an absolute free speech defense for its video game, *Space Channel 5*.¹¹⁵ Kierin Kirby, a 1990s musician, alleged that Sega’s depiction of the character “Ulala” in the game violated her common law right of publicity and constituted unfair competition under the Trademark Act; Kirby alleged that “Ulala” was based off of her appearance, career as a musician, and notable catchphrases.¹¹⁶ Using a straightforward application of the transformative-use test, the court concluded that Sega had transformed Ulala into “more than a mere likeness or literal depiction of Kirby.”¹¹⁷ Significant was the fact that the virtual character and the real celebrity had different costumes and different dance moves, and also that “the setting for the game that features Ulala—as a space-age reporter in the 25th century—[was] unlike any public depiction of Kirby.”¹¹⁸ “Taken together,” these transformative elements protected Sega’s depiction of Ulala under the First Amendment.¹¹⁹

From *Kirby*, it is clear that mere similarity to a celebrity’s likeness is not sufficient to overcome the First Amendment defense—a non-literal rendition of a celebrity likeness, even if loosely based off the celebrity, is likely to be found a transformative use. However, *Kirby* did not resolve the

111. *Id.*

112. *See* *Rogers v. Grimaldi*, 875 F.2d 994, 998 (2d Cir. 1989).

113. While the transformative-use test was created to evaluate claims of the right of publicity, it can also be effectively employed to evaluate claims of unfair competition under trademark law. Courts applying the transformative-use test have equated the right of publicity with unfair competition under the Trademark Act. *See, e.g.*, *Kirby v. Sega of Am., Inc.*, 50 Cal. Rptr. 3d 614, 615 (Cal. Ct. App. 2006) (“The Lanham Act is the federal equivalent of a right of publicity claim.”).

114. 50 Cal. Rptr. 3d at 607.

115. *Id.* at 608.

116. *Id.* at 613 (noting that “Ulala resemble[d] Kirby in certain respects” as both shared similar appearance (red or pink hair), wore similar clothing (short skirts and platform shoes), and “used the phrases ‘groove,’ ‘meow,’ ‘dee-lish,’ and ‘I won’t give up’”).

117. *Id.* at 616.

118. *Id.*

119. *Id.*

importance of the features of the game that do not relate to the celebrity's likeness, such as the gameplay's setting. It is unclear whether placing an exact rendition of Kirby's likeness in a transformed setting alone would have shielded Sega's use behind the First Amendment.

A recent case has directly addressed the effect that a video game's transformative setting has on an unaltered depiction of a celebrity. Faced with similar facts, a California appeals court reached the opposite conclusion of *Kirby*. In *No Doubt v. Activision Publishing*, the band, No Doubt, succeeded in arguing that the depiction of the band in the video game *Band Hero* was not protected by the First Amendment.¹²⁰ Although the band had modeled for Activision to create virtual "avatars" of the band, No Doubt sued alleging that the game's depiction of the band extended beyond what was bargained for in their licensing agreement.¹²¹ The *No Doubt* court recognized that the "context into which the celebrity image is placed" can greatly affect whether the likeness has been transformed into a new expression.¹²² However, the court concluded that the game's transformative setting alone did not entitle the virtual representation of the band to First Amendment protection.¹²³ Unlike *Space Channel 5*'s setting in *Kirby*, no matter where or how the band members were depicted, the band's "avatars perform[ed] rock songs, the same activity by which the band achieved and maintain[ed] its fame."¹²⁴ The game's graphics and background content did not transform the fungible representation of the band, which was an "exact depiction[] of No Doubt's members doing exactly what they do as celebrities."¹²⁵ Comparing these two cases, there seems to be an important distinction between an exact representation of a celebrity depicted in the role that made him or her famous, as in *No Doubt*, and an altered depiction, as in *Kirby*, in addition to any transformative effect of the game's surrounding content.¹²⁶

120. 122 Cal. Rptr. 3d 397 (Cal. Ct. App. 2011).

121. *Id.* at 400. No Doubt agreed to generation of virtual "avatars [that] would accurately reflect their appearances, movements, and sounds" and perform songs actually performed by No Doubt. *Id.* at 402. The band found objectionable an "'unlocking' feature of the game that would permit players to use No Doubt's avatars to perform any of the songs included in the game, including songs that No Doubt maintain[ed] it never would have performed." *Id.*

122. *Id.* at 410.

123. *Id.*

124. *Id.* at 411.

125. *Id.* (noting that graphics and background setting were "secondary" to the depiction of the band).

126. This emphasis on the transformative effect of content surrounding the celebrity likeness has played out in recent cases involving depictions of student athletes in video games. Two cases, both involving the depiction of college football players' likenesses in Electronic Art's *NCAA Football* franchise, have come to opposite conclusions. Taking a narrow view of the transformative-use test, *Keller v. Electronic Arts* held that the depiction of the athlete's likeness was not transformative, focusing on the "depiction of [Keller] in 'NCAA Football'" itself, and "not the game's other elements."

Even with the varying applications by courts, the transformative-use test best serves the interest of celebrities, and by extension, markholders, against uses likely to engender confusion over endorsement of a use. It prevents the use of a mark as the entire sum and substance of an expression, something that the *Rogers* test allows. However, allowing the background setting in which a mark is placed to constitute a transformative-use comes dangerously close to the indiscriminate First Amendment protection granted by the *Rogers* test. If merely depicting an unaltered mark within the graphics of a video game constitutes a transformation, then the transformative-use test would stop serving its useful purpose. Avoiding this result, the soundest approach is that taken in *No Doubt*: courts should consider first and foremost whether the use is visually distinguished from the protected mark itself if placed in a setting for which that mark is famous. This properly evaluates whether the mark is just one of the raw materials making up the creative content, or rather the sum and substance of that content altogether.

Even under the searching inquiry of the transformative-use test, video game producers would continue to enjoy considerable artistic freedom under the “nominative fair use” doctrine.¹²⁷ The nominative fair use doctrine is an extension of the general “fair use” doctrine applied in trademark law.¹²⁸ Under this doctrine, a content producer may freely use a mark to refer “to the specific branded product or service identified by the mark.”¹²⁹ Reproduction of the mark is permissible if the “product or service in question is not readily identifiable without the use of the mark, as long as only so much of the mark is used as is reasonably necessary to identify the product or service.”¹³⁰ Thus, a defendant may use the “trademarked term to describe not its own product, but the plaintiff’s.”¹³¹ Even with the extension of the transformative-use test to trademarks, the nominative fair use doctrine would continue to be a sound defense. Some uses of a mark cannot be transformed without losing an element of the expression that they convey to the player. Consider flight simulator games—video games in which armchair aviators pilot virtual re-creations of commercial and military aircraft. Popular games in this genre feature recognizable aircraft

Keller v. Elec. Arts, Inc., 2010 U.S. Dist. LEXIS 10719, at *16 (N.D. Cal. Feb. 8, 2010). On the other hand, *Hart v. Electronic Arts* took a broad view of the transformative use test, holding that the game, when “[v]iewed as a whole,” contained “sufficient elements of EA’s own expression . . . that justify the conclusion that its use of Hart’s image is transformative.” *Hart v. Elec. Arts, Inc.*, 808 F. Supp. 2d 757, 784 (D.N.J. 2011).

127. Frackman & Leviton, *supra* note 3, at 65.

128. *Id.*

129. *Id.*

130. *Id.*

131. *E.S.S Entm’t 2000 Inc., v. Rock Star Videos, Inc.*, 547 F.3d 1095, 1098 (9th Cir. 2008) (quoting *Playboy Enters., Inc. v. Welles*, 279 F.3d 796, 801 (9th Cir. 2002)).

such as Boeing 747s and Airbus A380s.¹³² Although the names of those aircrafts are registered trademarks, the simulator designer uses only as much of the name as is necessary to readily identify the type of plane featured in the game. The easiest, and perhaps only, practical way for a simulator designer to label a virtual plane sharing the design specifications of a real Boeing 747 is to call it, simply, a “Boeing 747.” This is an example of a non-transformative use that would continue to be immune under the Trademark Act. The flight simulator example must be contrasted with the use at issue in *Dillinger*. Machine guns are readily identifiable by numerous labels; it was not impossible to identify a Tommy Gun without the name “Dillinger” attached. That flourish was an attempt to give the gun an added aura of notoriety, not a nominatively fair reference to a specific product.

Although it provides absolute protection from claims of unfair competition, the nominative fair use doctrine is limited in scope. It applies only when the defendant’s use of the mark is identical to the plaintiff’s and used for the purpose of “comparison, criticism, or [a] point of reference.”¹³³ Where a video game incorporates an altered or parodied representation of a mark, the doctrine serves as no shield from a Lanham Act action.¹³⁴ For this reason, Electronic Arts could not rely on the nominative fair use doctrine as a defense in *E.S.S.* This points out the interesting interplay between the transformative-use test and the nominative fair use doctrine: only where a mark remains non-transformed will it qualify as a nominative fair use. This provides video game producers with two options: either transform the use of a mark into distinctive expression or use only so much of an unaltered mark as is necessary to refer to a particular product. This approach does not give producers leeway to incorporate unaltered marks into their games for products that are readily identifiable through means other than protected marks, such as “Tommy Gun” or “machine gun.”

CONCLUSION

Because it is easily applied to trademarks and strikes an equitable balance between free expression and property rights, the transformative-use test should be the standard to which trademarks appearing in video games are held. The *No Doubt* court demonstrated the soundness of this approach by first applying the transformative-use test to determine whether *Rogers*

132. See, e.g., *FlightGear Aircraft Downloads*, FLIGHTGEAR, <http://www.flightgear.org/download/aircraft-v2-6/> (last visited May 2, 2012).

133. *E.S.S. Entm’t*, 547 F.3d at 1098–99 (quoting *Mattel Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 808 n.13 (9th Cir. 2003)).

134. *Id.* at 1099 (noting that Rockstar’s use of the “Pig Pen” was “not identical to the plaintiff’s . . . mark”) (internal quotations omitted).

balancing was necessary. Only after finding a use worthy of First Amendment protection should it be afforded the heightened protection of the *Rogers* test.

Courts can easily supplement their current unfair competition analysis with this two-phase approach. California courts already note that the *Rogers* test “comes into play only after a determination has been made that a challenged use of a trademark is worthy of heightened First Amendment protection.”¹³⁵ Instead of assuming that the First Amendment protects every element of a game’s content, courts should adopt this analysis to determine whether a particular mark has been transformed into protected expression.

This two-phase approach to trademark use in video games serves the underlying principles of intellectual property law and better protects markholders from false conceptions of sponsorship. First, the Supreme Court has said that the goal of intellectual property protection is to “promote science and the arts, [and] is generally furthered by the creation of transformative works.”¹³⁶ The transformative-use test furthers this goal by encouraging video game developers to create ever increasingly transformative works. It is this creativity, and not mere mimicry, that the intellectual property law seeks to engender.

Second, markholders are protected by the requirement that a use of their mark be transformed into an independent form of expression. Keep in mind that the Trademark Act protects against consumer confusion as to the sponsorship of a particular use of a mark. When a mark is transformed by creative efforts, synthesized with other creative elements such as satire and parody, consumers are not likely to be confused about whether the owner of that mark sponsored that particular use. On the other hand, when the mark is the sum and substance of the purported expression, there are no compelling First Amendment considerations in favor of the defendant getting the benefit of a use for which it would normally pay.¹³⁷

Additionally, requiring that a trademark be transformed avoids the end-run around the *Rogers* test affected by disclaimers.¹³⁸ Because the explicitly-misleading prong of the *Rogers* test can easily be thwarted by a disclaimer of sponsorship, most claims of unfair competition against video games would be defeated by disclaimers that are unlikely to affect the way players perceive the use of the mark.¹³⁹ The use of a mark not transformed into the game’s own expression is more likely to confuse consumers about sponsorship, whether or not that use is preceded by a disclaimer. Under the

135. No Doubt v. Activision Publ’g, Inc., 122 Cal. Rptr. 3d 397, 415 (Cal. Ct. App. 2011).

136. Campbell v. Acuff–Rose Music, Inc., 510 U.S. 569, 579 (1994).

137. See *supra* text accompanying note 54.

138. See *supra* text accompanying note 98.

139. See *supra* Part III.

transformative-use test, a disclaimer would have no effect on a use that was not transformed; consideration of the “explicitness” of the misleading effect would have no impact.

The advantages of the transformative-use test become manifest after applying it to the cases discussed in this Note. For example, *Dillinger* would likely not have been dismissed on First Amendment grounds had the court applied the transformative-use test. The plaintiff in *Dillinger* held a registered mark for the exact use depicted in *The Godfather*: a gun named “Dillinger.” This depiction was not transformative; like the band in *No Doubt*, the gun in *Dillinger* was depicted in a setting doing exactly what a “Dillinger” gun would do in real life. Players could wield the “Modern Dillinger” just as they would a real gun named Dillinger. This is a clear example of virtual trademark misappropriation. On the other hand, application of the transformative-use test would be unlikely to change the result in *E.S.S.* There, the appearance and name of the real strip club were just one of the many raw materials that Rockstar Games used to create the virtual world of *Grand Theft Auto: San Andreas*. Rockstar’s virtual strip club exhibited several transformative elements: the “Pig Pen” was not an identical rendition of the “Play Pen,” and the game incorporated surrounding elements of parody and satire. The “Pig Pen” represented Rockstar’s independent expression and should be granted First Amendment protection under the transformative-use test.

The conjoined application of the transformative-use test and the *Rogers* test protects all interested. Content producers will be afforded First Amendment protection when their uses qualify as transformations of a protected mark, and the *Rogers* test would continue to serve the purpose of the Trademark Act by protecting the public from misleading designations of sponsorship within a video game. Until a transformation requirement is added into the analysis, the *Rogers* test is ill-framed to evaluate the content of video games.

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