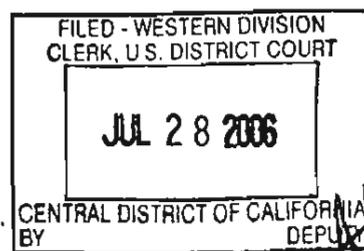
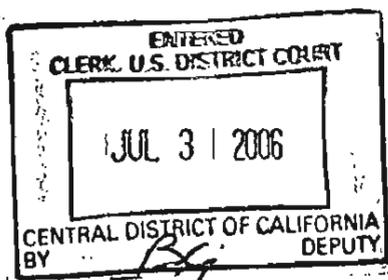


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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

E.S.S. ENTERTAINMENT 2000, INC.
dba THE PLAYPEN

Plaintiff,

vs.

ROCK STAR VIDEOS, INC.; TAKE-
TWO INTERACTIVE SOFTWARE,
INC., SONY COMPUTER
ENTERTAINMENT OF AMERICA,
INC; SONY COMPUTER
ENTERTAINMENT, INC.

Defendants.

CASE NO. CV 05-02966 MMM (JTLx)

ORDER GRANTING DEFENDANTS'
MOTION FOR SUMMARY JUDGMENT

On April 22, 2005, plaintiff E.S.S. Entertainment 2000, Inc. filed this action against defendants Rockstar Games, Inc.¹ and Take-Two Interactive Software, Inc.² Plaintiff, which does business as the Play Pen Gentlemen's Club (the "Play Pen"), operates a club in Los Angeles that provides adult-oriented entertainment. Rockstar Games, which is a wholly-owned subsidiary of Take-Two Interactive, manufactures and distributes a video game known as "Grand Theft Auto:

¹Rockstar Games, Inc. was erroneously sued as Rock Star Videos, Inc.

²The complaint also named Sony Computer Entertainment of America, Inc. and Sony Computer Entertainment, Inc. as defendants. Plaintiff dismissed these parties on May 19, 2005.

100

1 San Andreas.” Plaintiff alleges that defendants have used the Play Pen’s distinctive logo and trade
2 dress in Grand Theft Auto: San Andreas without its authorization, and created a likelihood of
3 confusion among consumers as to whether plaintiff has endorsed, or is associated with, the video
4 game. Plaintiff asserts four claims: (1) trade dress infringement and unfair competition under
5 section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a); (2) trademark infringement under
6 California Business and Professions Code § 14320; (3) unfair competition under Business and
7 Professions Code §§ 17200 et. seq.; and (4) unfair competition under California common law.³

8 Defendants have moved for summary judgment on all claims.

9
10 **I. FACTUAL BACKGROUND**

11 **A. Background**

12 The Play Pen is a strip club located on the eastern edge of downtown Los Angeles at 1109
13 S. Santa Fe Avenue.⁴ The Play Pen’s “logo” consists of the words “the Play Pen” (and the
14 lower- and upper-case letters forming those words) and the words “Totally Nude” displayed in
15

16
17
18 ³The court earlier granted defendants’ motion to dismiss plaintiff’s claim for trademark
dilution under Business and Professions Code § 14330.

19 ⁴Separate Statement of Undisputed Facts In Support of Motion of Defendants Rockstar
20 Games, Inc. and Take-Two Interactive Software, Inc. for Summary Judgment (“Defs.’ Facts”),
¶¶ 1, 2; Separate Statement in Support of Plaintiff’s Opposition to Defendants Rockstar Games,
21 Inc. and Take-Two Interactive Software, Inc.’s Motion for Summary Judgment (“Pl.’s
22 Statement”), ¶¶ 1, 2.

23 With their reply, defendants lodged a pleading captioned “Counter-Statement of
24 Undisputed Facts.” (See Defendants Rockstar Games, Inc. and Take-Two Interactive Software,
25 Inc.’s Counter-Statement of Undisputed Facts.) Plaintiff objects to consideration of the pleading
26 on the ground that it is not authorized by the Local Rules, and requests that it be stricken. (See
27 Plaintiff’s Objection to Defendants Rockstar Games, Inc. and Take-Two Interactive Software,
28 Inc.’s Counter-Statement of Undisputed Fact.) Although the court does not rely on the
document, it declines to strike it. The practice of submitting a reply to an opponent’s statement
of genuine issues is a common one, which is often of great help to the court. See, e.g., *Palacio*
v. Progressive Ins. Co., 244 F.Supp.2d 1040, 1047 (C.D. Cal. 2002); *Galen v. County of Los*
Angeles, 322 F.Supp.2d 1045, 1047 (C.D. Cal. 2004).

1 publicly available font, with a silhouette of a nude female dancer inside the stem of the first "P."⁵
 2 Rockstar Games is the publisher of the Grand Theft Auto series of video games (the
 3 "Series"), including Grand Theft Auto: San Andreas ("San Andreas" or the "Game").⁶ The
 4 Series is known for its signature brand of humor,⁷ and consumers expect new games in the Series

5
 6
 7
 8 ⁵Defs.' Facts, ¶ 3. In support of this statement, defendants cite plaintiff's Supplemental
 9 Response to Interrogatory No. 15, in which it described its service mark as "comprised of the
 10 term PLAYPEN, the font in which those words appear; the configuration of the words, THE
 11 PLAYPEN as it appears in signage, and in advertising and promotional materials; the use of the
 12 lower- and upper-case letters respecting those words; the use of a silhouette device of a woman
 13 in the stem of the first letter 'P' of the word, PLAYPEN." (Declaration of Eric J. German in
 14 Support of Motion of Defendants Rockstar Games, Inc. and Take-Two Interactive Software, Inc.
 15 for Summary Judgment ("German Decl."), Exh. 6 (Fifth Supplemental Responses of Plaintiff
 16 E.S.S. Entertainment 2000, Inc., dba The Playpen to Defendant Rockstar Games, Inc.'s First Set
 17 of Interrogatories, Response to Interrogatory No. 15).) Plaintiff disputes defendants' factual
 statement, but the evidence it cites does not substantiate the existence of a dispute. (See Pl.'s
 Statement, ¶ 3 (Declaration of Robert F. Helfing in Support of Plaintiff's Opposition to Motion
 of Defendants Rockstar Games, Inc. and Take-Two Interactive Software, Inc. for Summary
 Judgment ("Helfing Decl."), Exh. A at 4-6 (photographs showing signage on the building, which
 has the words "the Play Pen" and "Totally Nude," with a silhouette image of a nude woman in
 the stem of the first "P")).)

18 ⁶Defs.' Facts, ¶ 4; Pl.'s Statement, ¶ 4.

19 ⁷Defs.' Facts, ¶ 5; Pl.'s Statement, ¶ 5. The parties dispute whether the Series' references
 20 are "parodic." (*Id.*) Whether the Series or the San Andreas game constitutes a "parody" within
 21 the meaning of *Mattel, Inc. v. Walking Mountain Productions*, 353 F.3d 792 (9th Cir. 2003), and
 22 similar cases, is a legal question. See *id.* at 801 ("The issue of whether a work is a parody is a
 23 question of law, not a matter of public majority opinion. Forsythe correctly points out that Mattel
 24 presents no case law in support of its contention that the parodic nature of a defendant's work
 25 should be assessed using surveys and opinion testimony. Forsythe is further correct that every
 26 court to address the issue whether a defendant's work qualifies as a parody has treated this
 27 question as one of law to be decided by the court," citing *Campbell v. Acuff-Rose Music, Inc.*,
 28 510 U.S. 569, 582-83 (1994), *Leibovitz v. Paramount Pictures Corp.*, 137 F.3d 109, 114-15 (2d
 Cir. 1998), and *Dr. Seuss Enterprises, L.P. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1400-01
 (9th Cir. 1997) ("[U]nless the plaintiff's copyrighted work is at least in part the target of the
 defendants' satire, then the defendant's work is not a 'parody' in the *legal sense* . . ." (emphasis
 added by *Walking Mountain*)). Therefore, this dispute does not raise a genuine issue of material
fact.

1 to contain the same type of irreverent humor as earlier games.⁸

2 Each game in the Series is typically set in a cartoon-style city modeled after a real-world
3 urban center such as New York and Miami.⁹ To play San Andreas, or one of the other games in
4 the Series, players manipulate the story's protagonist and attempt to have him accomplish a series
5 of "missions."¹⁰ Players must complete the missions to advance the plot and ultimately win the
6 game.¹¹ While plaintiff does not dispute that a player must complete set missions to "win," it
7 contends that games in the Series can be played without undertaking the missions.¹²

8 San Andreas is similar to the rest of the Series in style, game play, and tone.¹³ By playing
9 San Andreas, a player can experience the Game's version of West Coast "gangster" culture.¹⁴

10
11 ⁸Defs.' Facts, ¶ 6; Pl.'s Statement, ¶ 6. The parties disagree as to whether consumers
12 expect new games in the Series to be "parodic." See *supra*, n. 7.

13 ⁹Defs.' Facts, ¶ 8; Pl.'s Statement, ¶ 8. The only point of dispute is whether the Series
14 "parodies" real-world locations. See *supra*, n. 7.

15 ¹⁰Defs.' Facts, ¶ 7; Pl.'s Statement, ¶ 7.

16 ¹¹Defs.' Facts, ¶ 9. See Declaration of Rowan Hajaj in Support of Motion of Defendants
17 Rockstar Games, Inc. and Take-Two Interactive Software, Inc. for Summary Judgment ("Hajaj
18 Decl."), ¶ 3 ("Players explore the city while performing the 'missions' to advance the plot and
to 'win' the game").

19 ¹²Pl.'s Statement, ¶ 9. See Declaration of David A. Schnider in Opposition to Defendants'
20 Motion for Summary Judgment ("Schnider Decl."), ¶ 6 ("[P]layers need not even undertake the
21 missions, but can simply direct the lead character in the commission of violent crimes"), ¶ 12 ("I
22 played the Game for approximately 45 minutes. I never commenced any of the missions. The
only apparent limit on the amount of time the lead character could stay in the Pig Pen is the
player's ability to keep him from getting killed").

23 ¹³Defs.' Facts, ¶ 11; Pl.'s Statement, ¶ 11. Plaintiff does not dispute "that San Andreas
24 is similar to the rest of the series in tone generally, or in style or game play," but disputes that
25 San Andreas has a "parodic tone." As noted, this is a question of law, and does not raise a triable
issue of fact. See *supra*, n. 7.

26 ¹⁴Defendants argue that the Game "parodies" West Coast gangster culture. (Defs.' Facts,
27 ¶ 12 (German Decl., Exh. 9 (PC version of the San Andreas Game), Exh. 10 (Brady Games'
Signature Series Guide to the PC and Xbox versions of San Andreas ("Signature Series Guide")));
28 Hajaj Decl., ¶ 10; Declaration of Nikolas Taylor in Support of Motion of Defendants Rockstar

1 The Game features three virtual cities, "Los Santos," "San Fierro," and "Las Venturas."¹⁵ These
 2 locations are based on Los Angeles, San Francisco, and Las Vegas.¹⁶ The "Los Santos" section
 3 of San Andreas is the Game's version of Los Angeles.¹⁷ Gangs control the Los Santos streets,
 4 random gunfire frequently erupts, and drug dealers and prostitutes are common.¹⁸ Los Santos
 5 police officers are corrupt.¹⁹

6 San Andreas was released to the public in the PlayStation 2 format in October 2004, and
 7 in the Xbox and PC formats in June 2005.²⁰ San Andreas was released to the public prior to the
 8
 9

10 Games, Inc. and Take-Two Interactive Software, Inc. for Summary Judgment ("Taylor Decl."),
 11 ¶ 4; Declaration of Tara McPherson in Support of Motion of Defendants Rockstar Games, Inc.
 12 and Take-Two Interactive Software, Inc. for Summary Judgment ("McPherson Decl."), Exh. 1
 13 (Expert Report of Tara McPherson, Ph.D. ("McPherson Report") at 7.) Plaintiff counters that
 14 the Game makes no parodic comment on "gangster" culture, but allows the user to experience it
 15 vicariously. (Pl.'s Statement, ¶ 12 (German Decl., Exh. 10 (Signature Series Guide).) As noted,
 16 whether the Game constitutes a "parody" is a legal question. Thus, the parties' disagreement does
 17 not create a genuine dispute of material fact. See *supra*, n. 7.

18 ¹⁵Defs.' Facts, ¶ 13; Pl.'s Statement, ¶ 13. See Hajaj Decl., ¶ 10; German Decl., Exh.
 19 10 (Signature Series Guide).

20 ¹⁶Defs.' Facts, ¶ 13; Pl.'s Statement, ¶ 13. Plaintiff does not dispute that the three cities
 21 depicted in San Andreas are based on Los Angeles, San Francisco, and Las Vegas; it merely
 22 contends that San Andreas does not "parody" these cities. See *supra*, n. 7.

23 ¹⁷Again, the parties disagree as to whether the Game's depiction of Los Angeles is a
 24 "parody." (See Defs.' Facts, ¶ 14 (Hajaj Decl., ¶ 11; Taylor Decl., ¶ 4; McPherson Decl., Exh.
 25 1 (McPherson Report at 7)). See Pl.'s Statement, ¶ 14 (German Decl., Exh. 10 (Signature Series
 26 Guide).) See *supra*, n. 7.

27 ¹⁸Defs.' Facts, ¶ 15; Pl.'s Statement, ¶ 15.

28 ¹⁹Defs.' Facts, ¶ 16 (German Decl., Exh. 9 (PC version of the San Andreas Game), Exh.
 10 (Signature Series Guide); Hajaj Decl., ¶ 11.) Plaintiff disputes this statement, but does not
 explain the basis of the dispute. (Pl.'s Statement, ¶ 16.) Nor does the evidence it cites
 substantiate the existence of any real dispute. (*Id.* (German Decl., Exh. 10 (Signature Series
 Guide), Exh. 11 (Plaintiff E.S.S. Entertainment 2000, Inc.'s Response to Defendant Take-Two
 Interactive's Second Set of Interrogatories).)

²⁰Defs.' Facts, ¶ 10; Pl.'s Statement, ¶ 10.

1 date of plaintiff's March 2005 California service mark registration.²¹ Millions of copies of San
2 Andreas have been sold.²²

3 B. Los Santos

4 Los Santos mimics the look and feel of actual Los Angeles locations.²³ Like Los Angeles,
5 Los Santos is a hodgepodge of distinct areas, each with its own unique characteristics.²⁴ Instead
6 of "Hollywood," "Santa Monica," "Venice Beach," and "Compton," Los Santos contains
7 "Vinewood," "Santa Maria," "Verona Beach," and "Ganton."²⁵ The neighborhoods are
8 populated with cartoon-style liquor stores, ammunition dealers, casinos, pawn shops, tattoo
9 parlors, bars, and strip clubs, among other things.²⁶ The brand names, business names, and other
10 aspects of the locations have been changed to fit the overall "Los Santos" theme and the Series'
11 irreverent tone.²⁷

12 The neighborhood of "East Los Santos" is the Game's version of East Los Angeles, or
13 more specifically, the eastern edge of downtown Los Angeles.²⁸ Strip clubs, taco stands, and
14 warehouse-type architecture are found in this area of downtown Los Angeles.²⁹ East Los Santos

15
16 ²¹Defs.' Facts, ¶ 84; Pl.'s Statement, ¶ 84.

17 ²²Defs.' Facts, ¶ 88; Pl.'s Statement, ¶ 88.

18 ²³Defs.' Facts, ¶ 17; Pl.'s Statement, ¶ 17. Plaintiff's only dispute with defendants'
19 statement is that Los Santos mimics Los Angeles for "parodic effect." See *supra*, n. 7.

20 ²⁴Defs.' Facts, ¶ 18; Pl.'s Statement, ¶ 18.

21 ²⁵Defs.' Facts, ¶ 19; Pl.'s Statement, ¶ 19.

22 ²⁶Defs.' Facts, ¶ 20; Pl.'s Statement, ¶ 20. Plaintiff does not dispute that "Los Santos
23 contains animated versions of these businesses"; it merely contends that Los Santos contains other
24 elements as well.

25 ²⁷Defs.' Facts, ¶ 21; Pl.'s Statement, 21. Again, the only point of dispute is whether Los
26 Santos is a "parody" of Los Angeles. See *supra*, n. 7.

27 ²⁸Defs.' Facts, ¶ 22; Pl.'s Statement, ¶ 22. The parties' only dispute concerns whether
28 East Los Santos is a "parody" of East Los Angeles. See *supra*, n. 7.

²⁹Defs.' Facts, ¶ 23; Pl.'s Statement, ¶ 23.

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1 mimics the look and feel of actual Los Angeles locations.³⁰ One of the businesses located in East
2 Los Santos³¹ is a virtual, cartoon-style strip club known as the “Pig Pen.”³²

3 **C. Creation Of Los Santos And The Pig Pen**

4 Cartoon-style, animated graphics give San Andreas its particular look.³³ Thousands of
5 virtual, cartoon-style locations are depicted in the game,³⁴ and it includes a disclaimer stating that
6 the locations depicted are fictional.³⁵

7 A team of artists in Scotland animated San Andreas.³⁶ Some of the artists who drew Los
8 Santos visited Los Angeles to take reference photographs for use as inspiration in creating the
9 Game’s animated neighborhoods.³⁷ The artists took photographs of various Los Angeles
10
11
12

13 ³⁰Defs.’ Facts, ¶ 24; Pl.’s Statement, ¶ 24.

14 ³¹Defs.’ Facts, ¶ 34; Pl.’s Statement, ¶ 34. Plaintiff disputes defendants’ statement that
15 the Pig Pen is part of East Los Santos’ “parody” of the eastern area of downtown Los Angeles.
16 See *supra*, n. 7.

17 ³²Defs.’ Facts, ¶ 32. Plaintiff does not dispute that the Pig Pen is found in the Los Santos
18 section of the Game; it merely disputes defendants’ characterization that the club is “buried” in
Los Santos. (Pl.’s Statement, ¶ 32.)

19 ³³Defs.’ Facts, ¶ 25; Pl.’s Statement, ¶ 25.

20 ³⁴Defs.’ Facts, ¶ 29; Pl.’s Statement, ¶ 29.

21 ³⁵Defs.’ Facts, ¶ 31; Pl.’s Statement, ¶ 31.

22 ³⁶Defs.’ Facts, ¶ 26; Pl.’s Statement, ¶ 26.

23
24 ³⁷Defs.’ Facts, ¶ 27 (Taylor Decl., ¶ 6 (“In March 2003, I, along with many of the other
25 Rockstar North artists responsible for ‘Los Santos,’ took a reference trip to Los Angeles to take
26 photographs for use as inspiration for the Game’s stylized, animated neighborhoods”). Plaintiff
27 responds that it is “[u]ndisputed that Nickolas [sic] Taylor and perhaps other artists took
28 photographs of actual Los Angeles as models for features in Los Santos.” (Pl.’s Statement, ¶ 27.)
Plaintiff does not specify which, if any, portion of defendants’ statement it disputes, nor does it
proffer any evidence refuting any part of the statement. As a result, the court finds there is no
material dispute regarding the factual statement.

1 businesses, streets, and other locations that appeared to fit the San Andreas theme.³⁸ The artists
 2 who drew the Pig Pen took photographs of the Play Pen.³⁹ The artists used the photographs of
 3 the Pig Pen and various other East Los Angeles locations to design aspects of the Pig Pen.⁴⁰

4 When drawing Los Santos, the artists changed the names, building designs, and overall
 5 look and feel of the locations and businesses they referenced to make them fit the virtual, cartoon-
 6 style world of San Andreas and the Series' irreverent tone.⁴¹ According to Nikolas Taylor, the

7
 8 ³⁸Defs.' Facts, ¶ 28 (Taylor Decl., ¶ 6 ("A location scout took us to specific places that
 9 fit within San Andreas' parodic theme, including various Los Angeles businesses, residences, and
 10 public streets. When we arrived at a private establishment we wished to view from the inside,
 11 we waited outside while the location scout obtained permission for us to enter and to take
 12 photographs")). Plaintiff disputes defendants' factual statement, citing Taylor's deposition. (Pl.'s
 13 Statement, ¶ 28.) The cited deposition testimony does not directly rebut defendants' statement,
 14 however. (See Helping Decl., Exh. D (Deposition of Nikolas Taylor ("Taylor Depo.") at 105:17-
 15 106:8 ("Q Okay. Did anything humorous about pigs in any way influence your artistic creation
 16 of the PIGPEN? A I can't remember. . . . Q As you sit here today can you think of anything
 17 funny about pigs that may have inspired or influenced your artistic rendition of the PIGPEN? A
 18 It just seemed, you know, to fit in"))).

19 ³⁹Defs.' Facts, ¶ 33; Pl.'s Statement, ¶ 33.

20 ⁴⁰Defs.' Facts, ¶¶ 35, 36; Pl.'s Statement, ¶¶ 35, 36.

21 ⁴¹Defs.' Facts, ¶ 30 (Taylor Decl., ¶¶ 8-9). Plaintiff disputes this statement (Pl.'s
 22 Statement, ¶ 30), but the evidence it cites does not rebut defendants' contention that the artists
 23 changed aspects of the locations and businesses to make them fit the virtual world of San Andreas
 24 and the irreverent tone of the Series. (Helping Decl., Exh. D (Taylor Depo. at 65:15-23 ("Q
 25 Now it has been alleged in legal documents in this case Sir that the purpose for changing the word
 26 play to pig is to indicate or parodise [that] patrons of these Gentlemen's Clubs are pigs, is that
 27 consistent with your artistic inspiration for making the changes? A No. Q So any representations
 28 to the extent of what I have just posed to you here would be incorrect? A That would be
 incorrect"), 105:17-106:8 (see *supra*, n. 38)).) Defendants' statement, in fact, is consistent with
 Taylor's earlier deposition testimony, in which he stated that he designed the Pig Pen to "ma[k]e
 it more follow the theme of the game, ma[k]e it more like part of the game, ma[k]e it more part
 of Los Santos as a virtual environment." (*Id.*, Exh. D (Taylor Depo. at 37:21-24).)

Defendants assert that the artists changed the look and feel of the businesses and locations
 to fit the Series' "critical" tone. (Defs.' Facts, ¶ 30.) The evidence they cite does not support
 this contention, however. (Taylor Decl., ¶ 8 (stating that changes were made "in order to be
 funny"), ¶ 9 (Los Santos "significantly twists, distorts, and changes [the references] to be
 funny")); McPherson Decl., Exh. 1 (McPherson Report at 7 (presenting an expert's views that

1 Lead Map Artist for the Los Santos section of San Andreas, he and other artists purposely made
2 these alterations because they did not seek to “re-creat[e] a realistic depiction of Los Angeles;
3 rather, [they] were creating ‘Los Santos,’ a fictional city that lampooned the seedy underbelly of
4 Los Angeles and the people, businesses and places [that] comprise it.”⁴² Taylor agreed, however,
5 that he did not choose the word “Pig” because he wanted to parody strip club patrons, or because
6 he found anything humorous about pigs.⁴³

7 **D. Comparison Between The Pig Pen And The Play Pen**

8 The Pig Pen building is a totally different size, color, shape, and structure than the Play
9 Pen building.⁴⁴ Furthermore, unlike the Play Pen, the Pig Pen does not have a stone facade, a
10 valet stand, large plants and gold columns around the entrance, or a six foot black iron fence
11 surrounding the parking lot.⁴⁵ Although the Pig Pen and the Play Pen both have pole signs, the

12 _____
13 San Andreas’s virtual radio stations feature “outrageous commentary and a scathing critique of
14 talk radio”), 10 (discussing differences between the fictional ‘The Pig Pen’ and the strip club ‘The
15 Play Pen’)).)

16 ⁴²Defs.’ Facts, ¶ 30 (Taylor Decl., ¶ 8).

17 ⁴³Pl.’s Statement, ¶ 30 (Helping Decl., Exh. D (Taylor Depo. at 65:15-23, 105:17-106:8)).

18 ⁴⁴Defs.’ Facts, ¶ 39; Pl.’s Statement, ¶ 39.

19 ⁴⁵Defs.’ Facts, ¶ 40 (German Decl., Exh. 1 (Deposition of Edmond Adaimy (“Adaimy
20 Depo”) at 247:5-251:23 (“Q. Okay. Is there a stone facade on the front of the [Play Pen]
21 building? A. Yes. . . . Q. . . Have the stones always been there on the front of the building as
22 long as The Playpen has been open? A. I think they were there when we opened. Q. Are there
23 plants or trees on either side of the front door to the Playpen building? A. Yes. . . . Q. When
24 did you put those trees and those plants in? A. When we opened the place. Q. So since you
25 opened the place, there’s always been trees and plants on the side – A. Yes. We added a few
26 more trees and stuff. . . . Q. Is there a fence around the property? A. Yes. Q. What type of
27 fence is it? A. Iron fence. Q. Describe it. A. Iron fence that goes from the side door all the way
28 around to the entrance of the covered parking. Q. Does it completely surround the parking lot?
A. Yes. It enclosed the entire – when you pull the door shut, the place is – I mean, nobody can
drive in or out. . . . Q. How high is the fence? A. Probably six feet or six and a half. Q. What
color is the fence? A. Black. Q. It is noticeable? A. Yes. Q. Does everyone who comes in the
club see the fence? A. Yes. Q. Is it unique to your club, the fact that there is a fence around the
parking lot? A. Not that many parking lots have a fence around it, but there are some that do
have fence around it. Q. Has it always been there since you opened the club? A. Yes. Q. So

1 signs have different color schemes. Moreover, unlike the Play Pen's pole sign, the Pig Pen's sign
2 has no trio of nude silhouettes above the logo, and no separate "totally nude" sign below

3 _____
4 everyone who has ever seen The Playpen club has seen the black iron fence, correct? A. Yes,
5 I think"), 252:10-21 ("Q. Do you offer valet parking at The Playpen Club? A. Yes. Q. Is there
6 a valet stand in front of The Playpen club? A. Yes. Q. Has that valet stand always been there
7 in the whole time you were open? A. Always. A. Is it always there? Every time someone comes
8 in the club, you see a valet stand? A. Always there, always"), Exh. 2 (Deposition of Abner
9 Pajounia ("Pajounia Depo.") at 217:10-219:7 ("Q. Tell me what's different [between the Pig Pen
10 and the Play Pen]? A. Playpen is one story. This is several story. Playpen got no windows.
11 Actually, any strip club don't have any windows. This one has windows. Playpen has an
12 awning. This one has an awning. Q. You said the awning is different, right? A. They shaped
13 it a little different. The logo is the same. The font is the same. . . . Q. The Pigpen is not the
14 same color as the Playpen, the building, correct? A. Correct. Q. Are there gold columns inside
15 the doorway to the Playpen? A. Yes, there are. Q. Are there gold columns inside the doorway
16 of the Pigpen? A. On this picture, no. Q. Are there in any picture that you've ever seen? A.
17 No. Q. Let's take a look at - is there a valet stand in front of the Playpen when the club is open?
18 A. Yes. Q. Is there a valet stand in front of the Pigpen? A. No. It's a pig house. There is no
19 valet. How could the pig house have a valet?"))).

Plaintiff attempts to refute defendants' statement, citing photographs of the Pig Pen and
the Play Pen. (See Pl.'s Statement, ¶ 40.) The photographs support defendants' contention that
unlike the Play Pen, the Pig Pen does not have a stone facade, a valet stand, large plants and gold
columns around the entrance, or a six foot black iron fence surrounding the parking lot.
(Compare Helping Decl., Exh. A at 6-8 (photographs of the Play Pen) with *id.*, Exh. B at 13-14
(photographs of the Pig Pen).)

⁴⁶Defs.' Facts, ¶ 41 (German Decl., Exh. 1 (Adaimy Depo. at 246:5-16 ("Q. Is there
anything about the exterior of the club that you think is distinctive or important to identify your
club? A. Well, we have these three ladies on the top here. Q. Of the sign. You are pointing on
page 9 of Exhibit 200? A. Yes. They light up in neon, on and off. Q. So is that an important
feature, those neon ladies on top of the sign? A. Well, they kind of attract the eyes")), Exh. 2
(Pajounia Depo. at 224:12-225:12 ("Q. What is different about [the pole signs for the Play Pen
and the Pig Pen? A. My sign is red. This is pink. What else is different? A. This one is, it
doesn't have the ladies on the top, the silhouettes. Q. The Pigpen doesn't have the silhouettes or
the lady on top of the sign? A. Exactly. My sign has the silhouette on the top, three ladies, and
this one has no silhouettes. My sign has a frame that is blue. Your client's sign doesn't have any
framing. My sign has the - they have the 'totally nude' there, too. Same font, yeah. Q. But on
the pole, is there a separate neon sign on the Playpen sign that says 'totally nude'? A. Yes. Q.
Is that on The Pigpen sign? A. No. They took that off. Q. And - A. They add the totally -
yeah, they have the 'totally nude' like mine, the same font. Q. Are those signs the same colors?
A. No. One is pink, one is red. Your client's is pink. I said that earlier. Mine is red. I have
the hot red"))).

1 Pointing to these differences, defendants contend that the Pig Pen building was not modeled after
2 the Play Pen building, but rather after another structure in the same neighborhood as the Play
3 Pen.⁴⁷ While plaintiff does not dispute that the Pig Pen building differs from that of the Play Pen
4 in certain respects, it contends that the two clubs have similar awnings and logos.⁴⁸

5 The logo on the pole sign in a corner of the Play Pen parking lot is different from the logo
6 that appears on the awning above the Play Pen door in certain respects.⁴⁹ This is because there
7 is no physical master or precise template for the Play Pen logo.⁵⁰ How to draw the silhouette of
8

9 Plaintiff purports to dispute this statement (See Pl.'s Statement, ¶ 41), but the photographs
10 actually support defendants' representations regarding the pole signs of the Pig Pen and the Play
11 Pen. (Compare Helping Decl., Exh. A at 7 (photographs of the Play Pen's pole sign) with *id.*,
12 Exh. B at 13-14 (photographs of the Pig Pen's pole sign).)

13 ⁴⁷Defs.' Facts, ¶ 38 (German Decl., Exh. 2 (Pajounia Depo. at 217:10-219:7); Taylor
14 Decl., ¶ 14 ("I made the exterior of the Pig Pen look different from the exterior of the Playpen
15 building. Instead, I used another building from the Playpen's neighborhood as inspiration").

16 ⁴⁸Pl.'s Statement, ¶ 38 (compare Helping Decl., Exh. A at 6-8 (photographs of the Play
17 Pen's awning and logo) with *id.*, Exh. B at 13-14 (photographs of the Pig Pen's awning and
18 logo)).

19 ⁴⁹Defs.' Facts, ¶ 65 (German Decl., Exh. 3 (Plaintiff E.S.S. Entertainment 2000, Inc.'s
20 Second Supplemental Response to Defendant Rockstar Games, Inc.'s Third Set of Requests for
21 Admission, RFA No. 65 ("Request for Admission No. 65 Admit that the silhouette depicted on
22 the awning above the front door of the building located at 1109 S. Santa Fe Ave., Los Angeles,
23 California, is different from the silhouette depicted on the sign on the tower in the northeast
24 corner of the parking lot located at 1109 S. Santa Fe Ave. Los Angeles CA. Response to Request
25 for Admission Nol. 65 Admit"))). Plaintiffs do not dispute that differences exist in some details.
26 (Pl.'s Statement, ¶ 65.)

27 ⁵⁰Defendants contend that "[n]o precise template exists for the Playpen logo." (Defs.'
28 Facts, ¶ 66 (German Decl., Exh. 1 (Adaimy Depo. at 191:5-193:17 ("Q. So what is depicted on
page 12 of the Complaint? What is that a picture of? A. This is the awning of The Playpen. Q.
That's at the front door of the club where the customers come in? A. Yes. Q. So that woman
in that stem of that P is slightly different than the woman on the sign out in front of the club; is
that correct? A. Yes. Again, because of the P here being much bigger. So they ratioed down
- I guess they ratioed down as much as they can of the P. . . . Q. The hairstyle is a little
different, correct? A. Yes, a little bit different. They put it in like a little something here. They
could never draw the same silhouette. Q. Oh. So the silhouette is never exactly the same way

1 the nude female dancer in the Play Pen logo is left to each artist who draws it, although the final
 2 drawing must be acceptable to the Play Pen's owners.⁵¹ There are several different versions of
 3 the silhouette used in the Play Pen logo.⁵² In fact, some advertisements and signs for the Play Pen
 4 do not contain the silhouettes of the nude females.⁵³

5 _____
 6 twice; is that correct? A. Well, it depends on the person that draws it. Q. Right. So what is
 7 important about the logo is that there is some silhouette – A. Right. Q. – but it doesn't matter
 8 exactly how the silhouette looks; is that correct? A. It has to look acceptable. Q. Acceptable to
 9 who? A. To me or to my partner or to both of us. Q. But you don't care if it is exactly the same
 10 woman in exactly the same – A. We try to get it as close as possible. But then, you know,
 11 sometimes it doesn't work. Q. There is not like a master silhouette. A. No. We don't have it
 12 in a stamp that we take and stamp it in the P and say – Q. So each time someone makes a new
 13 sign or a new ad or a new thing, they draw the woman again? A. Uh-huh. Q. And it might be
 14 slightly different? A. Right”).) Plaintiff disputes this statement, but concedes that there is no
 15 stamp or other physical master for the logo. (Pl.'s Statement, ¶ 66.)

16 ⁵¹A fair reading of Adaimy's testimony is that while the details of the silhouettes are
 17 initially left to the artists, the final drawings must be acceptable to Adaimy or his partner. (Defs.'
 18 Facts, ¶ 66 (Adaimy Depo. at 191:5-193:17); Pl.'s Statement, ¶ 66 (same).)

19 ⁵²Defs.' Facts, ¶ 86 (German Decl., Exh. 1 (Adaimy Depo. at 187:4-14 (“Q. Is it fair to
 20 say that the silhouette of the woman is an important part of the logo? A. I would think so. Q.
 21 When you ever notice different versions of the woman in the silhouette in the logo, is it always
 22 the same woman, drawn the same way? A. Sometimes it doesn't come out this way. Sometimes
 23 the arm is more stretched. Sometimes the hair is different. Yes, I have noticed sometimes it is
 24 not exactly the same. Sometimes the legs are more bent”), 189:23-190:9 (“Well, the silhouette,
 25 of course, is in the logo. But then the way some people draw it, you know, they don't draw it
 26 similar, you know. It is a silhouette and the silhouette is . . . Q. So different people might draw
 27 the logo in different ways, correct? A. Yes. They do it maybe a little different with the hand,
 28 with the leg, with the arm. Q. There are lots of different things that might be slightly
 different”))). Plaintiff disputes this statement, citing photographs of the Play Pen building. (Pl.'s
 Statement (Helping Decl., Exh. A at 4-7 (photographs of the Play Pen logo on various parts of
 the building))). The photographs support defendants' contention that there are several different
 versions of the silhouette used in the Play Pen logo. For instance, the silhouette on the awning
 has rounder curves than the silhouette located on the side of the building. (Compare Helping
 Decl., Exh. A at 6 with *id.*, Exh. A at 4.) The silhouette on the pole sign is in a slightly different
 position than the others; the pole sign also features three silhouettes on top of the logo. (See *id.*,
 Exh. A at 7.)

⁵³Defendants contend that plaintiff's use of its Play Pen logo has been “highly
 inconsistent.” (Defs.' Facts, ¶ 85.) Plaintiff disputes this. (Pl.'s Statement, ¶ 85.) Defendants'
 evidence does not support their characterization that use of the Play Pen logo has been “highly

1 The Play Pen logo is written in a publicly available font.⁵⁴ Defendants contend that some
 2 of the letters of the Pig Pen logo are in a different font than they are in the Play Pen logo.⁵⁵
 3 Plaintiff disputes this, and contends that the two logos use the same font.⁵⁶

4 E. Features Of Strip Clubs In General

5 Strip clubs other than the Play Pen have round awnings⁵⁷ because awnings provide shelter
 6
 7

8 inconsistent"; the evidence merely shows that certain advertisements and signs for the Play Pen
 9 have omitted the nude silhouettes. (German Decl., Exh. 2 (Pajounia Depo. at 17:11-22 (stating
 10 that the exterior of the Play Pen has been remodeled, but the logo has remained the same), 19:6-
 11 19 (testifying that the awning above the door says, "Play Pen" but does not have the logo), 20:3-9
 12 (same), 20:25-21:13 (stating that plaintiff uses different versions of the Play Pen logo on some
 13 billboards and on one truck "[b]ecause these logos, they might be either the billboard is next to
 14 a church or to a school and the truck goes to the Staples Center where there are kids around, so
 15 we just want to cut down a little nudity of the logo and the pictures that we, you know, we
 16 advertise"), 22:2-23:17 ("I know there are two or three billboards that specify they're close to
 17 school and church that I ask him to take the silhouette and be a little bit more careful about the
 18 picture of the two ladies on the billboard")); see also Declaration of Dr. Carol Scott in Support
 19 of Motion of Defendants Rockstar Games, Inc. and Defendants Rockstar Games, Inc. and Take-
 20 Two Interactive Software, Inc. for Summary Judgment ("Scott Decl."), ¶ 16 ("The Playpen logo
 21 is not used consistently".) Plaintiff's photographs also show that its use of the Play Pen logo,
 22 at least on the building that houses the club, has not been "highly inconsistent." (Pl.'s Statement,
 23 ¶ 85 (Helping Decl., Exh. A at 4-7 (photographs of the Play Pen logo on various parts of the
 24 building)).)

25 ⁵⁴Defs.' Facts, ¶ 36. Plaintiff Pl.'s Statement, ¶ 36.

26 ⁵⁵Defs.' Facts, ¶ 72 (Taylor Decl., ¶ 14 ("I also changed the Playpen logo. For example,
 27 I made the Pig Pen silhouette slightly different and used a different font on portions of the Pig Pen
 28 logo"))).

⁵⁶Pl.'s Statement, ¶ 72 (Helping Decl., Exh. A at 4 (photograph of Play Pen logo), Exh.
 B at 11 (photograph of Pig Pen logo)).

⁵⁷Defendants contend that "many" strip clubs have round awnings. (Defs.' Facts, ¶ 58.)
 Plaintiff counters that only "some" strip clubs have round awnings. The testimony cited by
 defendants supports plaintiff's position. (See German Decl., Exh. 1 (Adaimy Depo. at 263:24-
 264:6) ("Q. Does the Spearmint Rhino have an awning? A. Oh, sure. Spearmint Rhino has an
 awning. Q. Do any of the other strip clubs that are your competitors have awnings? A. Well,
 some have, some don't. Some have, some don't"))).

1 from the weather.⁵⁸ Many strip clubs also have parking lots.⁵⁹ Many businesses are located on
 2 the southwest corner of an intersection,⁶⁰ and placing a pole sign in the corner of a strip club
 3 parking lot closest to the intersection is not unique.⁶¹

4 Many strip clubs display silhouettes of nude female dancers on the exterior of the building
 5 or in their logo.⁶² Displaying silhouettes of nude female dancers outside a strip club lets
 6 customers know what to expect inside the club.⁶³ Many strip clubs also use the phrase “totally
 7 nude” outside the club or in their logo⁶⁴ to tell customers that their dancers are totally nude.⁶⁵

8 Defendants’ expert conducted an Internet search and found websites for at least six other
 9 strip clubs and sex-themed establishments in the United States that use the term “Play Pen” or
 10 “Playpen.”⁶⁶ The Internet also contains information about “Playpen” suites in a high-end Las
 11

13 ⁵⁸Defs.’ Facts, ¶ 59; Pl.’s Statement, ¶ 59.

14 ⁵⁹Defs.’ Facts, ¶ 61; Pl.’s Statement, ¶ 61.

15 ⁶⁰Defs.’ Facts, ¶ 60; Pl.’s Statement, ¶ 60.

16 ⁶¹Defs.’ Facts, ¶ 62; Pl.’s Statement, ¶ 62.

17 ⁶²Defs.’ Facts, ¶ 52. Plaintiff does not dispute that many strip clubs display silhouettes;
 18 it disputes, however, that any unrelated club uses a silhouette similar to that in the Play Pen logo.
 19 (Pl.’s Statement, ¶ 52.)

20 ⁶³Defs.’ Facts, ¶ 51; Pl.’s Statement, ¶ 51.

21 ⁶⁴Defs.’ Facts, ¶ 54; Pl.’s Statement, ¶ 54.

22 ⁶⁵Defs.’ Facts, ¶ 53; Pl.’s Statement, ¶ 53.

23 ⁶⁶Defs.’ Facts, ¶ 55 (Scott Decl., ¶ 17, Exh. 3). Plaintiff argues that Exhibit 3 to Scott’s
 24 declaration, which contains website printouts showing other uses of the “Play Pen” name,
 25 constitutes hearsay and cannot be considered in deciding this motion. (Pl.’s Statement, ¶ 17; see
 26 also Plaintiff’s Evidentiary Objections in Support of Opposition to Motion of Defendants Rockstar
 27 Games, Inc. and Take-Two Interactive Software, Inc. for Summary Judgment (“Pl.’s Evid.
 28 Obj.”), No. 3.) Because defendants do not offer the website printouts for the truth of their
 content, but merely to show that certain sex-themed establishments advertise their businesses using
 the terms “Play Pen” or “Playpen,” the court overrules plaintiff’s objection.

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1 Vegas hotel; each suite contains an in-room “stripper’s pole.”⁶⁷ In addition, there is information
2 on the Internet regarding a theme night at a Hollywood nightclub known as the “Playpen,” which
3 featured performances by adult film stars.⁶⁸

4 **F. Advertising And Relevant Consumer Markets**

5 **1. The Play Pen**

6 The Play Pen has roughly 30,000 “admissions” per year;⁶⁹ on any given day, up to 35
7 percent of Play Pen admissions come from repeat customers.⁷⁰ Plaintiff markets its services in
8 local print advertising (particularly, Spanish-language newspapers) and some small out-of-state
9 publications, on the radio, and on a few billboards in and around the Los Angeles area, most of
10 which do not feature the version of the logo with the nude, female silhouette.⁷¹

11 Plaintiff uses the word “play” in its “Play Pen,” “Players,” and “Playclubs.net”
12 businesses.⁷² The creator of the Play Pen came up with the phrase “Play Pen,” because it suggests
13 a place where men can go to play.⁷³

14 **2. The Pig Pen And The San Andreas Game**

15 Rockstar Games has advertised San Andreas via television commercials on national

16
17 ⁶⁷Defs.’ Facts, ¶ 56 (German Decl., Exh. 7). Plaintiff does not dispute that one hotel
18 offers “Playpen” suites. (Pl.’s Statement, ¶ 56.)

19 ⁶⁸Defs.’ Facts, ¶ 57; Pl.’s Statement, ¶ 57.

20 ⁶⁹Defs.’ Facts, ¶ 63; Pl.’s Statement, ¶ 63.

21 ⁷⁰Defs.’ Facts, ¶ 64; Pl.’s Statement, ¶ 64.

22 ⁷¹Defs.’ Facts, ¶ 76; Pl.’s Statement, ¶ 76.

23 ⁷²Defs.’ Facts, ¶ 73; Pl.’s Statement, ¶ 73.

24 ⁷³Defs.’ Facts, ¶ 75; Pl.’s Statement, ¶ 75. See German Decl., Exh. 1 (Adaimy Depo.
25 at 163:6-15 (“Q. Did you think it was a good name when you first heard it? A. Yes. Q. Why?
26 A. Well, it’s like children playing in a box. So we have guys that come in and the box is the
27 club, and then the guy’s come in and play in the box. Q. It kind of gave you the idea that it
28 would be a place where guys would come to play? A. Uh-huh”), 164:15-20 (“Q. And so you
came up with The Playpen name? A. Right. Q. And you thought that that was a good name
because it was a place where guys came to play; is that correct? A. Correct”)).

1 networks and print advertisements in national magazines.⁷⁴ The Pig Pen does not appear in any
 2 of San Andreas's advertising or promotional materials.⁷⁵ Nor does it appear on the Game's
 3 exterior packaging.⁷⁶ The Pig Pen is not visible to consumers until after they purchase the Game,
 4 insert it into a computer or other player, and actually play the Game.⁷⁷

5 The Pig Pen is just one of hundreds of locations in Los Santos section of San Andreas.⁷⁸
 6 A player who wishes to visit the Pig Pen may do so; there is a weapon available on the roof of
 7 the building.⁷⁹ None of San Andreas's missions specifically directs the player to the Pig Pen,
 8 however.⁸⁰ It is possible to play San Andreas for many hours and even to win the game without
 9 ever seeing the Pig Pen.⁸¹

12 ⁷⁴Defs.' Facts, ¶ 45; Pl.'s Statement, ¶ 45.

13 ⁷⁵Defs.' Facts, ¶ 46; Pl.'s Statement, ¶ 46.

14 ⁷⁶Defs.' Facts, ¶ 44; Pl.'s Statement, ¶ 44.

15 ⁷⁷Defs.' Facts, ¶ 83; Pl.'s Statement, ¶ 83.

17 ⁷⁸Defendants contend that there are over one thousand locations in Los Santos. (Defs.'
 18 Facts, ¶ 42 (Hajaj Decl., ¶ 12 ("The Pig Pen is just one of over 1,000 locations in the 'Los Santos
 19 section of San Andreas . . .")). Plaintiff contends that the number of locations in Los Santos that
 20 players can actually go in and do things is in the hundreds. (Pl.'s Statement, ¶ 42 (Helping Decl.,
 21 Exh. I (Deposition of Bradford Cornell ("Cornell Depo.") at 55:1-4 ("Q. BY MR. HELPING:
 How many depositions are there in Grand Theft Auto: San Andreas? How many places can the
 main character, Carl Johnson, go to and do things? A. Hundreds"))).) Whether there are
 "hundreds" of locations, or "over a thousand," is immaterial to the resolution of this motion.

22 ⁷⁹See German Decl., Exh. 10 (Signature Series Guide at 14).

23 ⁸⁰Defs.' Facts, ¶ 47 (German Decl., Exh. 10 (Signature Series Guide at 18-61); Taylor
 24 Decl., ¶¶ 11, 12; McPherson Decl., Exh. 1 (McPherson Report at 11)). Plaintiff disputes this
 25 statement, but the evidence it cites does not reveal any dispute. (Pl.'s Statement, ¶ 47 (Helping
 26 Decl., Exh. I (Cornell Depo. at 55:1-56:4 (testifying that the main character, Carl Johnson, can
 27 obtain a weapon at the Pig Pen, but stating that he did not view the Pig Pen "being prominently
 featured in that regard"))).)

28 ⁸¹Defs.' Facts, ¶ 49 (Taylor Decl., ¶¶ 11-13; Hajaj Decl., ¶¶ 12, 13; McPherson Decl.,
 Exh. 1 (McPherson Report at 11)).

3. Relevant Consumer Markets

Strip club patrons exercise some degree of care in selecting which club to attend.⁸² Video game players are knowledgeable consumers.⁸³

Strip clubs and video games are not related products.⁸⁴ The Play Pen is a public establishment, where food and refreshments are served and live nude dancers perform.⁸⁵ Video games such as San Andreas are generally played at home, sitting in front of a screen.⁸⁶ Although

⁸²Defs.' Facts, ¶ 77. Plaintiff disputes this statement, but the evidence cited does not show the existence of a dispute. (Plaintiff's Statement, ¶ 77 (German Decl., Exh. 1 (Adaimy Depo. at 266:3-15 ("Q. Do you think customers are choosy about which strip club they want to attend? A. Choosy? Q. Do they care which one they go to? A. Yes. Q. Do they pay attention to which one they're going to? A. Yes. Q. Do they do research into which one they want to go to? A. Well, they feel comfortable in a certain area or in a certain place, that's where they are going to go"))).)

⁸³Defs.' Facts, ¶ 78; Pl.'s Statement, ¶ 78.

⁸⁴Defendants contend not only that strip clubs and video games are unrelated products, but that they "are not complementary products, and are not sold to the same class of purchasers." (Defs.' Facts, ¶ 69.) The evidence defendants proffer does not support the latter assertion. (German Decl., Exh. 1 (Adaimy Depo. at 209:4-6 (agreeing that an adult bookstore is not "the same type of business as a strip club"), 210:23-211:8 (explaining how an adult video store is different from a strip club), 212:9-18 (stating that Playboy magazine is a "totally different business" from the Play Pen), 213:9-22 (explaining how Playboy magazine is different from a strip club)), Exh. 3 (Plaintiff E.S.S. Entertainment 2000, Inc.'s Second Supplemental Response to Defendant Rockstar Games, Inc.'s Third Set of Requests for Admission, RFA No. 70 (merely admitting "that a video game is different from a strip club")), Exh. 5 (Supplemental Responses of Plaintiff E.S.S. Entertainment 2000, Inc., dba The Playpen to Defendant Rockstar Games, Inc.'s First Set of Requests for Admissions, RFA No. 4 (admitting "that DEFENDANTS do not directly compete with YOU for customers")); Scott Decl., ¶ 18 (stating that "[p]laintiff's strip club and San Andreas are not related in the minds of consumers"); McPherson Decl., Exh. 1 (McPherson Report at 10 (opining that "[v]ery different systems of regulation apply to the two products, indicating clear levels of difference between the two products. Rockstar's goods and The Play Pen's services are not related")))).)

⁸⁵Defs.' Facts, ¶ 71; Pl.'s Statement, ¶ 71.

⁸⁶Defs.' Facts, ¶ 70; Pl.'s Statement, ¶ 70.

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1 there may be an overlap in terms of customers,⁸⁷ the Play Pen and San Andreas do not directly
 2 compete for purchasers.⁸⁸ Plaintiff is not now and has never been in the video game business, and
 3 has no plans to enter that business.⁸⁹ Defendants have never been in the strip club business and
 4 have no plans to enter that business.⁹⁰

5 4. Dr. Carol Scott's Survey

6 Defendants' expert, Dr. Carol Scott, conducted a survey of 503 San Andreas players. The
 7 players were shown a screen shot of the Pig Pen and asked what, if anything, the image called to
 8 mind. Of the 503 players surveyed, sixteen mentioned "the Play Pen,"⁹¹ while twenty-seven said
 9 the Pig Pen was a generic strip club.⁹² Five thought that the Pig Pen was endorsed by, sponsored
 10 by, or affiliated with the Play Pen.⁹³ Dr. Scott asked survey respondents whether they had been

11 _____
 12 ⁸⁷Pl.'s Statement, ¶ 69 (Helping Decl., Exh. J at 229 (Deposition of Carol A. Scott, Exh.
 13 10 (showing that of the 503 San Andreas players surveyed, 30.0% had been to an adult
 14 entertainment or gentlemen's club in the past year, and 33.6% planned to go to an adult
 entertainment or gentlemen's club in the next year))).

15 ⁸⁸Defs.' Facts, ¶ 69 (German Decl., Exh. 5 (Supplemental Responses of Plaintiff E.S.S.
 16 Entertainment 2000, Inc. dba The Playpen to Defendant Rockstar Games, Inc.'s First Set of
 17 Requests for Admissions, RFA No. 4)).

18 ⁸⁹Defs.' Facts, ¶ 79; Pl.'s Statement, ¶ 79.

19 ⁹⁰Defs.' Facts, ¶ 80; Pl.'s Statement, ¶ 80.

20 ⁹¹Defs.' Facts, ¶ 68. Plaintiff does not dispute that 16 of the 503 persons surveyed
 21 mentioned the Play Pen; rather, it disputes "the argumentative characterization of the amount as
 'only 16.'" (Pl.'s Statement, ¶ 68.)

22 ⁹²Defs.' Facts, ¶ 87; Pl.'s Statement, ¶ 87.

23 ⁹³Defs.' Facts, ¶ 81. Plaintiff does not dispute that five of the survey participants stated
 24 they thought the Play Pen club sponsored, endorsed, or was affiliated with San Andreas; it merely
 25 disputes defendants' "argumentative characterization of the amount as 'only 5.'" (Pl.'s
 Statement, ¶ 81.)

26 Defendants contend that "[p]laintiff does not know the name of a single consumer who
 27 claims to have been actually confused as to the sponsorship or endorsement of San Andreas."
 (Defs.' Facts, ¶ 75.) Plaintiff does not dispute this, but contends that it has "requested the
 28 supporting documentation of defendants' survey which contains the name of at least five persons
 who were confused," and that "[d]efendants have not yet complied." (Pl.'s Statement, ¶ 75.)

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1 in a strip club or planned to go to a strip club. Of the consumers who answered yes, 4.4 percent
2 thought that the Pig Pen was endorsed by, sponsored by, or affiliated with the Play Pen.⁹⁴

4 **II. DISCUSSION**

5 **A. Legal Standard Governing Motions For Summary Judgment**

6 A motion for summary judgment must be granted when “the pleadings, depositions,
7 answers to interrogatories, and admissions on file, together with the affidavits, if any, show that
8 there is no genuine issue as to any material fact and that the moving party is entitled to a judgment
9 as a matter of law.” FED.R.CIV.PROC. 56(c). A party seeking summary judgment bears the
10 initial burden of informing the court of the basis for its motion and of identifying those portions
11 of the pleadings and discovery responses that demonstrate the absence of a genuine issue of
12 material fact. See *Celotex Corp. v. Catrett*, 477 U.S. 317, 323 (1986). Where the moving party
13 will have the burden of proof on an issue at trial, the movant must affirmatively demonstrate that
14 no reasonable trier of fact could find other than for the moving party. On an issue as to which
15 the nonmoving party will have the burden of proof, however, the movant can prevail merely by
16 pointing out that there is an absence of evidence to support the nonmoving party’s case. See *id.*
17 If the moving party meets its initial burden, the nonmoving party must set forth, by affidavit or
18 as otherwise provided in Rule 56, “specific facts showing that there is a genuine issue for trial.”
19 *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 250 (1986); FED.R.CIV.PROC. 56(e).

20 In viewing evidence at the summary judgment stage, the court does not make credibility
21 determinations or weigh conflicting evidence. Rather, it draws all inferences in the light most
22

23 It is undisputed that five respondents believed the Play Pen had sponsored or was affiliated with
24 San Andreas. (Defs.’ Facts, ¶ 81; Pl.’s Statement, ¶ 81.) Whether or not plaintiff knows the
25 names of these individuals is immaterial to the legal issues presented in the motion. Thus, the
26 court does not take this dispute into account in deciding the motion.

27 ⁹⁴Defs.’ Facts, ¶ 82. Plaintiff does not dispute that 4.4 percent of respondents who stated
28 that they had been to a strip club or planned to go to one thought that the Play Pen sponsored,
endorsed, or was affiliated with San Andreas; plaintiff merely disputes defendants’
“argumentative characterization of the amount as ‘only 4.4%.’” (Pl.’s Statement, ¶ 82.)

1 favorable to the nonmoving party. See *T.W. Electric Service, Inc. v. Pacific Electric Contractors*
2 *Ass'n*, 809 F.2d 626, 630-31 (9th Cir. 1987). The evidence presented by the parties must be
3 admissible. FED.R.CIV.PROC. 56(e). Conclusory, speculative testimony in affidavits and moving
4 papers is insufficient to raise genuine issues of fact and defeat summary judgment. See *Falls*
5 *Riverway Realty, Inc. v. Niagara Falls*, 754 F.2d 49, 56 (2d Cir. 1985); *Thornhill Pub. Co., Inc.*
6 *v. GTE Corp.*, 594 F.2d 730, 738 (9th Cir. 1979).

7 **B. Plaintiff's First Cause Of Action For Trade Dress Infringement And Unfair**
8 **Competition**

9 Plaintiff's first cause of action asserts a claim for trade dress infringement and unfair
10 competition⁹⁵ under § 43(a) of the Lanham Act. Section 43(a) prohibits use of a "word, term,
11 symbol, or device," or a "false designation of origin, false or misleading description of fact, or
12 false or misleading representation of fact, which is likely to cause confusion, or to cause mistake,
13 or to deceive as to the affiliation, connection, or association of such person with another person,
14 or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities
15 by another person." 15 U.S.C. § 1125(a); see *Waits v. Frito-Lay, Inc.*, 978 F.2d 1093, 1106 (9th
16 Cir. 1992) ("Section 43(a) of the Lanham Act . . . prohibits the use of false designations of
17 origin, false descriptions, and false representations in the advertising and sale of goods and
18 services").

19 "For a number of years after [Section 43(a)] was enacted, courts construed it narrowly to
20 include only two kinds of wrongs: false advertising and the common-law tort of 'passing off'

21
22 ⁹⁵Although the complaint is somewhat unclear, plaintiff's claim for unfair competition
23 appears to be premised both on infringement of its trade dress and infringement of its unregistered
24 trademark, i.e., its allegedly distinctive logo. Because the Lanham Act does not distinguish
25 between trade dress and trademark, the court analyzes the two claims together. See *Walking*
26 *Mountain*, 353 F.3d at 809 n. 17 ("Our *trademark* infringement caselaw is generally applicable
27 to our resolution of Mattel's claim that Forsythe infringed its Barbie *trade dress* because the
28 Supreme Court has clearly stated that trade dress and trademark infringement are very close
cousins, both seeking to protect a designation of origin," citing *Two Pesos, Inc. v. Taco Cabana,*
Inc., 505 U.S. 763, 773 (1992) (stating that "§ 43(a) [of the Lanham Act, codified at 11 U.S.C.
§ 1125,] provides no basis for distinguishing between trademark and trade dress. . . . There is
no persuasive reason to apply different analysis to the two. . ." (internal citations omitted))).

1 one's goods as those of another." *Kendall-Jackson Winery, Ltd. v. E. & J. Gallo Winery*, 150
2 F.3d 1042, 1046 (9th Cir. 1998). Over time, however, "the section has been widely interpreted
3 to create, in essence, a federal law of unfair competition." *Two Pesos*, 505 U.S. at 780 (Stevens,
4 J. concurring); see *Kendall-Jackson*, 150 F.3d at 1046.

5 There are two bases for liability under section 43(a): "(1) false representations concerning
6 the origin, association, or endorsement of goods or services through the wrongful use of another's
7 distinctive mark, name, trade dress, or other device ('false association'), and (2) false
8 representations in advertising concerning the qualities of goods or services ('false advertising')." *Waits*, 978 F.2d at 1108. "A trademark is a word, phrase or symbol that is used to identify a
9 manufacturer or sponsor of a good or the provider of a service." *Mattel, Inc. v. MCA Records,*
10 *Inc.*, 296 F.3d 894, 900 (9th Cir. 2002) (citing *New Kids on the Block v. News Am. Publishing,*
11 *Inc.*, 971 F.2d 302, 305 (9th Cir. 1992)), cert. denied, 537 U.S. 1171 (2003). In contrast, "trade
12 dress involves the total image of a product and 'may include features such as size, shape, color,
13 color combinations, texture, or graphics.'" *Vision Sports, Inc. v. Melville Corp.*, 888 F.2d 609,
14 613 (9th Cir. 1989) (quoting *Rachel v. Banana Republic, Inc.*, 831 F.2d 1503, 1506 (9th Cir.
15 1987)). Infringement of an unregistered trademark constitutes unfair competition under the
16 Lanham Act (see *Kendall-Jackson*, 150 F.3d at 1046 & 1047 n. 7 (9th Cir. 1998); *Chrysler Corp.*
17 *v. Vanzant*, 44 F.Supp.2d 1062, 1068 (C.D. Cal. 1999)), as does trade dress infringement (see
18 *Int'l. Jensen, Inc. v. Metrosound U.S.A., Inc.*, 4 F.3d 819, 822 (9th Cir. 1993)).

19
20 **1. Whether Defendants' Use Of Plaintiff's Trade Dress And Trademark**
21 **Is A Nominative Fair Use**

22 Defendants argue that they are entitled to summary judgment because their use of
23 plaintiff's trade dress and trademark qualifies as a nominative fair use.⁹⁶ Plaintiff contends the
24 nominative fair use defense does not apply because San Andreas does not use the Play Pen mark
25
26

27
28 ⁹⁶Notice of Motion and Motion of Defendants Rockstar Games, Inc. and Take-Two Interactive Software, Inc. for Summary Judgment ("Defs.' Mot.") at 7-9.

1 or trade dress as a descriptive substitute.⁹⁷

2 **a. Fair Use Defenses**

3 There are two fair use defenses available in trade dress or trademark infringement cases
 4 – classic and nominative. See *Walking Mountain*, 353 F.3d at 809 (stating that both types of fair
 5 use defense are applicable in both trademark and trade dress cases). A defendant’s use is classic
 6 fair use “‘where [he] has used the plaintiff’s mark *only* to describe his own product, *and not at*
 7 *all to describe the plaintiff’s product.*’” *Id.* (quoting *Cairns v. Franklin Mint*, 292 F.3d 1139,
 8 1151 (9th Cir. 2002) (emphasis original)). Stated differently, the classic fair use defense “applies
 9 only to marks that possess both a primary meaning and a secondary meaning – and only when the
 10 mark is used in its primary descriptive sense rather than its secondary trademark sense.” *Brother*
 11 *Records, Inc. v. Jardine*, 318 F.3d 900, 905 (9th Cir. 2003) (footnote omitted), cert. denied sub
 12 nom. *Jardine v. Brother Records, Inc.*, 540 U.S. 824 (2003). See also *Carins*, 292 F.3d at 1150
 13 (under the classic fair use defense, “[a] junior user [of a trademark] is always entitled to use a
 14 descriptive term in good faith in its primary, descriptive sense other than as a trademark,”
 15 quoting 2 Thomas J. McCarthy, MCCARTHY ON TRADEMARK AND UNFAIR COMPETITION, § 11:45
 16 (4th ed. 2001)); *Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135, 1142 n. 3 (9th Cir. 2002)
 17 (“Although descriptive terms generally do not enjoy trademark protection, a descriptive term can
 18 be protected provided that it has acquired ‘secondary meaning’ in the minds of consumers, i.e.,
 19 it has become distinctive of the trademark applicant’s goods in commerce,” quoting *Park ‘N Fly*
 20 *v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 194 (1985)).

21 Thus, for instance, in *In re Dual-Deck Video Cassette Recorder Antitrust Litigation*, 11
 22 F.3d 1460 (9th Cir. 1993), defendant used the descriptive word, “VCR-2” to designate the jack
 23 to which a second VCR could be attached. The Ninth Circuit held that this did not infringe
 24 plaintiff’s trademark for a two-deck videocassette recorder, “VCR-2.” See *id.* at 1467 (“A JVC
 25 receiver, labeled JVC on the front, would not be mistaken for a Go-Video product because the
 26

27 ⁹⁷Plaintiff’s Opposition to Motion of Defendants Rockstar Games, Inc. and Take-Two
 28 Interactive Software, Inc. for Summary Judgment (“Pl.’s Opp.”) at 9-11.

1 videocassette jacks on the back were labelled 'VCR 1 and VCR 2,' and reference was made to
2 'VCR 2' in the instruction book and on the remote. No possibility existed that a person would
3 buy the plainly labelled JVC receiver thinking that it was made by Go-Video, because a set of
4 jacks on the back was labelled 'VCR 2.' . . . This was fair use as a matter of law. The uses were
5 descriptive, and there is no evidence from which an inference of bad faith could be drawn"
6 (citations omitted)). See also *Entrepreneur Media*, 279 F.3d at 1143-44 (holding that the owner
7 of *Entrepreneur* magazine had "the exclusive right to use its *trademark* in printed publications
8 pertaining to business opportunities," but did not "have the exclusive right to use the *word*
9 'entrepreneur' in any mark identifying a printed publication addressing subjects related to
10 entrepreneurship," and concluding that the name of defendant's public relations firm,
11 "EntrepreneurPR," constituted a classic fair use (emphasis original)); *Brookfield Communications,*
12 *Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036, 1066 (9th Cir. 1999) (holding that
13 defendant could legitimately use the term "Movie Buff" to describe a movie devotee, but was
14 barred from using "MovieBuff," since, without the space, the term was not an English language
15 word and "[was] used to refer to Brookfield's products and services, rather than to mean 'motion
16 picture enthusiast'"); *Car-Freshner Corp. v. S.C. Johnson & Son, Inc.*, 70 F.3d 267, 270 (2d Cir.
17 1995) (holding that defendant's use of the pine tree shape for a Christmas season air freshner
18 qualified as a classic fair use, and did not infringe plaintiff's rights in its pine tree air freshner
19 design or dress).

20 To prevail on a classic fair use defense, a defendant must show: (1) that it has not utilized
21 the term in dispute as a trademark or service mark; (2) that it has used the term fairly and in good
22 faith; and (3) that it has used the term only to describe its own goods or services. See *Carins*, 292
23 F.3d at 1151; see also 15 U.S.C. § 1115(b)(4) (codifying the classic fair use defense). In the
24 Ninth Circuit, "the classic fair use defense is not available if there is a likelihood of customer
25 confusion as to the origin of the product." *Cairns*, 292 F.3d at 1151. Thus, the classic fair use
26 defense complements the eight factor likelihood of confusion test set forth in *AMF, Inc. v.*
27 *Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979). See *id.* ("The classic fair use analysis, therefore,
28 only *complements* the likelihood of customer confusion analysis set forth in *Sleekcraft*" (emphasis

1 original)).⁹⁸

2 The nominative fair use defense, by contrast, applies where the defendant has “used the
3 plaintiff’s mark to describe the plaintiff’s product, *even if the defendant’s ultimate goal is to*
4 *describe his own product.*” *Walking Mountain*, 353 F.3d at 809 (quoting *Carins*, 292 F.3d at
5 1151 (emphasis original)). In other words, “[t]he goal of a nominative use is generally for the
6 ‘purposes of comparison, criticism [or] point of reference.’” *Id.* (quoting *New Kids on the Block*,
7 971 F.2d at 306)). See also *New Kids on the Block*, 971 F.2d at 308 (stating that the nominative
8 fair use defense applies to a “class of cases where the use of the trademark does not attempt to
9 capitalize on consumer confusion or to appropriate the cachet of one product for a different one”).

10 To prove nominative fair use, a defendant must satisfy three requirements: (1) “the
11 plaintiff’s product or service in question must be one not readily identifiable without use of the
12 trademark”; (2) “only so much of the mark or marks may be used as is reasonably necessary to
13 identify the plaintiff’s product or service”; and (3) “the user must do nothing that would, in
14 conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.”
15 *Walking Mountain*, 353 F.3d at 809 (citing *Cairns*, 292 F.3d at 1151 (internal citation omitted)).
16 See also *New Kids on the Block*, 971 F.2d at 308 (“If the defendant’s use of the plaintiff’s
17 trademark refers to something other than the plaintiff’s product, the traditional fair use inquiry
18 will continue to govern. But, where the defendant uses a trademark to describe plaintiff’s
19 product, rather than its own, we hold that a commercial user is entitled to a nominative fair use
20 defense provided he meets the following three requirements”).

21 The nominative fair use test replaces the likelihood of customer confusion analysis set forth
22 in *Sleekcraft*. See *Walking Mountain*, 353 F.3d at 810 n. 19 (“The nominative fair use test
23 replaces the traditional [*Sleekcraft*] analysis”); *Cairns*, 292 F.3d at 1151 (same). See also

24
25 ⁹⁸In *Sleekcraft*, the Ninth Circuit identified eight factors to be considered in evaluating
26 whether a defendant’s use of a mark gives rise to a likelihood of consumer confusion:
27 “(1) strength of the mark; (2) proximity or relatedness of the goods; (3) similarity of sight, sound
28 and meaning; (4) evidence of actual confusion; (5) marketing channels; (6) type of goods and
purchaser care; (7) intent; and (8) likelihood of expansion.” See *Dreamwerks Production Group, Inc. v. SKG Studio*, 142 F.3d 1127, 1129 (9th Cir. 1998) (citing *Sleekcraft*, 500 F.2d at 348-49).

1 *Playboy Enterprises, Inc. v. Welles*, 279 F.3d 796, 801 (9th Cir. 2002) (stating that the three-
2 prong test “better evaluates the likelihood of confusion in nominative use cases”). As the Ninth
3 Circuit explained in *Brother Records*, however, “the third requirement of the nominative fair use
4 defense – the lack of anything that suggests sponsorship or endorsement – is merely the other side
5 of the likelihood-of-confusion coin.” *Brother Records*, 318 F.3d at 909 n. 5. “Therefore,
6 whereas [the] plaintiff carries the burden of persuasion in a trademark infringement claim to show
7 likelihood of confusion, the nominative fair use defense shifts to the defendant the burden of
8 proving no likelihood of confusion.” *Id.* (internal citation omitted).

9 **b. Applicability Of The Nominative Fair Use Analysis In This Case**

10 Defendants do not assert a classic fair use defense. They argue rather that, to the extent
11 they used plaintiff’s trade dress or trademark, it was a nominative fair use. Plaintiff disputes that
12 the defense applies to this case.

13 *New Kids on the Block*, cited by the parties, offers helpful guidance as to when the
14 nominative fair use defense applies. There, the Ninth Circuit explained the defense as follows:

15 “[I]t is often virtually impossible to refer to a particular product for purposes
16 of comparison, criticism, point of reference, or any other such purpose without
17 using the mark. For example, reference to a large automobile manufacturer based
18 in Michigan would not differentiate among the Big Three; reference to a large
19 Japanese manufacturer of home electronics would narrow the field to a dozen or
20 more companies. Much useful social and commercial discourse would be all but
21 impossible if speakers were under threat of an infringement lawsuit every time they
22 made reference to a person, company or product by using its trademark. . . .

23 . . . [W]e may generalize a class of cases where the use of the trademark
24 does not attempt to capitalize on consumer confusion or to appropriate the cachet
25 of one product for a different one. Such *nominative use* of a mark – where the only
26 word reasonably available to describe a particular thing is pressed into service – lies
27 outside the strictures of trademark law: Because it does not implicate the source-
28 identification function that is the purpose of trademark, it does not constitute unfair

1 competition; such use is fair because it does not imply sponsorship or endorsement
2 by the trademark holder.” *New Kids on the Block*, 971 F.2d at 306-08 (emphasis
3 in original).

4 In *New Kids on the Block*, two national newspapers used photographs of members of the
5 musical group New Kids on the Block, along with the group’s name, to advertise reader polls
6 regarding the group’s popularity. *Id.* at 304. The Ninth Circuit held that defendants’ use of the
7 mark was nominative in nature, since the newspapers had used the New Kids trademark to refer
8 to the New Kids themselves, albeit to advertise the newspapers’ survey. *Id.* at 308. The court
9 employed a three-pronged test to determine whether defendants were entitled to assert a
10 nominative fair use defense. First, it determined that it was impossible to conduct a survey about
11 the New Kids, or even to talk about the group, without using its trademarked name. See *id.* (“It
12 is no more reasonably possible, however, to refer to the New Kids as an entity than it is to refer
13 to the Chicago Bulls, Volkswagens, or the Boston Marathon without using the trademark. Indeed,
14 how could someone not conversant with the proper names of the individual New Kids talk about
15 the group at all? While plaintiff’s trademark certainly deserves protection against copycats and
16 those who falsely claim that the New Kids have endorsed or sponsored them, such protection does
17 not extend to rendering newspaper articles, conversations, polls, and comparative advertising
18 impossible”).

19 Second, the court concluded that the newspapers had referenced the New Kids “only to the
20 extent necessary to identify them as the subject of the polls; they [did] not use the New Kids’
21 distinctive logo or anything else that [was not] needed to make the announcements intelligible to
22 readers.” *Id.* Finally, the court held that nothing in the survey suggested sponsorship or
23 endorsement by the New Kids. *Id.* Indeed, at least one of the newspaper announcements
24 “implic[d] quite the contrary by asking whether the New Kids might be ‘a turn off.’” *Id.* at 308-
25 09. Since all three requirements were met, the court affirmed summary judgment in favor of the
26 newspapers, notwithstanding the fact that defendants had profited from the survey’s use of the
27 New Kids name. See *id.* at 309 (“Where, as here, the use does not imply sponsorship or
28 endorsement, the fact that it is carried on for profit and in competition with the trademark holder’s

1 business is beside the point” (citation omitted)).

2 *New Kids on the Block* involved a trademark infringement claim. In *Walking Mountain*,
3 the Ninth Circuit extended the nominative fair use defense to trade dress infringement claims.
4 See *Walking Mountain*, 353 F.3d at 809-10 (“a defendant’s use is *nominative* where he or she
5 used the plaintiff’s dress to describe or identify the plaintiff’s product, even if the defendant’s
6 ultimate goal is to describe or identify his or her own product”). In *Walking Mountain*, the
7 defendant, Thomas Forsythe, produced photographs of Barbie in various absurd and sexualized
8 poses, often juxtaposed with vintage kitchen appliances; Forsythe contended that he was
9 attempting in this manner to critique the objectification of women associated with Barbie. See *id.*
10 at 796. The Ninth Circuit held Forsythe’s use was nominative, in that his “use of the trade dress
11 or mark [was] grounded in [his] desire to refer to the plaintiff’s product as a point of reference
12 for defendant’s own work.” *Id.* at 810. Stated differently, the Ninth Circuit concluded that
13 “Forsythe used Mattel’s Barbie figure and head in his works to conjure up associations of Mattel,
14 while at the same time to identify his own work, which is a criticism and parody of Barbie.” *Id.*
15 (citation omitted).

16 The court also held that Forsythe’s use of Barbie’s trade dress satisfied each element of the
17 nominative fair use test. First, his use of the Barbie figure and head was “reasonably necessary
18 in order to conjure up the Barbie product in a photographic medium.” *Id.* at 810; see *id.* at 810-
19 11 (explaining that “[i]t would have been extremely difficult for Forsythe to create a photographic
20 parody of Barbie without actually using the doll”). Second, given the photographic medium and
21 Forsythe’s goal of depicting Barbie’s social implications, his use of the Barbie torso and head was
22 both reasonable and necessary. *Id.* at 811 (noting that “[i]t would be very difficult for him to
23 represent and describe his photographic parodies of Barbie without using the Barbie likeness”).
24 Finally, the court concluded that the third element was satisfied because, although Forsythe
25 advised some galleries that one of his photographs hung in the office of Mattel’s President of
26 Production, “[t]he rest of the materials in the[] promotional packets sent to galleries reduce[d]
27 the likelihood of any consumer confusion as to Mattel’s endorsement of Forsythe’s work.” *Id.*
28 Moreover, the court noted, “[a]ny reasonable consumer would realize the critical nature of [the]

1 work and its lack of affiliation with Mattel.” *Id.*; see *id.* (stating that “[c]ritical works are much
2 less likely to have a perceived affiliation with the original work” (citation omitted)). The Ninth
3 Circuit therefore affirmed the district court’s grant of summary judgment in Forsythe’s favor on
4 Mattel’s trade dress infringement claim. SEARCHED

5 As *New Kids on the Block* and *Walking Mountain* show, the nominative fair use analysis
6 is applied where a defendant’s work clearly identifies and intentionally refers to plaintiff’s product
7 or service. See *Brother Records, Inc.*, 318 F.3d at 904 (“Following *New Kids*, we have applied
8 the nominative fair use defense in a number of cases. In most of these cases, the nominative fair
9 use defense, as opposed to the classic fair use defense, clearly applied because the defendant used
10 the plaintiff’s mark undeniably to refer to the plaintiff’s product, even though the defendant’s
11 ultimate goal was to describe his own product”). See, e.g., *Cairns*, 292 F.3d 1139, 1152-53,
12 1155 (holding that defendant’s use of plaintiff’s marks – Princess Diana’s name and likeness –
13 to market defendant’s Diana-related memorabilia constituted “a permissible nominative fair use”);
14 *Playboy Enterprises*, 279 F.3d at 802-05 (holding that a former *Playboy* model’s use of the words
15 “playboy” and “playmate” in headlines and banner advertisements on her website was a
16 nominative fair use); *Downing v. Abercrombie & Fitch*, 265 F.3d 994, 1000, 1009 (9th Cir. 2001)
17 (applying a nominative fair use analysis where the defendant clothing company used the
18 trademarked names and photographs of the plaintiff surfing champions to market shirts that were
19 copies of those worn by plaintiffs in the photographs); *Abdul-Jabbar v. Gen. Motors Corp.*, 85
20 F.3d 407, 409 (9th Cir. 1996) (conducting a nominative fair use analysis where plaintiff, a
21 basketball player who had won an award three years in a row, sued an automobile manufacturer
22 for using his name in a commercial advertising a car that had also won an award three years in
23 a row); *WCVB v. Boston Athletic Ass’n*, 926 F.2d 42, 44 (1st Cir. 1991) (holding that a television
24 station could mention the “Boston Marathon” in its broadcasts); *J.K. Harris & Co., LLC v.*
25 *Kassel*, 253 F.Supp.2d 1120, 1125-26 (N.D. Cal. 2003) (holding that defendants’ use of
26 plaintiff’s trade name to criticize the latter’s tax services in Internet advertising was a nominative
27 fair use). See also *SSP Agricultural Equipment, Inc. v. Orchard-Rite Ltd.*, 592 F.2d 1096, 1102-
28 03 (9th Cir. 1979) (holding that the defendant company did not infringe plaintiff’s rights in its

1 “TROPIC BREEZE” trademark by using the name in competitive advertising); *Volkswagenwerk*
2 *Aktiengesellschaft v. Church*, 411 F.2d 350, 351 (9th Cir. 1969) (holding that the defendant car
3 repair shop could use plaintiff’s trademark, “Volkswagen,” in a sign stating “Modern Volkswagen
4 Porsche Service”); *Smith v. Chanel, Inc.*, 402 F.2d 562, 563 (9th Cir. 1969) (holding that a
5 perfume manufacturer could advertise its “2d Chance” perfume by stating that the product was
6 indistinguishable from “Chanel No. 5” as long as the advertisement “[did] not contain
7 misrepresentations or create a reasonable likelihood that purchasers will be confused as to the
8 source, identity, or sponsorship of the advertiser’s product”).

9 As the Ninth Circuit explained in *Playboy Enterprises*, courts must employ *New Kids’*
10 three-part inquiry in nominative use cases because “[w]hen a defendant uses a trademark
11 nominally, the trademark will be identical to the plaintiff’s mark, at least in terms of the words
12 in question.” *Playboy Enterprises*, 279 F.3d at 801. Consequently, “application of the *Sleekcraft*
13 test, which focuses on the similarity of the mark used by the plaintiff and the defendant, would
14 lead to the incorrect conclusion that virtually all nominative uses are confusing.” *Id.*

15 The evidence presented by defendants establishes that the artist(s) responsible for creating
16 the Pig Pen did not design the virtual strip club to identify or refer specifically to the Play Pen.
17 In his declaration, Nikolas Taylor, the Lead Map Artist for the Los Santos section of San
18 Andreas, states that while he and other artists modeled parts of Los Santos on real places, they
19 “purposely changed the names, building designs, and overall look and feel of the real-world
20 places” to make the places fit the Game’s cartoon-style world.⁹⁹ Although Taylor drew inspiration
21 for the Pig Pen from reference photographs he had taken of Los Angeles and of the Play Pen, he
22 asserts that he “purposely twisted, altered, and distorted the look of the Playpen logo until it
23 became a suitable logo for the Pig Pen, a cartoon-style strip club that fit with the rest of ‘East Los
24 Santos’, and was consistent with San Andreas’ style [and] irreverent tone.”¹⁰⁰ Taylor states, for
25 instance, that he designed the exterior of the Pig Pen so that it would look different from the

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27 ⁹⁹Taylor Decl., ¶ 8. See *id.*, ¶ 5.

28 ¹⁰⁰*Id.*, ¶ 13.

1 exterior of the Play Pen in several respects; indeed, he states he modeled the Pig Pen building on
 2 another location in the neighborhood.¹⁰¹ Taylor also changed the color of building “to fit the Pig
 3 Pen within the overall ‘Los Santos’ look and feel.”¹⁰²

4 “Most obviously, [Taylor] used a different name” for the strip club; Taylor contends he
 5 chose the name “Pig Pen” not to make fun of the Play Pen, but so “it would be obvious to players
 6 of the Game that this was not a real East Los Angeles strip club, but rather, a parody of an East
 7 Los Angeles strip club.”¹⁰³ Although he retained the words “totally nude” and the silhouette of
 8 the nude female dancer depicted inside the letter “P,” Taylor asserts he did this because he
 9 believed that “having the nude female silhouette and the words ‘totally nude’ would help to
 10 communicate the message that the Pig Pen was a strip club where totally nude women danced.”¹⁰⁴
 11 He stated: “I ha[ve] seen lots of similar-looking silhouettes on several other strip clubs, and
 12 thought that these generic elements were common elements of these types of places.”¹⁰⁵ Similarly,
 13 Taylor testified that his goal in designing the Pig Pen was to “ma[k]e it more follow the theme
 14 of the game, ma[k]e it more like part of the game, ma[k]e it more part of Los Santos as a virtual
 15 environment”¹⁰⁶ – not to comment on the Play Pen *per se*.

16 Although the evidence indicates that Taylor was primarily, if not solely, responsible for
 17 creating the Pig Pen,¹⁰⁷ the declaration and deposition testimony of Rowan Hajaj, Head of
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19 ¹⁰¹*Id.*, ¶ 14.

20 ¹⁰²*Id.*

21 ¹⁰³*Id.*, ¶ 15.

22 ¹⁰⁴*Id.*, ¶ 16.

23 ¹⁰⁵*Id.*

24 ¹⁰⁶Helfing Decl., Exh. D (Taylor Depo. at 37:21-24).

25 ¹⁰⁷See Taylor Decl., ¶ 13. See also Helfing Decl., Exh. D (Taylor Depo. at 33:5-13 (“Q
 26 Did you have anything to do with making the word the PLAYPEN, the PIGPEN, did you convert
 27 the PLAYPEN into the PIGPEN? A. I created the texture for the exterior of the building using
 28 reference material and, you know, giving our own like artistic interpretation of it and I did create

1 Strategic and Corporate Development at Rockstar Games,¹⁰⁸ also support the conclusion that San
2 Andreas does not utilize the Play Pen trade dress or mark to identify, compare, or refer to
3 plaintiff's product or service. Hajaj asserts that San Andreas "parodies the seedy underbelly of
4 Los Angeles,"¹⁰⁹ and that the Pig Pen is a "virtual, cartoon-style strip club" that "is an extremely
5 minor aspect of San Andreas."¹¹⁰ He highlights the fact that it is possible to play and even win
6 the Game without passing by or viewing the Pig Pen,¹¹¹ and emphasizes that San Andreas carries
7 an express disclaimer on its exterior packaging and on its in-game title screen, which states: "The
8 content of this videogame is purely fictional and is not intended to represent any actual person,
9 business, or organization."¹¹²

10 In sum, defendants' own evidence demonstrates that they did not "'use[] the plaintiff's
11 [trade dress and] mark to describe the plaintiff's product.'" *Walking Mountain*, 353 F.3d at 809
12 (quoting *Carins*, 292 F.3d at 1151). Defendants' purpose in using plaintiff's trade dress and mark
13 was not specifically to identify, criticize, or refer to the Play Pen, but rather to create a strip club
14 that fit the virtual world of Los Santos, and was consistent with the theme and tone of San
15

16 a texture for that. Q Did you change the word play to pig? A. Yes, I created that texture"),
17 Exh. E (Hajaj Depo. at 47:5-8 ("I don't know when the idea [for the Pig Pen] was hatched but
18 just to clarify my answer, in your question you said was the idea hatched to create a gentleman's
19 club in the game. Nick Taylor as the artist was entirely responsible from start to finish for the
20 generation of the images that he used in the game of the Pigpen"), 59:6-9 ("[A]s we know, the
creation, the naming of the gentleman's club that we are referring to in this game, the Pigpen, was
entirely a decision made by Nick Taylor"))).

21 ¹⁰⁸Hajaj Decl., ¶ 1.

22 ¹⁰⁹*Id.*, ¶ 11.

23 ¹¹⁰*Id.*, ¶ 12. See also Taylor Decl., ¶ 12 (stating that "the Pig Pen is a very minor part of
24 'Los Santos' and even a much smaller part of San Andreas").

25 ¹¹¹Hajaj, ¶ 13. See also Taylor Decl., ¶ 11 ("Certain things needed to happen in the
26 exterior portion of 'Los Santos' as part of San Andreas' many 'missions.' We specifically created
27 some of the 'Los Santos' locations to serve as the setting for those 'missions.' The Pig Pen was
not one of those locations").

28 ¹¹²Hajaj Decl., ¶ 16.

1 Andreas. Compare *id.* (“The goal of a nominative use is generally for the ‘purposes of
2 comparison, criticism [or] point of reference,’” quoting *New Kids on the Block*, 971 F.2d at 306).
3 See also 3 Thomas J. McCarthy, MCCARTHY ON TRADEMARK AND UNFAIR COMPETITION, § 23:11
4 (4th ed. 2006) (the nominative fair use test “has been applied to permit parody use of a trademark
5 to denote the target of the parody” (emphasis added)).¹¹³ Because the Pig Pen’s name and
6 appearance are not identical to the Play Pen’s mark and trade dress, the general “likelihood of
7 confusion” test can be applied, and there is no need to look to the alternative, three-part test
8 articulated in *New Kids on the Block*. See *Playboy Enterprises*, 279 F.3d at 801 (explaining that
9 “[w]hen a defendant uses a trademark nominally, the trademark will be identical to the plaintiff’s
10 mark, at least in terms of the words in question,” and use of the three-part test is necessary
11 because “application of the *Sleekcraft* test, which focuses on the similarity of the mark used by
12 the plaintiff and the defendant, would lead to the incorrect conclusion that virtually all nominative
13 uses are confusing”).

14 Moreover, because the Game does not specifically identify the Play Pen as such, the
15 elements of the *New Kids* test cannot readily be applied. See *New Kids on the Block*, 971 F.2d
16 at 308 (“[W]e hold that a commercial user is entitled to a nominative fair use defense provided
17 he meets the following three requirements: First, the product or service in question must be one
18 not *readily identifiable* without use of the trademark; second, only so much of the mark or marks
19 may be used as is reasonably necessary *to identify the product or service*; and third, the user must
20 do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the
21 trademark holder” (emphasis added and footnote omitted)). See also *id.* at 308 n. 7 (explaining
22 that under the three-part test, “a soft drink competitor would be entitled to compare its product
23 to Coca-Cola or Coke, but would not be entitled to use Coca-Cola’s distinctive lettering,” citing,
24 *inter alia*, *Volkswagenwerk*, 411 F.2d at 352 (“Church did not use Volkswagen’s distinctive
25 lettering style or color scheme, nor did he display the encircled ‘VW’ emblem”)).

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27 ¹¹³See Defendants Rockstar Games, Inc. and Take-Two Interactive Software, Inc.’s Reply
28 Memorandum of Law in Support of Their Motion for Summary Judgment (“Defs.’ Reply”) at 5.

1 Defendants argue that “[t]he fact . . . the reference here is used to conjure the image of
2 something broader than Plaintiff’s mark does not affect the analysis” because “[t]he nominative
3 fair use defense is available ‘even if the defendant’s ultimate goal is to describe his own
4 product.’”¹¹⁴ In support, they cite *Walking Mountain*, where “the Ninth Circuit held that the use
5 of images of the torso and head of a ‘Barbie’ doll was a nominative fair use, even though the work
6 was intended to comment upon ‘the social implications of Barbie, including issues of sexuality and
7 body image.’”¹¹⁵ Defendants also cite *Mattel, Inc. v. MCA Records, Inc.*, 28 F.Supp.2d 1120,
8 1141-42 (C.D. Cal. 1998), aff’d. on other grounds, 296 F.3d 894 (9th Cir. 2002), *Clark v.*
9 *American Online Inc.*, No. CV-98-5650 CAS (CWx), 2000 WL 33535712, *3-6 (C.D. Cal. Nov.
10 30, 2000), and *Wham-O, Inc. v. Paramount Pictures Corp.*, 286 F.Supp.2d 1254, 1264 (N.D.
11 Cal. 2003) as authority supporting their view.¹¹⁶

12 Defendants are correct that the nominative fair use defense covers use of another’s
13 trademark or trade dress even if the goal is ultimately to describe or promote defendant’s product.
14 See *Walking Mountain*, 353 F.3d at 809 (stating that “a defendant’s use of a plaintiff’s mark is
15 *nominative* when he or she “‘used the plaintiff’s mark to describe the plaintiff’s product, *even if*
16 *the defendant’s ultimate goal is to describe his own product,*” quoting *Carins*, 292 F.3d at 1151
17 (emphasis original)). In *Walking Mountain* and all other cases cited by defendants, however, the
18 alleged infringer’s work clearly identified or referenced plaintiff’s product or service, even though
19 defendant’s ultimate goal in using the trademark or trade dress was to describe or promote his or
20 her product. See *id.* at 810 (“Forsythe’s use of the Barbie trade dress is nominative. Forsythe
21 *used Mattel’s Barbie figure and head in his works to conjure up associations of Mattel*, while at
22 the same time to identify his own work, which is a criticism and parody of Barbie. Where use
23 of the trade dress or mark is grounded in the *defendant’s desire to refer to the plaintiff’s product*
24 as a point of reference for defendant’s own work, a use is nominative” (citation omitted and

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26 ¹¹⁴*Id.* at 6 (quoting *Walking Mountain*, 353 F.3d at 809 (emphasis omitted)).

27 ¹¹⁵*Id.* (quoting *Walking Mountain*, 353 F.3d at 811)).

28 ¹¹⁶*Id.*

1 emphasis added)). See also *Wham-O, Inc.*, 286 F.Supp.2d at 1263 (finding that defendants' use
2 of the yellow "Slip 'N Slide" in a film qualified as a nominative use because "[n]ominative use
3 is the use of a mark to identify or to refer to the mark-holder's product. . . . [D]efendants use
4 plaintiff's mark to identify a product not otherwise readily identifiable. Other verbal formulas
5 (e.g., 'water slide' or 'lubricated plastic sheet') do not capture or identify the toy with adequate
6 specificity, and trademark law does not compel individuals to 'use absurd turns of phrase' simply
7 to avoid trademark liability. In the film, *defendants intend to identify the slide as a specific
8 product; to do so requires the use of the product's name*" (citations and footnote omitted;
9 emphasis added)); *Clark*, 2000 WL 33535712 at *5 ("*[I]t is obvious from the 'context . . . and
10 surrounding circumstances' of defendant AOL's use of the service marked name 'Dick Clark' [that
11 the use] is descriptive of Dick Clark, the television personality. In addition to making reference
12 to 'tun[ing] into Dick Clark,' the Mailer also refers to 'danc[ing] to the Beatles' and 'cruis[ing]
13 in a Thunderbird,' each of which are symbols of the 1950s and 1960s era that the Mailer is
14 designed to evoke. None of these symbols refers to an Internet service; as evocations of a
15 historical period, the Beatles and Thunderbird names, as well as plaintiffs' 'Dick Clark' name,
16 refer only to themselves. Thus, this is a case 'where the defendant uses a trademark ['Dick
17 Clark'] to describe the plaintiff's product [Dick Clark, the historical figure], rather than its own,'
18 and the *New Kids* three-pronged inquiry is appropriate" (citations and footnote omitted; emphasis
19 added)); *Mattel, Inc. v. MCA Records, Inc.*, 28 F.Supp.2d at 1141 (stating that the Barbie Girl
20 song "refers to the doll and the values it has come to represent," and "[b]y describing the doll's
21 'life in plastic' and the various ways young consumers play with the doll ('you can brush my hair,
22 undress me everywhere'), the band Aqua is not speaking specifically about its own product, but
23 rather is commenting on and parodying Mattel's" (emphasis added));*

24 Here, the evidence presented demonstrates that defendants' intention in creating the Play
25 Pen was not to identify plaintiff's service, but only to describe their own product. The Game
26 clearly reflects this intention. Based on the evidence in the record, the court concludes that
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1 defendants are not entitled to assert a nominative fair use defense.¹¹⁷ Their motion for summary
2 judgment on this basis is therefore denied.

3 **2. Whether Defendants' Use Of Plaintiff's Trade Dress And Trademark**
4 **Is Protected Under The First Amendment**

5 Citing *MCA Records*, 296 F.3d 894, defendants next argue that they are entitled to
6 summary judgment because the First Amendment protects their use of plaintiff's trade dress and
7 trademark.¹¹⁸ While plaintiff does not dispute that a First Amendment balancing test applies to
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10 ¹¹⁷The "law of the case" doctrine "posits that when a court decides upon a rule of law, that
11 decision should continue to govern the same issues in subsequent stages in the same case."
12 *Arizona v. California*, 460 U.S. 605, 618 (1983). The law of the case doctrine "does not
13 constitute a limitation on the court's power but merely expresses the general practice of refusing
14 to reopen what has been decided." *Slotkin v. Citizens Cas. Co.*, 614 F.2d 301, 312 (2d Cir.
15 1979). Thus, a court is free to "depart from a prior holding if convinced that it is clearly
16 erroneous and would work a manifest injustice." *Arizona v. California*, 460 U.S. at 619. See
17 also *White v. Murtha*, 377 F.2d 428, 431-32 (5th Cir. 1967). See also *School Dist. No. 1J,*
18 *Multhnomah County v. AC & S Inc.*, 5 F.3d 1255, 1263 (9th Cir. 1993) ("[R]econsideration is
19 appropriate if the district court (1) is presented with newly discovered evidence, (2) committed
20 clear error or the initial decision was manifestly unjust, or (3) if there is an intervening change
21 in controlling law").

22 In its order on defendants' motion to dismiss, the court implied that defendants might be
23 able to prevail on a nominative fair use defense if they could show that they used plaintiff's trade
24 dress and trademark to create images of the seedy underbelly of Los Angeles. (Order Granting
25 in Part and Denying in Part Defendants' Motion to Dismiss, and Granting Defendants' Motion
26 to Strike Claim and Prayer for Disgorgement of Profits at 17 (Aug. 25, 2005) ("MTD Order")
27 ("Here, to the extent defendants used plaintiff's trade dress and trademark to parody The Play Pen
28 (see *Walking Mountain, supra*, 353 F.3d at 810-11 (parodying Barbie)), or to merely conjure up
the image of strip clubs in the 'seedy side' of Los Angeles, they may be able to prevail on a
nominative fair use defense").) The court did not reach a final conclusion on the availability of
the nominative fair use defense, however, finding that it was not appropriate to make such a
determination in the context of a motion to dismiss. (See *id.*) The court's comment, therefore,
was not a "dec[ision] upon a rule of law." *Arizona*, 460 U.S. at 618. In any event, the court
finds, upon further review of the case law and review of the factual record as it has been
developed, that the mere fact defendants may have sought to "conjure up the image of strip clubs
in the 'seedy side' of Los Angeles" will not support successful assertion of a nominative fair use
defense. Because the court's earlier comment was clearly erroneous, to base a ruling on it would
work a manifest injustice. As a result, reconsideration is appropriate.

¹¹⁸Def's.' Mot. at 4-7.

1 this case, it argues that defendants have failed to satisfy the requirements of that test.¹¹⁹

2 **a. Applicability Of The First Amendment Defense In This Case**

3 In *MCA Records*, the Ninth Circuit held that music companies' use of the "Barbie"
4 trademark in a song parodying the doll was entitled to First Amendment protection, and thus not
5 actionable under the Lanham Act. See *MCA Records*, 296 F.3d at 900 ("The First Amendment
6 may offer little protection for a competitor who labels its commercial good with a confusingly
7 similar mark, but '[t]rademark rights do not entitle the owner to quash an unauthorized use of the
8 mark by another who is communicating ideas or expressing points of view,'" quoting *L.L. Bean,*
9 *Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 29 (1st Cir. 1987)). In so holding, the Ninth Circuit
10 adopted the balancing test established by the Second Circuit in *Rogers v. Grimaldi*, 875 F.2d 994
11 (2d Cir. 1989) for assessing use of a trademark in a literary title. See *MCA Records*, 296 F.3d
12 at 902 ("We agree with the Second Circuit's analysis and adopt the *Rogers* standard as our own").
13 The *Rogers* balancing test requires that courts construe the Lanham Act "to apply to artistic
14 works *only* where the public interest in avoiding consumer confusion *outweighs* the public interest
15 in free expression." *Walking Mountain*, 353 F.3d at 807 (quoting *Rogers*, 875 F.2d at 999
16 (emphasis original)). A literary title falls outside the reach of the Lanham Act if it (1) has some
17 artistic relevance and (2) does not explicitly mislead as to the source or content of the work. See
18 *MCA Records*, 296 F.3d at 902 ("[L]iterary titles do not violate the Lanham Act 'unless the title
19 has no artistic relevance to the underlying work whatsoever, or, if it has some artistic relevance,
20 unless the title explicitly misleads as to the source or the content of the work,'" quoting *Rogers*,
21 296 F.3d at 999). The Ninth Circuit in *MCA Records* found that the Barbie Girl song easily
22 satisfied both requirements, and therefore did not infringe Mattel's trademark. See *id.*

23 Despite the fact that the alleged infringement and unfair competition do not involve the title
24 of their work, defendants argue that the *Rogers* balancing test applies. As defendants
25 acknowledge,¹²⁰ the Ninth Circuit has not definitively determined whether the *Rogers* test should

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27 ¹¹⁹Pl.'s Opp. at 5-7.

28 ¹²⁰*Id.* at 5.

1 be applied to “non-titular” uses of trade dress and trademarks. See *Walking Mountain*, 353 F.3d
2 at 808. In *Walking Mountain*, the Ninth Circuit commented that a photographer’s use of Barbie’s
3 head and overall appearance in his works “presumably would present First Amendment concerns
4 similar to those that made us reluctant to apply the Lanham Act as a bar to the artistic uses of
5 Mattel’s Barbie trademark in both *MCA* and this case.” *Id.* The court did not decide whether the
6 *Rogers* test applied, however, as it found that the case could be decided using the nominative fair
7 use framework. See *id.* at 808 (“But we need not decide how the *MCA/Rogers* First Amendment
8 balancing might apply to Forsythe’s use of the Barbie trade dress because we find, on a narrower
9 ground, that it qualifies as nominative fair use”).

10 The court’s order denying defendants’ motion to dismiss expressed doubt regarding
11 application of the *Rogers* test because *Walking Mountain* “suggested that applying the *Rogers* First
12 Amendment balancing test to ‘non-titular’ uses of trademarks and trade dress infringement claims
13 might be inappropriate, at least when a nominative fair use defense is also available.”¹²¹ See *id.*
14 at 808 n. 14 (“More importantly, if we were to apply the *Rogers* balancing test, we would have
15 to grapple with First Amendment issues. By instead employing the nominative fair use test –
16 which, incidentally works well in a case like this – we are following the time-honored tradition
17 of avoiding constitutional questions where narrower grounds are available”(citations omitted)).
18 Even in *Walking Mountain*, however, the Ninth Circuit stated that “[w]ere the nominative fair use
19 test not available and so attractive to this claim, we very well m[ight] have had to apply *Rogers*.”
20 *Id.* at 809 n. 17.

21 Other courts that have considered the issue have extended the *Rogers* First Amendment
22 balancing test to all expressive uses of a trademark or trade dress in artistic works, whether titular
23 or not. See *Cliff Notes, Inc. v. Bantam Doubleday Dell Publ’g Group*, 886 F.2d 490, 495 (2d
24 Cir. 1989) (“We believe that the overall balancing approach of *Rogers* and its emphasis on
25 construing the Lanham Act ‘narrowly’ when First Amendment values are involved are both
26 relevant in this case [assessing whether the appearance of a book’s cover is confusing similar to
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28 ¹²¹MTD Order at 13.

1 the trademark elements of the cover of another work]. That is to say, in deciding the reach of the
2 Lanham Act in any case where an expressive work is alleged to infringe a trademark, it is
3 appropriate to weigh the public interest in free expression against the public interest in avoiding
4 consumer confusion. And just as in *Rogers*, where we said that the expressive element of titles
5 requires more protection than the labeling of ordinary commercial products, so here the expressive
6 element of parodies requires more protection than the labeling of ordinary commercial products.
7 Indeed, we have said, in the context of alleged copyright infringement, that a parody is entitled
8 'at least' to conjure up the original and can do more. Thus, we hold that "the *Rogers* balancing
9 approach is generally applicable to Lanham Act claims against works of artistic expression, a
10 category that includes parody"); 2 Thomas J. McCarthy, MCCARTHY ON TRADEMARK AND
11 UNFAIR COMPETITION, § 10:22 (4th ed. 2006) ("The courts have expanded the *Rogers* balancing
12 approach to encompass all 'works of artistic expression'"). See, e.g., *ETW Corp. v. Jireh*
13 *Publ'g, Inc.*, 332 F.3d 915, 920, 937 (6th Cir. 2003) (applying the *Rogers* test in a case where
14 an artist used the registered mark, "Tiger Woods," in marketing materials that accompanied prints
15 of a painting of the Masters of Augusta golf tournament, although the trademarked words did not
16 appear on the face of the prints or in the title of painting); *Yankee Publ'g Inc. v. News Am. Publ'g*
17 *Inc.*, 809 F.Supp. 267, 276-78 (S.D.N.Y. 1992) (finding that defendant's use of certain elements
18 of the cover design of the *Old Farmer's Almanac* to "make[] a joking reference to the *Almanac*,
19 as part of a socio-economic commentary," was "entitled to the protections explained by the Court
20 of Appeals in *Rogers v. Grimaldi* and *Cliffs Notes*"); *Ocean Bio-Chem, Inc. v. Turner Network*
21 *Television, Inc.*, 741 F.Supp. 1546, 1552-53 (S.D. Fla. 1990) (holding, in a case where the
22 owner of the trademark "Star Brite" sued the producers of a fictional television movie that
23 portrayed a fictional company called "Starbrite Batteries" in a bad light, that the film was
24 "entitled to the full extent of protection afforded by the first amendment" and therefore "the
25 Lanham Act must be construed narrowly," citing *Cliff's Notes*, 886 F.2d at 494-95).

26 Defendants' work is a highly complex video game. It features three virtual cities, each of
27 which contains hundreds of interactive locations created by animated graphics. The Game also
28 incorporates a narrative, and offers an array of musical soundtracks. San Andreas clearly

1 qualifies as an “artistic work” entitled to First Amendment protection. See *Video Software*
2 *Dealers Ass’n v. Schwarzenegger*, 401 F.Supp.2d 1034, 1044 (N.D. Cal. 2005) (stating that video
3 games, “even though mere entertainment, are nonetheless protected by the First Amendment”);
4 See also *Interactive Digital Software Ass’n v. St. Louis County*, 329 F.3d 954, 957 (8th Cir. 2003)
5 (“The record in this case includes scripts and story boards showing the storyline, character
6 development, and dialogue of representative video games, as well as excerpts from four video
7 games submitted by the County. If the first amendment is versatile enough to ‘shield [the]
8 painting of Jackson Pollock, music of Arnold Schoenberg, or Jabberwocky verse of Lewis
9 Carroll,’ we see no reason why the pictures, graphic design, concept art, sounds, music, stories,
10 and narrative present in video games are not entitled to a similar protection. The mere fact that
11 they appear in a novel medium is of no legal consequence. Our review of the record convinces
12 us that these ‘violent’ video games contain stories, imagery, ‘age-old themes of literature,’ and
13 messages, ‘even an “ideology,” just as books and movies do.’ Indeed, we find it telling that the
14 County seeks to restrict access to these video games precisely because their content purportedly
15 affects the thought or behavior of those who play them” (citations omitted)); *Video Software*
16 *Dealers Ass’n v. Maleng*, 325 F.Supp.2d 1180, 1184-85 (W.D. Wash. 2004) (“The early
17 generations of video games may have lacked the requisite expressive element, being little more
18 than electronic board games or computerized races. The games at issue in this litigation,
19 however, frequently involve intricate, if obnoxious, story lines, detailed artwork, original scores,
20 and a complex narrative which evolves as the player makes choices and gains experience. All of
21 the games provided to the Court for review are expressive and qualify as speech for purposes of
22 the First Amendment. In fact, it is the nature and effect of the message being communicated by
23 these video games which prompted the state to act in this sphere. As noted by the Eighth Circuit:
24 ‘Whether we believe the advent of violent video games adds anything of value to society is
25 irrelevant; guided by the [F]irst [A]mendment, we are obliged to recognize that ‘they are as much
26 entitled to the protection of free speech as the best of literature.’ The Court finds that the games
27 at issue are expressive and qualify for the protections of the First Amendment” (citations
28 omitted)).

1 As the court has found, and as ESS itself argues,¹²² defendants did not incorporate
 2 plaintiff's trade dress or trademark into the Game to identify the Play Pen. Rather, the undisputed
 3 evidence shows that defendants used elements of plaintiff's trade dress and mark to create a
 4 cartoon-style strip club that fit the virtual world of East Los Santos, the Game's imaginary version
 5 of East Los Angeles, and that conveyed the Series' irreverent humor.¹²³ Because defendants' use
 6 of plaintiff's trade dress and trademark are "part of a communicative message and not a source
 7 identifier, the First Amendment is implicated in opposition to the trademark right," and the
 8 nominative fair use defense is unavailable. *Yankee Publ'g Inc.*, 809 F.Supp. at 276. The weight
 9 of authority holds that in these circumstances, the *Rogers* test must be applied to strike the proper
 10 balance between "the public interest in free expression [and] the public interest in avoiding
 11 consumer confusion." *Cliff Notes*, 886 F.2d at 494 (citations omitted); *Yankee Publ'g Inc.*, 809
 12 F.Supp. at 276 ("Thus, where the unauthorized use of a trademark is for expressive purposes of
 13 comedy, parody, allusion, criticism, news reporting, and commentary, the law requires a
 14 balancing of the rights of the trademark owner against the interests of free speech" (citations and
 15 footnote omitted)). Cf. *Walking Mountain*, 353 F.3d at 809 n. 17 ("Were the nominative fair use
 16 test not available and so attractive to this claim, we very well may have had to apply *Rogers*").
 17 The court therefore turns to the individual elements of the *Rogers* test.

18 **b. Whether The Pig Pen Has Artistic Relevance To The Game**

19 To prevail on a First Amendment defense, defendants must first show that the use of
 20 plaintiff's trade dress and trademark "surpasses the minimum threshold of artistic relevance to the
 21 [work's] content." *Rogers*, 296 F.3d at 999; *MCA Records*, 296 F.3d at 902. Plaintiff argues
 22 that defendants have not met this requirement.¹²⁴ Specifically, plaintiff contends that while
 23 defendants may be entitled, under the First Amendment, to depict "such landmark structures as
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25 _____
 26 ¹²²See Pl.'s Opp. at 15.

27 ¹²³See Defs.' Facts, ¶ 30; Pl.'s Statement, ¶ 30.

28 ¹²⁴Pl.'s Opp. at 5-7.

1 the Watts Towers and the Los Angeles Convention Center for Los Santos, and the Golden Gate
2 Bridge and the Transamerica Pyramid for San Fiero (their virtual version of San Francisco),
3 defendants' use of the Play Pen trade dress and mark does not qualify for protection because the
4 Play Pen logo and other features of its business premises have not "achieved that sort of iconic
5 stature."¹²⁵ Plaintiff also assert that "[w]hile the copying of the *architectural style* of the Play Pen
6 building might be relevant to defendants' claimed purpose of achieving a realistic portrayal of the
7 area, their copying of plaintiff's work mark, logo, and trade is not."¹²⁶

8 The content of San Andreas is undisputed. San Andreas is a video game that allows
9 players to step into the shoes of Carl Johnson or "CJ," a former gang member,¹²⁷ and experience
10 the Game's version of West Coast "gangster" culture.¹²⁸ As CJ, players can visit locations in
11 three cities - Los Santos, San Fierro, and Las Venturas; these virtual metropolises are modeled
12 after Los Angeles, San Francisco, and Las Vegas respectively.¹²⁹ The Game opens with CJ
13 arriving at Los Santos International Airport to attend his mother's funeral. After leaving the
14 airport, CJ is picked up almost immediately by corrupt police officers, who steal his money and
15 throw him out of their patrol car in the middle of a rival gang's territory.¹³⁰ East Los Santos, the
16 Game's version of East Los Angeles,¹³¹ is a gritty and dangerous urban district; shootouts between

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20 ¹²⁵*Id.* at 6.

21 ¹²⁶*Id.* at 6-7.

22 ¹²⁷See German Decl., Exh. 9 (PC version of the San Andreas Game), Exh. 10 (Signature
23 Series Guide at 18).

24 ¹²⁸Defs.' Facts, ¶ 12; Pl.'s Statement, ¶ 12.

25 ¹²⁹Defs.' Facts, ¶ 13; Pl.'s Statement, ¶ 13.

26 ¹³⁰German Decl., Exh. 9 (PC version of the San Andreas Game), Exh. 10 (Signature Series
27 Guide at 18).

28 ¹³¹Defs.' Facts, ¶

1 warring gangs are common, as are drug dealers and prostitutes.¹³² The neighborhood contains
 2 cartoon-style liquor stores, ammunition dealers, casinos, pawn shops, bars, strip clubs, and
 3 similar types of businesses.¹³³

4 When creating Los Santos, defendants' artists sought to mimic the look and feel of real-life
 5 locations and businesses.¹³⁴ They altered aspects of the actual locations, however, to fit their
 6 vision of Los Santos and the Series' signature brand of humor.¹³⁵ For example, the Game features
 7 an ammunition store called "Ammu-Nation," located in downtown Los Santos. The
 8 advertisement for the store in the San Andreas City Guides states: "AMMU-NATION FOR ALL
 9 YOUR DAILY FIREARM NEEDS. NO RECORD NO WORRIES." The advertisement is
 10 endorsed by SAGA, the San Andreas Gun Association, whose slogan is "Say Yes to Guns."¹³⁶
 11 The "ritzy Rodeo district" of Los Santos contains a retail clothing store called "Victim." The
 12 store's advertisement has the word, "VICTIM," with what appears to be a pool of blood on the
 13 letters "I" and "C," and the slogan "TO DIE FOR" underneath.¹³⁷ During one of the early
 14 missions, CJ and his brother Sweet visit the "Cluckin' Bell" drive-thru restaurant just before they
 15 become involved in a drive-by shooting and must, as the Signature Series Guide puts it, "Pursue
 16 Gang Car Before They Cap Your Homies!"¹³⁸

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 18 ¹³²Defs.' Facts, ¶¶ 14, 17; Pl.'s Statement, ¶¶ 14, 17.

19 ¹³³Defs.' Facts, ¶ 20; Pl.'s Statement, ¶ 20.

20 ¹³⁴Defs.' Facts, ¶¶ 17, 24; Pl.'s Statement, ¶¶ 17, 24.

21 ¹³⁵Defs.' Facts, ¶¶ 5, 30; Pl.'s Facts, ¶ 5. See Helping Decl., Exh. D (Taylor Depo. at
 22 37:21-24); Taylor Decl., ¶ 8.

23 ¹³⁶German Decl., Exh. 9 (Grand Theft Auto San Andreas: City Guides ("City Guides")
 24 at 23). The PC version of the San Andreas Game is attached to the back cover of the City
 25 Guides. (See *id.*)

26 ¹³⁷*Id.*, Exh. 9 (City Guides at 22).

27 ¹³⁸*Id.*, Exh. 10 (Signature Series Guide at 26). At the hearing, plaintiff argued that its
 28 mark was the only trademark used in the game. "Cluckin' Bell," however, is an example of
 another mark that defendants used in modified form in the Game.

SCANNED

1 The Pig Pen has artistic relevance to defendants' twisted, irreverent image of urban Los
2 Angeles. The undisputed evidence shows that in designing the Pig Pen, Nikolas Taylor used
3 reference photographs of the Play Pen and other East Los Angeles locations for inspiration.
4 Taylor made several modifications to the strip club, most obviously changing the name of the
5 business to the "Pig Pen." In making these changes, Taylor did not specifically intend to parody
6 the patrons of gentlemen's clubs or convey a humorous message about pigs.¹⁴⁰ Rather, as his
7 deposition and declaration demonstrate, however, Taylor sought to make the strip club fit the
8 virtual environment of Los Santos and the irreverent tone of the Series in general.¹⁴¹ Rather than
9 being arbitrary, defendants' decision to borrow the Play Pen trade dress and mark was closely
10 connected to the artistic design of Los Santos and the overall theme of the Game. See *Rogers*,
11 875 F.2d at 1001 ("[T]he title 'Ginger and Fred' surpasses the minimum threshold of artistic
12 relevance to the film's content. The central characters in the film are nicknamed 'Ginger' and
13 'Fred,' and these names are not arbitrarily chosen just to exploit the publicity value of their real
14 value counterparts but instead have genuine relevance to the film's story"). See also *ETW Corp.*,
15 332 F.3d at 937 (holding that an artist's use of Tiger Wood's image had artistic relevance to the
16 underlying work, which was a panoramic painting of Woods' victory at the 1997 Masters
17 Tournament, titled *The Masters of Augusta*); *New York Racing Ass'n v. Perlmutter Pub., Inc.*, 959
18 F.Supp. 578, 582 (N.D.N.Y. 1997) (reaffirming an earlier holding that "the Defendants' use of
19 Plaintiff's marks in the titles of Defendants' paintings serves the artistically relevant purpose of
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21 ¹³⁹Defs.' Facts, ¶¶ 35, 36; Pl.'s Statement, ¶¶ 35, 36.

22 ¹⁴⁰Helfing Decl., Exh. D (Taylor Depo. at 65:15-23, 105:17-106:8).

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24 ¹⁴¹See Taylor Decl., ¶¶ 8-9; Helfing Decl., Exh. D (Taylor Depo. at 105:17-106:8 ("Q.
25 Okay. Did anything humorous about pigs in any way influence your artistic creation of the
26 PIGPEN? A. I can't remember. . . . Q. As you sit here today can you think of anything funny
27 about pigs that may have inspired or influenced your artistic rendition of the PIGPEN? A. *It just*
28 *seemed, you know, to fit in*" (emphasis added)), 37:19-25 ("Q. Did you have specific reasons for
doing the things you did in the creation of the PIGPEN logo? A. I think the changes that I made
to it made it more follow the theme of the game, made it more like part of the game, made it
more part of Los Santos as a virtual environment"))).

1 describing the scene depicted in the paintings, . . . that the use of Plaintiff's marks in Defendants'
 2 paintings where the mark actually appears in the scene depicted serves the artistically relevant
 3 purpose of accurately depicting the scene (realism)" and that "[a]s a result, . . . the Lanham Act
 4 should not apply to the Defendants' shirts that display reproductions of these paintings because
 5 the interest in free expression outweighs the need to avoid consumer confusion" (footnote
 6 omitted)); *Yankee Publ'g Inc.*, 809 F.Supp. at 278 (finding that use of the *Old Farmer's Almanac*
 7 cover design in *New York's* Christmas gift issue was relevant to defendants' "thrift" theme;
 8 "Yankee argues that the so-called 'thrift' theme is not consistently pursued and is, indeed, at
 9 time[s], contradicted in *New York's* gift piece. It argues, further, that the offered explanation of
 10 the reference to the *Almanac* is disingenuous because the *Almanac* is not synonymous with thrift.
 11 The argument is not successful. It is undeniable that the thrift theme is present in the *New York*
 12 gift issue. . . . The fact that aspects of the feature also contradict the thrift theme does not belie
 13 the existence of the thrift theme. . . . Yankee's assertion that the *Almanac* is not synonymous
 14 with thrift is also irrelevant. Whether rightly or wrongly, farmers, farm values, and the *Almanac*
 15 are associated by many with thrift. The fact that the *Almanac* does not expressly proclaim the
 16 value of thrift does not undermine the good faith of New York's claim that its reference to the
 17 *Almanac* was intended to evoke the value of thrift").¹⁴²

18
 19 ¹⁴²A "parody," in the legal sense, is a "literary or artistic work that imitates the
 20 characteristic style of an author or a work for comic effect or ridicule." *Walking Mountain*, 353
 21 F.3d at 801 (quoting *Campbell*, 510 U.S. at 580). Under copyright law, "a parodist may claim
 22 fair use where he or she uses some of the 'elements of a prior author's composition to create a
 23 new one that, at least in part, comments on that author's works.'" *Id.* (same). As explained in
 24 *Walking Mountain*:

23 "The original work need not be the sole subject of the parody; the parody 'may
 24 loosely target an original' as long as the parody 'reasonably could be perceived as
 25 commenting on the original or criticizing it, to some degree.' That a parody is in
 26 bad taste is not relevant to whether it constitutes fair use; 'it would be a dangerous
 27 undertaking for persons trained only to the law to constitute themselves final judges
 28 of the worth of [a work].'" *Id.* (quoting *Campbell*, 510 U.S. at 580-83 (internal
 citations omitted)).

Courts have applied the concept of parody to the trademark and trade dress contexts as well. See,
 e.g., *Cliff Notes*, 886 F.2d at 494 ("[T]he keystone of parody is imitation. It is hard to imagine,

1 Plaintiff asserts that defendants cannot satisfy the first requirement of the *Rogers* test
 2 because the Play Pen is not as recognizable a landmark as the Los Angeles Convention Center or
 3 the Golden Gate Bridge, and also because defendants did not copy everything about the Play Pen,
 4 most notably, the architectural style of its building. Plaintiff cites no authority supporting its
 5 argument that these distinctions are material to the *Rogers* inquiry.¹⁴³ If such authority exists, it
 6 would contradict *Rogers*, which makes it clear that the court's inquiry is limited to determining
 7 whether the title has *some* artistic relevance to the underlying work; it does not extend to assessing
 8 whether use of the trade dress or mark is absolutely necessary to the goals of the artist. See
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 11 for example, a successful parody of Time magazine that did not reproduce Time's trademarked
 12 red border. A parody must convey two simultaneous - and contradictory - messages: that it is
 13 the original, but also that it is not the original and is instead a parody. To the extent that it does
 14 only the former but not the latter, it is not only a poor parody but also vulnerable under trademark
 15 law, since the customer will be confused"); *Yankee Publ'g Inc.*, 809 F.Supp. at 279 ("Parody
 16 implicates an element of ridicule, or at least mockery" (footnote omitted)).

17 The parties dispute whether the Pig Pen is a "parody" of the Play Pen, or part of a larger
 18 "parody" of Los Angeles. The court need not decide this question, since parody is not the
 19 exclusive form of expression protected under the First Amendment. See *Yankee Publ'g Inc.*, 809
 20 F.Supp. at 279 ("But the dispute as to whether *New York's* cover was parody misses the point.
 21 *Yankee's* argument implies that the special considerations emanating from the First Amendment
 22 depend on whether the allegedly infringing work is one of parody. That is not correct. Because
 23 unauthorized uses that provoke litigation, both in the copyright and in the trademark field, often
 24 involve parody, the decisions often discuss the special latitudes that are afforded to parody. But
 25 parody is merely an example of the types of expressive content that are favored in fair use analysis
 26 under the copyright law and First Amendment deference under the trademark law. Indeed, of the
 27 two leading trademark cases that have explained that deference in the Second Circuit, while *Cliffs*
 28 *Notes* dealt with parody, *Rogers v. Grimaldi* did not. The message of these cases is not merely
 that *parody* is accorded First Amendment deference, but rather that the use of a trademark in the
 communication of *an expressive message* is accorded such deference" (emphasis in original)).

Here, it is undisputed that Taylor designed the Pig Pen to fit the Series' irreverent tone and
 signature brand of humor. Whether or not his depiction of the Pig Pen is a "parody," it satisfies
 the first element of the First Amendment balancing test. See *Rogers*, 875 F.2d at 1001; see also
Yankee Publ'g Inc., 809 F.Supp. at 276 ("Thus, where the unauthorized use of a trademark is for
 expressive purposes of *comedy, parody, allusion, criticism, news reporting, and commentary*, the
 law requires a balancing of the rights of the trademark owner against the interests of free speech"
 (citations and footnote omitted; emphasis added)).

¹⁴³See Pl.'s Opp. at 6-7.

1 *Rogers*, 296 F.3d at 999 (literary titles do not violate the Lanham Act “unless the title has no
2 artistic relevance to the underlying work whatsoever, or, if it has some artistic relevance, unless
3 the title explicitly misleads as to the source or the content of the work”); *MCA Records*, 296 F.3d
4 at 902 (same).

5 The court concludes that defendants’ use of the Play Pen trade dress and mark satisfies this
6 standard. Defendants’ aim in creating East Los Santos was to evoke an image of East Los
7 Angeles, but to tweak that image to fit the overall “look and feel” of San Andreas, as well as the
8 narrative of a city overrun by gangs, drug dealers, and prostitutes. Any visual work that seeks
9 to offer an artistic commentary on a particular subject must use identifiable features of that subject
10 so that the commentary will be understood and appreciated by the consumer. See *Cliff Notes*, 886
11 F.2d at 494 (stating that the key to a successful parody is imitation); *Yankee Publ’g Inc.*, 809
12 F.Supp. at 277-80 (use of elements of the *Almanac* cover design had artistic relevance to *New*
13 *York’s* joking reference). Here, defendants incorporated distinctive elements of the Play Pen
14 name, logo, and trade dress, perhaps not to identify the Play Pen itself, but to create a locale that
15 players would readily recognize as the Game’s version of East Los Angeles. Because defendants’
16 artistic objective was to construct an “East Los Angeles”-like neighborhood in San Andreas, and
17 not to produce an exact replica of East Los Angeles, it was unnecessary for defendants to copy
18 everything about the Play Pen, including the architectural style of its building. See *Cliff Notes*,
19 886 F.2d at 496 (observing that “while the cover of *Spy Notes* certainly conjures up the cover of
20 *Cliffs Notes*, the two differ in many respects”). Compare *New York Ass’n, Inc. v. Perlmutter*
21 *Pub., Inc.*, No. 95-CV-994 (FJS), 1996 WL 465298, *4-5 (N.D.N.Y. July 19, 1996) (holding,
22 where the stated artistic purpose was realism, that an artist’s use of plaintiff’s registered
23 “Saratoga” mark in a painting depicting the Saratoga Race Course scoreboard was protected by
24 the First Amendment because “incorporating one of plaintiff’s marks in a painting that depicts a
25 scene in which the mark actually exists serves the artistically relevant purpose of accurately
26 depicting that scene,” but finding that the First Amendment did not protect “defendants’ products
27 that display paintings which incorporate one of plaintiff’s marks and the mark does not actually
28 exist in the scene depicted”). Furthermore, it would have been contrary to defendants’ aesthetic

1 theme to put a landmark like the Los Angeles Convention Center or the Golden Gate Bridge in
 2 the middle of East Los Santos. While it might have been possible for defendants to mimic a more
 3 famous strip club in East Los Angeles, if one exists, the *Rogers* test is not an “absolute necessity”
 4 or an “alternative means” test. *Rogers* simply requires that defendants’ use of the trademark or
 5 trade dress bear *some* artistic relevance to the work. San Andreas satisfies this test.

6 **c. Whether Defendants’ Use Explicitly Misleads As To The Source**
 7 **Or Content Of The Game**

8 The second prerequisite to assertion of a successful First Amendment defense is that the
 9 use of the mark not explicitly mislead as to the source or content of the work. *MCA Records*, 296
 10 F.3d at 902; see also *Rogers*, 296 F.3d at 999. It is clear that defendants’ use of plaintiff’s trade
 11 dress and mark does not explicitly mislead consumers as to the *content* of the Game. Although
 12 Rockstar Games has advertised San Andreas nationally, both in print and on television, none of
 13 these advertisements features an image of the Pig Pen.¹⁴⁴ The Pig Pen does not appear in any
 14 promotional literature for San Andreas, nor does it appear on the exterior packaging of the
 15 Game.¹⁴⁵ Consequently, consumers are not exposed to the Pig Pen until after they purchase and
 16 play the Game.¹⁴⁶ Even then, there is no guarantee that a consumer will actually see the Pig Pen.
 17 Although a player is free to visit any location in Los Santos, none of San Andreas’s missions
 18 requires a player to go to the Pig Pen.¹⁴⁷ It is possible to play the Game for many hours and
 19 accomplish all the set missions without ever entering or passing the Pig Pen.¹⁴⁸

20 As these facts show, defendants’ use of the Play Pen trade dress and mark presents little,
 21 if any, chance that consumers will be misled about the content of the Game. Indeed, deception

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 23 ¹⁴⁴Defs.’ Facts, ¶¶ 45, 46; Pl.’s Statement, ¶¶ 45, 46.

24 ¹⁴⁵Defs.’ Facts, ¶¶ 44, 46; Pl.’s Statement, ¶¶ 44, 46.

25 ¹⁴⁶Defs.’ Facts, ¶ 83; Pl.’s Statement, ¶ 83.

26 ¹⁴⁷Defs.’ Facts, ¶ 47; Pl.’s Statement, ¶ 47.

27 ¹⁴⁸Defs.’ Facts, ¶ 49 (Taylor Decl., ¶¶ 11-13; Hajaj Decl., ¶¶ 12, 13; McPherson Decl.,
 28 Exh. 1 (McPherson Report at 11)).

1 is less likely here than in *Rogers* or *MCA Records*, where the title of the defendant's work
2 incorporated the plaintiff's trademark. See *Rogers*, 875 F.2d at 1001 (holding that the title of the
3 film, "Ginger and Fred," did not explicitly mislead consumers into believing that Ginger Rogers
4 approved or produced the film); *MCA Records*, 296 F.3d at 901 ("There is no doubt that MCA
5 uses Mattel's mark: Barbie is one half of Barbie Girl. But Barbie Girl is the title of a song about
6 Barbie and Ken, a reference that - at least today - can only be to Mattel's famous couple. We
7 expect a title to describe the underlying work, not to identify the producer, and Barbie Girl does
8 just that"). See also *Woodward v. Jackson*, No. 1:03-CV-0844-DFH, 2004 WL 771244, *7 (S.D.
9 Ind. Mar. 25, 2004) (holding that plaintiffs' Lanham Act claim failed "with respect to the
10 erroneous statement in the liner notes that the group had been known as 'Ripples and Waves'
11 before adopting the Jackson 5 name, [since] the representation inside a sealed CD package could
12 not have an effect on the purchasing decision of a consumer," and rejecting plaintiffs' theory that
13 "that some customers might have read the liner notes before buying the CD, either by seeing a
14 friend's copy or an opened store copy" as "merely desperate speculation . . . [that] is inconsistent
15 with the Ninth Circuit's decision in *Rice*, where such exposure to a friend's copy was also
16 possible," citing *Rice v. Fox Broadcasting Co.*, 330 F.3d 1170, 1181 (9th Cir. 2003) (an allegedly
17 false statement on a video jacket that was not available to the buyer until after purchase via
18 telephone could not have affected the purchase decision)).

19 The court also finds that the Pig Pen does not explicitly mislead consumers as to the *source*
20 of defendants' work. Although the Pig Pen incorporates certain elements of the Play Pen's logo,
21 neither the Game nor any promotional materials for San Andreas "contain[] [any] explicit
22 indication that [the Play Pen's owners] endorsed the [work] or had a role in producing it."
23 *Rogers*, 875 F.2d at 1001. While the similar font and common use of nude silhouettes might
24 suggest an association between the Play Pen and the Game to some consumers, this is not enough
25 to defeat First Amendment protection under *Rogers*. *Id.*; see also *MCA Records*, 296 F.3d at 902
26 ("The *only* indication that Mattel might be associated with the song is the use of Barbie in the
27 title; if this were enough to satisfy this prong of the *Rogers* test, it would render *Rogers* a
28 nullity"). Compare *New York Racing Ass'n*, 959 F.Supp. at 583 & n. 11 (finding that the First

1 Amendment permitted the artist to use the "Saratoga" mark to depict a scene of the Saratoga Race
2 Course, since it posed little risk of confusion, and noting that the use of a more prominent mark
3 such as "Coca-Cola" or "GIANTS" would "create a much greater likelihood of consumer
4 confusion than the present case").

5 Plaintiff disputes this, asserting that defendants' use of its trade dress and trademark
6 explicitly misleads consumers about who might have endorsed the Game. It provides no evidence
7 or argument explicating this contention, however.¹⁴⁹ Rather, it relies on arguments regarding the
8 likelihood of confusion, and in particular, on the results of Dr. Carol Scott's consumer survey.
9 As *MCA Records* makes clear, however, when First Amendment interests are implicated, the
10 *Rogers* "explicitly misleading" standard applies, not the traditional "likelihood of confusion" test.
11 See *MCA Records*, 296 F.3d at 900 ("Our likelihood-of-confusion test generally strikes a
12 comfortable balance between the trademark owner's property rights and the public's expressive
13 interests. But when a trademark owner asserts a right to control how we express ourselves . . .
14 applying the traditional test fails to account for the full weight of the public's interest in free
15 expression"); see also *id.* at 901-02 (discussing *Rogers*, and noting that "[i]f a pair of dancing
16 shoes had been labeled Ginger and Fred, a dancer might have suspected that Rogers was
17 associated with the shoes (or at least one of them), just as Michael Jordan has endorsed Nike
18 sneakers that claim to make you fly through the air. But *Ginger and Fred* was not a brand of
19 shoe; it was the title of a movie and, for the reasons explained by the Second Circuit, deserved
20 to be treated differently").

21 In *Rogers*, Ginger Rogers offered a consumer survey similar to Dr. Scott's to support her
22 claim that the "Ginger and Fred" film engendered confusion regarding sponsorship and
23 endorsement. Rogers' survey sampled 201 likely moviegoers; half of the participants were shown
24 a card with the title "Ginger and Fred," and the other half were shown a real advertisement for
25 the movie. *Rogers*, 875 F.2d at 1001 n. 8. Of the 201 persons surveyed, 38 percent expressed
26 the belief that Ginger Rogers had something to do with the film. Of that 38 percent,

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28 ¹⁴⁹See Pl.'s Opp. at 7.

1 approximately a third responded “yes,” to the question, “Do you think Ginger Rogers was
2 involved in any way with the making this film or not?” Thus, the survey showed that 14 percent
3 of all respondents felt that the title suggested that Rogers had been involved in production of the
4 film. *Id.* Despite this survey, the Second Circuit concluded that Ginger Rogers had not raised
5 a genuine issue regarding sponsorship that required submission of the case to the jury. *Id.* at
6 1001. It explained:

7 “The survey evidence, even if its validity is assumed, indicates at most that some
8 members of the public would draw the incorrect inference that Rogers had some
9 involvement with the film. But that risk of misunderstanding, not engendered by
10 any overt claim in the title, is so outweighed by the interests in artistic expression
11 as to preclude application of the Lanham Act.” *Id.*

12 See also *ETW Corp.*, 332 F.3d at 937 (“We find, like the court in *Rogers*, that plaintiff’s survey
13 evidence, even if its validity is assumed, indicates at most that some members of the public would
14 draw the incorrect inference that Woods had some connection with Rush’s print. The risk of
15 misunderstanding, not engendered by any explicit indication on the face of the print, is so
16 outweighed by the interest in artistic expression as to preclude application of the Act. We
17 disagree with the dissent’s suggestion that a jury must decide where the balance should be struck
18 and where the boundaries should be drawn between the rights conferred by the Lanham Act and
19 the protections of the First Amendment” (footnote omitted)).

20 Dr. Scott surveyed 503 San Andreas players. Each was shown a screen shot of the Pig Pen
21 and asked what the image called to mind. Only sixteen of the 503 survey participants mentioned
22 the Play Pen,¹⁵⁰ and only five said they believed the Pig Pen was endorsed by, sponsored by, or
23 affiliated with the Play Pen.¹⁵¹ Of the respondents who stated that they had been in a strip club
24 or planned to go to one, only 4.4 percent thought the Pig Pen was endorsed by, sponsored by, or

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27 ¹⁵⁰Defs.’ Facts, ¶ 68; Pl.’s Statement, ¶ 68.

28 ¹⁵¹Defs.’ Facts, ¶ 81; Pl.’s Statement, ¶ 81.

1 affiliated with the Play Pen.¹⁵² Dr. Scott's survey demonstrates that the Pig Pen presents a low
2 likelihood of confusion regarding the Play Pen's sponsorship or endorsement of the Game – much
3 lower, in fact, than the survey in *Rogers*. Rather than undercutting defendants' position,
4 therefore, Dr. Scott's survey results support their contention that the Pig Pen does not explicitly
5 mislead consumers into believing that Play Pen approved, or participated in making, *San Andreas*.
6 See *Yankee Publ'g Inc.*, 809 F.Supp. at 280 (“Yankee may well be correct in its surmise that
7 many readers may have failed to understand the comic point intended by *New York* in its use of
8 Yankee's trade dress. The joke is indeed quite complicated. . . . In *Rogers v. Grimaldi*, the
9 movie title “Ginger and Fred” was highly susceptible to consumer confusion. Many consumers
10 may have assumed that the movie was in fact an authorized story of Ginger Rogers and Fred
11 Astaire. Nothing about that title made it obvious that it was otherwise. The likelihood of
12 confusion in *Rogers v. Grimaldi* was far greater than here for there were no visible signs
13 accompanying the title to show consumers that the movie was not in fact about Rogers and
14 Astaire. Nonetheless the court found that the First Amendment interests prevailed. Although
15 *New York's* position would probably be stronger if its joke had been clearer, the obscurity of its
16 joke does not deprive it of First Amendment support. First Amendment protections do not apply
17 only to those who speak clearly, whose jokes are funny, and whose parodies succeed” (citations
18 omitted)).

19 This conclusion is further supported by the fact that video games and strip clubs are not
20 related products, and the Play Pen and *San Andreas* do not directly compete for purchasers.¹⁵³
21 E.S.S. does not contend that it has ever been in the video game business or that it has plans to
22 enter that business.¹⁵⁴ Rockstar Games and Take-Two Interactive, on the other hand, have never
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26 ¹⁵²Defs.' Facts, ¶ 82; Pl.'s Statement, ¶ 82.

27 ¹⁵³Defs.' Facts, ¶ 69; Pl.'s Statement, ¶ 69.

28 ¹⁵⁴Defs.' Facts, ¶ 79; Pl.'s Statement, ¶ 79.

1 been in the strip club business and have no plans to enter that business.¹⁵⁵ The difference between
2 the parties' businesses and product lines makes it improbable that a player who sees the Pig Pen
3 and recognizes that it was modeled after the Play Pen, will believe that the owners of the Play Pen
4 endorsed or sponsored the Game. See *Westchester Media v. PRL USA Holdings, Inc.*, 214 F.3d
5 658, 666-67 (5th Cir. 2000) ("In general, '[t]he greater the similarity between products and
6 services, the greater the likelihood of confusion.' But direct competition between the parties'
7 products is not required in order to find a likelihood of confusion. When products or services are
8 noncompeting, the confusion at issue is one of sponsorship, affiliation, or connection. The danger
9 of affiliation or sponsorship confusion increases when the junior user's market is one into which
10 the senior user would naturally expand. . . . 'If consumers believe, even though falsely, that the
11 natural tendency of producers of the type of goods marketed by the prior user is to expand into
12 the market for the type of goods marketed by the subsequent user, confusion may be likely'"
13 (citations omitted)); *Yankee Publ'g Inc.*, 809 F.Supp. at 278-79 ("Yankee's contention that *New*
14 *York* was seeking to free ride on Yankee's goodwill simply makes no sense in these
15 circumstances. The *Old Farmer's Almanac* and *New York* aim at completely different readerships
16 and offer fundamentally different values. . . . *New York's* own mark is highly successful with a
17 certain category of reader. Yankee's trademark is highly successful with a totally different
18 category of reader. There is virtually no likelihood that *Old Farmer's Almanac's* readership could
19 be wooed successfully to *New York*. Nor is *Old Farmer Almanac's* trademark successful among
20 potential readers of *New York*. Yankee has offered no persuasive explanation of how *New York*
21 could gain advantage by attempting to free ride on Yankee's goodwill through a confusing
22 imitation of Yankee's cover"). See also *MCA Records*, 296 F.3d at 902 ("If we see a painting
23 titled 'Campbell's Chicken Noodle Soup,' we're unlikely to believe that Campbell's has branched
24 into the art business. Nor, upon hearing Janis Joplin croon 'Oh Lord, won't you buy me a
25 Mercedes-Benz?', would we suspect that she and the carmaker had entered into a joint venture.

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28 ¹⁵⁵Defs.' Facts, ¶ 80; Pl.'s Statement, ¶ 80.

1 A title tells us something about the underlying work but seldom speaks to its origins").¹⁵⁶

2 In sum, the court finds that defendants' use of the Play Pen trade dress and trademark (1)
3 bears some artistic relevance to the Game, and (2) does not explicitly mislead consumers as to the
4 source or content of the Game. Because defendants have met both requirements of the *Rogers*
5 balancing test, they are entitled, as a matter of law, to a First Amendment defense to plaintiff's
6 Lanham Act claims. The court therefore grants defendants' motion for summary judgment on

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8 ¹⁵⁶At the hearing, plaintiff raised a slightly different argument: It asserted that defendants
9 had misled consumers by using more of the mark and the trade dress than necessary to achieve
10 their stated artistic purpose. Plaintiff cited no authority in support of this position, and the court
11 is aware of none. It appears that plaintiff may have confused the First Amendment balancing test
12 with the nominative fair use test. To prove nominative fair use, a defendant must show, *inter*
13 *alia*, that it used "only so much of the mark or marks . . . as [was] reasonably necessary to
14 identify the plaintiff's product or service," and that it did "nothing that would, in conjunction with
15 the mark, suggest sponsorship or endorsement by the trademark holder." *Walking Mountain*, 353
16 F.3d at 908 (citation omitted). The *Rogers* test, by contrast, has no requirement that the
17 defendant use "only so much of the mark or marks . . . as is reasonably necessary" to convey an
18 artistic idea or message. Thus, plaintiff's argument in this regard fails.

19 Another requirement of the nominative fair use test is that the user of the trademark or
20 trade dress do "nothing that would, in conjunction with the mark, suggest sponsorship or
21 endorsement by the trademark holder." *Walking Mountain*, 353 F.3d at 908 (citation omitted)
22 *Rogers*, by contrast, states that an artistically relevant use of a mark falls outside the Lanham Act
23 "unless the title *explicitly misleads* as to the source or the content of the work." *Rogers*, 296 F.3d
24 at 999 (emphasis added)). This standard appears to be less demanding than the comparable aspect
25 of nominative fair use test. Compare *Walking Mountain*, 353 F.3d at 908 (the defendant must
26 have done "nothing that would, in conjunction with the mark, *suggest* sponsorship or endorsement
27 by the trademark holder" (emphasis added)). Defendants could satisfy the third requirement for
28 nominative fair use, since no reasonable player who passed the Pig Pen and recognized that it was
modeled after the Play Pen would believe that the Play Pen's owners had endorsed the virtual
club. See *Walking Mountain*, 353 F.3d at 811 (stating that, in applying the nominative fair use
test, "[c]ritical works are much less likely to have a perceived affiliation with the original work,"
citing *New Kids on the Block*, 971 F.2d at 309 (finding no suggested sponsorship in part because
a poll in a magazine regarding the popularity of the New Kids asked if the New Kids had become
a 'turn off'")); see *id.* at 811-12 n. 21 (noting that the Ninth Circuit has "also found for the
defendant on this factor even in situations where there was some amount of ambiguity," citing
Cairns, 292 F.3d at 1154-56 (concluding that there was no suggestion of sponsorship despite an
assertion by Franklin Mint in its advertisements that all proceeds would go to Diana's charities
and that a Diana porcelain doll was the only *authentic* replica of Diana's famous gown)).
Consequently, defendants clearly satisfy *Rogers*' requirement that their use of the trademark and
trade dress not explicitly mislead as to source or content.

1 plaintiff's first cause of action.¹⁵⁷

2 **C. Plaintiff's Causes Of Action For State Law Trademark Infringement And**
 3 **Unfair Competition Claims**

4 Plaintiff's remaining causes of action allege claims for state law trademark infringement
 5 under Business & Professions Code § 14330, and unfair competition under Business & Professions
 6 Code § 17200 and California common law. The legal framework used to analyze these claims
 7 is substantially the same as the framework used to evaluate Lanham Act claims under federal law.
 8 See *Mallard Creek Industries, Inc. v. Morgan*, 56 Cal.App.4th 426, 434 (1997) (analysis for state
 9 law trademark infringement is the same as under federal law); *MCA Records*, 296 F.3d at 902 &
 10 n. 2 (holding that defendants' successful assertion of a First Amendment defense entitled them to
 11 summary judgment on plaintiff's Lanham Act claim, and also on state law claims for unfair
 12 competition); *Denbicare U.S.A., Inc. v. Toys "R" Us, Inc.*, 84 F.3d 1143, 1152 (9th Cir. 1996)
 13 ("[S]tate common law claims of unfair competition and actions pursuant to California Business
 14 and Professions Code § 17200 are substantially congruent to claims made under the Lanham Act"
 15 (internal citations and quotations omitted));¹⁵⁸ *Maljack Prods., Inc. v. Goodtimes Home Video*
 16 *Corp.*, 81 F.3d 881, 886 n. 6 (9th Cir. 1996) (same); *Duncan v. Stuetzle*, 76 F.3d 1480, 1491
 17 n. 17 (9th Cir. 1996) (same).

18 As the court has found, plaintiff's first cause of action fails because defendants' use of the
 19 Play Pen logo is protected under the First Amendment and falls outside the proscriptions of the
 20 Lanham Act. Plaintiff's related state law claims fail for the same reason. The court therefore

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 22 ¹⁵⁷Defendants raise two additional arguments in support of their motion for summary
 23 judgment. They contend that their use of plaintiff's trade dress and mark is not confusing as a
 24 matter of law. (Defs.' Mot. at 10-23.) They also assert that their use is a non-trademark use.
 25 (*Id.* at 23-24.) Because the court has found that defendants have a valid First Amendment defense
 26 to the Lanham Act claim, it need not address these additional grounds.

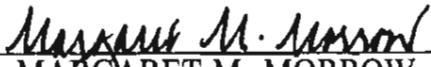
27 ¹⁵⁸Section 17200 defines unfair competition as "any unlawful, unfair or fraudulent business
 28 act or practice and unfair, deceptive, untrue or misleading advertising. . . ." CAL. BUS. & PROF.
 CODE § 17200. The common law tort of unfair competition is narrower, and "is generally
 thought to be synonymous with the act of 'passing off' one's goods as those of another." *Bank*
of the West v. Superior Court, 2 Cal.4th 1254, 1263 (1992).

1 grants defendants' motion for summary judgment on plaintiff's remaining causes of action as well.

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3 **III. CONCLUSION**

4 For the reasons stated, defendants' motion for summary judgment is granted in its entirety.

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6 DATED: July 28, 2006

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9 MARGARET M. MORROW
10 UNITED STATES DISTRICT JUDGE
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