

Permissive Infringement: Use of Trademarks in Creative Works Offers First Amendment Protection from Lanham Act Liability

Article By:

Gene Markin

After the debut of hit show *Empire*, record label Empire Distribution asserted trademark infringement counterclaims against Twentieth Century Fox Television, who sought a declaratory judgment that its television show and associated music releases did not violate Empire Distribution's trademark rights. In *Twentieth Century Fox TV v. Empire Distribution, Inc.*, 875 F.3d 1192 (9th Cir. 2017), the Ninth Circuit affirmed the district court's finding that the First Amendment protected Fox's use of the name "Empire" for an expressive, creative work and ancillary works. In doing so, the appellate panel reaffirmed First Amendment protection for use of marks in creative works where the use of the mark bears some artistic relevance to the underlying work and does not explicitly mislead consumers.

Founded in 2010, Empire Distribution is a record label that records and releases albums in the urban music genre, which includes hip hop, rap, and R&B. In 2015, Fox premiered *Empire*, a dramatic television series about a fictional New York-based hip-hop record label, and the storylines that revolve around its inception, founding members, executives, and artists. The show features songs in every episode, some of which are original, and Fox contracted with Columbia Records to distribute the music in the show under the Empire brand. After receiving several threatening letters from Empire Distribution about Fox's use of the "Empire" name, Fox filed a declaratory judgment action seeking a determination that its *Empire* show, its associated music releases, and affiliate merchandise did not violate Empire Distribution's trademark rights. Empire Distribution counterclaimed for trademark infringement, unfair competition, and false advertising. The fight centered on whether Fox's creative work, which utilized the protected name and trademark of Empire Distribution, was exempt from the Lanham Act as a First Amendment expression.

When it comes to First Amendment protections for trademark use, the discussion must start with the test expounded by the Second Circuit in *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989). Courts generally apply the *Rogers* test in determining whether an expressive work runs afoul of the Lanham Act where "the public interest in avoiding consumer confusion outweighs the public interest in free expression." Pursuant to *Rogers*, use of another's trademark or protected identifying material in an expressive work does not violate the Lanham Act unless the use "has no artistic relevance to the underlying work whatsoever, or, if it has some artistic relevance, unless it explicitly misleads consumers as to the source or content of the work."

Analyzing the first prong, the Ninth Circuit found Fox used the word "Empire" for artistically relevant reasons because the show was set in New York, the Empire State, and its subject matter is a music and entertainment conglomerate. The court rejected Empire Distribution's contention that for a use to have an artistic relevance it must refer to the owner's mark, in this case Empire Distribution, holding that supporting the themes and geographic setting of the work was sufficient to satisfy the first prong of the *Rogers* test, which simply requires minimal relevance.

Turning to the second prong, the Ninth Circuit found Fox's use of the title Empire did not explicitly mislead consumers. Absent an "explicit indication," "overt claim," or "explicit misstatement" that causes such consumer confusion, the second prong of the Rogers test will be satisfied. Since Empire did not mislead consumers into believing it was produced or created by Empire Distribution, the Court affirmed the lower court's grant of summary judgment in favor of Fox.

Tucked away in the Ninth Circuit's decision is the acknowledgment that not only is an expressive work protected from trademark infringement liability if it passes the Rogers test, but also are similarly branded ancillary promotional activities and commercial products based on the expressive work. So as long as the attendant commercial use is auxiliary to the expressive work and not explicitly misleading, it falls within the protective umbrella. Thus, Fox can sell Empire branded CDs, t-shirts, and music, as well as put on and promote Empire concerts without infringing on Empire Distribution's "exclusive" rights to use the Empire name in conjunction with those goods and services. Although the Ninth Circuit's decision may be a significant victory for Fox and other creators of expressive works, brand owners will likely see this decision as a setback to trademark enforcement and an expansion of the Rogers test. With bated breath, we anticipate how other courts apply and expound on Rogers in light of the Ninth Circuit's decision, and whether the Supreme Court will weigh in on the topic.

COPYRIGHT © 2024, STARK & STARK

National Law Review, Volumess X, Number 280

Source URL: <https://natlawreview.com/article/permissive-infringement-use-trademarks-creative-works-offers-first-amendment>