

FRIDAY, MAY 17, 2024

PERSPECTIVE

Warzone clash: When does a video game title cross the line into trademark infringement?

By David Martinez
and Navin Ramalingam

In the world of video games, titles play a crucial role in capturing initial interest and conveying the essence of the gaming experience. A set of recent decisions in a dispute between video game companies Activision and Warzone.com demonstrate the inter-section between video game titles, trademark rights, and the First Amendment, particularly in light of the Supreme Court's recent decision in *Jack Daniel's Properties, Inc. v. VIP Products LLC*, 599 U.S. 140 (2023). This clash between creative expression and commercial interests in trademark law highlights the delicate balance business owners should strike when naming their brands.



Shutterstock

The Battleground

Activision is renowned for popular game titles like *Warcraft*, *Overwatch*, *Starcraft*, *Diablo*, *Hearthstone* and the massively popular *Call of Duty* franchise. It recently found itself embroiled in a trademark dispute with Warzone.com LLC, which develops a browser-based game titled Warzone available on its internet website and mobile devices. See *Activision Publ'g, Inc. v. Warzone.com, LLC*, 2023 WL 7118756 (9th Cir. Oct. 25, 2023). At the heart of the dispute lay the use of the word "Warzone" in the title of Activision's 2020 release, *Call of Duty: Warzone*.

Warzone.com, LLC, sued alleging that Activision's use of the word

"Warzone" infringed its trademark rights. Activision sought a declaratory judgment of non-infringement, invoking the First Amendment's protection of artistic expression. On Aug. 15, 2022, the Central District of California dismissed Warzone.com's infringement claims on grounds that Activision's use of the term "Warzone" was protected because it was relevant to the game's content and Warzone.com failed to allege plausibly that Activision explicitly mislead consumers. But, on Oct. 25, 2023, the Ninth Circuit vacated and remanded for further proceedings in light of the Supreme Court's intervening decision in *Jack Daniel's Properties, Inc.*

Rogers Test and Jack Daniel's v. VIP Products

In cases where trademark rights collide with First Amendment interests, courts often apply the two-part test established in the seminal case *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989). Under this test, the allegedly infringing use is permissible unless (1) it has no artistic relevance to the underlying work whatsoever, or (2) if it has some artistic relevance, it explicitly misleads consumers as to the source or content of the work.

In *Jack Daniel's*, the famed maker of Tennessee whiskey sued VIP Products, a dog toy maker. The dog toy was a play on the Jack

Daniel's whiskey bottle, with the words "Jack Daniel's" replaced with "Bad Spaniels" and "Old No. 7 Brand Tennessee Sour Mash Whiskey" swapped for "The Old No. 2 On Your Tennessee Carpet." After Jack Daniel's demanded that VIP discontinue selling the toy, VIP filed suit and sought declaratory judgment that it neither infringed nor diluted the Jack Daniel's trademarks. VIP argued that *Rogers* test applied. The district court held that the *Rogers* test did not apply, and the Ninth Circuit reversed.

Ultimately the Supreme Court ruled unanimously that the *Rogers* test does not apply "when the accused infringer has used a trade-

mark to designate the source of its own goods—in other words, has used a trademark as a trademark.” The Court also found that the Lanham Act’s exclusion from liability for “[a]ny noncommercial use of a mark” does not shield parody, criticism, or commentary from a claim of trademark dilution when its use of a mark is source identifying.

The Rogers Test: A Crucial Line of Defense No More?

On remand from the Ninth Circuit’s decision that the lower court conduct “further proceedings consistent with *Jack Daniel’s*,” the Central District of California in *Activision Publ’g* agreed with *Warzone.com* and found that the *Rogers* test was not the appropriate framework for evaluating *Warzone.com*’s infringement claims. The court reasoned that Activision was using “Warzone” as a source identifier for its game, akin to a trademark, rather than solely as an expressive element. Quoting *Jack Daniel’s*, the court held that the kind of use like Activision’s—using the mark as a source identifier—falls squarely “within the heartland of trademark law, and does not receive special First Amendment protection.” The court

further held that this rule applies even if “the use of a mark has other expressive content—i.e., because it conveys some message on top of source.”

The Takeaway: Smart Brand Strategy

The *Jack Daniel’s* decision and its progeny like Activision have significant implications for video game developers who incorporate third-party trademarks into their game titles or content. While the *Rogers* test previously offered a degree of First Amendment protection for such expressive uses, the Supreme Court’s ruling narrows that protection when the trademark is used as a source identifier for the developer’s own goods or services. Video game developers should exercise caution when using titles that are potential third-party trademarks and be prepared to defend against infringement claims, even if the use is intended as parody, criticism, or creative expression.

Consulting trademark counsel early in the development process to conduct thorough clearance searches and assess risk is advisable as they help mitigate risks. For example, while the phrase

“metal gear” might be an appropriate name for stealth games or related action game genres, “METAL GEAR” is a registered trademark (no. 1,550,282) of the Konami corporation for video game software and computer programs. And while the word “unreal” could foreseeably be part of any fantasy game title, Epic Games holds trademark rights to the mark “UNREAL” (no. 5,664,600) for computer software and video games.

If video game developers use similarly common words or phrases in their video title, they may run into potentially costly litigation and face liability for trademark infringement and/or dilution. As the gaming industry continues to evolve and push creative boundaries, it is essential for developers and publishers to design smart branding strategies that balance creative aspirations with potential exposure for intellectual property infringement.

David Martinez is a partner and executive board member, and **Navin Ramalingam** is an associate at *Robins Kaplan, LLP*, where they practice intellectual property and business litigation.

