California Appellate Court Finds Movie Title
Subject to First Amendment Protection from Trademark Claims

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The California Court of Appeal for the Sixth Appellate District recently affirmed a superior court's dismissal of trademark-related claims regarding the famous Winchester Mystery House on summary judgment. *Winchester Mystery House, LLC v. Global Asylum, Inc.*, 210 Cal.App.4th 579 (2012).

Background

Plaintiff Winchester Mystery House, LLC ("Winchester") owns and operates the popular tourist attraction that consists of the mansion built by Sarah Winchester and the surrounding gardens, museum, gift shop, cafe, and a business conference center. Plaintiff owns the word mark, "Winchester Mystery House," and a design mark that consists of the three-dimensional design of the Winchester mansion.

In 2009, the production coordinator for Defendant Global Asylum, Inc. ("Global Asylum") emailed Winchester for the filming location rates for the Winchester mansion. Winchester then sent the following response: "Thank you for your interest in the beautiful, but bizarre Winchester Mystery House. The Winchester Mystery House just signed a contract with another company for the exclusive rights to the Winchester story. I am unable to give further details at this time." This company with which Winchester reached an agreement, although undisclosed to Global Asylum, was Imagination Design Works, Inc. ("IDW").

Global Asylum nevertheless decided to proceed with its movie production titled, "Haunting of Winchester House," without actually filming in the Winchester mansion, using a surrogate location instead. Winchester sent Global Asylum multiple letters regarding possible trademark infringement and use of unauthorized footage of the house. While Winchester repeatedly noted that it had reached an agreement to other production companies, it did not specifically mention its contract with IDW nor the nature of the contract.

After the "Haunting of Winchester House" movie was released, Winchester then filed suit against Global Asylum. When the superior court granted Global Asylum's summary judgment motion and dismissed the case, Winchester appealed the decision. On appeal were the causes of action for trademark infringement, unfair competition, intentional interference with contractual relations, and interference with economic and prospective economic advantage. Winchester lost on appeal as well; the appellate court affirmed the superior court's decision.

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The title "Haunting of Winchester House" is protected by the First Amendment from trademark infringement and related unfair competition causes of action

The Second Circuit federal Court of Appeals in New York developed the *Rogers* test in determining whether the title of a movie would be subject to First Amendment protection from trademark infringement and related unfair competition claims. *Rogers v. Grimaldi*, 875 F.2d 994, 996 (2d Cir. 1989). A movie title would be protected 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." The *Rogers* test was adopted in the Ninth Circuit federal Court of Appeals in California with the decision in *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894 (9th Cir. 2002).

Winchester cited to a California federal district court case, *Rebelution, LLC v. Perez*, 732 F.Supp.2d 883, 887 (N.D.Cal. 2010), arguing that the *Rogers* test would not apply unless the marks are "of such culture significance that it has become an integral part of the public's vocabulary." Winchester claimed that its own marks have not become "cultural icons or terms of cultural significance" or "integral to the public discourse."

The California appellate court was not bound by the district court decision, but nevertheless found the *Rebelution* case unhelpful for Winchester, as Winchester's marks identified a world-famous tourist attraction that held historical significance.

In applying the *Rogers* test, the appellate court first looked to the first prong: the movie title must pass "the appropriately low threshold of minimal artistic relevance" to the content of the film. Since the movie was a fictionalized account of the ghost of Sarah Winchester haunting the Winchester mansion, the title, "Haunting of Winchester House," was undoubtedly related to the content of the movie. This was unlike the case, *Parks v. LaFace Records*, 329 F.3d 437 (6th Cir. 2003), where the federal court found that a jury needed to decide whether musical group OutKast's song titled "Rosa Parks" was sufficiently related to the content of the song, where the song was not about Rosa Parks nor the Civil Rights Movement, but instead simply featured the line "move to the back of the bus" in reference to competing musicians.

The second prong of the *Rogers* test was also satisfied, as the movie title and the DVD cover did not "explicitly mislead as to the source or content of the work": Global Asylum made no suggestions that the movie was authorized, endorsed, or produced by Winchester, and did not make use of Winchester's marks. Therefore, Global Asylum's movie title was protected by the First Amendment.

Winchester also argued for the first time on appeal that some post-*Rogers* decisions have incorporated a "likelihood of confusion" test into the second prong of the *Rogers* test. While California appellate courts can consider new questions of law on undisputed facts, they can deem an argument waived on appeal if such new questions of law would depend on new factual questions. Because the parties had not developed facts in the superior court regarding "likelihood of confusion"—for example, sufficient facts as to whether the

parties used substantially the same marketing channels—the appellate court deemed this argument from Winchester waived.

Global Asylum did not have sufficient knowledge regarding Winchester's contract with IDW

In addition to the trademark infringement and related unfair competition causes of action, Winchester also appealed the superior court's dismissal of its intentional interference with contract and interference with economic advantage and prospective economic advantage causes of action.

To succeed on an intentional interference with contract claim, a plaintiff must prove the following: (1) a valid contract between plaintiff and a third party; (2) defendant's knowledge of this contract; (3) defendant's intentional acts designed to induce a breach or disruption of the contractual relationship; (4) actual breach or disruption of the contractual relationship; and (5) resulting damage.

To succeed on an inference with economic advantage and prospective economic advantage claim, a plaintiff must prove the following: (1) an economic relationship between the plaintiff and some third party, with the probability of future economic benefit to the plaintiff; (2) the defendant's knowledge of the relationship; (3) intentional acts on the part of the defendant designed to disrupt the relationship; (4) actual disruption of the relationship; and (5) economic harm to the plaintiff proximately caused by the acts of the defendant.

In this case, Winchester failed to prove, as a matter of law, that Global Asylum had sufficient knowledge of the IDW contract or Winchester's relationship with IDW. While Winchester had mentioned a contract to Global Asylum, Winchester did not "identify the production company, describe the terms, or indicate that the contract related to the use of any trademarks. It also did not indicate the type of production company or whether the contract related to the production of a feature film, a documentary, a cartoon, a commercial, an in-house video or audio tour, a novel, or a television show." Therefore, the court found that, "[b]ased on this information, defendant could not have determined that producing and distributing its film would interfere with plaintiff's contractual obligation to provide exclusive story rights to an unidentified third party."

As Winchester failed to prove the second element of both causes of action, the court did not discuss the remaining elements.

Practical implications

Should an author wish to use well-known trademarked terms in the title of an artistic work, the closer the relationship between the title and the content of the work, the more likely that title will be protected by the First Amendment. Of course, even if the relationship between the title and the work is less than obvious, a plaintiff still must show that the title infringes on its trademark by likely causing confusion among consumers.

The author should always, however, take care not to mislead consumers into thinking there is an affiliation or endorsement by the trademark owner when there is not.

Intellectual property holders that find themselves in a similar situation as Winchester may also wish to consider explicitly informing an offender (1) as much about the contract or relationship with a business partner to the extent the contract and the business situation would allow, and (2) that the offender's actions would disrupt and cause harm to the contract or relationship. This would not guarantee a successful interference claim, since other elements must also be present, but may help with establishing that the offender had sufficient knowledge of the contract or relationship.

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