

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No. 2:16-cv-05719-SVW-JC

Date October 25, 2016

Title *CI Games S.A. v. Destination Films; Sony Pictures; UFO International; Does 1-5*

Present: The Honorable STEPHEN V. WILSON, U.S. DISTRICT JUDGE

Paul M. Cruz

N/A

Deputy Clerk

Court Reporter / Recorder

Attorneys Present for Plaintiff:

Attorneys Present for Defendants:

N/A

N/A

Proceedings: IN CHAMBERS ORDER DENYING DEFENDANTS’ MOTION TO DISMISS [37] and DENYING PLAINTIFF’S APPLICATION FOR A PRELIMINARY INJUNCTION [12]

I. Introduction

Plaintiff CI Games S.A. (“CI” or “Plaintiff”) brings this action against Defendants Destination Films Distribution Company, Inc. (“Destination Films”); Sony Pictures Entertainment, Inc. (“Sony Pictures”); UFO International Productions LLC (“UFO”); and Does 1-5 (collectively, “Defendants”) for three causes of action related to trademark infringement under the Lanham Act.¹ Complaint, Dkt. 1 (“Complaint”). Presently before the Court is the Plaintiff’s Application for Preliminary Injunction, Dkt. 12, and Defendants’ motion to dismiss the complaint under Federal Rules of Civil Procedure 12(b)(6), Dkt. 37. The Plaintiff contends that the Defendants’ movie “Sniper: Ghost Shooter” infringes on its trademarks relating to its video game “Sniper: Ghost Warrior,” and therefore the distribution of the movie should be enjoined. In their Motion to Dismiss, the Defendants contend that their use of the title Sniper: Ghost Shooter is protected by the First Amendment, or in the alternative, is protected by the fair use doctrine. Either way, the Defendants argue, the Plaintiff’s claims are barred and thus should be dismissed. For the following reasons, the Court DENIES the Motion to Dismiss and DENIES the application for a preliminary injunction.

¹ The Plaintiff has brought causes of action against the Defendants for (1) federal trademark infringement under 15 U.S.C. § 1114; (2) federal unfair competition under 15 U.S.C. § 1125, and (3) California unfair competition under Cal. Bus. & Prof. Code § 17200, *et seq.*

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II. Background

The Plaintiff, CI Games, is a video game manufacturer organized under the laws of Poland with its principal place of business located in Warsaw, Poland. CI publishes and develops computer and video games for various popular platforms, including Nintendo Wii, Xbox, and PlayStation. It has published and/or developed more than 80 games worldwide. Additionally, it has published several trademarks with the United States Patent and Trademark Office with respect to its brands and products. The relevant trademark at issue in this case is for CI’s game entitled “Sniper: Ghost Warrior,” which was successfully registered on August 14, 2012.² According to the Plaintiff’s Complaint, the game has developed a large following and is well known in the video game community. Complaint, ¶¶ 12-13. The game has a large volume of sales and is marketed through television, the internet, radio, print ads, social media, video on demand, and through retailers, including Amazon, Walmart, and eBay. *Id.* at ¶¶ 14-15.

The Defendants make and distribute movies. One such movie is called “Sniper: Ghost Shooter,” an action movie about elite military snipers who are stalked by a “ghost shooter,” a rival sniper who is as stealthy as the sniper team. Motion to Dismiss, Dkt. 37, 1.

The Plaintiff has sued the Defendants, alleging that the Defendants’ movie title “Sniper: Ghost Shooter” infringes on the trademarks registered by the Plaintiff for the title, “Sniper: Ghost Warrior.” Complaint. Specifically, the Plaintiff alleges that there is a clear chance of customer confusion that the movie was produced by the same creators as the video game, as the titles of the works are so similar and the Defendants have marketed their movie through the same channels as the Plaintiff’s video game. Additionally, the Plaintiff argues that many video games are turned into movies, and therefore consumers are likely to mistake this movie as based on the Plaintiff’s video game and/or produced by the same company. Finally, the Plaintiff applied for a preliminary injunction, arguing that allowing the Defendants to distribute their movie could cause irreparable harm to the Plaintiff’s reputation and brand, as consumers may develop negative views of the movie and mistakenly associate those views with the Plaintiff’s video game.

² The validity of the trademark is not at issue in this case.

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The Defendants have filed a Motion to Dismiss the action and have opposed the preliminary injunction. In their Motion to Dismiss, the Defendants argue that the Plaintiff has failed to state a claim for two reasons. First, the Defendants' use of the title is protected by the First Amendment, as outlined by the *Rogers* test. Second, if the Plaintiff's claims are not precluded by the First Amendment, then they are precluded by the "fair use" doctrine of trademark law. For the following reasons, the Court finds that neither theory justifies dismissal of the Plaintiff's claims at this stage of the proceedings. Consequently, the Motion to Dismiss is DENIED.

III. Motion to Dismiss

A. Legal Standard

A Rule 12(b)(6) motion tests the legal sufficiency of the claims asserted in the complaint. A Rule 12(b)(6) dismissal is proper only where there is either a "lack of a cognizable legal theory," or "the absence of sufficient facts alleged under a cognizable legal theory." *Balistreri v. Pacific Police Dep't*, 901 F.2d 696, 699 (9th Cir. 1988). The court must accept all factual allegations pleaded in the complaint as true, and construe them and draw all reasonable inferences from them in favor of the nonmoving party. *Cahill v. Liberty Mutual Ins. Co.*, 80 F.3d 336, 337-38 (9th Cir. 1996); *Mier v. Owens*, 57 F.3d 747, 750 (9th Cir. 1995).

The court need not, however, accept as true unreasonable inferences or legal conclusions cast in the form of factual allegations. *See Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 555 (2007) ("While a complaint attacked by a Rule 12(b)(6) motion to dismiss does not need detailed factual allegations, a plaintiff's obligation to provide the 'grounds' of his 'entitle[ment] to relief' requires more than labels and conclusions, and a formulaic recitation of the elements of a cause of action will not do"). Thus, a plaintiff's complaint must "contain sufficient factual matter, accepted as true, to 'state a claim to relief that is plausible on its face.' . . . A claim has facial plausibility when the plaintiff pleads factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged." *Ashcroft v. Iqbal*, 556 U.S. 662, 677 (2009); *see also Twombly*, 550 U.S. at 555 ("Factual allegations must be enough to raise a right to relief above the speculative level, on the assumption that all the allegations in the complaint are true (even if doubtful in fact)" (citations omitted)); *Moss v. United States Secret Service*, 572 F.3d 962, 969 (9th Cir. 2009) ("[F]or a complaint to survive a motion to dismiss, the non-conclusory 'factual content,' and reasonable inferences from that content, must be plausible suggestive of a claim entitling the plaintiff to relief," citing *Iqbal* and *Twombly*).

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B. Analysis

1. First Amendment Defense

The Defendants' first defense to the Plaintiff's trademark infringement claims is that the First Amendment to the United States Constitution protects their movie and their movie title from trademark infringement claims. It is undisputed that motion pictures are expressive works protected by the First Amendment. *See, e.g., Joseph Burstyn, Inc. v. Wilson*, 343 U.S. 495, 502 (1952). However, the analysis of whether the provisions of the Lanham Act apply to a movie title that is confusingly similar to a previously-made video game title, or whether the First Amendment insulates the Defendants against such claims, is much more complex.

The first question that must be answered by the Court in evaluating the Defendants' Motion to Dismiss is what test must be applied to evaluate whether the First Amendment protects the Defendants' use of the movie title "Sniper: Ghost Shooter." The Defendants contend that the Ninth Circuit has adopted the *Rogers* test from the Second Circuit for all First Amendment defenses that involve any type of expressive work, including movies and their titles. *See Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 900-01 (9th Cir. 2002) ("*MCA*") (adopting the two-prong test for First Amendment protection against trademark infringement claims found in *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2nd Cir. 1989)). Essentially, once trademarked phrases enter the public discourse, the public's right to use them in expressive works is analyzed under the protections of the First Amendment, which must be weighed against the trademark holder's right to exclusive use and the public interest in avoiding consumer confusion. *See MCA*, 296 F.3d at 900-01. The *Rogers* test conducts this balancing by: 1) determining whether the title of the work containing the infringing mark has any artistic relevance to the underlying work whatsoever; and 2) if the title has some artistic relevance, determining whether the title explicitly misleads as to the source or content of the work. *Rogers*, 875 F.2d at 999. Claims under the Lanham Act are only valid with respect to artistic works if either the title has no artistic relevance to the underlying work or the title is explicitly misleading. *Id.*

The Plaintiff, on the other hand, argues that the *Rogers* test is inapplicable in this case, as the *Rogers* court itself stated in a footnote that its own two-prong test would not apply to misleading titles that are confusingly similar to other titles. *Rogers*, 875 F.2d at 999 n. 5 (stating that, "This limiting construction would not apply to misleading titles that are confusingly similar to other titles. The public

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interest in sparing consumers this type of confusion outweighs the slight public interest in permitting authors to use such titles.”). Instead, Plaintiff argues, the Court should apply the “likelihood of confusion” test when the potential trademark infringement involves confusingly similar titles, which requires a fact-intensive application of the factors set forth in *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979) (“*Sleekcraft*”). Further, even if the Court finds that the *Rogers* test might normally apply to confusingly similar titles, the Plaintiff argues that the Defendants fail to meet several threshold factors that prevent the application of the test. For the reasons stated below, the Court finds that Ninth Circuit precedent weighs in favor of applying the *Rogers* test to all trademark cases in which the alleged infringement occurs in an expressive work, including when an infringing title is allegedly confusingly similar to a previous title. However, the analysis of the second prong of the *Rogers* test, which examines whether the title “explicitly misleads” as to the source or the content of the work, is somewhat distinct in the context of this case. See *Rogers*, 875 F.2d at 999. The *Rogers* test was developed by the Second Circuit because the court found that the Lanham Act should apply “only where the public interest in avoiding consumer confusion outweighs the public interest in free expression.” *Id.* As two confusingly similar titles presents a greater likelihood of consumer confusion than the stereotypical example of an expressive work using a trademarked image or celebrity likeness, the second prong of the *Rogers* test weighs heavier than usual in favor of the Plaintiff.³ As a result, the Plaintiff has stated a plausible claim for trademark infringement. While the Defendants may eventually be entitled to First Amendment protection under the *Rogers* test, the Complaint cannot be dismissed at this stage because there are questions of fact involved in the *Rogers* analysis.

a. The Applicability of the *Rogers* Test

Trademark law under the Lanham Act, including cases involving expressive works such as movies, books, and songs, seeks to protect consumers from confusion regarding the source or producer

³ Although the second prong of the *Rogers* test, which evaluates whether a title is “explicitly misleading,” weighs in favor of this Plaintiff more so than the average trademark infringement case, the analysis of this prong cannot possibly be equivalent to the “likelihood of confusion” test employed in *Sleekcraft*. Courts apply the likelihood of confusion test when First Amendment concerns are not implicated. See *Sleekcraft*, 599 F.2d 341 (9th Cir. 1979). In other words, the test applies when the *Rogers* test is found inapplicable. Therefore, incorporating the likelihood of confusion test into the *Rogers* test would render the second prong of the *Rogers* test a nullity, as the same test would again be applied to cases that fail the *Rogers* analysis. Therefore, although the Court must evaluate whether a title is “explicitly misleading,” the analysis must be distinct from the likelihood of confusion test in order to protect the integrity of the second *Rogers* prong. The Court will address the appropriate implementation of the second prong in its *Rogers* test analysis.

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of a product or expressive work. However, the analysis of the applicability of the Lanham Act is somewhat different in the cases of movies, books, and songs, as works of artistic expression receive increased First Amendment protection compared to normal commercial products. *Rogers*, 875 F.2d at 997. In *Rogers*, the Second Circuit acknowledged that although “First Amendment concerns do not insulate titles of artistic works from all Lanham Act claims, such concerns must nonetheless inform our consideration of the scope of the Act as applied to claims involving such titles.” *Id.* at 998. Similarly, because “overextension of Lanham Act restrictions in the area of titles might intrude on First Amendment values, we must construe the Act narrowly to avoid such a conflict.” *Id.* (citations omitted). In order to properly balance the public interest in avoiding consumer confusion with the public interest in free expression, the *Rogers* court created a two-pronged test to conduct such a balancing of interests: 1) courts should analyze whether the title of the artistic work has any relevance to the underlying work whatsoever; and 2) if there is any artistic relevance, the Lanham Act will not apply unless the title explicitly misleads consumers as to the source or content of the work. *Id.* at 999.

The Ninth Circuit first adopted the *Rogers* test for expressive works in *MCA*. 296 F.3d 894. In *MCA*, the Ninth Circuit noted that the likelihood of confusion test in *Sleekcraft* generally strikes a good balance between a trademark owner’s property rights and the public’s interest in free expression when labelling a product. *Id.* at 900. However, when asserting a trademark interferes with the expression of ideas or points of view, the First Amendment is implicated. *Id.* The Court further stated that while consumers may look to the name of a product to identify its producer, the same is not true of the titles of artistic works, which consumers expect to identify the subject of the work but not the source. *Id.* at 902. As a result, the Ninth Circuit agreed with the Second Circuit that the titles of expressive works were protected from Lanham Act claims by the First Amendment “unless the title has no artistic relevance to the underlying work whatsoever, or, if it has some artistic relevance, unless the title explicitly misleads as to the source or the content of the work.” *Id.* (citing *Rogers*, 875 F.2d at 1000). Thus, the Ninth Circuit adopted the two-pronged *Rogers* test for balancing the First Amendment protections for expressive works against Lanham Act claims.

After *MCA* was decided, district courts in the Ninth Circuit disagreed on when the *Rogers* test should be applied. Both *Rogers* and *MCA* involved trademark claims in which the title of an expressive work clearly utilized a non-title trademark.⁴ However, trademark claims against expressive

⁴ In *Rogers*, the title of a movie included the name of a celebrity unaffiliated with the movie, while in *MCA*, the title of a song included the name of a famous toy.

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works have arisen in other circumstances, and district courts have sometimes applied the *Rogers* test and sometimes have not. The Plaintiff argues that a footnote in the original *Rogers* opinion, which states that the *Rogers* test would not apply to a case involving two titles that were confusingly similar,⁵ created a “confusingly similar titles” exception to the application of the *Rogers* test. It also cites an unpublished district court opinion that found that the best reading of Ninth Circuit cases, at the time the case was decided in 2008, suggested that the entire *Rogers* opinion, including the footnote regarding confusingly similar titles, was adopted by the Ninth Circuit in *MCA*. See *Kiedis v. Showtime Networks, Inc.*, 2008 WL 11173143 (C.D. Cal. Feb. 19, 2008). *Kiedis* involved a band, the Red Hot Chili Peppers, who brought a trademark infringement action against a television network because the network aired a show titled “Californication,” which was the same title of a song and album produced by the band. In holding that the *Rogers* test did not apply to such a situation, the district court noted that the public’s interest in protecting the free expression of the Defendants would weigh heavily against consumer confusion, but that the potential for consumer confusion was sufficiently high that the Defendants were not entitled to the strong First Amendment protections of the *Rogers* test. *Id.* at 5. The Plaintiff subsequently cited to other district courts, both inside and outside of the Ninth Circuit, who found that the *Rogers* test did not apply in the case of confusingly similar titles. See, e.g., *Morgan Creek Prods., Inc. v. Capital Cities/ABC, Inc.*, 1991 WL 352619, at *3-5 (C.D. Cal. Oct. 28, 1991); *Moore v. Weinstein Co., LLC*, 2010 WL 8913520, at *10 (M.D. Tenn. May 12, 2010).⁶

While this Court agrees with the Plaintiff that the footnote in *Rogers* and somewhat ambiguous language in *MCA*⁷ originally left open the possibility that the *Rogers* test may only apply to commercial

⁵ “[The two prongs of the *Rogers* test] would not apply to misleading titles that are confusingly similar to other titles. The public interest in sparing consumers this type of confusion outweighs the slight public interest in permitting authors to use such titles.” *Rogers*, 875 F.2d at 999 n.5.

⁶ The Defendants countered the citations of the Plaintiff by identifying other district court decisions that apparently involved confusingly similar titles and yet still applied the *Rogers* test. See *Medina v. Dash Films, Inc.*, 2016 WL 3906714 (S.D.N.Y. July 14, 2016); *Roxbury Ent. v. Penthouse Media Group, Inc.*, 669 F. Supp. 2d 1170 (C.D. Cal. 2009). Although the Plaintiff suggests that these cases are irrelevant because neither district court considered the “confusingly similar titles” exception, such an argument is unavailing, as the district courts’ application of the *Rogers* test to confusingly similar titles suggests that no such exception exists.

⁷ *MCA* stated that the likelihood of confusion test failed to account for the full weight of the public’s interest in free expression when a trademark owner asserts a right to control how we express ourselves. *MCA*, 296 F.3d at 900. However, the Ninth Circuit only specifically mentioned examples of when trademarks had taken on expressive or cultural meanings, such as aspirin or Rolls-Royce. *Id.* Additionally, the Court specifically based its decision on cases when the unauthorized use of a trademark is part of a communicative message. *Id.* Therefore, it was unclear from the *MCA* opinion alone

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trademarks utilized in expressive titles⁸ and was inapplicable in analyzing confusingly similar titles, the Court agrees with the Defendants that the Ninth Circuit has since strongly suggested that the *Rogers* test applies in a much broader context. See *Brown v. Elec. Arts, Inc.*, 724 F.3d 1235 (9th Cir. 2013) (“*Brown*”). When discussing which tests apply in evaluating a professional athlete’s trademark claims against a video game manufacturer, the Ninth Circuit held that only the *Rogers* test is relevant to Lanham Act claims involving expressive works. *Id.* at 1241-42. The Court specified, “The only relevant legal framework for balancing the public’s right to be free from consumer confusion [about the plaintiff’s] affiliation with [the defendant’s expressive work] and [the defendant’s] First Amendment rights in the context [of a Lanham Act claim] is the *Rogers* test.” *Id.* at 1242.

This Court recognizes that the case in *Brown* did not involve confusingly similar titles. However, the Court finds persuasive the strong and clear language of the Ninth Circuit in *Brown* that the only relevant framework for trademark claims involving expressive works is the *Rogers* test. Additionally, the Court finds it significant that the Ninth Circuit did not qualify its assertions regarding the applicability of the *Rogers* test and did not give any indication whatsoever that certain exceptions to the *Rogers* test applicability to expressive works existed. Therefore, the best reading of Ninth Circuit precedent is that in evaluating the extent to which the First Amendment protects expressive works’ usage of unauthorized trademarks, courts must use the *Rogers* test.

Importantly, the Court recognizes that cases involving confusingly similar titles provide a greater risk of consumer confusion than presented in many other trademark cases, as the potential confusion arises not from whether the use of the trademark is authorized but the similarity of the titles themselves. However, that fact does not preclude the application of the *Rogers* test. In fact, the *Rogers* test was specifically developed to balance the public interest in consumer confusion with the public interest in free expression. *Rogers*, 875 F.2d at 999. Therefore, it is well within the scope of the *Rogers* test to account for the increased likelihood of customer confusion.⁹ As a result, applying the *Rogers* test to potentially confusingly similar titles is perfectly consistent with the Ninth Circuit’s directions in

whether such an analysis could logically extend to a case involving confusingly similar titles, such as the present case.

⁸ For instance, the *Rogers* Court originally created the two-pronged test “[i]n the context of allegedly misleading titles using a celebrity’s name....” *Rogers*, 875 F.2d at 999.

⁹ Specifically, the second prong of the *Rogers* test evaluates whether the trademark usage is “explicitly misleading.” *Rogers*, 875 F.2d at 999. While that prong does not utilize the *Sleekcraft* factors or a likelihood of confusion test, as stated above, it does incorporate consumer confusion into its analysis, as the greater the likelihood of consumer confusion, the more explicitly misleading the title.

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evaluating the use of trademarks in expressive works. The Court now finds that the *Rogers* test for First Amendment protection of trademark usage is applicable to this case, and will proceed with the analysis under that framework.

b. Potential Threshold Barriers to Application of the *Rogers* Test

1. Cultural Significance Test

The Plaintiff argues in its Opposition that even if the *Rogers* test applies to this case, there are several initial threshold considerations that need to be met before the two prongs of the test should be analyzed. First, the Plaintiff argues that the *Rogers* test is not meant to apply to all trademark disputes involving expressive works, but rather only to disputes involving culturally significant trademarks. Opposition, Dkt. 40, 11. This “cultural significance” threshold test, applied by a few district courts,¹⁰ appears to have been created because of language in two Ninth Circuit opinions suggesting that the First Amendment protected artistic works that infringed on trademarks when the trademark had taken on special cultural significance to the point where it held expressive value. See *MCA*, 296 F.3d at 900 (“The problem arises when trademarks transcend their identifying purpose. Some trademarks enter our public discourse and become an integral part of our vocabulary. How else do you say that something’s the ‘Rolls-Royce’ of its class? What else is a quick fix, but a Band-Aid?”); *Mattel, Inc. v. Walking Mt. Prods.*, 353 F.3d 792, 807 (9th Cir. 2003) (“Where a mark assumes such cultural significance, First Amendment protections come into play.”).

However, despite this language, there is no suggestion that cultural significance is an actual prerequisite for the application of the *Rogers* test. At its core, the *Rogers* test is meant to evaluate whether “the public interest in avoiding consumer confusion outweighs the public interest in free expression.” *Rogers*, 875 F.2d at 999. If the danger of consumer confusion outweighs the value of free expression, then the Lanham Act provisions apply to the artistic work. If not, the First Amendment protects the use of the trademark in the expressive work. No part of that test, or the *Rogers* opinion in general, suggests that the trademark in question must have cultural significance in order to implicate the First Amendment. Rather, it is the free expression of the author of the artistic work that is important. The language of the Ninth Circuit in discussing cultural significance is better read as an explanation for why the First Amendment is important in the context of artistic works and

¹⁰ See, e.g., *Rebelution, LLC v. Perez*, 732 F. Supp. 2d 883, 887-88 (N.D. Cal. 2010).

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trademarks rather than a separate step in the *Rogers* balancing test. Therefore, this Court holds that no cultural significance threshold test applies to the *Rogers* analysis.

Tellingly, subsequent Ninth Circuit opinions support the Court's conclusion that the cultural significance analysis is not a part of the *Rogers* test. In *E.S.S. Entm't 2000, Inc. v. Rock Star Videos, Inc.*, the Ninth Circuit considered the argument that the trademark in question did not possess the requisite cultural significance. 547 F.3d 1095, 1100 (9th Cir. 2008) ("*ESS*"). However, the Court addressed this argument under the "artistic relevance" prong of the *Rogers* test, not as a potential barrier to the application of the test in the first place. The Court found that the lack of cultural significance did not fail the requirements of the *Rogers* test, as the trademark in question must only present some artistic relevance to the underlying work.¹¹ Additionally, the *Brown* decision, which came out in 2013, applied the *Rogers* test without any mention of the cultural significance of the trademark or whether it was a cultural icon. Again, these two decisions provide strong indications that the Ninth Circuit, while recognizing that the cultural significance of a trademark may justify its use in an expressive work, does not consider cultural significance to be a prerequisite in applying the *Rogers* test.¹²

Finally, it would be illogical to consider cultural significance in this case. The original context in which the Ninth Circuit discussed cultural significance involved a song title's clear reference to a well-known product. *MCA*, 296 F.3d at 901. The Court commented that the song parodies Barbie, the trademark in question, because the toy had become a cultural icon. *Id.* Therefore, refusing to allow the band to use the trademark would severely limit the free expression available to the band. However, cultural significance plays no such role in the present case. The dispute involves two titles of expressive works that are potentially confusingly similar. Whether either title reaches the level of a "cultural icon" has no impact on whether the First Amendment is implicated, as the real question involves balancing the Defendants' First Amendment rights to choose the title to its movie with the public's and Plaintiff's interest in preventing consumer confusion about who produced the movie.

¹¹ The Plaintiff contends that *ESS* should not be considered a rejection of the cultural significance threshold test because the parties conceded that the *Rogers* test applied. However, in accepting the parties' concession, the Ninth Circuit only considered whether the dispute involved an artistic work. *ESS*, 547 F.3d at 1099-1100 ("*ESS* concedes that the Game is artistic and that therefore the *Rogers* test applies."). This statement by the Ninth Circuit and the subsequent analysis in *ESS* of cultural significance in the context of artistic relevance strongly indicate that cultural significance is not its own test but rather a possible consideration in the artistic relevance prong of the *Rogers* test.

¹² In fact, district court decisions since *ESS* and *Brown* have also found that there is no cultural significance requirement in the *Rogers* test. See, e.g., *Twentieth Century Fox*, 161 F. Supp. 3d 902, 906-07 (C.D. Cal. 2016).

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Therefore, cultural significance plays no role in the analysis, and the Court holds that there is no such threshold test for the application of the *Rogers* test.

2. Reference to the Plaintiff's Work

Second, the Plaintiff argues that as part of the "artistic relevance" prong of the *Rogers* test, the Defendants must show that their use of the title "Sniper: Ghost Shooter" has artistic relevance to the Plaintiff's game, "Sniper: Ghost Warrior." Opp. at 13. However, "the Ninth Circuit has never stated that the *Rogers* test includes [such] a 'referential requirement.'" *Twentieth Century Fox v. Empire Distr. Inc.*, 161 F. Supp. 3d 902, 908 (C.D. Cal. 2016) (citing *MCA*, 296 F.3d at 901). In fact, it is clear from the text of the *Rogers* opinion itself that the title in question must be artistically relevant to the underlying work, not to the trademark. See *Rogers*, 875 F.2d at 999. For instance, the *Rogers* court suggested that the interest in free expression would not justify a filmmaker using Ginger Rogers's name in the title of a movie if the movie had no connection to Ms. Rogers. *Id.* In that case, the filmmaker would clearly be trying to capitalize on Ms. Rogers's fame to sell movies, not attempting to express an idea or point of view in a way that would be protected by the First Amendment. It is clear to the Court that the artistic relevance prong of the *Rogers* test is meant to ensure that the title in question uses the potential trademark to express or describe its own content rather than merely to attract notoriety using a trademark in its title that is irrelevant to the underlying work. Consequently, requiring that the disputed work sufficiently reference the Plaintiff's trademark is incompatible with the logic behind the first prong of the *Rogers* test,¹³ and any district court that finds the *Rogers* test includes such a referential requirement has misapplied the law.

c. Applying the *Rogers* Test

As the Court has found that the *Rogers* test is the proper framework for analyzing the present dispute and that no threshold barriers prevent the application of the test, the Court must now analyze the

¹³ The Ninth Circuit cases that have considered a potentially infringing title in the context of the first prong of the *Rogers* test have applied the test consistent with the Court's position today. See, e.g., *MCA*, 296 F.3d at 902 (finding that use of the term "Barbie" in a song title was artistically relevant to the song itself); see also *Rogers*, 875 F.2d at 1001 (finding that the movie title "Ginger and Fred" is artistically relevant to the content of the film itself). *Brown* also makes it clear that the correct analysis is whether the use of the trademark is artistically relevant to the expressive work, not to the Plaintiff's mark. *Brown*, 724 F.3d at 1245.

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Case No. 2:16-cv-05719-SVW-JC

Date October 25, 2016

Title *CI Games S.A. v. Destination Films; Sony Pictures; UFO International; Does 1-5*

two prongs of the test in the context of this case.¹⁴ The two-part test states that the title of an expressive work, such as the movie in question here, is protected under the First Amendment if: 1) it has more than zero artistic relevance to the underlying work; and 2) the trademark or other identifying material does not explicitly mislead consumers as to the source or the content of the work. *Brown*, 724 F.3d at 1242 (citing *Rogers*, 875 F.2d at 999). It is also important to note that the rationale of the *Rogers* test is to ensure that the Lanham Act is applied “only where the public interest in avoiding consumer confusion outweighs the public interest in free expression.” *Rogers*, 875 F.2d at 999. The two parts of the test should be considered in the context of that objective.

First, as discussed above, the first prong of the *Rogers* test evaluates whether the title in question has artistic relevance to the underlying work, not whether the title has artistic relevance to the Plaintiff’s trademark. This is a very low bar, as “‘the level of [artistic] relevance [of the trademark or other identifying material to the work] merely must be above zero’ for the trademark or other identifying material to be deemed artistically relevant.” *Brown*, 724 F.3d at 1243 (quoting *ESS*, 547 F.3d at 1100). The potentially infringing trademark in this case is the title of the movie, “Sniper: Ghost Shooter,” as the Plaintiff argues that the title infringes on its trademark for the title of its video game series “Sniper: Ghost Warrior.” Therefore, the vital question for the first prong of the *Rogers* test is whether the title “Sniper: Ghost Shooter” has at least some artistic relevance to the underlying movie.

The Court now finds that the Defendants have satisfied this very low bar.¹⁵ The Defendants could only fail this prong if the title had zero relevance to the movie, which is not the case here.¹⁶ The Court finds that the title, “Sniper: Ghost Shooter” has artistic relevance to the Defendants’ movie that is greater than zero. The movie is about a team of snipers that is pursued by an enemy sniper that seems

¹⁴ As the Defendants ask the Court to apply the *Rogers* test on a motion to dismiss, the Court must take the factual allegations of the Complaint as true for the purposes of applying the test.

¹⁵ Because the test requires only artistic relevance above zero, the Court finds that the Defendants have satisfied this prong as a matter of law and the matter may properly be decided on a motion to dismiss.

¹⁶ To aid in the artistic relevance analysis, the Court takes judicial notice of certain facts “that are capable of accurate and ready determination by resort to sources whose accuracy cannot reasonably be questioned,” such as a dictionary. *Walker v. Woodford*, 454 F. Supp. 2d 1007, 1022 (S.D. Cal. 2006) (quoting *United States v. Jones*, 29 F.3d 1549, 1553 (11th Cir. 1994)). On this basis, the Court takes judicial notice of the definitions of “sniper,” “ghost,” and “shooter.” Request for Judicial Notice (“RJN”), Dkt. 37, Exhs. A-C. Additionally, the Court may consider documents not physically attached to Plaintiff’s complaint if their authenticity is not contested and Plaintiff’s complaint necessarily relies on them. *Sams v. Yahoo! Inc.*, 713 F.3d 1175, 1179 (9th Cir. 2013). As the Plaintiff clearly relies on the Defendants’ movie in the Complaint, as it is the subject of the infringement action, the Court takes judicial notice of the DVD cover and the movie itself.

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to know their location but remains unseen. Motion to Dismiss, Dkt. 37, 6. Therefore, the title of the movie clearly has some artistic relevance to the film. Having already decided that the artistic relevance test refers to the title's artistic relevance to the underlying work, there can be no serious dispute that the title satisfies the first prong of the *Rogers* test.

The true complexity of the test for this case lies in the analysis of the second prong. The *Rogers* opinion itself states that if a title has some artistic relevance to the underlying work, such as is the case here, the First Amendment will protect its use "unless the title explicitly misleads as to the source or the content of the work." *Rogers*, 875 F.2d at 999. In adopting the *Rogers* standard, the Ninth Circuit confirmed that the key question in the second prong is whether the title explicitly misleads as to the source of the work. *MCA*, 296 F.3d at 902 ("The song title does not explicitly mislead as to the source of the work..."). Therefore, the Court must decide whether using the title "Sniper: Ghost Shooter" for a movie explicitly misleads consumers that the source of the movie is the same company that created the video game "Sniper: Ghost Warrior."

The Defendants argue that they have satisfied the second prong of the *Rogers* test as a matter of law. Motion to Dismiss, Dkt. 37, 6-7. They point to the Ninth Circuit cases, which have found that the use of a trademark on its own is not sufficient to establish that the title is explicitly misleading. *See Brown*, 724 F.3d at 1245 ("It is well established that the use of a mark alone is not enough to satisfy this prong of the *Rogers* test."); *ESS*, 547 F.3d at 1100 (same); *MCA*, 296 F.3d at 902 (stating that if simply using the trademark in the title of a song "were enough to satisfy this prong of the *Rogers* test, it would render *Rogers* a nullity."). The Defendants argue that the Plaintiff has only alleged that the Defendants have used the Plaintiff's mark in their movie title. Without alleging affirmative statements of sponsorship or endorsement, the Plaintiff fails to show how the use of the mark is "explicitly misleading."

However, the Defendants have misunderstood the purpose of the second prong in the context of confusingly similar titles. As alluded to earlier in this order, a dispute between confusingly similar titles presents a significantly increased risk of consumer confusion than when a title merely references an obvious trademark or celebrity. Importantly, and as the Defendants themselves argue, "Consumers expect a title to communicate a message about the book or movie, but they do not expect it to identify the publisher or producer." *MCA*, 296 F.3d at 902; *see also Brown*, 724 F.3d at 1245 (stating that the explicitly misleading analysis should look to an "explicit indication," "overt claim," or "explicit misstatement" regarding endorsement, not merely consumer confusion.) (citing *Rogers*, 875 F.2d at

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1001). All of the Ninth Circuit cases referenced by the Defendants involved an expressive work that used a trademark that itself was not a title. In such instances, the Ninth Circuit is correct in concluding that consumers do not expect the use of such a trademark to automatically signal the endorsement of the trademark holder; instead, the mark is seen as related to the underlying work unless other factors make the use of the mark explicitly misleading. See *MCA*, 296 F.3d at 902 (use of the word “Barbie” in a song title does not suggest that Mattel produced the song); *Brown*, 724 F.3d at 1245-46 (including Jim Brown’s likeness in a football video game does not inherently suggest that Mr. Brown endorsed such a use); *ESS*, 547 F.3d at 1100 (use of a strip club in a video game would not cause consumers to believe that the strip club was involved in the making of the game). In fact, the Ninth Circuit has stated that the reason consumers would not be confused as to the source of the underlying work is that the creator of the trademark is not in the same business as the creator of the expressive work, as the Court noted that few people would believe Mattel has entered the songwriting business in *MCA* or that a strip club has entered the video game business in *ESS*. Therefore, because mere use of the mark itself would not lead to significant confusion, the Plaintiff must meet a relatively high bar in demonstrating affirmative statements that would mislead the public as to the producer or endorser of the expressive work in order to outweigh the public’s interest in free expression.

The same conclusions are not relevant when the case involves confusingly similar titles. The title of a movie, if confusingly similar to the title of a video game series, absolutely would suggest to consumers that the producer of the video game is also the producer of the movie. As the Plaintiff notes in its Complaint, it is quite common for movies to be based on specific video games.¹⁷ Complaint, ¶ 25. All of the movies named by the Plaintiff were based on the video games for which they were named. Therefore, the potential for consumer confusion in this case is clearly higher than when an expressive work uses an unrelated trademark. If consumers had played the “Sniper: Ghost Warrior” video game, they may very well believe that “Sniper: Ghost Shooter” is a movie based on that video game.

However, as noted before, the correct analysis for the second prong of the *Rogers* test cannot logically be a simple likelihood of confusion test using the *Sleekcraft* factors. This would indeed make the *Rogers* test a nullity, as the *Sleekcraft* factors are applied to trademark claims if First Amendment protections do not attach. Therefore, the correct analysis must be somewhat more protective of the

¹⁷ Examples of video game franchises that have been turned into movies include Tomb Raider, Doom, Street Fighter, and Mortal Kombat.

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Defendants' use of the trademark than the mere likelihood of confusion test in order to account for the public interest in the Defendants' free expression. However, the analysis must also account for the increased potential for consumer confusion involved when the titles of two separate expressive works are confusingly similar, as contrasted with the normal case applying the *Rogers* test, which usually involves one expressive work using a non-expressive trademark.

This Court concludes that the proper application of the second *Rogers* prong to this case can be found in the original logic behind the *Rogers* test and dicta found in subsequent Ninth Circuit cases. The *Rogers* Court clearly stated that the two-pronged test was created as a means to balance the danger of consumer confusion, which trademark law seeks to regulate, with the benefits of free expression, which the First Amendment seeks to protect. *Rogers*, 875 F.2d at 999 (“We believe that in general 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.”). The Ninth Circuit quoted this purpose approvingly when it adopted the *Rogers* test for analyzing trademarks in expressive works. *MCA*, 296 F.3d at 901.

Furthermore, both *Rogers* and the Ninth Circuit have noted the increased concern for consumer confusion in cases involving confusingly similar titles. For instance, *Rogers* noted that the two-pronged test would not apply to misleading titles that are confusingly similar to other titles because consumer confusion would outweigh the public interest in allowing that type of expression. *Rogers*, 875 F.2d at 999 n. 5. Although the Ninth Circuit has suggested the test does apply, for the reasons stated in this order the increased potential for consumer confusion is still important to consider. Additionally, *MCA* noted, “The First Amendment may offer little protection for a competitor who labels its commercial good with a confusingly similar mark...” *MCA*, 296 F.3d at 900. Although such an example does not involve expressive works and therefore does not settle the First Amendment implications, the concern for consumer confusion, which is one side of the equation in the balancing sought by the *Rogers* test, is still obvious.

Thus, the Court declines to find as a matter of law that the Defendants' use of the title “Sniper: Ghost Shooter” did not explicitly mislead consumers into thinking that the source or content of the movie was the same as the “Sniper: Ghost Warrior” video game. As a threshold matter, the Complaint alleges reasons to believe why consumers would be led to believe that the movie was produced by the creators of the game. Complaint, ¶¶ 24-31. Although it would not satisfy the *Rogers* test to simply allege that consumers are likely to be confused as to the source of the work, the Plaintiff further alleges

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that the Defendants have intentionally created a movie title that may lead consumers to believe that the movie was either based on the game or created by the same producers as the game.¹⁸ Complaint, ¶ 31. This Court now finds that intentionally creating a title that could be confused with the title of another expressive work would be “explicitly misleading” for the purposes of the *Rogers* test.¹⁹ This conclusion is supported by the fact that such an act by Defendants would heavily tip the balancing test in favor of preventing customer confusion because the free expression interest in allowing Defendants to use a purposefully misleading title would be extremely limited. As a result, if the Defendants’ did intentionally create such confusion, they would not be able to claim First Amendment protection because they would fail the second prong of the *Rogers* test.

The Court does not hold that the Defendants are definitively not entitled to First Amendment protection under the *Rogers* test. Instead, the Court finds that the analysis of whether the First Amendment protects the actions of the Defendants is better conducted at the summary judgment stage. For the purposes of this Motion to Dismiss, the Plaintiff has presented sufficient factual allegations which, if taken as true, lead to the plausible inference that the Defendants explicitly mislead consumers as to the content or source of their movie. The Defendants argue that they did not intentionally mislead consumers, as they included their own trademarks and identifying symbols on the DVD box and marketing materials and made no overt references to the Plaintiff’s video game. However, these arguments are factual contentions that must be balanced against the Plaintiff’s contentions, and therefore are better addressed at the summary judgment stage. At that point, the Court will consider all of the evidence presented by both parties in order to determine whether the First Amendment protects the Defendants’ actions under the *Rogers* test. As a result, the Motion to Dismiss on the theory of the First Amendment defense is DENIED.

Finally, the Court acknowledges that the Ninth Circuit has not directly spoken on the proper First

¹⁸ While the Defendants point out that the Plaintiff has only alleged that one Defendant, UFO, was responsible for naming the movie, the Plaintiff has sufficiently alleged that all Defendants were involved in the production and distribution of the infringing product.

¹⁹ The Court recognizes that the Ninth Circuit has found that evidence of consumer confusion is irrelevant to the second prong of the *Rogers* test. See, e.g., *Brown*, 724 F.3d at 1246 (“To be relevant, evidence must relate to the nature of the behavior of the identifying material’s user, not the impact of the use.”). The Court’s analysis is consistent with the Ninth Circuit’s instructions. Evidence that the Defendants intentionally created a movie that would likely be confused with the Plaintiff’s game is directly relevant to the question of whether the Defendants’ use of the Plaintiff’s mark was “explicitly misleading.”

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Amendment analysis for cases involving two expressive works with confusingly similar titles, including whether the *Rogers* test applies at all or how the second prong should be analyzed. However, this Court is convinced that the preceding analysis best incorporates the original objective of the *Rogers* test, Ninth Circuit precedent on the proper framework for analyzing trademark law in expressive works, and balancing the interests of trademark protection and free expression. For that reason, the Court finds that the *Rogers* test is applicable to a case involving confusingly similar titles, but that the second prong must account for the increased potential for consumer confusion presented by such a case.

2. Fair Use Defense

In the event that the Court does not find the First Amendment defense dispositive, the Defendants alternatively move to dismiss the Complaint on the basis that their use of the “Sniper: Ghost Shooter” title is justified by the fair use defense. However, for the same reason the second prong of the *Rogers* test is best addressed at the summary judgment phase, the Court finds that the fair use defense is better evaluated in a Motion for Summary Judgment.

The holder of a registered mark has a civil action against anyone employing an imitation of it in commerce when “such use is likely to cause confusion, or to cause mistake, or to deceive.” *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.* 543 U.S. 111, 117 (2004) (quoting 15 U.S.C. § 1114(1)(a)). Although the burden of proving a likelihood of confusion rests with a plaintiff alleging a trademark infringement, customer confusion is also relevant in assessing whether a defendant’s use of the trademark is objectively fair. *Id.* at 123. As a result, in evaluating claims of trademark infringement, this Court analyzes the elements of the classic fair use defense in conjunction with the fact-based inquiry of the likelihood of customer confusion between the trademark and the allegedly infringing product.

Under the Lanham Act, a defendant will not be liable for trademark infringement when: “the use of the name, term or device charged to be an infringement is a use, otherwise than as a mark . . .” 15 U.S.C. § 1115(b)(4). The elements of the classic fair use defense are that the defendant: (1) does not use the term as a trademark; (2) uses the term only to describe its goods and services; and (3) uses the term fairly and in good faith. *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1151 (9th Cir. 2002).

Consequently, this Court finds that a motion to dismiss is not the proper mechanism to best

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evaluate the Defendants' fair use defense.²⁰ The Plaintiff has properly alleged potential customer confusion between the two brands due to the similarities between the titles, the overlap in advertising and marketing channels, target customers, and the fact that movies are often based on video games.²¹ Complaint, ¶¶ 24-32. The Complaint plausibly alleges trademark infringement by the Defendants, and therefore satisfies the Rule 12(b)(6) pleading standard, especially considering the factual allegations that the Defendants knew of the Plaintiff's game and sought to profit off of the Plaintiff's success. It is premature to require the Plaintiffs to present evidence of actual customer confusion at this stage of the proceedings; merely presenting factual allegations that could plausibly lead to customer confusion is sufficient to withstand a Rule 12(b)(6) motion.

Again, the Court withholds judgment on the strength of the Defendants' fair use affirmative defense because it is premature to address affirmative defenses at this stage of the proceedings. *See ASARCO, LLC v. Union Pac. R. Co.*, 765 F.3d 999, 1004 (9th Cir. 1984) ("Dismissal under Rule 12(b)(6) on the basis of an affirmative defense is proper only if the defendant shows some obvious bar to securing relief on the face of the complaint.") Although the fair use defense (as well as the First Amendment defense) may eventually present such a bar to relief for the Plaintiff, the Court finds that Plaintiff has presented sufficient factual allegations to survive the Motion to Dismiss. Therefore, the Defendants' arguments for why their actions should not be subject to the provisions of the Lanham Act are better addressed at the summary judgment stage, as this motion is not the proper method of analyzing the relevant arguments.

²⁰ The Court recognizes the cases identified by the Defendants in which courts found that a fair use defense could properly be addressed at the pleading stage. *See, e.g., In re dual-Deck Video Cassette Recorder Antitrust Litig.*, 11 F.3d 1460, 1466-67 (9th Cir. 1993). However, the Court finds that the cited cases are distinguishable from the present case. The plaintiffs in the cited cases did not plausibly allege customer confusion and therefore did not satisfy the Rule 12(b)(6) pleading standard, which led to the courts finding fair use as a matter of law. However, this case involves potential factual considerations not present in the cases cited by the Defendants, including the intentions of the Defendants in naming the movie and the likelihood that consumers would assume a movie is associated with a similarly-titled video game. Therefore, the Court finds that a summary judgment motion will provide a more suitable mechanism to explore the relevant considerations of the alleged infringement and fair use defense.

²¹ However, the Court does not find compelling the Plaintiff's allegation that searching for the Defendants' movie by its name on the websites of Target or Best Buy returns several versions of the Plaintiff's game, as the Plaintiff admits that the Defendants' movie is not available on those websites. Therefore, it is likely that such a search would return even moderately related titles, even ones that would not likely be confused with one another.

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IV. Application for Preliminary Injunction

A. Legal Standard

A Plaintiff seeking a preliminary injunction must establish the following elements: (1) a likelihood of success on the merits; (2) a likelihood of irreparable harm to Plaintiff in the absence of preliminary relief; (3) that the balance of equities tips in Plaintiff’s favor; and (4) that an injunction is in the public interest. *Winter v. Natural Resources Defense Council, Inc.*, 129 S. Ct. 365, 374 (2008). Because injunctive relief is an “extraordinary remedy,” it may be awarded only “upon a clear showing that the plaintiff is entitled to such relief.” *Id.* at 376. This “clear showing” requires factual support beyond the allegations of the complaint, but the evidence need not strictly comply with the Federal Rules of Evidence. *See Flynt Distributing Co., Inc. v. Harvey*, 734 F.2d 1389, 1394 (9th Cir. 1984).

Even after *Winter*, courts in the Ninth Circuit apply a “sliding scale” standard to govern preliminary injunctions. Under this sliding scale approach, “[a] preliminary injunction is appropriate when a plaintiff demonstrates . . . that serious questions going to the merits were raised and the balance of hardships tips sharply in the plaintiff’s favor . . . so long as the plaintiff also shows that there is a likelihood of irreparable injury and that the injunction is in the public interest.” *Alliance for Wild Rockies v. Cottrell*, 632 F.3d 1127, 1134-35 (9th Cir. 2011) (“*Cottrell*”). For the purposes of injunctive relief, “serious questions” are “questions which cannot be resolved one way or the other at the hearing on the injunction Serious questions need not promise a certainty of success, nor even present a probability of success, but must involve a fair chance of success on the merits.” *Rep. of the Philippines v. Marcos*, 862 F.2d 1355, 1362 (9th Cir. 1988).

B. Analysis

Although the Plaintiff stated sufficient factual allegations in its Complaint to survive a Motion to Dismiss, as addressed in the first part of this order, the Plaintiff has not presented a “clear showing” that it is likely to succeed on the merits or that it is likely to face irreparable harm if the preliminary injunction is not granted. The Plaintiff’s inability to present evidence that its trademark claims are likely to succeed or that its brand is likely to suffer irreparable harm as the result of customer confusion between the Plaintiff’s mark and the Defendants’ movie dooms the Plaintiff’s application for a

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preliminary injunction. Additionally, the balance of equities does not tip strongly in Plaintiff's favor, and an injunction is not clearly in the public interest. As a result, the application for a preliminary injunction is DENIED.

1. Likelihood of Success on the Merits

As part of the first element of the test, a plaintiff seeking a preliminary injunction must establish that it is likely to succeed on the merits of the case. *Winter*, 129 S. Ct. at 374. The Plaintiff has failed to do so here. First of all, the Plaintiff is not likely to overcome the Defendants' First Amendment and fair use defenses, even though the Court could not grant such defenses at the pleading stage. The Plaintiff has not presented any tangible evidence in its application for a preliminary injunction that would cause this Court to believe that the Defendants would not be entitled to either affirmative defense. As a result, the Court finds that the Plaintiff is not likely to succeed on the merits, and therefore does not satisfy the first element required for granting a preliminary injunction.

As described in the Court's analysis of the Defendants' Motion to Dismiss, courts in the Ninth Circuit use the *Rogers* test to evaluate First Amendment defenses to trademark claims in the context of expressive works, and specifically in the context of the titles of expressive works. *Rogers*, 875 F.2d at 999. First, the Court evaluates whether the title has some artistic relevance to the underlying work. If it does, the Court will not apply the Lanham Act provisions unless the title is "explicitly misleading." *Id.* As described above, the title of the Defendants' movie would be explicitly misleading if it was intentionally titled similarly to the Plaintiff's video game in order to induce consumer confusion between the works. As the Plaintiff alleged that the movie was indeed purposely titled in a confusingly similar way, this Court did not grant the Motion to Dismiss.

However, in its application for the preliminary injunction, the Plaintiff has not presented evidence that would allow its claims to survive a motion for summary judgment. It has not shown any actual evidence that the Defendants' title was meant to confuse purchasers into thinking that the movie was based on or produced by the same creators as the "Sniper: Ghost Warrior" video game. Instead, the Plaintiff relies on accusations and speculation to conclude that the Defendants intentionally created a similar title to the Plaintiff's game. For instance, the Plaintiff identifies one other time that the director of the Defendants' movie made a movie based on a video game with the help of the named Defendants. Therefore, according to the Plaintiff, the people involved in the Defendants' movie know the value of leveraging a video game brand and audience. Reply to Application for Preliminary Injunction, Dkt. 41,

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1-2. Further, the Plaintiff argues that the director, Don Michael Paul, originally created the title “Sniper: Ghost Shooter,” but the Defendants’ declined to state the source of his inspiration, suggesting possible suspicious circumstances.²² However, the Plaintiff does not point to any evidence, outside of its own insinuations and innuendo, that the source of that inspiration was the Plaintiff’s game, or that the purpose of the title was to confuse consumers into thinking the two products were related. Although such evidence may eventually be presented, on the current record the Plaintiff has failed to demonstrate a “clear showing” that it would overcome the Defendants’ First Amendment defense, not to mention succeed on the merits of the case overall.

Additionally, even if the Plaintiff were to successfully demonstrate that the Defendants are not entitled to First Amendment protection under the *Rogers* test, it would still face additional significant hurdles in prevailing on the merits. Importantly, the Plaintiff would still need to overcome the Defendants’ fair use defense. In order to overcome this defense and prove trademark infringement, the Plaintiff would need to demonstrate a likelihood that consumers would be confused into believing that the Defendants’ movie is associated with the Plaintiff’s trademark.²³ In the Ninth Circuit, the likelihood of confusion is evaluated with reference to the *Sleekcraft* factors. *Sleekcraft*, 599 F.2d at 348-49. Again, the Plaintiff fails to show that it would likely win on the merits of a likelihood of confusion analysis, further demonstrating that it is not entitled to a preliminary injunction.

The *Sleekcraft* test is an eight factor test used to determine whether a likelihood of confusion between the trademark and the infringing mark exists. The eight factors are: 1) the similarity of the marks; 2) the relatedness of the two companies’ services; 3) the marketing channels used; 4) the strength of plaintiff’s marks; 5) defendant’s intent in selecting its marks; 6) evidence of actual confusion; 7) the likelihood of expansion into other markets; and 8) the degree of care likely to be exercised by purchasers. *Id.* The relative weight of the factors is determined on a case-by-case basis. *Brookfield Communications, Inc. v. West Coast Ent. Corp.*, 174 F.3d 1036, 1054 (9th Cir. 1999). The Plaintiff argues that the relevant factors for the present analysis are: the similarity of the marks; the relatedness of the two companies’ goods; the marketing channels used; the strength of the plaintiff’s marks; and the

²² The Defendants attempted to supplement their Opposition with a declaration from Mr. Paul. However, the Court found their request procedurally improper and unnecessary to the proper resolution of this Application and therefore denied their request.

²³ It is undisputed that the Plaintiff has a valid trademark for “Sniper: Ghost Warrior.” Therefore, this element of trademark infringement has been met by the Plaintiff.

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likelihood of expansion into other markets. However, even considering only the factors identified by the Plaintiff, it still fails to demonstrate that the *Sleekcraft* analysis favors the Plaintiff.

First, the Plaintiff argues that the marks are virtually identical.²⁴ It bases this conclusion on the observation that of the three words contained in the titles “Sniper: Ghost Warrior” and “Sniper: Ghost Shooter,” the first two words in each title are identical, while the third one is similar. However, the Plaintiff fails to demonstrate how the similarities between the titles would lead to confusion by consumers. The Plaintiff’s argument for infringement is based on the assumption that fans of the game will buy the movie, mistakenly believing that the two are related. However, the Plaintiff fails to show why such fans of the game would either believe works with two different titles were related or fail to notice that the titles were in fact different. Presumably, fans of the game would know that the game involved a “Ghost Warrior,” not a “Ghost Shooter.” In fact, movies identified by the Plaintiff that were based on video games generally used the same title as the game, not merely a similar one. Further, as the Defendants argue, the similarity of the marks depends on how the marks are presented, not just the words they contain. *Opp.*, Dkt. 36, 16-17. The cover of the Plaintiff’s game is clearly distinguishable from the cover of the Defendants’ movie, as the game’s two covers consist of a single sniper covered in camouflage, while the Defendants’ movie consists of three men in separate scenes, with their faces clearly displayed. Therefore, the similarity of the marks factor does not weigh in Plaintiff’s favor.²⁵

Second, the Plaintiff argues that the products are related. However, at best this factor is neutral for the Plaintiff. The Plaintiff admits that a movie would never be mistaken for a video game. *Reply*, Dkt. 41, 6. Instead, the Plaintiff repeats its argument that consumers are aware that movies are often based on video games. However, this observation does not present strong evidence that the Plaintiff’s game and the Defendants’ movie are so related as to cause confusion in the minds of consumers. Therefore, this factor does not weigh heavily in favor of granting a preliminary injunction.

²⁴ In its Reply brief, the Plaintiff introduced a supplemental declaration from Ronald Goodstein, which purports to produce evidence on many of the factors considered in this analysis. The Defendants object to Mr. Goodstein’s declaration, arguing that it was procedurally improper and presents conclusory opinions that do not advance the Court’s understanding of the issue. The Court has considered Mr. Goodstein’s declaration, but only the conclusions that are presented with a valid foundation, methodology, and reasoning. Unfounded legal conclusions will not hold much persuasiveness with the Court.

²⁵ The Plaintiff also argues that the titles are displayed similarly, with the word “Sniper” in big font and the subtitles in a smaller font. However, the Defendants began a film franchise based on the movie “Sniper” before the Plaintiff created its game, and many of the movies in the series utilize the same font pattern. *See Opp.*, Dkt 36, Exh. 4. Therefore, this similarity also does not weigh in the Plaintiff’s favor.

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Third, the Plaintiff argues that the marketing channels for the movie and the game overlap. This is undoubtedly true, as both the Defendant and the Plaintiff have utilized the Internet and major retailers to sell their products. App., Dkt. 12, 10. However, as the Defendants rightfully argue, “[T]his factor becomes less important when the marketing channel is less obscure. Today, it would be the rare commercial retailer that did not advertise online, and the shared use of a ubiquitous marketing channel does not shed much light on the likelihood of consumer confusion.” *Network Automation, Inc. v. Advanced Sys. Concepts, Inc.*, 638 F.3d 1137 (9th Cir. 2011). As the Plaintiff does not show any evidence that both parties used any marketing channels not used by most movie or video game producers, this factor does not weigh heavily in favor of the Plaintiff.

Fourth, the Plaintiff argues that its trademarks are strong and thus entitled to broad protection. However, the Court agrees with the Defendants that the marks in question are descriptive, not arbitrary, and thus entitled to minimal protection. Marks that only describe certain qualities or characteristics of a good are “descriptive” marks, which are considered weak in trademark law. *Zobmondo Entm’t, LLC v. Falls Media, LLC*, 602 F.3d 1108 (9th Cir. 2010). The Plaintiff’s mark, “Sniper: Ghost Warrior,” is a description of its game. The game involves playing as a sniper, who is a stealthy form of soldier. “Ghost Warrior” is a way of describing a stealthy soldier. The descriptive nature of the mark is supported by the Defendants’ other movies using the title “Sniper” with a subtitle further describing the specific movie. The Plaintiff’s mark uses a similar descriptive technique. Finally, although the Plaintiff argues that the word “Ghost” is arbitrary because the game does not involve a literal ghost, “ghost” can also connote evanescence. Opp., Dkt. 36, 13. In fact, use of the word “ghost” is not unique in either military or video game contexts. See, e.g., *Tom Clancy’s Ghost Recon* (Ubisoft 2001) (a series of military tactical shooter video games involving Army Special Forces soldiers). In this context, use of the word “ghost” is not arbitrary, but rather descriptive in the sense of describing the sniper as almost invisible. Therefore, this factor does not weigh in the Plaintiff’s favor.

Fifth, the Plaintiff argues that it is likely to expand into the movie market. While this may be true, and therefore may weigh slightly in the Plaintiff’s favor, the Plaintiff has presented no clear plans or steps it has taken to make such expansion a reality. In fact, the Plaintiff admits that it is focusing on the release of the third game in its video game brand, and therefore any expansions into the movie market have been put on hold. App., Dkt. 12, 12. Therefore, while the Plaintiff may eventually expand into the movie market, the weight of this factor is significantly limited.

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Finally, the Plaintiff has not demonstrated any evidence of actual consumer confusion and has not contradicted the Defendants' showing that online shoppers are generally sophisticated and use a high degree of care.²⁶ See Opp., Dkt. 36, 15-16 (quoting *Toyota Motor Sales v. Tabari*, 610 F.3d 1171, 1178-79 (9th Cir. 2010)). As a result, and also based on the above analysis on the other *Sleekcraft* factors, the Plaintiff has failed to demonstrate a likelihood of confusion by consumers. Consequently, the Plaintiff is not likely to succeed on the merits, either in defeating a fair use defense or in affirmatively proving its trademark infringement case. This analysis further reinforces the Court's conclusion that the Plaintiff has failed to satisfy the first element of the test and therefore is not entitled to a preliminary injunction.

2. Likelihood of Irreparable Harm

Although failing to demonstrate a likelihood of success on the merits is fatal to the Plaintiff's application for a preliminary injunction, the Court will also analyze the second element of the test. "Under *Winter*, plaintiffs must establish that irreparable harm is likely, not just possible, in order to obtain a preliminary injunction." *Cottrell*, 632 F.3d at 1131 (citing *Winter*, 129 S. Ct. at 375-76). The Plaintiff has also failed to provide a clear showing that without a preliminary injunction it is likely to suffer irreparable harm, further justifying this Court's denial of a preliminary injunction.

The Plaintiff's theory of irreparable harm is based on consumer confusion between the two products. The Plaintiff believes that consumers will mistakenly believe that the Defendants' movie is based on the Plaintiff's game. Therefore, the Plaintiff's reputation and good will would become dependent on the audience's reception of the movie, which the Plaintiff has no control over. This loss of control constitutes irreparable harm, according to the Plaintiff. App., Dkt. 12, 14-16. While the Court recognizes that an injury to reputation and good will may constitute irreparable harm, such a loss is only possible if there is actual consumer confusion. Without a showing of confusion, the Court cannot conclude that any harm is likely. For the reasons stated above in the Court's *Sleekcraft* analysis, the Plaintiff has failed to demonstrate that consumer confusion is likely. If confusion is unlikely, then harm is also unlikely because there would be no threat to the Plaintiff's reputation or good

²⁶ Instead of contradicting the Defendants' assertions regarding online shoppers, the Plaintiff merely argues that consumers do not utilize a high degree of care for inexpensive products, which does not address the Defendants' main argument. See Reply, Dkt. 41, 7-8.

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will. As a result, the Court finds that the Plaintiff has failed to satisfy the likelihood of irreparable harm element, further justifying the denial of the application for a preliminary injunction.

3. Balance of Equities and the Public Interest

Finally, although failing to satisfy the first two elements of the test for a preliminary injunction provide sufficient grounds to deny the application, the Court notes that the balance of hardships and the public interest considerations do not heavily favor the Plaintiff either. In this matter, both sides could potentially suffer hardships, and there are public interest considerations on both sides as well. Therefore, neither the third or fourth elements strongly suggest that the Plaintiff should be entitled to a preliminary injunction.

First, the Court recognizes that the Plaintiff may face hardships if consumers are indeed confused about the source of the Defendants' movie. Any negative reactions of the audience to the movie would be imputed to the Plaintiff and its game, and if the Plaintiff ever wanted to make a movie based on its game, audience interest in such a product may decrease. However, as the Plaintiff has failed to demonstrate that such confusion is likely, the significance of this hardship is somewhat diminished. Additionally, the Defendants have convincingly argued that they also face hardships if a preliminary injunction is granted. They would have to pull physical units of the film from the market, potentially incurring hundreds of thousands of dollars in costs. *Opp.*, Dkt. 36, 23. They would have to halt and then possibly restart their marketing campaign. Their reputation and goodwill among retailers as well as consumers would be diminished. *Id.* Therefore, as potential hardships exist on both sides, the third element does not tip heavily in favor of the Plaintiff.

Additionally, the public interest factor does not weigh in the Plaintiff's favor. While the Court recognizes that trademark holders have a strong interest in their marks and the public has an interest in protecting those marks and preventing consumer confusion, this case also implicates the First Amendment. A movie is an expressive work, and a movie title is a part of that expressive work. The public has a significant interest in protecting free expression and ensuring that authors may title their work as they see fit. *MCA*, 296 F.3d 894. Without a clear showing of consumer confusion, the Court cannot conclude that the Plaintiff's trademark interests outweigh the Defendants' First Amendment interests. Therefore, the fourth element does not weigh in favor of granting the preliminary injunction. As the Plaintiff has failed to satisfy any of the four elements required for a preliminary injunction, and has especially failed to present a clear showing either that it is likely to succeed on the merits or that it

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faces irreparable harm, the Court cannot grant the application.

In general, the Court finds that it is unlikely that consumers will mistakenly believe that the Plaintiff is the source of the Defendants' movie. The movie is the sixth installment of a long-running movie franchise, all of which begin with the word "Sniper," and many of which are followed by a short subtitle. The movie, including the DVD box, trailer, and marketing material, clearly identify the Defendants as the producers of the movie, and no references to the Plaintiff or any video games are present. Aside from the somewhat similar titles, the Plaintiff has presented no compelling evidence that consumers will automatically associate the two products. Therefore, although the Court does not dismiss the Complaint at this stage of the proceedings for the reasons stated in the first part of this order, the Court finds that the Plaintiff has failed to show that it is entitled to a preliminary injunction, and the application is DENIED.

V. Order

For the aforementioned reasons, the Motion to Dismiss is DENIED. The Court finds that both the Defendants' First Amendment and fair use defenses involve factual considerations that are properly addressed in a motion for summary judgment, as the Plaintiff has satisfied its Rule 12(b)(6) pleading burden with regards to the *Rogers* test and potential customer confusion. At that stage of the proceedings, the parties shall present evidence and legal arguments of those defenses consistent with this order. Additionally, for the reasons stated above, the Plaintiff's Application for a Preliminary Injunction is also DENIED.

IT IS SO ORDERED.

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