

# MULTIPLAYER MODE: HOW BALANCING THE RIGHTS OF VIDEO GAME DEVELOPERS AND INTELLECTUAL PROPERTY OWNERS WILL LEAD TO GROWTH OF THE VIDEO GAME INDUSTRY

JOAN COLLERAN

## I. INTRODUCTION

From Pac-Man arcade to Fortnite, video games have been a significant part American pop culture for generations, bringing feelings of nostalgia and thrill to all ages. But what is it that continues to drive America's love of video games? The revenue produced by the video game industry has surpassed that generated by Hollywood in recent years.<sup>1</sup> In fact, the "most profitable entertainment product of all time," *Grand Theft Auto V*, is a video game.<sup>2</sup> Video games cater to nearly every age demographic; a 2019 study showed seventy-three percent of Americans over the age of two reportedly played video games.<sup>3</sup> Consumers in the United States spent \$43.4 billion on video games in 2018, an increase of eighteen percent over the previous year.<sup>4</sup> These numbers continue to trend upward; during the second quarter of 2020, Americans spent a record of \$11.6 billion on video games.<sup>5</sup> This is a thirty percent increase from the second quarter of 2019 and an increase of seven

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<sup>1</sup> Joel David Rodrigues, *The Importance of the Intellectual Property in the Gaming Industry*, INVENTA INT'L (Aug. 8, 2018), <https://inventa.com/en/news/article/321/the-importance-of-the-intellectual-property-in-the-gaming-industry> [<https://perma.cc/PJ8Q-RX9J>].

<sup>2</sup> Rob Gordon, *The Most Controversial Video Game Lawsuits*, SCREENRANT (July 4, 2018), <https://screenrant.com/controversial-video-game-lawsuits> [<https://perma.cc/AMR7-77T2>].

<sup>3</sup> Press Release, The NPD Group, *According to the NPD Group, 73% of U.S. Consumers Play Video Games* (Oct. 9, 2019), <https://www.npd.com/wps/portal/npd/us/news/press-releases/2019/according-to-the-npd-group--73-percent-of-u-s--consumers-play-video-games> [<https://perma.cc/ES98-6F66>].

<sup>4</sup> Chris Morris, *We Spent Over \$43 Billion on Video Games Last Year*, FORTUNE (Jan. 23, 2019, 10:15 AM), <https://fortune.com/2019/01/23/2018-video-game-sales-totals> [<https://perma.cc/4CLE-VBXQ>].

<sup>5</sup> Press Release, The NPD Group, *The NPD Group: U.S. Consumer Spend on Video Game Products Continues to Break Records* (Aug. 10, 2020), <https://www.npd.com/wps/portal/npd/us/news/press-releases/2020/the-npd-group-us-consumer-spend-on-video-game-products-continues-to-break-records> [<https://perma.cc/4SXX-6M7N>].

percent over previous quarter, which was also a record.<sup>6</sup> Although the video game market took a nosedive in the 1980s, it has since rebounded with great momentum, exhibiting an upward trend of nearly a 1500 fold increase in market worth.<sup>7</sup> People seemingly increased their video game consumption as a way to pass time while quarantining during the COVID-19 pandemic, as sales during the second quarter of 2020 were a 28% increase over the prior year, but the above statistics demonstrate that the popularity of video games was on the rise long before governments enacted shelter-in-place orders.<sup>8</sup>

The video game industry is also a major sector of the United States economy. In 2015, the video game industry contributed over \$11.7 billion to the United States GDP.<sup>9</sup> In 2016, an estimated more than 220,000 jobs across the nation relied on the video game industry.<sup>10</sup> Not only does industry growth benefit video game developers but playing video games is a major source of income for some avid players.<sup>11</sup> The average income for competitors in the eSports industry (multiplayer electronic sports where players compete against one another) in 2019 was \$8,885.78 in 2019, with some of the top players earning millions.<sup>12</sup> Twitch, a popular platform used for video game players to livestream their games, earned around \$1.54 billion in revenue during 2019.<sup>13</sup> Players have even sought trademarks for their gamer IDs and team names as a way of protecting their valuable “brand.”<sup>14</sup> Thus, video games are a source of revenue for creators, players, and other parties working to capitalize on the growth of the industry.

Video games themselves, not just their competitive players, are increasingly facing their own intellectual property protection matters. One of

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<sup>6</sup> *Id.*

<sup>7</sup> Jared McCarty, *Crash Course: Is The Video Game Market Heading For Another Disaster?* MEDIUM (Feb. 23, 2020), <https://medium.com/super-jump/crash-course-is-the-video-game-market-heading-for-another-disaster-bff8e65d9e73> [<https://perma.cc/P9TL-XTMU>].

<sup>8</sup> See The NPD Group, *supra* note 5.

<sup>9</sup> Stephen E. Siwek, *Video Games in the 21<sup>st</sup> Century: The 2017 Report*, ENT. SOFTWARE ASS'N. 2 (2017), available at <https://www.theesa.com/wp-content/uploads/2019/03/2017-EIR-National-Report.pdf>.

<sup>10</sup> *Id.* at 36.

<sup>11</sup> See Zach Cabading, *What are the Average eSports Earnings for Top Competitors?*, HP STORE: HP TECH TAKES (Nov. 14, 2019), <https://store.hp.com/us/en/tech-takes/average-esports-earnings> [<https://perma.cc/YBR6-PVRX>].

<sup>12</sup> *Id.*

<sup>13</sup> *How Much Do Twitch Streamers Make*, BRAVE, <https://brave.com/learn/how-much-money-do-twitch-streamers-earn/#:~:text=Twitch%20brought%20in%20an%20estimated,make%20a%20good%20deal%20less> [<https://perma.cc/XU32-FMDD>] (last updated July 6, 2020).

<sup>14</sup> *eSports IP Protection for Gamer IDs and Team Names*, SCARINCI HOLLENBECK (June 27, 2018), <https://scarincihollenbeck.com/law-firm-insights/esports-ip-protection> [<https://perma.cc/89SP-YMMP>].

the sources of video game popularity is the sense of realism that certain genres of games provide for the player.<sup>15</sup> Creating a more realistic video game “increases the profitability and popularity of the game.”<sup>16</sup> Players are attracted to video games they feel a part of, which is amplified by “enhanced realism” that “makes the player feel more involved in the game.”<sup>17</sup> Additionally, the cinematic nature of realistic games immerses the player in the narrative and environment, fostering “stronger emotional ties” between the game and the gamer.<sup>18</sup> In the video game industry, games created with the largest budgets are labeled AAA games.<sup>19</sup> The budgets for such games have increased dramatically: one of the highest budgeted games was \$1.5 million in 1995, whereas *Grand Theft Auto V* cost \$265 million to create in 2013.<sup>20</sup> While developers once used copies of background characters, terrain, and repeating objects to fill much of the game, enhanced realism demands more unique elements, which cost time and money to make.<sup>21</sup> Games known for their realism, like *Grand Theft Auto V*, retail for upwards of sixty dollars when they are first released,<sup>22</sup> perhaps because of the greater investment needed for detailed realistic features. One could naturally conclude realism contributes to why people will spend this much money on a video game when there are plenty of free games in the market.

Like with any booming business, more legal considerations and protections are sought as the video game industry grows, particularly in the

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<sup>15</sup> Jennifer L. Commander, Note, *The Player, the Video Game, and the Tattoo Artist: Who Has the Most Skin in the Game?*, 72 WASH. & LEE L. REV. 1947, 1978 (2015) (citing Cheryl Walker, *Video Games and Realism: Communication Professor Studies Effects on Children*, WAKE FOREST U. (Dec. 22, 2010), <http://news.wfu.edu/2010/12/22/video-games-and-realism> [https://perma.cc/QE28-LVUA]).

<sup>16</sup> *Id.*

<sup>17</sup> *Id.* at 1978 n.155 (citing Cheryl Walker, *Video Games and Realism: Communication Professor Studies Effects on Children*, WAKE FOREST U. (Dec. 22, 2010), <http://news.wfu.edu/2010/12/22/video-games-and-realism> [https://perma.cc/QE28-LVUA]).

<sup>18</sup> Larry Frum, *Emerging Technology Heightens Video-Game Realism*, CNN (Nov. 14, 2013), <https://www.cnn.com/2013/11/14/tech/gaming-gadgets/realism-video-games> [https://perma.cc/C3XJ-XEV2].

<sup>19</sup> Stefan Greuter, *AAA Ratings: When do Video Games Become Too Realistic?*, THE CONVERSATION (Mar. 18, 2014, 3:35 PM), <https://theconversation.com/aaa-ratings-when-do-videogames-become-too-realistic-24060> [https://perma.cc/XY7L-BVA5].

<sup>20</sup> *Id.*

<sup>21</sup> *Id.*

<sup>22</sup> Jeff Bakalar, *Grand Theft Auto V on Xbox One and PS4: Is it Worth a Second Trip to Los Santos?*, CNET (Nov. 17, 2014, 10:43AM), <https://www.cnet.com/reviews/grand-theft-auto-v-ps4-and-xbox-one-preview/#:~:text=GTA%20V%20on%20PS4%20and,turnoff%20out%20of%20the%20gate> [https://perma.cc/5AH5-JLMH].

realm of intellectual property.<sup>23</sup> Video games are a package of intellectual property rights and developers “are eager to stake out their market shares” through “suits and threats of suits.”<sup>24</sup> Video games developers have used protected intellectual property, such as trademarked and copyrighted material, in order to make their game more realistic. But as games are “pushing the boundaries of IP law,”<sup>25</sup> the corresponding legal framework is slow to respond. As discussed later, parties settled many past lawsuits concerning protected material in video games without reaching the merits, conceivably because there was not enough precedent to indicate a clear result and neither party wanted to spend the money to litigate it.<sup>26</sup> A win for video game companies could set a valuable precedent allowing them to use protected material in their games as they wish. A loss could require developers to obtain licenses in order to use intellectual property in a realistic game, which costs valuable time and money.<sup>27</sup> Navigating the world of using protected intellectual property in video games has not deterred companies from creating games with this material, nor has it significantly harmed sales.<sup>28</sup> However, having an initial framework in place will help developers strategize how to go about using protected material and provide guidance on how intellectual property owners can control use of their work.

Recently, the Southern District of New York settled some of the longstanding gray areas surrounding how video game companies may use trademarked and copyrighted material in their games. These rulings, decided within days of one another, articulate a favorable stance to video game developers.<sup>29</sup> The Court in *Solid Oak Sketches, LLC v. 2K Games, Inc.* held the video game developer did not infringe on the copyright of Solid Oak, which owns the licenses to numerous tattoos on well-known NBA players, by depicting players in a video game with their tattoos.<sup>30</sup> Another win for video game developers came in *AM Gen. LLC v. Activision Blizzard, Inc.*, where the court awarded summary judgment to the video game developer, finding they did not infringe on the trademark rights of AM General, which manufactures and owns the trademark for Humvees, by depicting Humvees

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<sup>23</sup> See Gordon, *supra* note 2.

<sup>24</sup> Thomas M.S. Hemnes, *The Adaptation of Copyright Law to Video Games*, 131 U. PA. L. REV. 171 (1982).

<sup>25</sup> Duncan Jefferies, *How Video Games are Pushing the Boundaries of IP Law*, RACONTEUR (Mar. 19, 2019), <http://www.raconteur.net/legal/intellectual-property/video-game-copyright-law> [<http://perma.cc/L6QU-84LV>].

<sup>26</sup> See discussion *infra* Part II.

<sup>27</sup> See discussion *infra* Part IV.A.2.

<sup>28</sup> Red Dead Redemption 2, a game that was litigated for intellectual property issues (as discussed in Part II), ranked number one in most sold video games in 2018. Morris, *supra* note 4.

<sup>29</sup> The Court in *Solid Oak* and *AM Gen.* allowed video game developers to use material protected by trademark and copyright registration. See *Solid Oak Sketches, LLC v. 2K Games, Inc.*, 449 F. Supp. 3d 333 (S.D.N.Y. 2020); see *AM Gen. LLC v. Activision Blizzard, Inc.*, 450 F. Supp. 3d 467 (S.D.N.Y. 2020).

<sup>30</sup> See *Solid Oak*, 449 F. Supp. 3d.

in their military-themed video games.<sup>31</sup> The Southern District of New York decided these cases after years of lawsuits involving intellectual property use in video games never reaching the merits and providing limited insight,<sup>32</sup> finally giving developers and intellectual property owners some foundational guidance. It is important the Court decided these cases now, as it could become necessary to include protected material in order to make a game realistic enough to sell and compete in the market as technology allows for more realistic elements.

This note will first review the history of litigation related to the unauthorized use of protected intellectual property in video games. Part III will provide an overview of the two previously mentioned cases and how they provide insight into the way video games developers may use protected intellectual property material in their products. This note will then summarize them and discuss the implications of the rulings on both video game developers and intellectual property owners. Next, Part IV will illustrate how these rulings benefit video game developers, follow the underlying purposes of trademark and copyright law, and will soften the acceleration of lawsuits related to these issues that flooded court dockets in recent years. Finally, the note will conclude with recommendations for video game developers on how to use protected intellectual property in safest way while limiting the harm to intellectual property owners, suggestions for how owners of intellectual property can protect their creations and work in tandem with video game developers without getting taken advantage of, and the future of pending cases. Video game developers should not eclipse the hard work of intellectual property owners, so usage should be as fair as possible. Because realism (in games which strive for it) generates a more popular game,<sup>33</sup> this leniency toward use of intellectual property in video games will contribute to the overall growth of the video game industry and result in a more entertaining product for the consumer.

## II. HISTORY OF VIDEO GAMES AND THEIR INVOLVEMENT IN LITIGATION

### A. *History of Video Game Disputes Involving Intellectual Property*

The boundaries of intellectual property use in video games is a longstanding unsettled area of the law. The Supreme Court afforded First Amendment protection to video games in *Brown v. Entertainment Merchants Association*.<sup>34</sup> Drawing similarities between other protected mediums, such as books and movies, the Court found “video games communicate ideas—and even social messages—through many familiar literary devices . . .

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<sup>31</sup> See *AM Gen.*, 450 F. Supp. 3d.

<sup>32</sup> See discussion *infra* Part II.

<sup>33</sup> *Commander*, *supra* note 15, at 1978.

<sup>34</sup> See *Brown v. Ent. Merchs. Ass’n*, 564 U.S. 786 (2011).

through features distinctive to the medium (such as the player's interaction with the virtual world)," which satisfies the need for First Amendment protection."<sup>35</sup>

The *Rogers* test, which originated in the Second Circuit, is one of the standards courts use in adjudicating trademark disputes involving video games.<sup>36</sup> It finds infringement where the use of the mark has "no artistic relevance to the underlying work" or "explicitly misleads as to the source or the content of the work."<sup>37</sup> The case examined an instance where a film title used a celebrity's name,<sup>38</sup> but the Second Circuit has extended the balancing test to cover "Lanham Act claims against works of artistic expression."<sup>39</sup> One of the few disputes involving a video game using trademarked material to reach trial, *E.S.S. Entertainment 200, Inc. v. Rock Star Videos, Inc.*, involved the popular game *Grand Theft Auto: San Andreas*, which portrayed a strip club modeled after a real establishment in Los Angeles.<sup>40</sup> The Court held First Amendment rights are a defense to trademark violation liability.<sup>41</sup> Since "video games and strip clubs do not go together like a horse and carriage," consumers would not confuse the two or think the real club sponsored the game.<sup>42</sup> The *Rogers* test is not difficult to meet "[b]ecause of the low standard for artistic relevance" easily demonstrated when no explicit confusion is present.<sup>43</sup>

*Electronic Arts, Inc. v. Textron, Inc.* involved a video game which depicted trademarked vehicles in military scenes,<sup>44</sup> similar to *AM Gen*. The video game *Battlefield 3* included Textron helicopters protected by trademark.<sup>45</sup> Although the parties attempted to negotiate a license agreement, the deal fell through and the developers decided to incorporate the helicopters in the game anyway without paying license fees, believing they had First Amendment protection to do so.<sup>46</sup> The Court distinguished this case from *E.S.S.* because *Battlefield 3* prominently featured the helicopters, while the

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<sup>35</sup> *Id.* at 790.

<sup>36</sup> Arlen Papazian, *Let's Stop Playing Games: A Consistent Test for Unlicensed Trademark Use and the Right of Publicity in Video Games*, 8 WM. & MARY BUS. L. REV. 577, 581 (2017).

<sup>37</sup> *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989).

<sup>38</sup> *Id.* at 996.

<sup>39</sup> *AM Gen. LLC v. Activision Blizzard, Inc.*, 450 F. Supp. 3d 467, 477 (S.D.N.Y. 2020) (citing *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ'g Grp.*, 886 F.2d 490, 495 (2d Cir. 1989)).

<sup>40</sup> *E.S.S. Ent. 2000, Inc. v. Rock Star Videos, Inc.*, 547 F.3d 1095, 1097 (9th Cir. 2008).

<sup>41</sup> *Id.* at 1101.

<sup>42</sup> *Id.* at 1100.

<sup>43</sup> Papazian, *supra* note 36, at 583–84.

<sup>44</sup> *See Order Denying Plaintiff's Motion to Dismiss Counterclaims, Granting in Part and Denying in Part Plaintiff's Request for Judicial Notice, and Vacating Hearing*, *Elec. Arts, Inc. v. Textron, Inc.*, No. C 12-00118 (N.D. Cal. July 25, 2012).

<sup>45</sup> *Id.* at 2.

<sup>46</sup> *Id.*

strip club in *E.S.S.* was “incidental” to the game.<sup>47</sup> The Court, in denying a motion to dismiss, found “consumers could think Textron provided expertise and knowledge to the game in order to create its realistic simulation of the actual workings of the Bell-manufactured helicopters.”<sup>48</sup> The parties eventually settled for an undisclosed amount and the case was dismissed.<sup>49</sup>

Another case involving trademark use in video games, *Take-Two v. Pinkerton*, could have set valuable precedent in the Southern District of New York (the Court which decided *AM Gen.*), but the case did not reach trial. Plaintiff Take-Two, the developer of the game *Red Dead Redemption 2*, received a cease and desist letter from Pinkerton, the detective agency which “played a key role in the history of American law enforcement and the taming of the Wild West,” informing them the use of the Pinkerton name and detective badge in *Red Dead Redemption 2* would confuse consumers with Defendants’ marks.<sup>50</sup> Take-Two argued their references to Pinkerton are a part of the “creative expression of the video game” and “relevant to Plaintiff’s artistic message,” as their mission is to “create a historically realistic depiction of the Wild West.”<sup>51</sup> They asserted there was no indication Pinkerton sponsored *Red Dead Redemption 2*.<sup>52</sup> Additionally, Take-Two argued use of the Pinkerton brand would not cause confusion because the parties are engaged in different services,<sup>53</sup> similar to the conclusion reached in *E.S.S.* about the distinction between video games and strip clubs.<sup>54</sup> The parties dismissed the lawsuit in April of 2019.<sup>55</sup> If the suit was adjudicated under the current precedent, it is likely Take-Two would have succeeded. The Court, sitting in the Second Circuit, would have applied the *Rogers* test. Using the Pinkerton mark had clear artistic relevance to the game, as it enhanced the realistic historical depictions the game sought to achieve.<sup>56</sup> Players would not be confused as to the source of the mark, as there was no indication consumers would have thought they purchased a game associated

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<sup>47</sup> *Id.* at 6.

<sup>48</sup> *Id.*

<sup>49</sup> Sean F. Kane, *Case Law on Trademark Use in Video Games is Evolving*, LAW360 (Sept. 9, 2013), <http://www.law360.com/articles/469694/case-law-on-trademark-use-in-video-games-is-evolving> [<http://perma.cc/WU5X-JPEN>].

<sup>50</sup> Complaint at 2–4, *Take-Two Interactive Software, Inc. v. Pinkerton Consulting and Investigations, Inc.*, No. 1:19-cv-00338 (S.D.N.Y. January 11, 2019) [hereinafter *Take-Two Complaint*].

<sup>51</sup> *Id.* at 35.

<sup>52</sup> *Id.* at 28–29.

<sup>53</sup> *Id.* at 36–37.

<sup>54</sup> *E.S.S. Ent. 2000, Inc. v. Rock Star Videos, Inc.*, 547 F.3d 1095, 1100 (9th Cir. 2008).

<sup>55</sup> *See* Notice of Voluntary Dismissal, *Take-Two Interactive Software, Inc. v. Pinkerton Consulting and Investigations, Inc.*, No. 1:19-cv-00338 (S.D.N.Y. Apr. 11, 2019).

<sup>56</sup> *Take-Two Complaint*, *supra* note 50, at 35.

with the Pinkerton brand, nor was there any suggestion Pinkerton sponsored Take-Two's game.<sup>57</sup>

Although *Brown* set the stage for video games to receive First Amendment protection and *Rogers* provided a clear test for adjudicating trademark disputes, the cases above show that Courts have struggled to agree on how trademark rights should be apportioned in the context of video games. The guidance from the Courts in *E.S.S.* and *Textron* appear to contradict one another, which could either be due to the differing facts in the cases or a demonstration of how the Courts attempted to work through the uncharted territory of trademark use in video game law using very little precedent. Had *Pinkerton* reached adjudication, this could have been clarified. Despite the absence of clear parameters from the Court, the cases made similar arguments and raised similar concerns regarding consumer perception of sponsorship and endorsement by mark owners, giving future litigants some indication of how these types of suits should proceed. *AM Gen.* was not the first case involving trademark use in a video game, but it was the first to finally reach a decision by applying the *Rogers* test and acknowledging the artistic importance of realism.<sup>58</sup> This ruling, coupled with the decision in *Solid Oak*, strongly indicates Courts are moving in a direction favorable to developers.

### B. History of Copyright Tattoo Litigation

It is very common in the sports industry for individuals to have tattoos.<sup>59</sup> Thus, video game developers who desire to achieve realism in their games would want to depict athletes with their tattoos, just as one would see when watching a sports event on television. Some tattoo designs are basic images, but others are original, detailed works of art.<sup>60</sup> Such pieces may qualify for copyright protection. However, copyright law is behind on addressing “reproductions of tattoos of inked public figures in various media forms” and there is a lack of guidance from courts in the area.<sup>61</sup> How video game

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<sup>57</sup> *Id.* at 35–37.

<sup>58</sup> *AM Gen. LLC v. Activision Blizzard, Inc.*, 450 F. Supp. 3d 467, 484–85 (S.D.N.Y. 2020).

<sup>59</sup> Chandel Boozer, *When the Ink Dries, Whose Tatt Is It Anyway? The Copyrightability Of Tattoos*, 25 JEFFREY S. MOORAD SPORTS L. J. 275 (2018) (citing *Athletes and Their Tattoos: From A-Z*, SPORTS ILLUSTRATED (Jan. 11, 2008), <https://www.si.com/more-sports/2008/01/11/11-3athletes-and-their-tattoos-from-a-z> [<https://perma.cc/6RGN-GW3Z>]).

<sup>60</sup> Katie Scholz, *Copyright and Tattoos: Who Owns your Ink?*, IPWATCHDOG (July 26, 2018), <https://www.ipwatchdog.com/2018/07/26/copyright-tattoos-who-owns-your-ink/id=99500/> [<https://perma.cc/RTW2-KALQ>].

<sup>61</sup> Arianna D. Chronis, Note, *The Inky Ambiguity of Tattoo Copyrights: Addressing the Silence of U.S. Copyright Law on Tattooed Works*, 104 IOWA L. REV. 1483, 1485 (2019).



developers depict digital versions of high-profile individuals in their games remained unexplored by the courts until recently.

Ownership of a tattoo copyright is “inherently owned by the tattoo artist,” rather than the individual who bears the tattoo.<sup>62</sup> However, an implied license exists which allows individuals to publicly display their tattoos without the constant threat of a copyright infringement lawsuit.<sup>63</sup> But the “high-profile nature” of celebrities, including athletes, begs the question of the extent to which advertisements, video games, and other media may depict them.<sup>64</sup> As improvements in technology allow video game developers to create incredibly realistic depictions of individuals,<sup>65</sup> how copyright law applies to digital avatars and the tattoos they bear poses a novel issue.<sup>66</sup>

The first case involving the copyright of a tattoo was *Reed v. Nike, Inc.*<sup>67</sup> Reed, a tattoo artist, sued Nike for copyright infringement.<sup>68</sup> Reed had tattooed an athlete featured in a Nike commercial involving the athlete “describing and explaining the meaning behind the tattoo.”<sup>69</sup> Though the parties dismissed the case,<sup>70</sup> the issue raised the question of what legal protections are afforded to tattoos and what rights, if any, a tattoo artist has with respect to their work.

One of the most notable cases involving the copyrightability of tattoos is *Whitmill v. Warner Bros. Entertainment, Inc.* The tattoo artist who tattooed Mike Tyson’s famous face tattoo sued Defendants for reproducing the tattoo on one of the characters in *The Hangover 2* film and in the promotion of the movie.<sup>71</sup> Plaintiff had received a copyright registration for the tattoo, but Mike Tyson had signed a release stating “all artwork . . . related to [his] tattoo . . . are property of Paradox-Studio of Dermagraphics.”<sup>72</sup> The release

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<sup>62</sup> Jason M. Bailey, *Athletes Don’t Own Their Tattoos. That’s a Problem for Video Game Developers.*, N.Y. TIMES (Dec. 27, 2018), <https://www.nytimes.com/2018/12/27/style/tattoos-video-games.html> [https://perma.cc/2L2J-JLYJ].

<sup>63</sup> *Id.*

<sup>64</sup> Chronis, *supra* note 61, at 1485.

<sup>65</sup> *Id.*

<sup>66</sup> Bailey, *supra* note 62.

<sup>67</sup> TJ Mihill & Lee Morin, *From Counter-Culture to Copyright: Tattoos and IP Law*, ABA Tort Trial & Insurance Practice Committee Newsletter 5 (Winter 2018), [https://www.owengleaton.com/files/From%20Counter-Culture%20to%20Copyright-Tattoos%20and%20IP%20Law\\_Winter2018.pdf](https://www.owengleaton.com/files/From%20Counter-Culture%20to%20Copyright-Tattoos%20and%20IP%20Law_Winter2018.pdf).

<sup>68</sup> Christopher A. Harkins, *Tattoos And Copyright Infringement: Celebrities, Marketers, And Businesses Beware Of The Ink*, 10 LEWIS AND CLARK L. REV. 313, 316 (2006) (citing Complaint, *Reed v. Nike, Inc.*, No. 05-CV-198 BR (D. Or. Feb. 10, 2005)).

<sup>69</sup> *Id.* at 316.

<sup>70</sup> *Id.* at 318 (citing Stipulation of Dismissal with Prejudice, *Reed v. Nike, Inc.*, No. 05-CV-198 BR (D. Or. Oct. 19, 2005)).

<sup>71</sup> Complaint, *Whitmill v. Warner Bros. Ent. Inc.*, No. 4:11-cv-00752 (E.D. Mo. Apr. 28, 2011).

<sup>72</sup> *Id.* at 3–4.

prohibited Mike Tyson from licensing the use of his tattoo or reproducing it.<sup>73</sup> This was yet another tattoo case which settled before proceeding to trial, but the Judge indicated Plaintiff had a chance to win the case on the merits.<sup>74</sup> She also stated “[o]f course tattoos can be copyrighted. I don’t think there is any reasonable dispute about that.”<sup>75</sup>

There was also a chance to set precedent involving video games in *Allen v. Electronic Arts, Inc.*, where a tattoo artist sued Electronic Arts for depicting a tattoo on the cover of their video games which he had tattooed on an athlete’s arm.<sup>76</sup> This was another case that the parties dismissed and settled.<sup>77</sup>

Finally, a tattoo artist in *Escobedo v. THQ, Inc.* sued a video game company for copyright infringement for depicting a tattoo on Carlos Condit, a martial artist who appears in the UFC Undisputed 3 video game.<sup>78</sup> The artist registered the tattoo design with the United States Copyright Office.<sup>79</sup> When Condit’s character appeared during the game, the tattoo was “prominently” shown and the website promoting the video game also “prominently display[ed]” the tattoo.<sup>80</sup> THQ eventually filed for bankruptcy and the bankruptcy court awarded Plaintiff just \$22,500 out of Plaintiff’s claim for \$4.16 million.<sup>81</sup> Like in the previous examples, the matter did not reach adjudication nor set precedent, although it did provide guidance for how much a license to use a copyrighted tattoo may be worth.

As evidenced by the cases above, there was a drought of clear precedent for how tattoos could be depicted in the media, particularly in the video game industry. An area of ambiguity existed, and still somewhat does, between how to balance the right of the tattoo artist to control use of their work with

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<sup>73</sup> Darren A. Heitner & Alan Wilmot, *Score a Touchdown, Kiss Your Tattoo, and Get Sued for Copyright Infringement?*, 21 JEFFREY S. MOORAD SPORTS L.J. 299, 308 (2014).

<sup>74</sup> *Id.* at 309 (citing Yvette Joy Liebesman, *Copyright and Tattoo: Hangover II Injunction Denied, But the Copyright Owner Got Some Good News Too – Whitmill v. Warner Bros.* (Guest Blog Post)), TECH. & MKTG. LAW BLOG (May 24, 2011), [https://blog.ericgoldman.org/archives/2011/05/copyright\\_and\\_t.htm](https://blog.ericgoldman.org/archives/2011/05/copyright_and_t.htm) [<https://perma.cc/Y56S-JQED>].

<sup>75</sup> Commander, *supra* note 15, at 1963 (citing Transcript of Hearing on Motion for Preliminary Injunction, *Whitmill v. Warner Bros. Ent., Inc.*, No. 4:11-CV-00752 (E.D. Mo. June 21, 2011)).

<sup>76</sup> *Id.* (citing Complaint, *Allen v. Elec. Arts, Inc.*, No. 5:12-CV-03172 (W.D. La. Dec. 31, 2012)).

<sup>77</sup> *Id.* at 1964 (citing Order at 1, *Allen v. Elec. Arts, Inc.*, No. 5:12-CV-03172 (W.D. La. Apr. 9, 2013)).

<sup>78</sup> Complaint, *Escobedo v. THQ Inc.*, No. 2:12-CV-02470 (D. Ariz. Nov. 16, 2012).

<sup>79</sup> *Id.* at 2.

<sup>80</sup> *Id.* at 4.

<sup>81</sup> Eriq Gardner, *Tattoo Artist Looks to Show Value of Copyright Claim Against Videogame Publisher*, THE HOLLYWOOD REPORTER (Sept. 10, 2013, 2:22 PM), <http://www.hollywoodreporter.com/thr-esq/tattoo-artist-looks-show-value-625509> [<https://perma.cc/6SCB-BCDA>].

a tattooed individual's rights of publicity and autonomy.<sup>82</sup> An even more uncharted area of law was how these rights applied to video games. Finally, *Solid Oak* rendered a decision and provide insight into these issues.

### III. A WIN FOR VIDEO GAME DEVELOPERS: THE *SOLID OAK* AND *AM*

#### GENERAL DECISIONS

##### A. *Solid Oak Sketches, LLC v. 2K Games, Inc and Take-Two*

##### *Interactive Software, Inc.*

Defendants Take-Two Interactive Software and 2K Games produced the *NBA 2K* video game series.<sup>83</sup> Plaintiff sued for copyright infringement and followed a long line of lawsuits involving tattoo reproductions in video games and other forms of media, all of which were settled or dismissed.<sup>84</sup>

Plaintiff Solid Oak Sketches, LLC, held Copyright License Agreements with the tattoo artists who tattooed NBA players depicted with their tattoos in the *NBA 2K* series.<sup>85</sup> The players not only appear in the games, but are also featured on the game cover and in advertisements promoting the games.<sup>86</sup> The parties attempted to negotiate a licensing agreement, but negotiations failed.<sup>87</sup> This case differs from previous copyright litigation involving tattoos a few ways, but most notably Plaintiff is a company which owns licenses to tattoo designs, rather than the tattoo artist themselves, and previous cases did not involve attempts to negotiate a licensing agreement.<sup>88</sup> It is also worth noting the parties have a tumultuous history with one another.<sup>89</sup>

In their motion for summary judgment, Defendants argued four points: (1) their use of the tattoos in the video games was de minimis, (2) the four fair use factors resulted in their favor, (3) they were permitted to use the tattoos because they were granted a right to the players' likeness, (4) and the

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<sup>82</sup> Boozer, *supra* note 59, at 278 (citing David M. Cummings, Comment, *Creative Expression and the Human Canvas: An Examination of Tattoos as a Copyrightable Art Form*, 2013 U. Ill. L. REV. 279, 282 (2013)).

<sup>83</sup> Complaint at 4, *Solid Oak Sketches, LLC v. Visual Concepts, LLC, 2K Games, Inc., and Take-Two Interactive Software, Inc.*, No. 1:16-cv-0724 (S.D.N.Y. Feb. 1, 2016) [hereinafter *Solid Oak Complaint*].

<sup>84</sup> Chronis, *supra* note 61, at 1485, 1501.

<sup>85</sup> *Solid Oak Complaint*, *supra* note 83, at 5.

<sup>86</sup> *Id.* at 13.

<sup>87</sup> *Id.* at 4–5.

<sup>88</sup> Yolanda M. King, *Tattoo Copyrights May Finally Get Their Day In Court*,

LAW360 (Apr. 28, 2016, 10:39 AM),

<https://www.law360.com/articles/788694/tattoo-copyrights-may-finally-get-their-day-in-court> [<https://perma.cc/YP98-BB7J>].

<sup>89</sup> *Id.*

tattoos did not meet the originality requirement.<sup>90</sup> NBA players whose tattoos were featured in the game, including Kenyon Martin and LeBron James, filed declarations in support of summary judgment for Defendants.<sup>91</sup> First, Defendants argued the tattoos were a de minimis use because of the 400 players to choose from, the game only depicted a select few with the tattoos at issue and the players and their tattoos are shown at a much smaller scale.<sup>92</sup> Next, Defendants claimed the four fair use factors, as applied to the situation, support their position.<sup>93</sup> The factors are the “purpose and character of the use,” “nature of the copyrighted work,” how much of the copyrighted work is used, and how the use effects the “potential market for or value of the copyrighted work.”<sup>94</sup> They also contended the use of the tattoos in the game was “transformative” because they were used to portray the players realistically, not as a “personal expression” of the players, which is what tattoos normally serve as.<sup>95</sup> Then, Defendants argued they were “authorized” to depict the tattoos.<sup>96</sup> Despite Solid Oak’s ownership of the licenses, the NBA had authorization to license the players’ likeness to third parties by the players themselves, and their likeness includes their tattoos.<sup>97</sup> Finally, Defendants asserted the tattoos did not meet the originality requirement for copyright and therefore could not seek protection.<sup>98</sup>

The Court found most of Defendants’ arguments compelling and granted their motion for summary judgment, clearing up long-standing gray areas in the realm of tattoo copyright protection and the use of intellectual property in video games.<sup>99</sup> First, the Court agreed Defendants’ use of the tattoos was de minimis, as “no reasonable trier of fact could find the Tattoos as they appear in *NBA 2K* to be substantially similar to the Tattoo

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<sup>90</sup> Memorandum of Law in Support of Defendants-Counterclaimants 2K Games, Inc. and Take-Two Interactive Software, Inc.’s Motion For Summary Judgment, *Solid Oak Sketches, LLC v. 2K Games, Inc. and Take-Two Interactive Software, Inc.*, No. 1:16-cv-724-LTS-RLE (S.D.N.Y. Aug. 24, 2018) [hereinafter *Take-Two Memo in Support*].

<sup>91</sup> *See* Declaration of LeBron James in Support re: 127 MOTION for Summary Judgment, *Solid Oak Sketches, LLC v. 2K Games, Inc. and Take-Two Interactive Software, Inc.*, No. 1:16-cv-724-LTS-SDA (S.D.N.Y. Aug. 24, 2018) [hereinafter *LeBron James Declaration in Support*]; *see* Declaration of Kenyon Martin in Support re: 127 MOTION for Summary Judgment, *Solid Oak Sketches, LLC v. 2K Games, Inc. and Take-Two Interactive Software, Inc.*, No. 1:16-cv-724-LTS-SDA (S.D.N.Y. Aug. 24, 2018).

<sup>92</sup> *Take-Two Memo in Support*, *supra* note 90, at 1–2.

<sup>93</sup> *Id.* at 2–3.

<sup>94</sup> 17 U.S.C. § 107 (2016).

<sup>95</sup> *Take-Two Memo in Support*, *supra* note 90, at 13.

<sup>96</sup> *Id.* at 23.

<sup>97</sup> *Id.* at 23–25.

<sup>98</sup> *Id.* at 25.

<sup>99</sup> *See* *Solid Oak Sketches, LLC v. 2K Games, Inc.*, 449 F. Supp. 3d 333 (S.D.N.Y. 2020).

designs licensed to Solid Oak.”<sup>100</sup> This aligns with the Southern District of New York’s analysis of de minimis use, where “if the copying is de minimis and so ‘trivial’ as to fall below the quantitative threshold of substantial similarity, the copying is not actionable.”<sup>101</sup> Next, the Court found Defendant had an implied, nonexclusive license to use the tattoos, albeit through a multi-step route.<sup>102</sup> When the artists initially tattooed the players, they “necessarily granted the players nonexclusive licenses to use the tattoos as part of their likenesses” since they knew the players display their tattoos when in public. The NBA has a right to the players’ likeness, and both the NBA and the players themselves granted Defendants a license to the players’ likenesses.<sup>103</sup> Finally, the Court found all four fair use factors pointed in favor of Defendants.<sup>104</sup> The Court notes in particular that Defendants copied the tattoos for the “transformative purpose of creating a realistic game experience” and they were “not recognizable, reducing further the impact of their artistic expression.”<sup>105</sup> The Court’s opinion did not address Defendant’s originality argument.

This case was monumental because it was the first case involving copyrighted tattoos in video games to proceed to trial and deliver an opinion from the Court.<sup>106</sup> The Court took the issue of the copyrightability of tattoos and the extent to which others can use them, an already ambiguous legal area, and analyzed it within the realm of video games, another unsettled area of the law. Perhaps the issue needed a plaintiff willing to expend time and money to settle the issue which for years existed without much precedent. Or maybe video game developer defendants in past cases believed the tattoo artists had valid claims and preferred to settle in order to avoid further litigation.<sup>107</sup> Either way, a precedent now exists to guide video game developers and tattoo artists alike, although a slight change in the facts of the case could yield another outcome, particularly in how licenses are involved or how prominently the tattoos are displayed. More cases are needed to solidify the precedent that video game developers may use copyrighted material in their games if they can show de minimis use, fair use, or an implied license, but this case sets a solid foundation in favor of video game developers and recognizes the autonomy of tattooed individuals to determine

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<sup>100</sup> *Id.* at 345.

<sup>101</sup> Tyler Noonan, Note, *How Tattoos Fit Within the Realm of Copyright Law: Do we Finally Have a Lawsuit that Will Provide Some Clarity?*, 44 N. KY. L. REV. 205, 224 (2017) (citing *Gottlieb Development LLC v. Paramount Pictures Corp.*, 590 F. Supp. 2d 625, 632 (S.D.N.Y. 2008)).

<sup>102</sup> *Solid Oak*, 449 F. Supp. 3d at 346–47.

<sup>103</sup> *Id.*

<sup>104</sup> *Id.* at 350.

<sup>105</sup> *Id.* at 349.

<sup>106</sup> See Chronis, *supra* note 61 at 1497.

<sup>107</sup> Boozer, *supra* note 59, at 292–93 (citing Jennifer L. Commander, Note, *The Player, the Video Game, and the Tattoo Artist: Who Has the Most Skin in the Game?*, 72 WASH. & LEE. L. REV. 1947, 1965 (2015)).

how they are depicted. Time will tell just how powerful this judgment is, but we can expect Courts to apply this precedent and the holding in the following case as the standards for video game intellectual property adjudication as the area of the law continues to mold itself in the coming years.

B. *AM Gen., LLC v. Activision Blizzard, Inc.*

Just five days after it rendered a decision in *Solid Oak*, the same Court rendered another decision in favor of video game developers. AM General, a vehicle manufacturer of Humvees, sued Activision Blizzard, a video game developer, for depicting its trademarks related to Humvees in the *Call of Duty* franchise games.<sup>108</sup> The *Call of Duty* video game series “has been the best-selling console franchise in the United States for over a decade.”<sup>109</sup> Much of this success is due to its “unmatched level of verisimilitude . . . created through the use of real-world settings, weapons, uniforms, units, and vehicles. . . .”<sup>110</sup> In the past, AM General granted licenses to companies who wanted to use the Humvee trademark, including in other video games.<sup>111</sup> However, it did not grant such a license to Defendant and brought suit for trademark infringement.<sup>112</sup> Defendants emphasized in order to “fully realize their artistic vision,” they use considerable effort to “convincingly depict real-life military combat.”<sup>113</sup> It primarily argued (1) the Second Circuit’s precedent that expressive works are entitled to First Amendment protection should control, (2) its depiction of the Humvees satisfies the *Rogers* test, and (3) consumers are not likely to be confused as to the source of the mark.<sup>114</sup> In short, the Court needed to determine whether Defendant’s aspiration to

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<sup>108</sup> See Complaint, AM General LLC v. Activision Blizzard, Inc., et. al. No. 1:17-cv-08644-GBD (S.D.N.Y. Nov. 7, 2017) [hereinafter AM Gen. Complaint].

<sup>109</sup> Christopher Zheng, *Updates from the Video Game World: The Copyright Issues of Realistic Gameplay*, CTR. FOR ART LAW (June 22, 2020), <https://itsartlaw.org/2020/06/22/updates-from-the-video-game-world/> [<https://perma.cc/93AC-H8TE>] (citing Stephanie Fogel, ‘Call of Duty’ Is Best-Selling Franchise For 10<sup>th</sup> Consecutive Year, VARIETY (Jan. 25, 2019), <https://variety.com/2019/gaming/news/call-of-duty-best-selling-10th-consecutive-year-1203118622/> [<https://perma.cc/DMZ8-MYFG>]).

<sup>110</sup> *Id.* (citing David C. Baker, *Feature: Humvees, Video Games, Trademarks, and the First Amendment*, 62 ORANGE CNTY. LAWYER 38, 39 (2020)).

<sup>111</sup> AM Gen. Complaint, *supra* note 108, at 10.

<sup>112</sup> *Id.* at 38.

<sup>113</sup> Memorandum of Law In Support of Motion of Defendants Activision Blizzard, Inc., Activision Publishing, Inc., and Major League Gaming Corp. for Summary Judgment, AM General LLC v. Activision Blizzard, Inc., et. al. No. 1:17-cv-08644-GBD-JLC (S.D.N.Y. May 31, 2019) [hereinafter Activision Memo in Support].

<sup>114</sup> *Id.* at 1–2.

create a realistic video game was a valid artistic purpose free from consumer confusion and shielded it from liability.<sup>115</sup>

The Court granted Defendant's motion for summary judgment, finding Defendant did not commit trademark infringement under federal or state law.<sup>116</sup> A large part of the Court's decision centered around the *Rogers* test.<sup>117</sup> First, the Court found the Humvees had artistic relevance, as "[f]eaturing actual vehicles used by military operations around the world in video games about simulated modern warfare surely evokes a sense of realism and lifelikeness to the player."<sup>118</sup> To determine if confusion existed as to the source of the mark, the Court invoked the eight factor test from *Polaroid Corp. v. Polarad Elecs. Corp.*,<sup>119</sup> despite Defendant's argument against its necessity.<sup>120</sup> The eight factors are balanced to determine whether a likelihood of confusion is present and include mark's strength, similarity between both marks, product proximity, likelihood of bridging the gap, actual consumer confusion, the defendant's good faith, the defendant's product quality, and buyer sophistication.<sup>121</sup> One factor of particular importance was the degree of similarity between the marks, where the Court examined how each party used the mark and found differences in the primary goals of each party, since Plaintiff sells vehicles while Defendant sells video games.<sup>122</sup> This factor will weigh heavily in video game developer's favors in future litigation, since unless a video game depicts the trademark of another video game developer, the parties will almost always have different general purposes. The Court found all but the first and fifth factors in favor of Defendant and First Amendment protections outweighed and the fifth factor (evidence of actual confusion).<sup>123</sup> Thus, the Court found no infringement.<sup>124</sup>

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<sup>115</sup> Hon. Nancy Holtz, *Keepin' it Real: Courts Recognize the Legitimate Goal of Video Game Makers*, JAMS: JAMS ADR BLOG (June 2, 2020), <https://www.jamsadr.com/blog/2020/keepin-it-real-courts-recognize-the-legitimate-goal-of-video-game-makers#:~:text=Video%20Game%20MakersKeepin'%20It%20Real%3A%20Courts%20Recognize%20the%20Legitimate,Goal%20of%20Video%20Game%20Makers&text=In%20two%20recent%20cases%2C%20federal,certain%20images%20in%20their%20games.&text=In%20Take%20Two's%20video%20game,depict> [https://perma.cc/JF92-XGLF].

<sup>116</sup> *See* *AM Gen. LLC v. Activision Blizzard, Inc.*, 450 F. Supp. 3d 467 (S.D.N.Y. 2020).

<sup>117</sup> *See id.*

<sup>118</sup> *Id.* at 479.

<sup>119</sup> *Id.* at 480–484.

<sup>120</sup> Activision Memo in Support, *supra* note 113, at 24–25.

<sup>121</sup> *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961).

<sup>122</sup> *AM Gen.*, 450 F. Supp. 3d at 481.

<sup>123</sup> *Id.* at 482.

<sup>124</sup> *Id.* at 485.

This case provided further insight into how developers may use trademarked material in their games, but it also largely fact-dependent until the precedent is upheld in subsequent cases, particularly when it comes to how the likelihood of confusion factors are balanced. Most notably, it holds developers may use a trademark relevant to a game's artistic endeavors when it does not result in consumer confusion.<sup>125</sup> This acknowledgement of realism as an "artistic goal"<sup>126</sup> greatly favors the video game industry and supports its desire to further realism in its games.

### *C. What the Rulings Mean for Video Game Developers and Intellectual Property Owners*

These recent rulings indicate Courts are moving in the direction of favoring video game developers by welcoming their desire to enhance realism in their games. Because of the lack of precedent, the cases were not a clean-cut win for either party. The consequences for the judicial system in the realm of intellectual property rights could have been disastrous if the cases come out the other way. Had the Plaintiff in *AM Gen.* won, lawsuits by vehicle manufactures whose vehicles are used without a license in video games, even if the developer demonstrates artistic relevance and a lack of consumer confusion, would flood the courts.<sup>127</sup> If the Plaintiff in *Solid Oak* prevailed, the precedent may have allowed a "tattoo artist to, essentially, control the use or portrayal of a person's body [which] would be an absurd outcome."<sup>128</sup> A result in favor of either Plaintiff may have allowed them to bargain more heavily for larger licensing fees if video game developers needed to obtain a license if they wanted to depict protected material.<sup>129</sup> This is not an issue for large video game developers, but as discussed later, could pose a major challenge for smaller studios who wish to create realistic games and compete in the market.<sup>130</sup> What-ifs aside, the rulings are another step toward creating a set of rules for video game developers, intellectual property owners, and artists to use as games continue to become more realistic.

## IV. HOW THE RULINGS ADVANCE THE VIDEO GAME INDUSTRY WHILE UPHOLDING THE PURPOSE OF INTELLECTUAL PROPERTY PROTECTION FRAMEWORKS

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<sup>125</sup> *See id.*

<sup>126</sup> *Id.* at 484.

<sup>127</sup> Zheng, *supra* note 109.

<sup>128</sup> *Id.* (citing Law360, *Novel Suit Over Tattoos In Video Games Likely To Fade*, LAW360 (Feb. 8, 2016, 3:58 PM), <https://www.law360.com/articles/755607/novel-suit-over-tattoos-in-video-games-likely-to-fade> [<https://perma.cc/KRZ7-VTQX>] (quoting Jennifer Lloyd Kelly, a partner with Fenwick & West LLP)).

<sup>129</sup> *See King, supra* note 88.

<sup>130</sup> *See* discussion *infra* Part IV.A.3.



### A. *The Rulings Benefit Video Game Developer*

After numerous similar video game disputes never reaching trial, both *Solid Oak* and *AM Gen.* adjudicated decisions which followed recognized legal frameworks upholding the purposes of trademark and copyright law.<sup>131</sup> These results are favorable to the video gaming world, as a more realistic game provides a better product experience for consumers and results in a more popular game.<sup>132</sup>

#### 1. *A More Realistic Game Generates More Revenue for Video*

##### *Game Developers*

In the copyright realm, game reviewers cited tattoos as one of the reasons why the *NBA 2K 2016* game was better than its predecessors.<sup>133</sup> Previous versions of the game included player tattoos, but this edition contained “updated, accurate” versions and allows players to customize their own tattoos.<sup>134</sup> 2K Games also promoted “improved tattoo customization” on their social media accounts as a “major feature” of the game.<sup>135</sup> *NBA 2K16* was the fifth highest-selling video game in 2015,<sup>136</sup> a rise from *NBA 2K15* taking seventh place in 2014.<sup>137</sup> This indicates adding more realistic elements and promoting them helped the game sell even better. In 2018 sports-related

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<sup>131</sup> See William M. Borchard, *Gaming Industry Insight - Realism May Overcome Copyright and Trademark Rights*, COWAN, LIEBOWITZ, AND LATMAN, P.C. (May 6, 2020), <https://www.cll.com/newsroom-news-172860> [<https://perm.a.cc/E9MZ-B9RG>].

<sup>132</sup> See Commander, *supra* note 15, at 1978.

<sup>133</sup> Noonan, *supra* note 101, at 206 (citing Brian Mazique, *NBA 2K16: Breaking Down Best New Features for This Year's Game*, BLEACHER REPORT (Aug. 31, 2015), <http://bleacherreport.com/articles/2558410-nba-2k16-breakingdown-best-new-features-for-this-years-game> [<https://perma.cc/QC9D-R5SP>]).

<sup>134</sup> *Id.* at 207.

<sup>135</sup> Solid Oak Complaint, *supra* note 83, at 3 (citing Brian Mazique, *NBA 2K16: Breaking Down Best New Features for This Year's Game*, BLEACHER REPORT (Aug. 31, 2015), <http://bleacherreport.com/articles/2558410-nba-2k16-breakingdown-best-new-features-for-this-years-game> [<https://perma.cc/QC9D-R5SP>]).

<sup>136</sup> Brandt Ranj, *The 20 Best-Selling Games of the Last Year*, BUS. INSIDER (May 2, 2016, 2:54 PM), <https://www.businessinsider.com/best-selling-video-games-2015-2016-5> [<https://perma.cc/EUH2-S3MJ>].

<sup>137</sup> Erik Kain, *The Top Ten Best-Selling Video Games Of 2014*, FORBES (Jan. 19, 2015), <https://www.forbes.com/sites/erikkain/2015/01/19/the-top-ten-best-selling-video-games-of-2014/#420b337c82cf> [<https://perma.cc/RR7Z-MATJ>].

games made up 11.1% of all games sold,<sup>138</sup> so the opportunity to make a more realistic game will impact a significant portion of the video game market.

In the trademark realm, if video game companies can satisfy the *Rogers* test by showing artistic relevance without misleading consumers, a Court following a similar analysis as *AM Gen.* should allow the use of the trademarked content. Video games have potential to be valid works of art and courts should recognize them accordingly. The Smithsonian American Art Museum and Museum of Modern Art have even displayed video games as part of their collections,<sup>139</sup> recognizing their place in American society and the time and effort of the artists who created them.

## 2. *The Rulings Assist Public Figures in Controlling Their Depictions in Media Entertainment*

Additionally, the decision rendered in *Solid Oak* helps public figures, particularly athletes, take control of how they are depicted in video games. While testifying in support of Take-Two, NBA star LeBron James asserted “my tattoos are a part of my persona and identity; if I am not shown with my tattoos, it wouldn’t really be a depiction of me.”<sup>140</sup> This supports the idea that for certain athletes to be depicted realistically, tattoos are a crucial part of their rendering. LeBron also stated “[n]o tattooist has ever told me I needed their permission to be shown with my tattoos, even when it was clear I was a public basketball player” and that he always believed he “had the right to license” his appearance for other mediums, including “video games.”<sup>141</sup> Not all athletes in sports video games are illustrated with their tattoos,<sup>142</sup> but as technology progresses and games strive for more enhanced realism, that may change.

As reflected in LeBron James’s testimony, a person’s right to license their likeness to companies should include their entire likeness, including their tattoos, so long as the tattoos are not the focus of the individual’s digital recreation.<sup>143</sup> Copyright protections serve to prevent artists from having their

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<sup>138</sup> Christina Gough, *Genre Breakdown of Video Game Sales in the United States in 2018*, STATISTA (July 24, 2020).

<https://www.statista.com/statistics/189592/breakdown-of-us-video-game-sales-2009-by-genre/#:~:text=In%202018%2C%2011.1%20percent%20of,United%20States%20were%20sports%20games> [<https://perma.cc/ZZX4-ELN7>].

<sup>139</sup> Zheng, *supra* note 109.

<sup>140</sup> LeBron James Declaration in Support, at 3.

<sup>141</sup> *Id.*

<sup>142</sup> Electronic Arts “recreates more than 100 tattoos” in certain games, but “only a handful of players” in the Madden video game series have tattoos. Bailey, *supra* note 62.

<sup>143</sup> John Tyler Stocking, *From Otzi the Iceman to Chris the Birdman: Tattoos as Persona, Not Property*, 26 RICH. J.L. & TECH., no 2, 1, 32 (2020) (citing

work used unfairly, not to “elicit a property right in another person’s skin” through their tattoos.<sup>144</sup> The *Solid Oak* decision thus not only allows video game companies to achieve realism by authentically depicting real-life individuals, but supports an athlete’s desire to be depicted with the elements integral to their likeness.

### 3. Counterarguments

Although realism is one of the major factors which contributes to the success of a video game, the pursuit of realism can lead to the sacrifice of other factors. The cost of creating a realistic game may not end up yielding the benefit developers count on.

While the recent cases are instructive, a video game company that cannot articulate a similar purpose as the developers in *Solid Oak* and *AM Gen.* will still want to err on the safe side and seek out a license to use trademarked or copyrighted material. However, licenses are often expensive. In the *Solid Oak* case, Plaintiff’s attorney laid out a settlement proposal using the Court’s award from *Escobedo* as an example.<sup>145</sup> Although *Escobedo* is not an ideal example, given the differing facts of the case and that it ended up in bankruptcy court, there is a lack of other precedent to use for calculations. Beginning with the bankruptcy court’s award of \$22,500, Plaintiff’s attorney concluded each tattoo would amount to 4.4 cents per unit.<sup>146</sup> Multiplying this number by the number of units sold adding in the prevalence of LeBron James’s tattoos on the cover of the game, the total amount for prior unlicensed use amounted to \$819,500.<sup>147</sup> Additionally, the settlement proposal contemplated an extra \$1,144,000 for Defendant to acquire a perpetual license.<sup>148</sup> While an amount this large is not a problem for large video game developers, smaller studios are at a disadvantage, as some of the most realistic games could require hundreds of intellectual property licenses during their production.<sup>149</sup> But if companies do not obtain a license, they could end up in litigation which is just as costly, particularly when lawsuits extend on for years. Thus, Courts have the important task of trying to balance the right of video game developers to craft realistic, artistic products while still allowing the creators of the intellectual property to capitalize off their

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Declaration of LeBron James in Support re: 127 MOTION for Summary Judgment, *Solid Oak Sketches, LLC v. 2K Games, Inc. and Take-Two Interactive Software, Inc.*, No. 1:16-cv-724-LTS-SDA (S.D.N.Y. Aug. 24, 2018)).

<sup>144</sup> *Id.* at 33.

<sup>145</sup> *Solid Oak* Complaint, *supra* note 83, at 17–18.

<sup>146</sup> *Id.* at 18.

<sup>147</sup> *Id.*

<sup>148</sup> *Id.*

<sup>149</sup> See Sidney Fussel, *Why It’s So Hard to Stop Marketing Guns in Video Games*, THE ATLANTIC (Aug. 19, 2019),

<https://www.theatlantic.com/technology/archive/2019/08/how-video-games-license-guns/596296/> [<https://perma.cc/M5U5-CMAS>].

work. Particularly for smaller studios, they could be hindered from creating realistic games if they cannot afford to overcome the barriers in doing so, even if their intentions in using the material are in good faith. As this area of the law continues to evolve, Courts will be tasked with deciding at what point the rights of one artist supersede the rights of another artist and whether they should provide large developers more agency than small creators just because they can afford to do so.

Intellectual property protections are meant to encourage competition in the market and give consumers options, rather than to create a monopoly over the material and force consumers to turn to one source.<sup>150</sup> But as the AAA companies continue to grow bigger, they overshadow smaller studios struggling to survive in the market; massive developers, like Electronic Arts, have purchased numerous smaller gaming studios, further asserting themselves as one of the top developers on the market.<sup>151</sup> When a few companies dominate the market, they may take the reins of how products and services are provided, which can lead to poor business practices. AAA developers have repeatedly faced accusations of forcing long hours and stressful work environments upon their employees in an effort to release a game on time, including the producers of *Red Dead Redemption 2*,<sup>152</sup> the case litigated in *Pinkerton* and renowned for its realism.<sup>153</sup> This indicates that the pursuit of realism is available to large developers and comes at a cost, leaving smaller studios in the dust and reducing the number of players in the market. Consumers are seemingly happy with the realistic games produced by large developers, but the privilege of using protected material in games should be monitored to prevent abuse and allow smaller developers to compete in the market.

#### B. *The Ruling in AM Gen. Upholds Purposes of Trademark Law*

The primary purpose of trademarks is to identify the “manufacturer or sponsor of a good or the provider of a service” and protections are meant to alleviate harm by “[p]reventing producers from free-riding on their rivals’ marks.”<sup>154</sup> Using a trademark “to describe the thing, rather than to identify its

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<sup>150</sup> See *IP and Competition Policy*, WORLD INTELL. PROP. ORG., <https://www.wipo.int/ip-competition/en/> [<https://perma.cc/W3W6-27XP>] (last visited Jan. 11, 2021).

<sup>151</sup> McCarty, *supra* note 7.

<sup>152</sup> *Id.*

<sup>153</sup> Benjamin West Janke, *165-Year-Old Brand Alleges Trademark Infringement Against Best-Selling Video Game*, IAM WKLY. INT’L REP. (Feb. 6, 2019), <https://www.iam-media.com/165-year-old-brand-alleges-trademark-infringement-against-best-selling-video-game> [<https://perma.cc/XS88-P23R>].

<sup>154</sup> *New Kids on the Block v. News Am. Pub., Inc.*, 971 F.2d 302, 305 (9th Cir. 1992).

source” when there is “no descriptive substitute” available does not amount to the company’s sponsorship of the product.<sup>155</sup>

Unlike patents and copyrights, trademark rights can be perpetual if maintained properly.<sup>156</sup> Theoretically, a monopoly could be obtained over realistic elements since the rights never expire and would force developers to choose an alternate element (if one exists) if they cannot obtain a license. It is unlikely that most brands, in their early days, thought about the implications of their mark’s use in video game down the road.<sup>157</sup> Thus, courts should allow use of trademarked material for the purpose of realism, particularly in video games, where the source of identification has nothing to do with the video game industry.

Finally, the Second Circuit in *AM Gen.* utilized the *Rogers* test and applied the factors from *Polaroid*,<sup>158</sup> which both originated in the Second Circuit.<sup>159</sup> This demonstrates that the court stayed true to its precedent and affirmed the use of both precedents in the video game context. Other courts have adopted the *Rogers* balancing test, which compels the court to “balance likelihood of confusion against the public interest in freedom of expression.”<sup>160</sup> While other circuits have adopted their own balancing test for analyzing a likelihood of confusion, many of their components are substantially similar (such as similarity of marks, actual confusion, and proximity of the products)<sup>161</sup> to those in *Polaroid* and thus would yield a similar result. The Court in *Rogers* also articulated “the [Lanham] Act should be construed to apply to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression.”<sup>162</sup> The Court upheld this established analysis in *AM Gen.*,<sup>163</sup> and we can expect to see other courts who have adopted the *Rogers* test to do the same.

### C. *The Ruling in Solid Oak Upholds the Purposes of Copyright Law*

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<sup>155</sup> *Id.* at 306.

<sup>156</sup> Janke, *supra* note 153.

<sup>157</sup> *See id.* (“In 1899 commercial electricity was in its infancy and the notion of a video game would not have crossed even the wildest of imaginations. Over 100 years later a venerable security company that has been using the same name for over 165 years is accusing a video game company of trademark infringement.”).

<sup>158</sup> *See AM Gen. LLC v. Activision Blizzard, Inc.*, 450 F. Supp. 3d 467 (S.D.N.Y. 2020).

<sup>159</sup> *See Rogers*, 875 F.2d 994; *see Polaroid*, 287 F.2d 492.

<sup>160</sup> Elizabeth L. Rosenblatt, *Rethinking the Parameters of Trademark Use in Entertainment*, 61 FL. L. REV. 1011, 1015 (2009).

<sup>161</sup> GRAEME B. DINWOODIE & MARK D. JANIS, TRADEMARKS AND UNFAIR COMPETITION: LAW AND POLICY 559–561 (5th ed. 2018).

<sup>162</sup> *Rogers*, 875 F.2d at 999.

<sup>163</sup> *See AM Gen.*, 450 F. Supp. 3d 467.

Copyright protections originate in the Constitution, which provides Congress the power “to promote the progress of science and useful arts.”<sup>164</sup> Protections exist for “original works of authorship fixed in any tangible medium of expression . . . from which they can be perceived, reproduced, or otherwise communicated.”<sup>165</sup>

Tattoos fall under the “pictorial, graphic, and sculptural works” category of § 102(a).<sup>166</sup> Thus, they are entitled to some form of protection if they are deemed original by demonstrating the artist completed the work independently and included creative elements and that the work is fixated.<sup>167</sup> While infringement normally occurs when someone unauthorizedly reproduces the copyrighted work, *Solid Oak* demonstrates that direct permission is not always necessary in certain license arrangements.<sup>168</sup> Additionally, sports video games should be recognized as striving to recreate the athletes’ whole likeness rather than just the tattoos divorced from the individuals.<sup>169</sup> These cases are largely fact-dependent and will not always be fatal to plaintiffs who seek compensation for infringement of their copyrighted material, but creators have a difficult battle to face, especially if their work is not licensed.

#### D. *Less Litigation Surrounding Using Protected Materials in Video*

##### *Game will Reach the Courts*

Now that the issue of allowing video games to feature protected intellectual property is somewhat settled, less litigation surrounding using protected material in games should reach the courts. As evidenced in Part II, numerous copyright and trademark lawsuits involving video games have arisen over the past few decades, but the parties settled or dismissed nearly all nearly all of them without guidance from the courts.<sup>170</sup> Before the Court decided *Solid Oak* and *AM Gen.*, video game companies may have needed to budget for litigation in their project budgets when releasing a new game.<sup>171</sup> Since Plaintiffs generally prefer to settle, to finally have a court articulate its position on these issues will help prevent “opportunistic[s]” instead of “truly

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<sup>164</sup> U.S. CONST. art. I § 8, cl. 8.

<sup>165</sup> 17 U.S.C. § 102(a).

<sup>166</sup> Stocking, *supra* note 143, at 14 (citing 17 U.S.C. § 102(a)(5)).

<sup>167</sup> King, *supra* note 88.

<sup>168</sup> *See Solid Oak Sketches, LLC v. 2K Games, Inc.*, 449 F. Supp. 3d 333 (S.D.N.Y. 2020).

<sup>169</sup> Stocking, *supra* note 143, at 32.

<sup>170</sup> Chronis, *supra* note 61, at 1497.

<sup>171</sup> *See id.* at 1513 (“It almost seems as if this process will lead to film studios, television networks, and video game companies accounting for the cost of a copyright infringement settlement in their project budgets.”).

‘aggrieved artist[s]’ from filing suits.<sup>172</sup> Perhaps the affirmative guidance after years of lawsuits never reaching a final decision was enough to appease both parties so that they can make a plan for moving forward. Not only will these decisions relieve the judicial system of a flood of lawsuits upon the release of a realistic video game but will allow video game developers and intellectual property owners to spend their time and money creating rather than litigating the matter.

## V. RECOMMENDATIONS FOR VIDEO GAME DEVELOPERS AND INTELLECTUAL PROPERTY OWNERS

As previously mentioned, the *Solid Oak* and *AM Gen.* cases are fact-dependent and may not have reached the same result if the facts differed, so each video game developer should examine their use of protected materials in their games on an individual basis. Intellectual property owners should weigh the pros and cons of creating material likely to appear in the media and consider what they would do in the event a video game wants to depict their work.

### A. Suggestions for Video Game Developers

In the trademark realm, video game developers should try to use the depiction of the protected work as little as possible to avoid a lawsuit or be considered de minimis use.<sup>173</sup> How often the work appears in the game and the prevalence of the depiction are factors to consider when striving for de minimis use.<sup>174</sup> The video game also should not use the work in a way which suggests the game sponsors the product.<sup>175</sup> Copyright works may contribute

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<sup>172</sup> See *id.* (citing Memorandum of Law in Support of Defendants-Counterclaimants 2K Games, Inc. and Take-Two Interactive Software, Inc.’s Motion for Judgment on the Pleadings, *Solid Oak Sketches, LLC v. 2K Games, Inc. and Take-Two Interactive Software, Inc.*, No. 16CV-724-LTS, 2017 WL 4101824, at \*1 (S.D.N.Y. Aug. 9, 2017)).

<sup>173</sup> See *Solid Oak*, 449 F. Supp. 3d 333 (S.D.N.Y. 2020).

<sup>174</sup> *Id.* at 342.

<sup>175</sup> See *AM Gen. LLC v. Activision Blizzard, Inc.*, 450 F. Supp. 3d 467 (S.D.N.Y. 2020) (finding that although some consumer confusion was present as to whether AM Gen. sponsored the Call of Duty game through its use of Humvees in the background of the game, it was minimal enough to be outweighed by First Amendment considerations); *but see* Order Denying Plaintiff’s Motion to Dismiss Counterclaims, Granting In Part And Denying In Part Plaintiffs Request For Judicial Notice, And Vacating Hearing. *Elec. Arts, Inc. v. Textron, Inc.*, No. 12-cv-00118 WHA 12 (N.D. Cal. July 25, 2012) (finding that a player may believe that Textron endorsed the use of its helicopters in Battlefield 3 because of how prominently the helicopters were featured).

to the realism of the game, but should not be the focal point.<sup>176</sup> Developers should ensure trademarked objects are used for the purpose of artistic expression and will not confuse the consumer as to the source of the object or function like an advertisement.

For trademarked vehicles specifically, video game companies should ensure they are not prominently featured in the game. If use of a vehicle is “transformative” for achieving the purpose of a realistic environment, video game companies need not bargain for licenses to use trademarked vehicles.<sup>177</sup> However, the vehicle should be essential to realism such that other options are not feasible to be considered transformative use. A Humvee is one of a few well-known vehicles in the military setting but wouldn’t necessarily contribute to a game’s realism if set in a different environment, such as an urban area, where a wide range of vehicles are found. Additionally, driving the car is the main purpose of a racing game, but Humvee are not the main reason users play *Call of Duty*.<sup>178</sup>

In the copyright arena, the best option for video game developers to avoid litigation is to ensure the fair use factors are established. Factors which determine whether infringement occurred include how the tattoo originated, the use of the reproduced work in the game, and the relationship between the tattoo bearer and the tattoo artist.<sup>179</sup> If the tattoo is a unique original piece associated with a particular figure who is prominently featured in the game, developers have a difficult time arguing they do not need a license to use the piece. If the reproduced tattoos are recognizable but do not contain the level of detail as the real-life piece and are only shown intermittently, developers have a stronger case. Still, ethical considerations call for developers to attempt to negotiate a license with tattoo artists for copyrighted tattoos to maintain the purpose of intellectual property protections and recognize the artists for their work.

Ultimately, getting a license is the safest way to use protected work (even demonstrating an attempt at license negotiations may show good faith), but *Solid Oak* and *AM Gen.* demonstrate it is still possible to use protected creations for the purpose of realism if the parties do not reach a direct licensing agreement.<sup>180</sup> Or, the developer could just use a completely different depiction or product, but this can detract from realism when few alternatives are available. For example, one cannot depict an athlete with

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<sup>176</sup> See Stocking, *supra* note 143, at 32.

<sup>177</sup> Holtz, *supra* note 115.

<sup>178</sup> *Id.*

<sup>179</sup> Ricardo Fischer & Peter Menchini, *Slowly Resolving the Uncertainty Surrounding Tattoos and Copyright Law: Solid Oak Sketches v. 2k Games and Take-Two*, ARENT FOX (Apr. 16, 2020), <https://www.arentfox.com/perspectives/alerts/slowly-resolving-the-uncertainty-surrounding-tattoos-and-copyright-law-solid> [<https://perma.cc/3ABM-GXGB>].

<sup>180</sup> See *Solid Oak Sketches, LLC v. 2K Games, Inc.*, 449 F. Supp. 3d 333 (S.D.N.Y. 2020); see *AM Gen. LLC v. Activision Blizzard, Inc.*, 450 F. Supp. 3d 467 (S.D.N.Y. 2020).



different tattoos, which would seem unrealistic. The recently decided cases do not mean developers can use protected material in any manner they please, so the costs of defending in litigation down the road should be a concern for developers and must be carefully evaluated against the option of playing it safe and acquiring a license when using trademarked or copyrighted material.<sup>181</sup>

An observation favorable to video game developers is many large American companies seem more amicable toward having their products placed in video games for exposure.<sup>182</sup> Companies like Pepsi and Ubisoft have sponsored games featuring their brands.<sup>183</sup> As realism demands greater monetary expenditure from video game developers, partnership with a brand may help alleviate the costs and certain advertisements can even enhance the realism of the game.<sup>184</sup> Developers must strike a balance between including products one would encounter in a real-life depiction of the game, such as athletic company logos in a sports video game, and placing blatant advertisements throughout the game in a way that becomes distracting to the player.<sup>185</sup> Trademarks, if not placed carefully, detract from realism. Proliferation of this practice could lead to consumers becoming aware of the products placed in games with consent of the company and contribute to a likelihood of confusion, leading to a dilution of the mark and to a higher burden to video game developers to show the mark owner does not sponsor use of the protected material.<sup>186</sup> Overall, it is wise for developers and intellectual property owners to strive to work in tandem in order to benefit both parties and prevent large developers from taking advantage of a small owners or artists so everyone can enjoy art and credit it properly.

### B. Suggestions for Intellectual Property Creators

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<sup>181</sup> See Kane, *supra* note 49 (“In many cases, the costs of licensing a Trademark may be much less than demonstrating rights under the First Amendment.”).

<sup>182</sup> Andrea Moriggi, *Trademark Protection of Architectural Works in the Digital Era. The U.S. Approach*. CYBERLAWS (March 19, 2018), <https://www.cyberlaws.it/2018/trademark-protection-architectural-works-in-movies-and-videogames> [<https://perma.cc/S8ZL-MYXW>] (citing W. Freeman, *Six of the Best Products Placements in Video Games*, THE GUARDIAN, (July 13, 2014) <https://www.theguardian.com/technology/2014/jul/03/six-of-the-best-product-placement-video-games> [<https://perma.cc/ZSW3-XXEX>]; *Advergaming: The Advertising Value Video Games can Offer*, PRINTSOME, (Nov. 16, 2015), <https://blog.printsome.com/advergaming-what-it-is-and-how-small-companies-can-use-it/> [<http://perma.cc/R543-CQU8>]).

<sup>183</sup> *Id.*

<sup>184</sup> Peter G. Lindmark, *A Content Analysis of Advertising in Popular Video Games* (Dec. 2011) (M.A. thesis, Cleveland State University), [https://etd.ohiolink.edu/apexprod/rws\\_etd/send\\_file/send?accession=csu1326227481&disposition=inline](https://etd.ohiolink.edu/apexprod/rws_etd/send_file/send?accession=csu1326227481&disposition=inline)

<sup>185</sup> See *id.*

<sup>186</sup> Moriggi, *supra* note 182, at n.40.

While the Court in *Solid Oak* found one scenario where copyright rights are limited, parties may still litigate the extent to which tattoos can be copied and depicted in other manners and mediums, such as whether a more prominent tattoo may be clearly shown frequently in a game. Determining if an implied license exists, like most elements of intellectual property rights, will depend on the facts of each case.<sup>187</sup> Those who own tattoo copyrights may have a leg to stand on with regard to the third factor (the owner “intends that the person copy and distribute the work”) by stating up front that the tattoo should not be licensed.<sup>188</sup> However, Courts would not make this a strict precedent because it could lead to artist exercising control over another’s body.<sup>189</sup> The possibility a tattoo license owner could limit the media depiction of the tattoo remains, but it will depend heavily on the facts of the case.<sup>190</sup> In *Whitmill*, the Court articulated that Warner Brothers clearly did not have an implied license to reproduce Mike Tyson’s tattoo.<sup>191</sup> The release form signed by Mike Tyson assisted the tattoo artist in protecting their work, but an artist who does not typically work with famous clients may not have these considerations in mind. But in contrast to *Whitmill*, the Court in *Solid Oak* allowed the depiction of the tattoos in one of the most popular videos games, so tattoo license owners have a steep hill to climb. Tattoo artists who wish to protect their work should consider how much the public sees the tattoo, the likelihood the tattoo will be reproduced in the media, and understand their client’s expectations for how and where the tattoo will be depicted. For instance, LeBron James testified his body art was a part of his likeness and wanted it incorporated into depictions of him.<sup>192</sup> Thus, artists should evaluate such considerations of tattooing an original work on a public figure.

Some tattoo artists are favorable to the use of their tattoos in video games.<sup>193</sup> One artist whose work appeared in the Madden video game without compensation said “it didn’t even matter” and “it was dope to have [his] tattoos on there.”<sup>194</sup> But not all artists feel the same way, as evidenced by the lawsuits related to tattoo depictions in video games. Some in the sports industry have already taken action in response to previous lawsuits; the NFL Players Association (NFLPA) recommended its players get releases from their tattoo artists.<sup>195</sup> Without permission in writing, the players’ tattoos

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<sup>187</sup> Amelia G. Pennington, *Implied in Ink?: How Tattoo Artist Can Claim and Protect Their Copyrights Against an Implied License Defense*, BOSTON PAT. LAW. ASS’N. (Winter 2017) at 13 (citing 1 JAY DRATLER, JR. & STEPHEN M. MCJOHN, LICENSING OF INTELLECTUAL PROPERTY §3.04 (1994)).

<sup>188</sup> *Id.* at 16.

<sup>189</sup> *Id.* at 16–17.

<sup>190</sup> *Id.* at 18.

<sup>191</sup> *Id.* (citing Hearing on Motion for Preliminary Injunction at 4, *Whitmill v. Warner Bros. Entertainment Inc.*, No. 4:11-cv-752, 2011 WL 2038147 (E.D. Mo. Apr. 28, 2011)).

<sup>192</sup> LeBron James Declaration in Support, *supra* note 91, at 3.

<sup>193</sup> Bailey, *supra* note 62.

<sup>194</sup> *Id.*

<sup>195</sup> Heitner & Wilmot, *supra* note 73, at 322.

“would not appear in products such as video games, on merchandise, or in advertising where the art has to be reproduced.”<sup>196</sup> EA Sports, the developer of the *Madden* video game series announced the *Madden NFL 21* game will feature a “new standard of realism” with improved graphics and animations on the all-new Play Station 5 and Xbox Series X consoles.<sup>197</sup> However, tattoos are not shown on many of the players (at least on the Xbox One X version of the game), including on Lamar Jackson, the player on the cover of the video game box.<sup>198</sup> Perhaps this was due to the NFLPA’s recommendation, an effort to curb litigation, or merely a creative decision made to focus on other aspects of realism, such as player movement.<sup>199</sup> As case law involving complex licensing agreements and high-profile individuals develops, courts must decide how they will interpret and apply the concept of an implied license in digital recreations.

Additionally, “a market for licensing basketball players’ tattoos for use in video games is ‘unlikely to develop.’”<sup>200</sup> While they certainly enhance the realism of the games, consumers reported they do not purchase the games because of the tattoos.<sup>201</sup> When examining Defendant’s fair use of the tattoos, the Court in *Solid Oak* noted a finding of transformative use bars an action for economic harm because “by definition, [such uses] do not serve as substitutes for the original work.”<sup>202</sup> The reproductions of the tattoos in the video game are not a substitute for the real-life work and therefore cannot take profits away from the tattoo artist because those looking to purchase the tattoo designs are not going to buy the video game instead of the design

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<sup>196</sup> Noonan, *supra* note 101, at 214 (citing Bryan Wiedey, *Lawsuit Filed Over Copyrighted Tattoos on Players in NBA 2K16*, SPORTINGNEWS (Feb. 2, 2016), <http://www.sportingnews.com/other-sports/news/lawsuit-filedover-copyrighted-tattoos-on-players-in-nba-2k16-lebron-james-kobebryant/15pm9g4a2xfdr1xkz6hnfjry3h> [<https://perma.cc/N58V-YHZ9>]).

<sup>197</sup> Eddie Makuch, *Madden 21 Reveals First PS5 and Xbox Series X Gameplay and Features*, GAMESPOT (Nov. 18, 2020), <https://www.gamespot.com/articles/madden-21-reveals-first-ps5-and-xbox-series-x-gameplay-and-features/1100-6484592/> [<https://perma.cc/S5SY-EACH>].

<sup>198</sup> Scott Stein & Eli Blumenthal, *Virtual NFL Life: Playing Madden 2021 After a Summer of Playing Madden 2020*, CNET (Aug. 28, 2020), <https://www.cnet.com/news/virtual-nfl-life-playing-madden-2021-after-a-summer-of-playing-madden-2020/> [<https://perma.cc/6NGN-XDPV>].

<sup>199</sup> See Makuch, *supra* note 197. (“For years now, NFL players have been wearing RFID chips in their jerseys to capture data about their performance, and now this is being shared with EA. The developer is using this data to make the in-game character models and their related animations appear more life-like.”).

<sup>200</sup> *Solid Oak Sketches, LLC v. 2K Games, Inc.*, 449 F. Supp. 3d 333, 342 (S.D.N.Y. 2020).

<sup>201</sup> *Id.*

<sup>202</sup> *Id.* at 349 (citing *Authors Guild, Inc. v. HathiTrust*, 755 F.3d 87, 99; *Authors Guild v. Google, Inc.*, 804 F.3d 202, 223).

itself.<sup>203</sup> Still, policy considerations call for developers to at least attempt to seek licenses in order to support other artists and recognize their work.

When a work becomes so popular it becomes a recognizable part of reality, there may not be much trademark owners can do. As evidenced by *AM Gen.*, the First Amendment protections afforded to video game companies are robust and not difficult to obtain for a game seeking to achieve realism.<sup>204</sup> Ultimately, the best course of action for trademark owners is to show the developers of their mark does not contribute to the game's realism. Small owners of lesser-known trademarks do not face an issue of having their mark used in a video game because if a video game wants to achieve realism, the marks they choose to use are probably ones known by the general public. These types of marks are usually owned by large corporations or entities, like the Humvee and helicopter marks in *AM Gen.* and *Textron*.<sup>205</sup> Larger companies will now want to consider what kind of action they would take if a video game developer uses their mark. Some may seek to capitalize on their well-known brand by sponsoring games and view it as a form of advertising, while others will be more willing to expend money on lawsuits to prevent it.

If they decide to take the preventative route and bring a lawsuit, the trademark owner will want to show they can satisfy either prong under the *Rogers* test. The first prong (having no artistic relevance) is difficult to surmount because the courts have acknowledged pursuing realism is an artistic purpose. Plaintiffs have a better chance by arguing the mark misleads consumers. They will want to argue the mark will mislead consumers as to the source of the good if it appeared the mark sponsored the game, similar to the concern the Court had in *Textron*.<sup>206</sup> Such a scenario would entail featuring the mark in many major parts of the game, such as the game litigated in *Textron* prominently featured trademarked helicopters.<sup>207</sup> However, a mere chance of confusion will not demonstrate consumers are misled, as the Court found in *AM Gen.* that 16% of consumers who believed AM General associated with *Call of Duty* was not enough to transcend First Amendment considerations.<sup>208</sup> Stronger evidence of actual confusion will assist a Plaintiff, but it is not fatal and they would still need to consider the other factors their circuit examines when analyzing likelihood of confusion. Thus, a safe option is for companies to be proactive about learning when their

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<sup>203</sup> *Id.* at 350.

<sup>204</sup> *See* *AM Gen. LLC v. Activision Blizzard, Inc.*, 450 F. Supp. 3d 467 (S.D.N.Y. 2020).

<sup>205</sup> *See id.*; *see* Order Denying Plaintiff's Motion to Dismiss Counterclaims, Granting In Part And Denying In Part Plaintiffs Request For Judicial Notice, And Vacating Hearing. *Elec. Arts, Inc. v. Textron, Inc.*, No. C 12-00118 (N.D. Cal. July 25, 2012).

<sup>206</sup> *See* Order Denying Plaintiff's Motion to Dismiss Counterclaims, Granting In Part And Denying In Part Plaintiffs Request For Judicial Notice, And Vacating Hearing. *Elec. Arts, Inc. v. Textron, Inc.*, No. C 12-00118 (N.D. Cal. July 25, 2012).

<sup>207</sup> *Id.*

<sup>208</sup> *AM Gen.*, 450 F. Supp. 3d. at 482.

mark may appear in a video game before the developer does so in order to attempt negotiations for a license. A developer may be receptive to the threat of suit if they cannot reach license agreement with the owner, or they may proceed if they are familiar with the standard for First Amendment protections recently afforded to video game companies.

### C. Pending Cases

One of the Defendants in *Solid Oak*, Take-Two Interactive Software, Inc., is litigating a similar case in the Southern District of Illinois which the precedent set in *Solid Oak* may impact. In *Alexander v. Take-Two Interactive Software, Inc. et al*, the artist who tattooed professional wrestler Randy Orton sued Take-Two for depicting Orton's tattoos in the *WWE 2K16* video game.<sup>209</sup> After the Southern District of New York rendered the *Solid Oak* decision, Defendants filed a Notice of Supplemental Authority and cited the case.<sup>210</sup> Both Plaintiff and Defendants have motioned for summary judgment.<sup>211</sup> Defendants argued some of the same defenses they did in *Solid Oak*: de minimis use, fair use, and licensure.<sup>212</sup> But this case is heading in a different direction than *Solid Oak* and may set a different precedent if it renders a jury verdict. In September 2020, the Court granted partial summary judgment to Plaintiff, stating it was "undisputed" Plaintiff has copyrights to the tattoos and "Defendants copied" the tattoo.<sup>213</sup> The case will head to a jury trial to determine whether copyright infringement occurred and is proceeding in a circuit where it is an "open question" whether the Court will recognize the de minimis defense,<sup>214</sup> which is what Defendant relied heavily on in *Solid Oak*.<sup>215</sup> Since there is also a question of the "existence and scope of an implied license" and the fair use factors do not all weigh in Defendant's favor, there is a genuine issue of material fact and thus will proceed to trial.<sup>216</sup> Despite the case's factual differences from *Solid Oak*, it would be surprising if the Court went against basic principles of bodily autonomy and the right to license one's entire likeness.<sup>217</sup> If the jury finds otherwise, it could lead to

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<sup>209</sup> First Amended Complaint, *Alexander v. Take-Two Interactive Software, Inc.*, No. 3:18-cv-00966 (S.D. Ill. Oct. 2, 2018).

<sup>210</sup> Fischer & Menchini, *supra* note 179, at n.11.

<sup>211</sup> *Id.*

<sup>212</sup> Answer to First Amended Complaint at 17–18, *Alexander v. Take-Two Interactive Software, Inc.*, No. 3:18-cv-00966 (S.D. Ill. May 1, 2020).

<sup>213</sup> Memorandum and Order at 5, *Alexander v. Take-Two Interactive Software, Inc.*, No. 3:18-cv-00966-SMY (S.D. Ill. Sept. 26, 2020) [hereinafter *Alexander Mem. and Order*].

<sup>214</sup> *Id.* at 11.

<sup>215</sup> See *Solid Oak Sketches, LLC v. 2K Games, Inc.*, 449 F. Supp. 3d 333 (S.D.N.Y. 2020).

<sup>216</sup> *Alexander Memorandum and Order*, *supra* note 213, at 7, 11.

<sup>217</sup> See Aaron Moss, *Tattoo Feud: Artist's Copyright Case (Inexplicably) Sent to Trial*, COPYRIGHTLATELY (Oct. 7, 2020), <https://copyrightlately.com/tattoo-artist-copyright-case-wwe-2k/> [https://perma.cc/8XYV-KLQU].

disastrous consequences for tattooed individuals, particularly those who frequently appear in public places.<sup>218</sup> Litigation to determine if fair use or de minimis use is present when a tattooed individual appear in a movie, video game, or other media form may flood the courts.<sup>219</sup> The precedent set by *Solid Oak* will presumably play a significant role in the Court's inquiry, since it is not only the most established legal analysis related tattoos in video games, but the most recent as well. If *Solid Oak*'s reasoning is applied, the Defendant in *Alexander* should be victorious. If the Plaintiff prevails, it would likely be due to a major difference in facts of the two cases, and the result would still contradict *Solid Oak*. Rather than further solidifying the application of copyright law to video games (and digital tattoo recreations in particular), this would cause of split of authority. If the results do end up conflicting, the issue could present itself at a higher court.

## VI. CONCLUSION

Gone are the days that a select few played video games as a mere pastime, as video game development is now an incredibly profitable business<sup>220</sup> with new games and competitors emerging constantly.<sup>221</sup> The financial impact of the video game industry stretches further than generating revenue for the industry itself, as the games are means of income for professional gamers.<sup>222</sup> Other companies have attempted to capitalize off of the success of games by producing merchandise and translating the games into other forms of media, such as films.<sup>223</sup>

Video game developers are not merely looking to take shortcuts by incorporating protected material, as their efforts to create a realistic game are apparent: the video game in *Pinkerton*, *Red Dead Redemption 2*, took more than seven years to make and involved over 2000 people.<sup>224</sup> *Red Dead Redemption 2*'s incredible "historical accuracy" and "immersive and complex environment" helped it obtain "perfect" scores from video game critics.<sup>225</sup> The developers wanted to provide a realistic setting where users

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<sup>218</sup> *See id.*

<sup>219</sup> *See id.*

<sup>220</sup> *See* Rodrigues, *supra* note 1.

<sup>221</sup> Stephen T. Wright, *There are Too Many Video Games. What Now?*, POLYGON (Sept. 28, 2018), <https://www.polygon.com/2018/9/28/17911372/there-are-too-many-video-games-what-now-indieapocalypse> [<https://perma.cc/89JP-T42A>].

<sup>222</sup> *See* Cabading, *supra* note 11.

<sup>223</sup> Andrew Beattie, *How the Video Game Industry is Changing*, INVESTOPEDIA (May 7, 2020), <https://www.investopedia.com/articles/investing/053115/how-video-game-industry-changing.asp> [<https://perma.cc/MFN5-38AE>].

<sup>224</sup> Janke, *supra* note 153.

<sup>225</sup> *Id.*

“can forget it is not real.”<sup>226</sup> Their work paid off, as *Red Dead Redemption 2* was the highest sold video game in 2018,<sup>227</sup> which can surely be attributed to its realistic elements. Similarly, the developers of *Call of Duty: Ghosts* consulted directly with military personal to obtain an accurate understanding of the military experience.<sup>228</sup>

Affording video game developers an expansive artistic agency will lead to a more realistic game, which in turn leads to a more popular product,<sup>229</sup> a growing industry, and a positive impact on the economy. Balancing the rights of artists on both sides, both big and small, is crucial to maintaining the purposes of intellectual property law, but these rulings give future courts a foundation for how to analyze such cases on a fact by fact basis. This set a valuable precedent for the industry as a whole, and future cases will decide whether this momentum in favor of developers will continue.

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<sup>226</sup> *Id.* (quoting Keza MacDonald, *Get real! Behind the scenes of Red Dead Redemption 2 – the most realistic video game ever made*, THE GUARDIAN (Oct. 24, 2018), <https://www.theguardian.com/games/2018/oct/24/get-real-behind-the-scenes-of-red-dead-redemption-2-the-most-realistic-video-game-ever-made> [<https://perma.cc/DL5F-7HAM>]).

<sup>227</sup> *Id.*

<sup>228</sup> Frum, *supra* note 18.

<sup>229</sup> Commander, *supra* note 15, at 1978.