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Trade Marks

USA – Trends and Developments

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USA

TRENDS AND DEVELOPMENTS:

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The 'Trends & Developments' sections give an overview of current trends and developments in local legal markets. Leading lawyers analyse particular trends or provide a broader discussion of key developments in the jurisdiction.

Contributed by Cowan DeBaets Abrahams & Sheppard LLP **Authors:** Eleanor M. Lackman, Joshua B. Sessler, Scott J. Sholder, Nancy Wolff

Trends and Developments

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Cowan DeBaets Abrahams & Sheppard LLP is a boutique firm located in New York, NY, and Beverly Hills, CA. Cowan DeBaets Abrahams & Sheppard has approximately 35 attorneys who specialise in media, entertainment, and non-patent IP law (copyrights, trade marks, publicity rights, unfair competition, etc); clients include leading names in the motion pictures, digital media, fashion, sports, e-com-

merce, music, social media, travel and leisure, consumer goods, and technology industries. The firm's trade-mark practice encompasses clearance and counselling, prosecution domestically and through its foreign networks internationally, licensing, brand enforcement, domain proceedings, and litigation in federal courts and before the USPTO Trademark Trial and Appeal Board.

Authors



Eleanor M. Lackman is a partner at the firm and co-chair of its litigation and trade-mark practice groups. She specialises in copyright law, trade-mark law, and litigation. She is currently a member of the International Trademark Association's

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Joshua B. Sessler is a partner at Cowan DeBaets Abrahams & Sheppard and co-practice leader of its corporate department. His key areas of expertise are trade marks, corporations/mergers & acquisitions, information technology and

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Scott J. Sholder is a partner at CDAS. His key practice areas are copyright and trade-mark litigation; media defence litigation (defamation, false light, etc); entertainment and media commercial litigation/ADR; right of publicity and

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Nancy Wolff is a partner at the firm and co-chair of its litigation department, which includes trade marks. Her primary practice areas are copyright, trade mark and digital media, particularly as it relates to licensing digital media. Nancy advises

her clients on the registration and protection of intellectual property in the area of copyright and trade mark, also advising when releases are necessary under various publicity laws and on how to promote the clients' products and services without running foul of complex and evolving advertising and privacy rules. She is a member of the American Bar Association's IP section and has contributed to the association's magazine, *Landslide*; she is also a member of the Media Law Resource Center's copyright and trade-mark section.

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Trends and Developments in Trademark Use and Risk in the Media and Entertainment Industries

Brands are part of everyday life, and their depiction in media and entertainment (including music, motion pictures, television and video games) is no exception. This essay provides an overview of the legal context framing the use of trademarks in expressive works under US law, as well as some recent developments in this area.

What Potential Claims do Plaintiffs Assert When They See Their Names or Brands Used in Expressive Works?

Common claims include the following:

- trade-mark infringement or unfair competition resulting from the argument that the public is confused, or that the party using the brand is doing so in order to ride on a brand's cachet;
- false advertising pertaining to an express or implied message about the brand within the entertainment product;
- false endorsement arising from the suggestion that the brand-owner endorses the creator or contents of the song, film or game; and
- dilution, in cases where the use of the trade mark blurs the brand's distinctiveness or tarnishes the brand's reputation.

How Does US Law Apply in the Context of Media and Entertainment?

United States law has a strong tradition of upholding free speech and free expression, as encompassed in the First Amendment of the US Constitution. This includes the right to use a brand as part of a title of an expressive work or within an expressive work. The leading case is *Rogers v Grimaldi*, 875 F.2d 994 (2d Cir. 1989), which set out the standard for when the trade-mark laws will not apply to use of a trademark in expressive works. *Rogers* held that the trade-mark laws are not applicable if the use of the trade mark is "artistically relevant" to the work, and not "explicitly misleading" as to the source or content of the work. Although *Rogers* applies within a certain region, covering New York City, the appellate courts covering the entertainment capitals in California have also adopted the *Rogers* test in *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894 (9th Cir. 2002).

Of all intellectual property doctrines, the law is most permissive of the use of trade marks, but a court will not always find that use of a trade mark is permissible. Practitioners should also bear in mind that use with respect to an expressive work may not be advisable if such use is intended to spill into ancillary rights such as the merchandising of products related to the expressive work.

Examples of How Courts Have Applied the Rogers Test

The following examples help to illustrate the breadth of the *Rogers* test, as well as its boundaries.

Motion Pictures and Television

Two cases involving titles of works help to show the *Rogers* test in practice. A court found that the use of the name "Dairy Queens" – the name of a well-known fast-food chain – as the title of a "mockumentary" about beauty contests in rural Minnesota was infringing. The judge opined that the use was gratuitous and bore no artistic relevance to the film.

In contrast, an appellate court held that the use of the term "Empire" for a television show about a record company did not infringe a record company's rights in the same term. The court also pointed out that "Empire" was used in its common sense – as a reference to the show's setting in "the Empire State" of New York and to the empire that the fictional business in the show was depicted to be. Notably, the court appeared to extend its findings to cover for-sale promotional activities, which runs counter to other rulings that have found movie merchandise to involve a different test than the test for the motion pictures themselves.

Incidental use of brands in motion pictures has generally been accepted. For example, a court rejected a claim brought by Caterpillar over the use of Caterpillar-branded bulldozers in a scene where the "bad guys" bulldoze the jungle in "George of the Jungle". A court also rejected a claim that the makers of the "Slip 'N' Slide" toy would be injured by the lead character's misuse of the product in the film. In that case, the court observed that studios have a general practice of not asking permission to use name-brand products in films.

Music

The *Mattel* case mentioned above involved the title of a song, "Barbie Girl", which poked fun at the shallow materialism identified with Mattel's brand of dolls, rather than simply using the brand in order to get attention. This is what the court concluded may have happened in a case involving the OutKast song "Rosa Parks", which was not about the famous civil-rights leader Rosa Parks at all, and which could have been used just to enhance the song's potential sale to the public.

Video Games

The US Supreme Court ruled in 2011 that video games are fully protected by the First Amendment, and courts have treated them in the same way as motion pictures, books, music and other expressive works. Courts have rejected the use in *Grand Theft Auto* of a strip club named "Pig Pen" that made fun of a real "Playpen" strip club, and the use of "Delta Force" in a *Call of Duty* military game. However, a court refused to give an early win to Electronic Arts over a military game that made extensive use of depictions of several of Bell Helicopter's well-known military aircraft. The case settled, but the ruling suggests that using a trade mark in a pervasive way that might suggest co-sponsorship or co-production could end up failing the second element of the *Rogers* test.

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An appeals court recently affirmed the dismissal of trademark claims brought by a Formula One race sponsor over Sony's *Gran Turismo* video game. Sony used the brand on a virtual replica of the same bridge on which the brand-owner's trade mark appears in the real race. The court found that the realism of the races bore "at least some" artistic relevance to the games, and the test is only whether the relevance is more than zero. The court also did not find that the use did not explicitly mislead the consumer, regardless of whether or not consumer confusion actually existed.

Copyright and Publicity Law are Different

Generally, the policies involving the use of trade marks do not come into play in the same way when the right alleged to be violated is a copyright or publicity right. In those cases, fair use (which considers First Amendment principles, but under a different test) or "de minimis" (minor or incidental) use tend to come in as defences that are asserted when a violation is shown. The fact that so many different types of issues can arise in the typical expressive work suggests that, when other parties' content or material is used in media or entertainment, producers should consult with an attorney who is experienced in vetting for risk involving copyright, trade mark, trade dress and publicity rights.

Trends and Developments to Come

With few exceptions, courts have almost uniformly given creators of expressive works a wide berth in making use of trade marks and trade dress in books, films, video games, music and other expressive media. Even creative works that are sometimes deemed to be promotional – such as music videos used to advertise songs – tend to fall under the same level of protection as traditional expressive works, and the "Empire" decision seems to confirm that broad scope.

However, as sponsored content and other types of creative or long-form promotions become standard in the digital age, courts may view the test through a narrower lens: they may find that the speech in the work is more "commercial" than "expressive," as Hyundai learned when it lost its motion to dismiss a claim by Louis Vuitton over the use of its "toile" monogram in a longer-form Super Bowl commercial. The next battles in this area may centre on what constitutes an expressive work and how much brand usage is too much in an age when the public increasingly expects short-form and long-form content to be wrapped up in some sort of sponsorship or promotion.

Regardless of where the law goes concerning new forms of content, remedies against exploitation of that content are narrowing. Due to changes in the law, those who use brands in conjunction with expressive works have recently seen more protection against injunctions that may restrict such use. Courts in the United States are increasingly adopting a higher standard for obtaining injunctions: in many courts, a brand-owner must prove more than confusion, which was all that was previously required to obtain an injunction (except in rare exceptions). Now, the brand-owner must establish not only confusion but that they are irreparably harmed by the use, and that the public interest will not be harmed if an injunction issues. While actual confusion can certainly persuade a court that the use should not be permitted, the combination of the *Rogers* test – which tolerates some level of confusion – and the growing requirement that a plaintiff must establish several factors together may give content creators more confidence that their use of others' trade marks and brands is something that cannot be easily stopped and may be limited to, at worst, the payment of some money damages.

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