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# Pixels in Peril: Resolving the Dichotomy of Freedom of Expression and Trademark Protection in Video Games

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SHANTANU SINGH BATRA<sup>1</sup> AND ABHIMANYU BATRA<sup>2</sup>

## ABSTRACT

*This research paper examines the intricate relationship between video games, trademark laws, and freedom of speech and expression. With the rapid growth of the gaming industry, questions surrounding the boundaries of intellectual property rights, creative expression, and individual liberties have become increasingly important.*

*The paper begins by providing an overview of the legal framework governing trademark laws and their relevance to video games. It explores the fundamental principles underlying trademark protection, such as the likelihood of confusion and potential dilution of trademarks in the gaming context. Furthermore, it investigates how the interplay between trademark laws and video games impacts the ability of game developers to create and distribute innovative content.*

*Moving forward, the study delves into the multifaceted issue of freedom of speech and expression within the realm of video games. It examines landmark legal cases that have shaped the interpretation of the Right of Freedom of Speech and Expression in the United States and India in relation to video games. Specifically, the paper analyzes instances where the tension between expressive freedom and trademark rights has led to legal disputes within game narratives.*

*The study explores the various approaches taken by courts in the US and India in addressing the complex issues arising from the convergence of video games, trademarks, and freedom of speech. By examining these legal perspectives, the paper provides insights into how both the jurisdictions have approached this matter and the potential implications thereof.*

*Ultimately, this research paper aims to contribute to the ongoing discourse surrounding video games, trademark laws, and freedom of speech and expression. By shedding light on the legal challenges faced by game developers and the implications for creative expression, it highlights the need for a balanced approach to safeguard both intellectual property rights and individual liberties in the digital age.*

**Keywords:** *Freedom of Speech and Expression, Trademark Law, Video Games.*

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<sup>1</sup> Author is an Advocate at Punjab and Haryana High Court, Chandigarh, India.

<sup>2</sup> Author is an Advocate at Punjab and Haryana High Court, Chandigarh, India.

## I. INTRODUCTION

The year was 1985 when Nintendo launch the very first easily operable gaming console. Ever since the video game industry has been booming exponentially. As of 2023, it is estimated at a mindboggling value of more than \$220 Billion and is forecasted to reach \$339 Billion by the year 2027.<sup>3</sup> It is the fastest-growing segment of the entertainment industry. Undoubtedly, it is a major contributor to the world economy and has created millions of jobs and generated high tax revenue for the countries.

In parlance, a video game can be defined as *an electronic or computer-based game which is played by manipulation of images on a video display screen.*<sup>4</sup> Video Games contain IPR protectable content like game title, logo, soundtracks, musical composition, audio-visual elements, storylines, characters, drawings etc. Therefore, video games do not generally contain a single form of Intellectual Property Right, rather they are a combination of multiple elements which are protectable by various forms such as copyright, trademarks, patents, industrial designs etc. to name a few. The relevant provisions to grant these protections to the content of video games are established by various international standards and domestic laws. A brief segregation of the protectable content usually contained in video games is as follows:

### (A) Content Protected by Trademarks:

- Company Name
- Company Logo
- Game Title
- Game Subtitles

### (B) Content Protected by Copyright

- Code (both source code and object code)
- Storyline
- In-Game characters and avatars
- Artworks in games
- Designs of official websites of games

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<sup>3</sup> GAMING MARKET - GROWTH, TRENDS, COVID-19 IMPACT, AND FORECASTS (2022-2027) by Mordor intelligence.

<sup>4</sup> Study on the Economy of Culture in Europe by European Commission, published in October 2006.

- Music and soundtrack

### **(C) Content Protected by Patents**

- Hardware technical solutions
- A novel and original form of gameplay
- Novel solutions including software, database, and networking designs

### **(D) Content Protected as Industrial Designs**

- as developed by Rockstars Inc. Design of Consoles
- Graphical User Interface (a.k.a GUI)
- Novel Designs of objects and characters.

Although the above list is not exhaustive, yet it is clear from it that IP serves as a lifeblood for the gaming industry and no organization or individual developer indulged in the creation or production of video games can afford to neglect to accord relevant IP Protections to video games. To put it in perspective, without proper IP protection developers of video games might find it difficult to distribute their video games. It is also necessary to note here that some elements contained in video games may be protected by one or more forms of IPR. Further, they won't be able to exercise complete leverage on their work. Hence, it is not the video games that are owned by the developers, rather what they actually possess is IP rights which are further sold via licensing deals.

However, to make video games more realistic, it becomes pertinent for developers to make them more relatable by inculcating real-life elements in the video games. For some of the readers, the famous video game *San Andreas* as developed by Rockstar Games, Inc. might serve as a nostalgic example here. You might have spotted a club by the name of *Pig Pen* in the game. Little do the casual gamers know that it is not a completely hypothetical place, rather a paradoxical portrayal of a real-life club located in Los Angeles which goes by the name of *Playpen Gentlemen's Club*. This was done intentionally by the developers to make the video game more realistic and immersive. However, the use of this trademark was unlicensed and hence led to a dispute which will be discussed further in this paper.

The above example makes us ponder upon the question that whether it was justified for developers in this situation (and many other cases as well) to use the rightfully owned trademark of a third party in a commercial manner to make their video games more immersive? Is it covered by what we call modern day Freedom of Speech and Expression, even if the same

violates the commercial and intellectual property rights of the rightful owners and users? The above questions shall further be addressed in this paper.

## II. TRADEMARK LAW

A trademark is a sign or combination thereof which is used to distinguish between the goods and services of one entity from that of the another. A trademark entitles its owner with exclusive rights of prohibiting third parties from using the same without the owner's consent. The owner of a trademark may use the trademark himself or also opt to commercialize it via licensing or transfer thereof. At the international level, trademarks are governed by Section 2 of Part II of the TRIPS Agreement<sup>5</sup>. This Section 2 of Part II, for a total comprehensive understanding, shall be read with the relevant international conventions and treaties. One major convention related thereto is the *Paris Convention for Protection of Industrial Design, 1883* (hereinafter, referred to as "*Paris Convention*").

With technological advancement, we have witnessed the rise in demand for realism in video games. Therefore, to feed this demand, developers have been using real life elements such as brand logos, objects, and landscapes as part of the in-game experience. Such elements, for example, includes -weaponry used in warfare games, vehicles used in multiple genres, logos used in sports, character clothing and accessories etc., and the list goes on. These real-life elements or objects entail with themselves trademarks attached to them. Therefore, this brings us to the question that whether developers are free to use such elements without the prior consent of the original trademark owner to make the games more immersive and realistic? The issue has arisen from two-conflicting rights, and they are: Firstly, the right of developers to make video games more immersive and realistic flowing from the Natural Right of Freedom of Speech and Expression and Secondly, the right of trademark holders in protecting the rightful title over the marks from third-party infringement or passing off.

The core issue underpinning the above conflict incepts from the concept of public confusion, which is an important part of trademark laws in the United States and India. The concept of Public Confusion in the present context refers to the probability of potential consumers or the general public to be misled or confused regarding the source or affiliation of a particular video game or its content. Trademark laws seek to protect consumers from such confusion by granting exclusive rights to trademark owners, allowing them to distinguish their goods or services from those of others in the marketplace. Public confusion is a ground of prima facie refusal of

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<sup>5</sup> See: Article 15 to 21 of Trade Related Aspects of Intellectual Property Rights.

registration in India<sup>6</sup> and the United States<sup>7</sup> it allows the rightful owner to bring about a civil action against the defendant.

In the gaming industry, public confusion may arise when a video game incorporates elements protected by the law of trademarks without authorization, leading consumers to believe that the game is associated with or endorsed by the trademark owner. This confusion can have negative consequences for both the trademark owner and the game developer. It can dilute the distinctiveness and value of the trademark, potentially leading to a loss of reputation and revenue for the trademark owner.

Courts and legal authorities consider several factors (termed as **Polaroid Factors**)<sup>8</sup> to determine whether public confusion exists in a given case, including the similarity of the trademarks used, the similarity of the goods or services provided, the strength of the trademark's reputation, and the degree of care exercised by consumers in making purchasing decisions. They also evaluate the context in which the trademark is used within the video game, such as whether it is used nominatively (to refer to the trademark owner) or descriptively (to describe a product or service).

Public confusion is a crucial element in trademark infringement cases involving video games. It is pertinent for video game developers to navigate the fine lines while incorporating elements protected by the Law of Trademarks in video games to avoid consumer confusion and potential legal liability. Striking the right balance is crucial for preserving both the expressive freedom of game developers and the protection of intellectual property rights.

In the foregoing discussion, we will analyze how relevant provisions of aforementioned international agreements play a key role in protecting general trademarks of video games (like the game title, game logo etc.) and in-game trademarks as well (like, the characters, objects, arts etc. used in video games). Further, we shall also proceed to analyze the apparent conflict between trademark infringement by integrating realistic elements in video games and the freedom of speech and expression as enshrined under the U.S. First Amendment and Article 19(1) (a) of the Indian Constitution.

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<sup>6</sup> The Trademarks Act, 1999, § 9(2).

<sup>7</sup> 15 U.S.C. § 1114(1).

<sup>8</sup> The Polaroid factors were developed in *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492 (2d Cir. 1961) to assess the likelihood of confusion between two trademarks in trademark infringement cases.

### III. THE CONFLICT BETWEEN FREEDOM OF SPEECH AND UNLICENSED USE OF TRADEMARKS

Freedom of speech and expression finds its place in most of the Constitutions around the world, including the US Constitution<sup>9</sup> and the Constitution of India<sup>10</sup>. However, there has been an ongoing conflict between the said right and impermissible use of third-party trademarks (registered or unregistered) by developers in video games to make them more realistic. Although U.S. Supreme Court in 2011 held that video games enjoy the same level of protection in the context of free speech guaranteed by the U.S. First Amendment as other “expressive works” like movies, music, books etc.<sup>11</sup>, still the law related to the unauthorized use of trademark and freedom of speech in video games arena is still not applied with certainty. However, for clarity, we shall look into the established precedents to conclude what the present legal stance is in this regard. Before we dig further, it is pertinent to discuss the landmark *Rogers Test* for a total comprehension.

#### (A) Rogers Test

The above-titled test was laid down in the landmark case of *Rogers v. Grimaldi*.<sup>12</sup> Herein, the court established a two-prong test to strike a balance between freedom of expression and unauthorized use of trademark by third parties. The two steps to check whether an unauthorized use of trademark is protected by the U.S. First Amendment are:

- a) Whether the unauthorized use of trademark is artistically relevant to the defendant’s work?
- b) Whether such use is explicitly misleading for the end consumer?

With respect to first step, if the use of trademark is artistically relevant to the defendant’s work and is not solely used for the purpose of commercialization through infringement then benefit will be tilted in favor of the defendant.

With respect to second prong of the test, if it is established that the use of such trademark was not explicitly misleading for the end consumer so as to confuse such consumer with the perception that the use of such trademarked element was indeed authorized by the original owner of trademark then the benefit will again be tilted in defendant’s favour, and vice versa.

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<sup>9</sup> U.S. Const. amend. I.

<sup>10</sup> INDIA CONST. art. 19, cl. 1(a).

<sup>11</sup> *Brown v. Entm’t Merchs. Ass’n*, 564 U.S. 786, 131 S. Ct. 2729, 180 L. Ed. 2d 708, 2011 U.S. LEXIS 4802, 79 U.S.L.W. 4658, 22 Fla. L. Weekly Fed. S 1259 (U.S. June 27, 2011).

<sup>12</sup> *Rogers v. Grimaldi*, 875 F.2d 994, 1989 U.S. App. LEXIS 6443, 10 U.S.P.Q.2D (BNA) 1825, 16 Media L. Rep. 1648 (2d Cir. N.Y. May 5, 1989).

If both the above prongs are satisfied in favour of the defendant, then it can very aptly be concluded that the unauthorized use of trademark by defendant is indeed protected by U.S. First Amendment under the garb of freedom of speech. It can be objectively opined that the Roger's Test focuses on the balancing of individual's Right of Freedom of Speech and Expression with trademark owner's exclusive right to use and prohibit the unpermitted use of the mark owned. Herein, the first prong of the test allows for the game developers to express themselves freely, via the artistic medium of digital games by inculcating a little proportion of real-life elements in the hypothetical gaming world created by them. The second prong further advances the protection of public interest and trademark-owner's interest by prohibiting any such use by developers which might cause the general public or consumers/players of such games to associate the mark in such a manner as might accord them with a perspective that the same has been allowed to be used by the rightful trademark-owner.

While dealing with the issue of unauthorized trademark use by video game developers to integrate realism, and defense of freedom of speech as guaranteed by the U.S. First Amendment, the following cases are pertinent to take a note of.

**1. A.M General LLC v Activision Blizzard, Inc.**<sup>13</sup>

The New York District Court in March of 2020 in the above-titled landmark case (famously known as "*Humvee Case*") dealt with the issue whether unauthorized use by video game developers of objects protected by trademark would amount to trademark infringement or would the same be protected under Freedom of Speech as enshrined under U.S. First Amendment. In the present case the plaintiffs sued the publisher of famous video game *Call of Duty* for trademark infringement by using a visual representation of its Humvee vehicle by reproducing its design. The court herein applied the *Rogers Test* and found that use of *Humvee* vehicle by the defendants was an artistically relevant form of expression to serve the end consumers with a feel of modern warfare realism. Further, the court also reasoned in defendant's favor that second prong of the *Rogers Test* was also satisfied as the use was not explicitly misleading at all in any way that would confuse the players with the perception that A.M General LLC has actually authorized the use of Humvee via license or assignment in any manner. Hence, it was held that the defendants were not liable for trademark infringement since the ultimate purpose was to integrate warfare realism in their video game and the same was protected as freedom of speech under the U.S. First Amendment.

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<sup>13</sup> AM Gen. LLC v. Activision Blizzard, Inc., 2019 U.S. Dist. LEXIS 37471, 2019 WL 1085470 (S.D.N.Y. March 7, 2019).

## **2. Novalogic Inc v. Activision Blizzard et al**<sup>14</sup>

The present case pertains to alleged infringement of federal and state trademark and false designation of origin of Nova logic's protected trademarks titled as "Delta Force" and a logo related thereto by the defendants in their video game titled as "Call of Duty: Modern Warfare 3". Defendants again in this case raised a defense of First Amendment. The California Federal Court herein used the *Rogers Test* to decide this dispute. It was held by the court that use of the words "Delta Force" by the defendant in its video game had major artistic relevance to serve high demand of realism and authenticity by players. Further, with respect to second prong of the test court reasoned that the defendants did not mislead the players in any manner whatsoever since the name "Delta Force" had an established and well known recognition in the public domain. A pre-date use by the plaintiff would not entitle it to bring an infringement action against the defendant.

## **3. E.S.S Entertainment 2000 Inc. v Rockstar Videos Inc.**<sup>15</sup>

In the present case it was contention of the plaintiff that the defendants had infringed their protected trademark "Play Pen" which is a strip club in the real world in the territory of Los Angeles by using the words "Pig Pen" for their virtual strip club in their famous video game titled as *Grand Theft Auto: San Andreas*.

The court again went on to apply the *Rogers Test* and held that re-creation of the disputed strip club title was artistically relevant to serve players with a sense of realistic experience of gangster culture in the city of California which was subservient to serve the artistic goal of first prong of *Rogers Test*. Further, with respect to second prong of the test that whether the use of such title was explicitly misleading, the court decided in negative and held that there was no indicative evidence whatsoever that would support plaintiff's claim that the use of disputed title was so misleading as would make the players of the game think that the plaintiffs had indeed sponsored or licensed the use of such title in the videogame. Hence, the court went on to dismiss the suit and decided in favour of the defendant.

## **IV. INDIAN POSITION**

In India, the parent law governing trademark and related rights is The Trademark Act of 1999 (hereinafter referred to as "Act"). Since, there is no specific legislation in India and we lack precedents as well with respect to trademark and video game issues, the law related to

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<sup>14</sup> Novalogic, Inc. v. Activision Blizzard, 41 F. Supp. 3d 885, 2013 U.S. Dist. LEXIS 188298, 2013 WL 8845232 (C.D. Cal. June 18, 2013).

<sup>15</sup> E.S.S. ENTMT 2000, INC. V. ROCK STAR VIDEOS, INC. - 547 F.3D 1095 (9TH CIR. 2008).

trademarks in context of video games is still under development. However, we shall nonetheless continue to analyze the present legal framework that can be applied domestically in India.

Although the *Rogers Test* is a decent standard to test the balance between trademarks and freedom of speech in the US context, the same is not binding on Indian courts and merely possesses a persuasive value. Nevertheless, same protection purposively be accorded under Indian Constitution provides enshrines within itself the freedom of speech and expression as a fundamental right<sup>16</sup> which is subjected to certain restrictions such as public order, morality, health, and security of the state<sup>17</sup>.

Furthermore, an account shall be taken of Section 30 of the Act which provides for certain exceptional situations where “nominative and descriptive fair use” of protected trademarks could be executed. Section 30(2)(a) of the Act provides for a situation where descriptive fair use of a protected trademark could be made to elaborate defendant’s own goods and services. Further, the rule regarding nominative use is laid down under Section 30(2)(a) of the Act whereby the registered owner of the mark can use it to refer to the owner’s products themselves.

An important case for the Indian video game industry and unlicensed use by third party of a registered trademark is *Tata Sons v. Greenpeace International*<sup>18</sup> wherein the plaintiff alleged that the defendants violated their registered trademark of Tata logo in a video game styled in the same manner as ‘Pacman’. The court decided in favour of defendants using the ratio commercial intent of the speech shall be considered in such cases. The present dispute relates to a game which was in nature of parody and the use of trademark was merely a tool for criticizing Tata. Hence, it was held that such use did not amount to an infringement.

In the year 2017, the famous game developer Tencent in its game Player’s Unknown Battleground (famously known as ‘PUBG’) had used Mahindra 265 DI tractors in its gameplay. However, Mahindra did not file an infringement suit in the present situation. Had it been filed, we could have witnessed another important precedent in the Indian video game industry with respect to the use of unauthorized use of trademarks.

Above discussed cases have upheld the rights enshrined under U.S. First Amendment by allowing video game developers to include unlicensed or unauthorized trademarks in their games. Further, in the U.S. after the *Brown Ruling*<sup>19</sup> of classifying video games as expressive works, the law on unlicensed use of trademark in video games has become clearer. Therefore,

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<sup>16</sup> INDIA CONST. art. 19, cl. 1(a).

<sup>17</sup> INDIA CONST. art. 19, cl. 2.

<sup>18</sup> 178 (2011) DLT 705.

<sup>19</sup> See *supra* Note 9.

inclusion of such trademarks in video games is generally allowed to developers, provided that they meet the requirements of Roger's Test in the USA and with respect to India, they do not deviate from the restrictions on Freedom of Speech and Expression<sup>20</sup>. As the video game industry moves to integrate more realism day-by-day in their works using cinematic elements and storylines, we can expect more precedents to be established in the near future that will possibly favour developer's rights enshrined under above-discussed legal framework. Nonetheless, it is pertinent to note that the cost of defending infringement claims can come with a hefty legal fee and hence the developers shall balance their call of using unauthorized marks with that of costs of defending prospective infringement suits. Until the law becomes so clear that it strongly establishes developer's rights to include unlicensed trademarks in their video games, they shall not hang on the edge of a risky infringement suit and rather acquire licenses of trademark if the same comes at a price significantly lower than that of defending prospective infringement suits.

## **V. CONCLUSION**

The examination of the relationship between freedom of speech and expression and trademark infringement disputes in the context of video games reveals a complex and evolving legal landscape. While both rights are protected under the law, they often intersect and potentially conflict with each other, leading to contentious disputes within the gaming industry.

The analysis of relevant case law and scholarly discourse demonstrates that the courts strive to strike a delicate balance between safeguarding the principles of free speech and protecting intellectual property rights. The Rogers test and the likelihood of confusion standard have emerged as essential frameworks in resolving these disputes. However, the application of these standards can vary, leaving room for further interpretation and potential inconsistencies in rulings.

It is evident that video games, as an art form, constitute a unique medium that blurs the boundaries between entertainment, expression, and commercial interests. The interactive nature of video games provides players with immersive experiences that often incorporate trademarked elements, creating both opportunities for creative expression and risks of trademark infringement. As the gaming industry continues to grow and evolve, it is crucial for lawmakers, courts, and industry stakeholders to adapt and develop nuanced approaches that uphold both freedom of speech and intellectual property rights.

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<sup>20</sup> INDIA CONST. art. 19, cl. 2.

Moving forward, legal frameworks and industry practices should be continually reviewed and refined to ensure a fair and balanced environment for all parties involved. This may involve considering specific exceptions or limitations for video games that align with the transformative nature of the medium. Additionally, fostering open dialogue and collaboration between game developers, trademark owners, and legal experts can lead to more informed and equitable resolutions.

Ultimately, striking a balance between freedom of speech and expression and trademark protection in the realm of video games is an ongoing and multifaceted challenge. While no definitive solution exists, it is imperative to recognize the artistic significance of video games and the importance of preserving freedom of speech while upholding the rights of trademark owners. Only through thoughtful consideration, nuanced legal analysis, and continuous adaptation can we navigate the complexities of this dynamic and evolving area of law.

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