

There's No 'Easy Mode' For Suing Over A Video Game

By **Bill Donahue**

Law360, New York (November 15, 2017, 9:15 PM EST) -- Owners of brands like Humvee keep suing over the use of their trademarks in video games like "Call of Duty" — and courts keep tossing out the lawsuits. Here's why that won't change any time soon.

AM General LLC, the company behind the iconic military truck, launched a trademark lawsuit last week against Activision Blizzard Inc. over the Humvee's frequent appearance in the lucrative franchise of first-person shooter video games.

In the suit, the automaker claims the "Call of Duty" games had been successful "only at the expense of AM General and consumers who are deceived into believing that AM General licenses the games or is somehow connected with or involved in the creation of the games."

For video game makers, those kinds of accusations are nothing new. Over the years, Electronic Arts Inc., Rockstar Games Inc., Sony Interactive Entertainment Inc. and many developers have been hit with similar cases, claiming the use of a protected trademark in a video game violates the Lanham Act. Activision itself had already faced several of them before the Humvee case.

And over the years, courts have repeatedly rejected those claims, ruling time and again that the First Amendment trumps the strictures of trademark law and that game developers the right to use real-life trademarks in creating their digital worlds.

"Courts just don't expect the maker of a video game to make fake worlds where you either have permission on every trademark or you blur out all the logos," said Nathan B. Sabri, a partner at Morrison & Foerster LLP.

"Pretty consistently, courts have set a high bar and have been reluctant to believe that when a real object or real trademark appears in a video game consumers are going to be confused by it," Sabri said.

That judicial reluctance began long before video games.

Starting with a case filed in the 1980s by dancer Ginger Rogers, courts have set a high bar for suing over the use of a trademark in an expressive work like a book or a movie. The so-called Rogers test, since adopted by courts around the country, says that such claims only hold water if the trademark is completely artistically irrelevant to the work or it explicitly misleads consumers.

Over the last decade, as video games have become ever more realistic, judges have not been hesitant to apply that same test in a new space, particularly since a 2011 ruling from the U.S. Supreme Court that games are fully protected by the First Amendment.

In 2008, the Ninth Circuit tossed out a case filed against Rockstar over "Grand Theft Auto: San Andreas," ruling the developer was entitled to include a digital "Pig Pen" strip club that mimicked a real-life Los Angeles joint called the Playpen.

The appeals court said Rockstar's use of the strip club was sufficiently "relevant" to its artistic goal of creating "a cartoon-style parody of East Los Angeles." The court stressed that the Rogers test's threshold for relevance was extremely low, saying it "merely must be above zero."

In 2011, an Indiana federal judge ruled on the same grounds that the estate of gangster John Dillinger couldn't sue Electronic Arts for trademark infringement for using the "Dillinger" as the name of a gun in a "Godfather" video game.

In 2013, a California federal judge shut down a case filed by Novalogic Inc. against Activision over the use of "Delta Force" in another "Call of Duty" game, saying it was both relevant to the game and not misleading.

In 2015, another California federal judge ruled that military gear firm Mil-Spec Monkey Inc. couldn't sue Activision over the inclusion of an "angry monkey" — a "morale patch" purchased and worn by U.S. soldiers — in depictions of troops in "Call of Duty: Ghosts."

And just last month, the Ninth Circuit ruled that Sony Interactive couldn't be sued over the appearance of a "VIRAG" banner in "Gran Turismo" games. The logo, for a real-life advertiser at an Italian race track portrayed in the game, was relevant to the goal of realism and didn't mislead consumers, the court said.

"That case sort of exemplifies the difficulty of bringing these cases," Sabri said about the "Gran Turismo" ruling, noting that it had been dismissed by a trial court on the pleadings.

Perhaps most notable to the case filed over the Humvee is one filed over another sort of military vehicle.

In 2012, Bell Helicopter Textron Inc. accused Electronic Arts of infringing its trademark rights by using the Cobra helicopter and other famous military aircraft in "Battlefield 3," another first-person shooter video game. EA raised a First Amendment defense, but federal judge refused to dismiss the accusations on the pleadings, ruling it was at least plausible that consumers had been misled by the game. The case settled on confidential terms in 2013 without another ruling.

Though the judge repeatedly stressed that it was a threshold ruling, his decision not to dismiss the case the Bell Helicopter case could bear a few positive signs for AM General in its case against Activision.

The judge said, for instance, that Bell's accusation that the helicopters were "a major reason for the game's success" — rather than merely "incidental" like the "Grand Theft Auto" strip club — could plausibly support a claim that the chopper company was "somehow behind" or had "sponsored" the game. In its suit against Activision, AM General makes a similar claim, saying the Humvee was "a key selling feature of the games."

Another advantage for AM General over failed plaintiffs of the past is that it says Activision went quite a bit further than other developers, plastering the Humvee in advertising and even selling "Call of Duty"-branded toy versions of the truck.

Still, the overwhelming weight of the case law has a daunting message for the automaker: To win this kind of case on the merits, trademark owners face a huge burden, and developers face a low bar to win First Amendment protection.

That's led some experts to wonder why brand owners continue to bring them.

"I understand the plight of brand owners who fear that their inaction under such circumstances may cause the loss of rights," said Bryan K. Wheelock, a partner at Harness Dickey & Pierce PLC. "But I am concerned about the 'tax' that these enforcement efforts put on the creators of artistic content, such as movies and video games, who may forgo interesting or entertaining expression out of fear of groundless litigation."

--Editing by Brian Baresch and Katherine Rautenberg.