Message from the Chair

Hello and thank-you for being a member of the Intellectual Property Committee of the Business Law Section. We are truly a unique group of lawyers that have both a business law, and an IP law focus. I have enjoyed being the Committee Chair for these past 3 years, and I look forward to Jeremy Smith taking over as Chair at the upcoming ABA Business Law meeting this September in Boston. I know that Jeremy will do a fantastic job and continue to grow our Committee which has one of the fastest growing Committees.

I encourage each of you to get involved with our Committee, and attend the conference in Boston. We continue to strive to have unique and relevant programming at our events. This September, we will have 3 substantive CLE Programs. 1. The Business of Sports Law and IP Protection, 2. Business and Corporate Aspects of the "New" Federal Trade Secret Law and EY Trade Secret Directive, and 3. Beer Law - Tapping into the Brewery Industry. Our Beer Law program will be followed by a Beer Law Reception and then we will head out for dinner at our joint Committee dinner (stay tuned, details to follow).

I hope you have a fantastic summer.

All the best, Peter Snell - Chair Intellectual Property Committee

Emerging Issues

Trademark Claim Fallout: Indie Devs Take on the Corporate Goliath

By Michael Reed

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Read more...

On the Docket

Don't forget to sign up for the Business Law Section 2016 Fall Meeting in Boston on September 8-10, 2016. Our committee's CLE offerings include:

- The Business of Sports Law and IP Protection
- Beer Law - Tapping into the Brewery Industry.

Did you know we have a listserv? In order to send a message to the listserv, send a message to the email address below. The listserv is for members only. The email address is BL-IP@mail.americanbar.org

A Note from the Editor
Our quarterly newsletter will be powered by content from you! To that end, please send me your latest news on subcommittee work and member news (including new jobs, published works, and speaking events). We also look for articles on topics of interested to our members. Articles should be 300 - 1000 words and not already published elsewhere. To submit member news, subcommittee information, meeting information, articles, or to ask questions, please contact Meredith Mays Espino.
Trademark Claim Fallout: Indie Devs Take on the Corporate Goliath

By Michael Reed

“It’s pretty silly. Congratulations Bethesda. You won. You beat us. You showed us who’s boss,” remarked Jordon Maron, founder of the indie video game developer Xreal, in a video response to a cease and desist letter issued to him demanding he change the name of his latest project. “We’ll make sure that people do not think that our game is part of the Fallout franchise. This wasn’t the goal from the start. And, whelp, we’ll change it…”

Bethesda sent its cease and desist letter to Maron to demand that he refrain from using the title Fortress Fallout for his new iOS tower defense style title. Bethesda is the publisher of the Fallout franchise, the widely popular post-apocalyptic roleplaying game-turned first person shooter. Fallout places players in a radioactive waste land, hundreds of years after a nuclear conflict rolled human civilization back into the dark-ages. It is a single-player game, and features high resolution graphics, an expansive open-world design, complex storylines to follow, and is available for all major console platforms as well as PCs and Macs.

Maron’s project Fortress Fallout, on the other hand, is a free to play mobile game with 2D tile based graphics and mechanics which resemble a tower defense game with a strong multi-player strategy focus.

Can you see the similarities? If not, don’t worry. You’re not the only one. Maron states in his video response that he is convinced that title is legally permissible, but can’t fight Bethesda because he doesn’t have the money.

Bethesda is staking its claim on the word “Fallout” in all videogame titles and threatening to pursue damages under trademark infringement against Maron to deter others who may be tempted to use this word in their title. Trademark Infringement turns on whether there is a likelihood of confusion between the marks. There may be a likelihood of confusion even if the actual similarities between the games are trivial.

A likelihood of confusion is not determined by a side-by-side comparison of two products. The products in question have to be in the same or complimentary classes of products in order for a likelihood of confusion to occur. If Maron had been making detergent and called it “Fallout Laundry Detergent” the likelihood of confusion is slight. But both Fallout Fortress and Bethesda’s Fallout are video games, so confusion between the two products is significantly more likely.

In order for a likelihood of confusion to be found, the Court must find that there is a significant likelihood that consumers will conflate the alleged infringing product as having the same origin, sponsorship, or having been approved by the trademark rights holder. The premise of Bethesda’s action is that because Maron’s game has the word “Fallout” in it, and is a video game, there is a likelihood that consumers may believe that his game is part of the Fallout franchise.

While it is important for trademark holders to defend their use of a mark from infringement, or risk it become generic and therefore unprotected, Bethesda’s claim is far from airtight. Its Fallout series is immensely popular, with strong branding, and not likely confused with a mobile game by an indie developer. They both offer completely different experiences to consumers on disparate platforms. Maron has a fairly strong case that confusion amongst consumers who are even casually acquainted with either product is minimal at best.
Maron believes that he is in the right in using the word “Fallout” in the title of his game and maintains that he has done nothing wrong. Despite these facts, he is states that is going to comply with Bethesda’s demands. Even though he has his own council to advise him, he doesn’t have the resources to go toe-to-toe with the mammoth publisher of the Fallout franchise. This isn’t David v. Goliath. Maron is a dear in-the-headlights. If he doesn’t move, he’s going to get run over.

Bethesda is a notoriously litigious company. In the past it has sued small publishers in the defense of its trademarks for producing games with very tenuous connections to its intellectual property. Bethesda previously sent a similar letter to Minecraft publisher Mojang for creating a free-to-play card game called Scrolls, claiming it infringed on its Elder Scrolls mark.

Is it possible for indies to defend themselves against erroneous claims? What separates Mojang from Maron? Mojang had a fair amount of capital at its disposal. Maron does not. Mojang was able to use its assets to resolve the matter and retain its use of the title “Scrolls,” as long as it did not use it for a property which directly competes with the Elder Scrolls franchise. Maron has resorted to crowdsourcing the new name for his project from subscriber Youtube comments.

Even though they could win if they had their day in court, they often can’t afford to try.

Video games are a multibillion dollar industry, rivaling Hollywood in both sales and cultural impact. Games represent a unique arena where a passionate programmer working out of his or her apartment can make a product which rivals the output of a Triple A publisher. In the market place, indies are able to thrive on their own terms and outmaneuver lumbering giants like Bethesda. However, the court room is not as forgiving of an environment for these smaller publishers.

What determines a party’s ability to pursue its rights in a court of law is the access to capital. This allows a party to both pay for counsel and keep their business afloat until the matter is resolved. This scenario creates a strong incentive for well financed parties to bully others who are not in a position to vindicate their rights. When an indie developer locks horns with a large publisher under the law, the former is often forced to decide whether it will forfeit its rights or risk being gored. Maron is one of the most recent developers to have to make this difficult choice, but he is unlikely to be the last.

Michael Reed is an attorney and media enthusiast living in Chicago. He graduated from The John Marshall Law School in 2016 and will begin an LLM in International Intellectual Property at Chicago Kent this coming fall. He can be reached at MDRreed.gb@gmail.com. LinkedIn: https://www.linkedin.com/in/michael-reed-239b3429.