

Trademark Law and the First Amendment Meet at a Virtual Strip Club

By Jack Schecter

When the unauthorized use of a trademark in an artistic work would otherwise violate the Lanham Act, to what extent does the First Amendment provide a defense?

In the recent decision *E.S.S. Entertainment 2000, Inc. v. Rock Star Videos, Inc.*, the Ninth Circuit held that the First Amendment protected defendant Rockstar, the producer of a video game in the “Grand Theft Auto” (GTA) series, from a claim of trademark infringement based on the inclusion in the game of a virtual strip club – the Pig Pen – modeled after a real life strip club – the Play Pen – owned and operated by the plaintiff, ESS.

Each game in the GTA series is set in an urban location modeled after a real American city. The relevant parts of the game at issue here, *GTA: San Andreas*, were set in “Los Santos” (a faux Los Angeles).

To create the virtual environment of Los Santos, artists from Rockstar visited Los Angeles and took reference pictures of real-life businesses, streets and other locations throughout the city, including the Play Pen Gentleman’s Club, located in East Los Angeles. A similar-looking club was featured as the Pig Pen in *GTA: San Andreas*.

At the core of its complaint, ESS alleged that Rockstar’s virtual Pig Pen made use of the distinctive logo and trade dress of ESS’s Play Pen, thereby creating a likelihood that consumers would be confused into believing that ESS had endorsed or was somehow affiliated with the virtual club.

Rockstar moved for summary judgment on the basis that, even assuming it infringed ESS’s trademark under the Lanham Act, its use of the distinctive logo and trade dress of ESS’s Play Pen was protected under the First Amendment. The district court granted summary judgment for Rockstar on its First Amendment defense. ESS appealed.

On appeal, the Ninth Circuit applied the test first set forth by the Second Circuit in *Rogers v. Grimaldi* and subsequently adopted by the Ninth Circuit in *Mattel v. MCA Records*. Under that test, the First Amendment

provides a defense for the unauthorized use of a trademark in the title of an artistic work unless (1) the use of the mark has no artistic relevance to the underlying work whatsoever; or (2) if the use has some artistic relevance, it explicitly misleads as to the source or the content of the work.

The Ninth Circuit noted that the *Rogers* test was traditionally applied to the unauthorized use of a trademark in the title of an artistic work, but the court found no principled reason why the test should not be equally applicable to the use of a trademark in the body of the work itself.

The court first rejected ESS’s argument that Rockstar’s alleged use of the Play Pen trademark and trade dress in *GTA: San Andreas* had no artistic relevance to the game. The court emphasized that under the *Rogers* test, the level of relevance between the unauthorized use of the mark and the artistic work merely must be above zero. Although ESS was correct that the game was not “about” the Play Pen, the court found that its inclusion in the game was relevant to Rockstar’s attempt to recreate the look and feel of East Los Angeles in its virtual “East Los Santos” game environment.

The court also rejected ESS’s argument that Rockstar’s alleged use of the Play Pen trademark and trade dress explicitly misleads as to the source or content of the work. Per the holding of *MCA Records*, the court emphasized that mere use of a trademark in an artistic work cannot make the use explicitly misleading, and nothing indicated that the inclusion of the virtual Pig Pen in the game would confuse consumers into believing that the game was produced by ESS or that Rockstar operated a strip club.

The Ninth Circuit’s extension of the *Rogers* test to cover the unauthorized use of a trademark in the body of an artistic work raises more questions than it answers.

First, on what basis could an artist’s decision to include a trademark or trade dress in the body of his or her artistic work ever be judged to have zero “artistic relevance” to the underlying work? Unlike a misleading title, which

might be considered separate and apart from the underlying work, it is difficult to conceive of a trademark being used in the body of a work of art itself but having no artistic relevance to the work whatsoever.

Once a mark is used in a work of art, the mark is a part of the work and should, by definition, be considered to have some relevance to the work. Where artistic works are concerned, the court appears to have set up a test no unauthorized trademark use could fail to pass.

Second, with respect to the “explicitly misleading” prong of the Rogers test, the court made clear that an unauthorized use itself cannot qualify as explicitly misleading. However, it went on to muddy the waters significantly by applying, in essence, a likelihood-of-confusion analysis in determining whether Rockstar’s alleged use of the Play Pen trade dress was “explicitly misleading.”

The court’s application of the likelihood-of-confusion test in this context is puzzling given that (1) the First Amendment defense under consideration is an *affirmative defense* that already presumes some degree of consumer confusion violative of the Lanham Act and (2) a likelihood-of-confusion is a threshold far lower than the stated “explicitly misleading” requirement.

With the frequent pop-cultural cross-referencing and ubiquitous product placement taking place throughout television, music and film – not to mention the burgeoning video game industry – courts and practitioners will soon be forced to confront the doctrinal questions left unanswered by the *ESS* decision. ✧