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INTELLECTUAL PROPERTY LITIGATION

Expert Analysis

Trademarks, Consumer Products, And the First Amendment

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The Lanham Act protects trademarks and trade dress by creating civil liability for unauthorized uses of valid marks and trade dress that are likely to cause consumer confusion. The Act's protections do not apply, however, to speech that is protected by the First Amendment. In a case that may have significant implications for the ability of mark holders to enforce their marks against many types of products, the U.S. Court of Appeals for the Second Circuit is now considering whether consumer products such as sneakers can be considered "expressive works" to which First Amendment protections can apply. *Vans v. MSCHF Prod. Studio*, No. 22-CV-2156 (WFK) (RML), 2022 WL 1446681 (E.D.N.Y. April 29, 2022), argued, No. 22-1006 (2d Cir. Sept. 28, 2022). We report here on that case.

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The 'Rogers' Test

The Lanham Act provides that any person, who, without consent "use[s] in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive … shall be liable in a civil action … ." 15 U.S.C. §1114(1)(a).

> On appeal, MSCHF argues the district court erred by not applying the 'Rogers' test.

Where an "expressive work" is accused of trademark infringement, however, the *Rogers* test—so named for *Rogers v. Grimaldi*, which involved a claim under the Lanham Act by dancer Ginger Rogers against a fictional movie about two dancers, titled "Ginger and Fred"—shields that work from liability "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." 875 F.2d 994, 999 (2d Cir. 1989). As the *Rogers* court explained, "[b]ecause overextension of Lanham Act restrictions in the area of titles might intrude on First Amendment values, we must construe the Act narrowly to avoid such a conflict." Id. at 998.

Although the test was originally applied to the allegedly misleading title "Ginger and Fred," it has since been extended to apply to the use of a mark in parts of a work beyond its title. *Louis Vuitton Malletier S.A. v. Warner Bros. Ent.*, 868

F. Supp. 2d 172, 177–84 (S.D.N.Y. 2012).

The District Court Decision

MSCHF (pronounced "mischief") is a Brooklyn-based art collective that "specializes" in "'drops'—a series of irreverent art products." 2022 WL 2718801, at 1, 4. Prior drops include MSCHF's "Jesus Shoes" in 2019 and "Satan Shoes" in 2021. Id. at 5. Many drops are accompanied by a "manifesto," that MSCHF says "adds to, and becomes part of, the art." Id. at 4.

MSCHF designed, developed, and sold approximately 4,000 pairs of its "Wavy Baby" shoe, which, according to MSCHF, is a parody of Vans's "iconic" "Old Skool" skate shoes and the "digital shoes" sold by Vans in computer games. Id. at 3, 5. To design Wavy Baby, MSCHF applied a "liquify" digital filter to an image of an Old Skool shoe and then made additional changes to the profile of the shoe in that "liquefied" image. Id. at 5. The Wavy Baby has a wavy sole—which "minimizes the surface contact the *Wavy Baby* has with any walking surface"—overlapping stitching, and a warning on the sole which "cautions consumers that the *Wavy Baby* is 'EXTREMELY WAVY' and that anyone who wears the *Wavy Bab*y assumes risk of injury and even death." Id. at 5. The Wavy Baby also has a "humorous, cartoonish rendering of former President George W. Bush falling off a Segway." Id. at 6. Vans sued MSCHF and moved for a temporary restraining order and preliminary injunction, alleging that the Wavy Baby infringes certain Vans trademarks and trade dress. 2022 WL 1446681, at *1. The district court granted Vans's motion for a temporary restraining order, finding in part that Vans demonstrated a likelihood of showing consumer confusion. Id. at *6.

In so holding, the court rejected MSCHF's argument that Vans was not likely to succeed on its trademark and trade dress claims because, according to MSCHF, "the Wavy Baby shoes are a parodic or artistic expression of [Vans's] Marks and Trade Dress and thus protected by the First Amendment." Id. at *6. The court explained that "[a] parody must convey two simultaneous—and contradictory—messages: that it is the original, but also that it is not the original and is instead a parody" and that "[a] successful parody clearly indicates to the ordinary observer that the defendant is not connected in any way with the owner of the target trademark." Id. (internal quotations omitted). The court further explained:

> While the Wavy Baby shoes convey their similarity and reference to the Old Skool shoe Marks, the shoes do not sufficiently articulate an "element of satire, ridicule, joking or amusement" clearly indicating to the ordinary observer the Defendant is "not connected in any way with the owner of the target trademark." Although Defendant included its own branding on the label and distorted the original Marks, the extensive similarities and overall impression overcome any such distinguishing features, as evidenced by actual confusion in the marketplace. While the manifesto accompanying the shoes may contain protected parodic expression, the Wavy Baby shoes and packaging in and of themselves fail to convey the satirical message.

Id. (citations omitted). Thus, according to the court, "[w]hatever the actual artistic merits of the Wavy Baby shoes, the shoes do not meet the requirements for a successful parody." Id.

The court also rejected MSCHF's attempt to analogize the Wavy Baby to other products that had been found to be parodies. For example, the court found that "[t]he instant case is distinguishable" from a case in which the "use of [Louis Vuitton's famous] mark [on a tote bag called My Other Bag]"—a play on the "well-known 'my other car …' joke"—"[was] an obvious parody or pun, readily so perceived, and unlikely to cause confusion among consumers" because "the satirical message presented by the Wavy Baby shoes

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is not readily perceived from the product without the accompanying manifesto or descriptions." Id. at *7. The court also found that unlike the "rubber dog toy in the shape of a Jack Daniels whiskey bottle, featuring altered Jack Daniels trade dress," which was "expressive and shielded from trademark liability as a parody," the Wavy Baby is a "competing product," that does not "incorporate[] clear puns and parodic references" that "mak[e] the parody more discernable and overt." Id.

Notably, in opposition to Vans's motion, MSCHF argued that "[g]iven the expressive nature of *Wavy Baby*" the *Rogers* test should apply and Vans's "claims of infringement and dilution must give way because *Wavy Baby* is expressive and does not explicitly confuse consumers." 2022 WL 2718801, at 3. In response, Vans argued that the Second Circuit "has never applied the *Rogers* test in the context of directly competing goods" and "expanding the *Rogers* test to commercially sold competing products would require the court to weigh the artistic aims of the designer in every trademark or trade dress infringement case." Vans Reply Br. at 6, Dkt. 27 (Apr. 22, 2022). The district court's opinion made no mention of the *Rogers* test.

The district court also found that Vans demonstrated a likelihood of irreparable harm and that the balance of the hardships and public interest favored granting an injunction. 2022 WL 1446681 at *7-8. MSCHF appealed.

The Second Circuit Appeal

On appeal, MSCHF argues the district court erred by not applying the *Rogers* test. According to MSCHF, "*Rogers* is broadly applicable to 'Lanham Act claims against works of artistic expression'" and applies "to trademark infringement claims related to artworks, even if those artworks take the form of commercial products." MSCHF Br. at 22, Dkt. 39 (June 17, 2022). MSCHF further argues that "*Wavy Baby* is artistically expressive—as both a work of social commentary and a parody of Vans—so *Rogers* applies," id., and that "[c]ourts across the country … have thus applied *Rogers* to other expressive consumer goods, including dog toys and champagne glasses. As these cases show, as contemporary artists use new mediums of expression, courts have extended *Rogers* accordingly. For example, since the *Rogers* test was created in 1989, courts have routinely applied *Rogers* to mass-market, functional, expressive consumer goods like video games," id. at 28.

In response, Vans argues that "MSCHF urges this Court to vastly expand the scope of *Rogers* to apply to any good or service a defendant claims is 'expressive.' … *Rogers* does not apply to infringing trademarks or trade dress being used to sell consumer goods in competition with the original mark holder's goods—which is how MSCHF is using the Old Skool Marks here." Vans Br. at 31, Dkt. 75 (July 22, 2022). According to Vans, "[s]ince *Rogers* was decided, the courts in the Second Circuit have uniformly limited its application to expressive works such as books, movies, and video games," id. at 3, and "[t]here is no basis under Rogers or later authority to expand this holding to a commercial product that incorporates a competitor's trademarks and trade dress," id. at 33.

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The Second Circuit heard oral argument on September 28. During argument, the panel asked counsel for MSCHF whether *Rogers* has been applied to consumer products other than movies, films, and songs and stated that "there's probably an expressive element in many consumer products, and you're essentially arguing that if any consumer product has some expressive element to it that gives them license to use someone else's mark." The court also asked counsel for Vans whether, "if the comment is about sneaker culture, then wouldn't [the] Vans iconic Old Skool shoe be the perfect object of parody to distort that, to tell people that that, which is an iconic symbol of sneaker culture, can be made absurd and useless for its intended purpose?"