As Happy as a Rock Star in a Pig Pen:  
Fair Use Doctrine in a Video Game

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Just how far does copyright extend? I ran across an interesting case recently during my research for an intellectual-property yearly review that might illuminate concepts of fair use doctrine.

The owners (ESS) of the Play Pen Gentlemen's Club in eastern Los Angeles objected to the inclusion of a strip club called the Pig Pen in the video game Grand Theft Auto: San Andreas owned and produced by Rockstar Games, which takes place in a cartoon version of Los Angeles called “Lost Santos” that was composited by artists in Scotland from elements captured in photographs taken throughout the Los Angeles area.

On April 22, 2005, ESS sued for trademark infringement and unfair competition under a number of statutes; the case was heard by The Honorable Margaret M. Morrow, District Judge in the United States District Court for the Central District of California. The judgement< http://caselaw.lp.findlaw.com/data2/circs/9th/0656237p.pdf > includes the following description:

The heart of ESS's complaint is that Rockstar has used Play Pen’s distinctive logo and trade dress without its authorization and has created a likelihood of confusion among consumers as to whether ESS has endorsed, or is associated with, the video depiction.

In response, Rockstar moved for summary judgment on all of ESS's claims, arguing that the affirmative defenses of nominative fair use and the First Amendment protected it against liability. It also argued that its use of ESS's intellectual property did not infringe ESS's trademark by creating a 'likelihood of confusion.'

Judge Morrow ruled against the plaintiff and ESS appealed her decision. Judge Diarmuid F. O'Scanlann of the United States Court of Appeals for the Ninth Circuit wrote the Court's opinion affirming the lower court's rejection of ESS' claims of trademark infringement and published it on November 5, 2008.< http://caselaw.lp.findlaw.com/data2/circs/9th/0656237p.pdf > The key elements of the Appeal Court's reasoning were as follows:

1) In its defense, Rock Star argued that the nominative fair use principle protected its use of a trademark. Nominative fair use occurs when someone uses a trademark to describe the trademarked product, not a competing product with a similar trademark. The original court rejected this argument as irrelevant, since Rock Star's “Pig Pen” was not the trademarked logo of “Play Pen,” nor was there any evidence that the artists intended to comment on the Play Pen strip club.

2) Rock Star argued that the First Amendment protects the use of trademarks for legitimate artistic works or for criticism. Specifically, the action under the Lanham Act sections governing trademark infringement do not apply to such uses “unless [it] explicitly misleads as to the source or the content of the work.” Since there was no reasonable basis for supposing that the owners of Play Pen had anything to do with the creation and promotion of the video game.
3) ESS argued “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.” However, the judge wrote, “But fans can spend all nine innings of a baseball game at the hot dog stand; that hardly makes Dodger Stadium a butcher’s shop. In other words, the chance to attend a virtual strip club is unambiguously not the main selling point of the Game.”

For all these reasons, the lower court's ruling was affirmed: “…we conclude that Rockstar’s modification of ESS’s trademark is not explicitly misleading and is thus protected by the First Amendment. Since the First Amendment defense applies equally to ESS’s state law claims as to its Lanham Act claim, the district court properly dismissed the entire case on Rockstar’s motion for summary judgment.”

Cool. Go ye forth and frolic virtually in the Pig Pen without let or hindrance.

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