



Get real: protecting fictional brands

The recent jurisprudential trend shows that courts are increasingly willing to afford protection to fictional brands. However, there are several nuances of which to be aware

In the real world, determining which IP right affords the most effective protection can be challenging. The demarcation – and subsequent strategic call – between, for instance, trademark and copyright protection can vary depending on the needs of the rights holder. If we add another variable to the equation, that of a parallel world to the real one in which we live, then the scenario becomes even more complicated.

In recent years, there has been a surge in popularity for fictional brands, products and characters that have been created solely for use in television, movies and books but have crossed over into the real world. In the last 18 years, 49 movies have been released based on Marvel comic characters alone – an average of three movies per year. Books such as the *Harry Potter* series have been so successful that theme parks have been opened for fans to live the real-world version of their favourite fictional world. More recently, with the incredible success of streaming platforms (eg, Netflix, Hulu and Amazon Prime), TV shows are now available to viewers worldwide. Some mega-hit series such as *Game of Thrones*, *Stranger Things*, *The Handmaid's Tale* and *The Walking Dead* create extremely strong fictional brands by virtue of the sheer number of viewers. These brands cross over into the real world in the form of pop-up bars or theme restaurants, where fans line up for hours

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to taste cocktails or meals named after aspects of their favourite shows. While this can be a fan's dream, it can become a rights holder's nightmare in terms of protection and enforcement. So which real-world IP protection is better suited for fictional brands? This article explores how recent trademark jurisprudence has addressed the protection of fictional brands.

Fictional brands versus real law

Intuitively, if there is an infringement of a fictional brand in the real world, trademark protection should be the remedy. Trademarks derive their protection from the Lanham Act 1946 and are governed by both state common law and federal statutory law. The prime focus of trademark law is to avoid consumer confusion in the marketplace and to prevent competitors from trading off the goodwill and reputation of a particular brand on the market. A mark's reputation can be built only if consumers can identify a specific producer as the source of the goods and services provided under the mark. Absent the ability of consumers to correlate a trademark and its source, protection becomes moot. Similarly, since no reputation can be built if the mark is not in active use on the market, no protection is afforded to trademark owners whose intent is solely to reserve rights in a mark. To this end, the legal framework is structured to favour

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brand owners that have priority of use in the market, irrespective of whether they have a valid registration for the trademark with the USPTO. In essence, active prior use of a mark in commerce can sometimes even defeat a live federal registration of a potentially conflicting mark.

The fact that trademark protection hinges so heavily on active use in commerce is not problematic for owners of real-world brands. Section 45 of the Trademark Act (15 USC §1127) simply requires that the mark be placed on the goods that are sold or transported in commerce or, for services, that the mark be displayed in their sale or advertising. But can fictional brands fulfil these requirements?

Most fictional brands probably would not meet the use requirements as defined in the Trademark Act, simply because they do not travel through the ordinary course of trade in the real world, but rather in their parallel fictional world. The viewers or readers, however, coincide with real-world consumers. So while the goods and services related to fictional brands are generally intangible or inaccessible in the real world, their fame and reputation cross over and can even be monetised. In addition, just like real-world brands, fictional brands can effectively identify real-world companies as their source. If consumers were to find Spiderman cookies on the supermarket shelf, think of how likely they would be to associate them with Marvel Comics. Or again, how easy it would be to believe that Westeros beer emanated from HBO? This is why IP protection for fictional brands is necessary from both the consumers and brand owners' perspectives. Consumers could risk confusion as to the identity of the producer of the goods, which – as explained – would effectively defeat the main goal of trademark laws. Brand owners, on the other hand, would be unable to control their reputation and protect the strategic advantage gained through branding, marketing campaigns and goodwill.

Fifth Circuit takes on *SpongeBob* spat

In 2018 in *Viacom Int'l, Inc v IJR Capital Invs, LLC*, the US Court of Appeals for the Fifth Circuit addressed some of these issues, confirming a prior ruling issued by the District Court for the Southern District of Texas. The case was brought by Viacom for an alleged infringement of common law trademark rights in “The Krusty Krab”, the famous fictional restaurant in the *SpongeBob SquarePants* animated TV series. The infringement claim was spurred by IJR's intent to open a seafood restaurant using the same name.

“The Krusty Krab” restaurant plays a prominent role in the *SpongeBob SquarePants* series and has featured in 166 of 203 episodes and two feature movies. To complicate matters, “The Krusty Krab” is also licensed to third parties that make playsets, videogames and franchise-themed merchandise.

IJR's owner declared that the animated TV series had no influence on the choice of the name, which rather refers to his signature crusted glaze applied to dishes on his menu. After his trademark search found no existing restaurants with this name, IJR filed a trademark application for THE KRUSTY KRAB, which was approved and published for opposition. Viacom did not oppose the publication. During the allowance period for intent-to-use applications, Viacom sent a cease and desist letter

demanding the withdrawal of the application. IJR refused to comply and Viacom brought suit.

On a preliminary level, the court addressed whether specific elements – or brands – from a TV show can enjoy trademark protection. The answer was unequivocally: yes. The court explained that the underlying purpose of a trademark is to “protect consumers against confusion and monopoly” and to protect producers' investment in their trade name. Therefore, granting trademark protection to fictional brands would serve both purposes, as consumers would be able to properly identify the source of a particular good or service.

However, the more complicated issue is how to determine when a fictional brand is a source identifier. In doing so, the court explained that the determination does not hinge on the success of the show from which a particular brand is imported and the consequent likelihood that the brand could be impressed in the minds of real-world consumers. Successful TV shows may carry brands that appear only occasionally over the course of various episodes but these would fail to qualify as source identifiers. Giving a real-world example, the court cited *Paramount Pictures Corp v Romulan Invasions*, where Paramount sought trademark protection for the mark THE ROMULANS (a fictional alien race in the *Star Trek* series) but failed to convince the TTAB that the mark was sufficiently integral to the series to distinguish Paramount's services from those of others.



A case brought by Viacom for the alleged infringement of common law trademark rights in “The Krusty Krab” – the famous fictional restaurant in the *SpongeBob SquarePants* animated TV series – highlights the interplay between the real and fictional worlds

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The correct test is to evaluate the role that the brand plays in the franchise. In explaining its reasoning, the court relied on a previous decision rendered by the Southern District Court of New York holding that “kryptonite” is immediately recognised and associated with the *Superman* series, and therefore identifies all goods and services under such name as emanating from DC Comics. The court’s reliance on *DC Comics v Kryptonite Corp* is particularly interesting because it reiterates that use in commerce is not as paramount when it comes to fictional brands. To support its defence, Kryptonite Corp argued that the term ‘kryptonite’ was merely used by DC Comics as part of its narrative but was never used in commerce to identify or designate a real product or service. However, the court in that case rejected this argument, explaining that the widespread dissemination of the fictional element throughout all media resulted in the brand (Kryptonite) becoming a powerful symbol associated with the character Superman. While use is a critical factor for real-world marks, it seems that fictional brands can enjoy trademark protection even when use is present only within the work of fiction.

“The Krusty Krab” – just like Kryptonite – is not the name of the main work of fiction, but rather a secondary brand within the same. So the court had to address whether trademark protection could be granted to marks that typically appear alongside their main brands (eg, ‘SpongeBob SquarePants’ or ‘Superman’). To start its analysis, the court quoted the TTAB decision in *Bridgestone Ams Tire Ops, LLC v Fed Corp*, holding that “a word mark does not lose its strength as a trademark when the manufacturer’s mark is identified along with the branded product”. The question is rather whether the mark at issue creates a distinct commercial impression, indicating to consumers that the product or service

originates from a particular source, independent from its association with the main brand. As a practical example, the court cited the case involving the famous treats Pop Tarts, which were found to convey a separate commercial impression from its main brand Kellogg, even though Kellogg appears on all labels, packages and advertising material.

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Evaluating advertising for fictional brands can be problematic as they normally represent brands that are not intended to be sold on the market

In concluding its analysis on source identifiers, the court also clarified that different styles, fonts and sizes do not preclude a finding that the particular mark is a source identifier. Specifically, when evaluating word marks, it is sufficient to establish that the words themselves are consistently used to the point of becoming source indicators. The fact that inconsistency of style does not disqualify a mark from obtaining source-identifier status is particularly important for fictional marks that are the subject of several licensing agreements. Licensees are often afforded some freedom in determining fonts, styles and the overall look of the mark, but the court’s language prevents this freedom from impinging on the ability to rely on trademark protection based on source-identifier status.

To prove infringement, Viacom also needed to show that IJR’s trademark application, if approved, would create a likelihood of confusion in the marketplace.

In *Paramount Pictures Corp v Romulan Invasions*, Paramount failed to convince the TTAB that the mark THE ROMULANS (a fictional alien race in *Star Trek*) was sufficiently integral to the series to distinguish Paramount’s services from those of others

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Among the several factors typically considered in a likelihood of confusion analysis, the court examined three that offer interesting considerations about fictional brands and how they interplay with real-world brands.

The first one is similarity of the products or services. Generally, the more similar the products sold under the two marks at issue, the greater the likelihood that consumers would be confused by their coexistence in the marketplace. In *Viacom*, Viacom’s “The Krusty Krab” offered restaurant services in the work of fiction, more specifically a hamburger restaurant. Conversely, IJR’s “The Krusty Krab” specialised in po-boys and boiled seafood. In this regard, the court found that the difference in specialty and food offered under the two marks was insufficient to avert a likelihood of confusion in the marketplace, and that the slight thematic overlap between the restaurants also weighed in favour of a likelihood of confusion. Referring specifically to restaurants, the court also noted that “today’s consumers expect cartoon character endorsements and act favorably toward them”. This is the result of other fictional eateries that have become successful in the real world, such as Bubba Gump Shrimp Co based on the movie *Forrest Gump*. Here, the court seems to acknowledge that restaurant services are a common crossover area for fictional brands and that consumers are more likely to associate a real-world brand with its fictional counterpart if it relates to this area of business.

The second is the similarity of trade channels and prospective purchasers. The assessment of this factor proved challenging because, at the time of the decision, IJR had not started operating its restaurant and Viacom’s “The Krusty Krab” is not a physical place of business with real consumers. This shows how difficult it can be for a court to apply some of the most basic tests of trademark law to fictional brands. With respect to retail outlets, the court – based on previous decisions – found that a fictional hamburger joint and a seafood restaurant have different modes of distribution and therefore do not share retail outlets.

Similar to the conclusion on retail outlets, the court found that the core consumers of each mark are dissimilar. This reasoning is based on the fact that two-thirds of the *SpongeBob* viewers are children. However, IJR’s prospective restaurant would target the whole population, which has a lower ratio than two-to-three children to adults. While it is plausible to infer that children who are *Spongebob* fans could influence their parents’ decision, this factor alone is insufficient to warrant a finding that the prospective purchasers are identical. The court’s considerations on the age of the viewers and its repercussions on real-word consumer decisions are extremely important due to the number



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of fictional brands imported from cartoons, comics and children’s series. Rights holders that want to ensure that their fictional brands obtain protection in the real world should provide evidence that the viewers’ or readers’ age and sophistication would coincide with the profile of a real-world prospective consumer.

The last factor is the identity of advertising media. Evaluating advertising for fictional brands can be problematic as they normally represent brands that are not intended to be sold on the market – at least initially. However, the very purpose of the work of fiction is public divulgation and – as explained – these brands can easily become well known and carry their own goodwill. So does the way that a fictional brand has become famous (ie, through dedicated advertising, as opposed to popularity of the work of fiction more generally) make a difference in assessing the identity of advertising media? As a partial answer, the court noted that it is important to address whether advertising campaigns are on a local or national level. If the two marks at issue are advertised on different levels, then the likelihood of confusion is necessarily reduced. Due to the pervasiveness of TV, movies and books, it seems fair to presume that all fictional brands are advertised on a national level, which can help local businesses that share a similar trademark to avoid potential infringement.

In conclusion, the recent jurisprudential trend seems to show that courts are more and more willing to afford protection to fictional brands. Moreover, due to their nature, it is possible to apply the rules in a more accommodating way to ensure that the ultimate goal of trademark protection – the avoidance of confusion in the marketplace – is achieved. **WTR**



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