

VALENTINE'S DAY GREETINGS

February 14, 2024 By [William M. Borchard](#)

Affairs of the heart can sometimes seem inconstant. The same can be true of affairs of the law. A case-in-point concerns huggable teddy bears.

In a trademark infringement lawsuit involving plush toys, the lower courts permitted Disney entities to sell stuffed pink bears, like the bear featured in its *Toy Story 3* film, under the trademark “Lots-O’-Huggin’” a/k/a “Lotso” despite the Plaintiff’s prior use and registration of the trademark “Lots of Hugs” for stuffed pink teddy bears. But, on appeal, the U.S. Supreme Court sent the case back for a second look.



The Plaintiff was concerned that use of the infringing mark by the Disney entities would be overwhelming, resulting in consumers’ erroneous belief that the Plaintiff, not Disney, was the infringer. Accordingly, instead of hugging Disney, the Plaintiff commenced a lawsuit.

Disney moved for summary judgment, and the U.S. District Court for the Central District of California granted it. The U.S. Court of Appeals for the Ninth Circuit affirmed. In doing so, those courts applied a Second Circuit Court of Appeals decision that had been in effect for about 30 years, [Rogers v. Grimaldi, 875 F.2d 944 \(2d Cir. 1989\)](#). The Rogers case had provided First Amendment protection for the use of an existing trademark *in* an expressive work if the

mark (1) was artistically relevant to the work, and (2) did not explicitly mislead consumers as to the source or content of the work.

The California District Court and the Ninth Circuit found that there was “no genuine dispute” that Disney’s trademark use met the Rogers test, so they held that the infringement claim against Disney was barred.

But the Supreme Court vacated the Ninth Circuit’s decision and remanded the case for further consideration in light of the Supreme Court’s more recent decision in [Jack Daniel’s Properties, Inc. v. VIP Products LLC](#), 599 U.S. ____ (2023), about which we have written an [article](#). Jack Daniel’s held that a dog toy parody of the Jack Daniel’s whiskey bottle was not shielded from a claim of trademark infringement under the Rogers test because the defendant had used the plaintiff’s marks as trademarks for its own products.

Diece-Lisa Indus v. Disney Enterprises, No. CV2009147TJHJCX, 2021 WL 3355284, at *1 (CD Cal. July 7, 2021), *aff’d sub nom.* [Diece-Lisa Indus, v. Disney Store USA](#), No. 21-55816, 2022 WL 2072727 (9th Cir. June 9, 2022), [certiorari granted, judgment vacated](#), No. 22-347, 2023 WL 4065179 (US June 20, 2023)

What will happen on remand in the Disney case remains to be seen.

We can say with confidence, however, that our firm will remain huggable to our clients as we steadfastly keep up on any changing legal developments that may affect use of their trademarks by others.

For further information, please contact [William M. Borchard](#) or your CLL attorney.

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Bill has handled domestic and international trademark and copyright matters at the highest level for over 60 years. He has counseled and represented clients on domestic and international trademark matters concerning clearance, registration, proper use, licensing, contested administrative proceedings and infringement claims. He became Senior Counsel in January 2024 and is now focusing on providing guidance and advice to other lawyers within our firm and writing informative and engaging articles on intellectual property law developments.