

Copyright and Trademark Case Review: John Madden Football, Rhett Butler and the Commerce Clause

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Copyright Opinions

Absence of Source Code for Video Games Results in JMOL of Non-Infringement: *Antonick v. Electronic Arts, Inc.*, No. 14-15298 (9th Cir. Nov. 22, 2016)

Hurwitz, J. In a suit for royalties on EA's Sega Genesis and Super Nintendo versions of the *John Madden Football* video game brought by the developer of the original Apple II version of the game, the Ninth Circuit affirmed the district court's grant of JMOL to defendant EA of non-infringement of its allegedly derivative works, because the absence of source code evidence deprived the jury of the ability to make the subjective comparison required under the "intrinsic test" of substantial similarity, i.e., a comparison focused on whether the ordinary, reasonable audience would find the works substantially similar in the total concept and feel of the works. In affirming, the Ninth Circuit reiterated its prior holdings that "expert testimony cannot satisfy a plaintiff's burden of proof under the intrinsic test, which 'depend[s] on the response of the ordinary reasonable person.' . . . [Expert] testimony may have been enough to establish substantial similarity under the extrinsic test, but it cannot satisfy [plaintiff's] burden of production under the intrinsic test." In a separate portion of the opinion, the Ninth Circuit also affirmed the district court's holding that no royalties were owed for Super Nintendo Madden games, finding that versions of the *John Madden Football* game at issue were developed on microprocessors outside the scope of the royalty contract's definition of "Same Microprocessor Family."

Trademark Opinions

No Irreparable Harm After Unexplained 5-Month Delay in Bringing PI Motion: *Wreal, LLC v. Amazon.com, Inc.*, No. 15-14390 (11th Cir. Oct. 28, 2016)

Rosenbaum, J. In a trademark dispute concerning the mark "FyreTV," alleging reverse confusion due to Amazon's use of the name "Amazon Fire TV" in connection with a video streaming set-top box, the Eleventh Circuit affirmed the district court's denial of a preliminary injunction in light of plaintiff's failure to conduct discovery within the first five months of filing its complaint, and plaintiff's reliance in its PI motion solely on evidence available when it filed the complaint. The court noted that "[a] delay in seeking a preliminary injunction of even only a few months . . . militates against a

finding of irreparable harm."

Unauthorized Use of Famous Film Characters Constitutes Trademark Infringement: *Warner Bros. Entertainment, Inc. v. X One X Productions*, No. 15-3728 (8th Cir. Nov. 1, 2016)

Gruender, J. In a suit alleging both copyright and trademark infringement based on defendant's activities as a licensor of images of characters from certain Warner Bros. films and cartoons (*Gone with the Wind*, *The Wizard of Oz*, and *Tom and Jerry*), the Eighth Circuit rejected defendant's argument that the district court's statutory damages award of \$2.7 million (\$10,000 per infringed work) violated due process, as well as defendant's argument that Warner Bros.' trademark claims were barred by the doctrines of judicial admission and judicial estoppel. The court also affirmed the district court's holdings that: (i) Warner Bros.' asserted trademarks in characters were not barred as "disguised copyright claims" under *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23 (2003), given that Warner Bros. "holds registered trademarks in iconic phrases and names from the films and has used the character images for trademark purposes on a host of consumer goods for many years," and "[p]roducts marketed under [defendant's] licenses employ iconic film characters' pictures to associate the products with Warner's films, not to copy the film itself"; (ii) defendant waived its claim for functionality and trademark fair use by failure to plead these affirmative defenses; (iii) the six-factor likelihood of confusion test was satisfied, even in the absence of evidence of actual confusion; and (iv) the presumption of harm raised by a finding of likelihood of confusion justified a permanent injunction.

Federal Circuit Rejects De Minimis Test for "Use in Commerce": *Christian Faith Fellowship Church v. Adidas AG*, No. 2016-1296 (Fed. Cir. Nov. 14, 2016)

Stoll, J. The Federal Circuit reversed the TTAB's cancellation of an Illinois church's trademark "ADD A ZERO," where the TTAB had declared that the church's sale of two hats bearing the mark to a Wisconsin resident for \$38.34 was de minimis and hence insufficient to establish use in commerce. In so doing, the Federal Circuit explained that "commerce" under the Lanham Act is coextensive with commerce regulable by Congress, and thus that the TTAB's rationale is both "squarely at odds with" the "substantial effects" doctrine of Supreme Court Commerce Clause jurisprudence, and incompatible with Federal Circuit precedent rejecting a de minimis test for "use in commerce" in the specific context of the Lanham Act.

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