

16-0241-cv

United States Court of Appeals
for the
Second Circuit

LOUIS VUITTON MALLETTIER, S.A.,

Plaintiff-Appellant,

– v. –

MY OTHER BAG, INC.,

Defendant-Appellee.

ON APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

**BRIEF FOR PLAINTIFF-APPELLANT
FILED UNDER SEAL**

LUPKIN & ASSOCIATES PLLC
26 Broadway, 19th Floor
New York, New York 10004
(646) 367-2771

– and –

BARACK FERRAZZANO KIRSCHBAUM
& NAGELBERG LLP
200 West Madison Street, Suite 3900
Chicago, Illinois 60606
(312) 984-3100

Attorneys for Plaintiff-Appellant

CORPORATE DISCLOSURE

Pursuant to Rule 26.1 of the Federal Rules of Appellate Procedure, counsel for Plaintiff-Appellant Louis Vuitton Malletier, S.A. certifies that Louis Vuitton Malletier, S.A. is a privately-owned French Société Anonyme that is wholly-owned by its publicly-held corporate parent, LVMH Moët Hennessy Louis Vuitton SE.

/s/Robert E. Shapiro
One of the attorneys for
Louis Vuitton Malletier S.A.

TABLE OF CONTENTS

JURISDICTIONAL STATEMENT1

STATEMENT OF ISSUES2

STATEMENT OF THE CASE.....5

 A. Nature of Case and Procedural History.....5

 B. Statement of Facts6

 1. Louis Vuitton’s Famous Trademarks and Copyrights6

 2. MOB Launches Its Tote Bag Line as “An Ode To Handbags Women Love”9

 3. MOB Actively Promotes an Association with Louis Vuitton’s Luxury Image16

 4. Consumers Associate MOB with Louis Vuitton.....18

 5. MOB Devises a Post-Litigation Tactic To Claim Parody.....19

 C. The District Court Decision20

SUMMARY OF THE ARGUMENT25

ARGUMENT28

I. THE DISTRICT COURT ERRED IN DENYING LOUIS VUITTON’S SUMMARY JUDGMENT MOTION ON ITS DILUTION CLAIMS.....29

 A. Louis Vuitton Demonstrated Dilution by Blurring29

 1. The District Court Improperly Imposed a Higher Burden on Louis Vuitton To Show Likelihood of Dilution.....31

 2. The District Court Improperly Relied on “Humor” To Dismiss Louis Vuitton’s Dilution Claim.....32

 B. MOB’s Use of the Louis Vuitton Trademarks Was Not a Parody36

 1. MOB Uses the Louis Vuitton Trademarks as a Designation of Source36

2.	No Protected Speech Was Aimed At Louis Vuitton.....	39
3.	There Was No Parody	41
C.	Louis Vuitton Was At Least Entitled To A Trial On Dilution By Blurring.....	44
II.	LOUIS VUITTON WAS ENTITLED TO A JURY TRIAL ON ITS TRADEMARK INFRINGEMENT AND FALSE DESIGNATION OF ORIGIN CLAIMS	46
A.	Louis Vuitton Presented Sufficient Evidence on Each <i>Polaroid</i> Factor To Entitle It To a Trial.....	47
B.	The District Court Improperly Relied on Its Parody Determination and Failed to Consider Post-Sale Confusion	56
III.	THE DISTRICT COURT ERRED BY DENYING SUMMARY JUDGMENT ON LOUIS VUITTON’S COPYRIGHT INFRINGEMENT CLAIM.....	60
A.	The Nature of the Use	64
B.	The Nature of the Copyrighted Work	65
C.	“The “Amount and Substantiality of the Portion Used in Relation to the Copyrighted Work as a Whole.”	66
D.	The Effect of the Use Upon the Potential Market for or Value of the Copyrighted Work.....	67
	CONCLUSION	69

TABLE OF AUTHORITIES

	Page(s)
CASES	
<i>Am. Union v. Texaco Inc.</i> , 60 F.3d 913 (2d Cir. 1994)	28
<i>Boisson v. Banian, Ltd.</i> , 273 F.3d 262 (2d Cir. 2001)	61
<i>Cadbury Bevs. v. Cott Corp.</i> , 73 F.3d 474 (2d Cir. 1996)	46, 50, 53, 54
<i>Campbell v. Acuff-Rose Music, Inc.</i> , 510 U.S. 569 (1994).....	39, 63, 64, 66
<i>Car-Freshener Corp. v. Getty Images, Inc.</i> , 822 F. Supp. 2d 167 (N.D.N.Y. 2012).....	43
<i>Castle Rock Entm't v. Carol Publ. Group, Inc.</i> , 955 F. Supp. 260 (S.D.N.Y. 1997), <i>aff'd</i> , 150 F.3d 132 (2d Cir. 1998)	61, 65, 67
<i>Dr. Seuss Enters. L.P. v. Penguin Books USA, Inc.</i> , 109 F.3d 1394 (9th Cir. 1997)	33, 57
<i>Elvis Presley Enters. v. Capece</i> , 141 F.3d 188 (5th Cir. 1998)	34, 57
<i>Gruner +Jahr USA Publ. v. Meredith Corp.</i> , 991 F.2d 1072 (2d Cir. 1993).....	49
<i>Gucci Am., Inc. v. Guess?, Inc.</i> , 868 F. Supp. 2d 207 (S.D.N.Y. 2012)	58
<i>Hana Financial, Inc. v. Hana Bank</i> , 135 S. Ct. 907 (2015).....	3, 45, 60
<i>Harley-Davidson, Inc. v. Grottanelli</i> , 164 F.3d 806 (2d Cir. 1999)	passim

<i>Harper & Row Publr. v. Nation Enters.</i> , 471 U.S. 539 (1985).....	60, 64, 66
<i>Hermes Int'l v. Lederer de Paris Fifth Ave., Inc.</i> , 219 F.3d 104 (2d Cir. 2000)	57
<i>Hormel Foods Corp. v. Jim Henson Prods.</i> , 73 F.3d 497 (2d Cir. 1996)	48
<i>Jasco Tools, Inc. v. Dana Corp.</i> , 574 F.3d 129 (2d Cir. 2009)	46
<i>Knitwaves, Inc. v. Lollytogs Ltd.</i> , 71 F.3d 996 (2d Cir. 1995)	61
<i>LaChapelle v. Fenty</i> , 812 F. Supp. 2d 434 (S.D.N.Y. 2011)	61
<i>Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co.</i> , 799 F.2d 867 (2d Cir. 1986)	passim
<i>Louis Vuitton Malletier, S.A. v. Burlington Coat Factory Warehouse Corp.</i> , 426 F.3d 532 (2d Cir. 2005) (“ <i>Burlington I</i> ”).....	49, 50, 59
<i>Louis Vuitton Malletier, S.A. v. Burlington Coat Factory Warehouse, Corp.</i> , 217 F. App'x 1 (2d Cir. 2007) (“ <i>Burlington II</i> ”)	60
<i>Louis Vuitton Malletier, S.A. v. Dooney & Bourke, Inc.</i> , 454 F.3d 108 (2d Cir. 2006)	50, 59
<i>Louis Vuitton Malletier v. Haute Diggity Dog, LLC</i> , 507 F.3d 252 (4th Cir. 2007)	22
<i>Mana Products v. Columbia Cosmetics Mfg.</i> , 65 F.3d 1063 (2d Cir. 1995)	46
<i>Mobil Oil Corp. v. Pegasus Petroleum Corp.</i> , 818 F.2d 254 (2d Cir. 1987)	47, 50
<i>Morningside Group, Ltd. v. Morningside Capital Group, L.L.C.</i> , 182 F.3d 133 (2d Cir. 1999)	53, 55, 56

<i>Moseley v. V. Secret Catalogue</i> , 537 U.S. 418 (2003).....	34
<i>Nikon, Inc. v. Ikon Corp.</i> , 987 F.2d 91 (2d Cir. 1993)	52
<i>Nora Bevs., Inc. v. Perrier Grp. of Am., Inc.</i> , 269 F.3d 114 (2d Cir. 2001)	6, 28
<i>Patsy’s Brand, Inc. v. I.O.B. Realty, Inc.</i> , 317 F.3d 209 (2d Cir. 2003)	28
<i>Polaroid Corp. v. Polarad Elecs. Corp.</i> , 287 F.2d 492 (2d Cir. 1961)	passim
<i>Rogers v. Grimaldi</i> , 875F.2d 994 (2d Cir 1989)	57
<i>Salinger v. Colting</i> , 607 F.3d 68 (2d Cir. 2010)	54, 64
<i>Salinger v. Colting</i> , 641 F. Supp. 2d 250 (S.D.N.Y. 2009)	65, 67
<i>Savin Corp. v. Savin Grp.</i> , 391 F.3d 439 (2d Cir. 2004)	31
<i>Star Indus., Inc. v. Bacardi & Co.</i> , 412 F.3d 373 (2d Cir. 2005)	28, 52
<i>Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.</i> , 588 F.3d 97 (2d Cir. 2009) (“ Starbucks IV ”)	passim
<i>Starbucks Corp. v. Wolf’s Borough Coffee, Inc.</i> , 736 F3d 198 (2d Cir. 2013) (“ Starbucks VI ”)	32, 33
<i>Tcpip Holding Co. v. Haar Communs. Inc.</i> , 244 F.3d 88 (2d Cir. 2001)	32, 35
<i>Tommy Hilfiger Licensing, Inc. v. Nature Labs, LLC</i> , 221 F. Supp. 2d 410 (S.D.N.Y. 2002)	51, 57

Virgin Enters. v. Nawab,
355 F.3d 141 (2d Cir. 2003)47

Warner Bros. Entm't Inc. v. RDR Books,
575 F. Supp. 2d 513 (S.D.N.Y. 2008)65

STATUTES

15 U.S.C. § 1125passim

17 U.S.C. §10662

17 U.S.C. §10763

OTHER AUTHORITIES

Federal Rule of Civil Procedure Rule 56passim

J. McCarthy, 4 *McCarthy on Trademarks and Unfair Competition* (2014 ed.)passim

Melville B Nimmer & David Nimmer, Nimmer on Copyright § 13:01[A]
(2002)61

Trademark Dilution Revision Act of 2005: Hearing on H.R. 683 Before the
Subcomm. on Courts, the Internet, and Intellectual Property of the H.
Comm. on the Judiciary, 109th Cong. 18 (2005).....32, 33, 34, 35

JURISDICTIONAL STATEMENT

Plaintiff Louis Vuitton Malletier, S.A. (“**Louis Vuitton**”) filed this lawsuit seeking injunctive relief and damages for (1) trademark dilution under the federal Trademark Dilution Revision Act (“**TDRA**”), (2) infringement and unfair competition under federal statutory law, (3) infringement under the Copyright Act, and (4) related violations of New York statutory law. Jurisdiction in the district court was based on 28 U.S.C. §1331, and its supplemental jurisdiction, 28 U.S.C. §1367.

The district court, per the Honorable Jesse Furman, granted summary judgment for defendant My Other Bag, Inc. (“**MOB**”) on all counts and denied Louis Vuitton’s partial motion for summary judgment in an order entered on January 8, 2016. A timely appeal was taken on January 25, 2016, seeking a reversal of the district court’s order, entry of summary judgment in Louis Vuitton’s favor on its dilution and copyright claims, reversal of the entry of summary judgment in favor of MOB, and grant of a trial on Louis Vuitton’s infringement and false designation of origin claims. Jurisdiction in this Court is based on 28 U.S.C. §1291.

STATEMENT OF ISSUES

This case raises vitally-important issues under federal dilution, trademark infringement, and copyright law.

In the district court, Louis Vuitton provided undisputed evidence that MOB intended to and did create an association between its products and Louis Vuitton's, whose marks MOB used to entice consumers to buy its bags as a trendy "homage" to fashion brands. Although Louis Vuitton's proof under the TDRA factors went unchallenged, the district court all but ignored it. Instead, questioning the application of dilution to competing products (despite this Court's contrary teaching), it reinterpreted TDRA to impose a higher burden of proof on Louis Vuitton because famous marks were at issue and MOB claimed parody.

The statute applies, however, *only* to famous marks, and this Circuit has narrowly circumscribed parody in commercial cases such as this one, admonishing that use of another's famous mark "somewhat humorously to promote [one's] own products and services . . . is not a permitted trademark parody use." *Harley-Davidson, Inc. v. Grottanelli*, 164 F.3d 806, 813 (2d Cir. 1999). The district court nevertheless found parody as a matter of law because MOB's use was, it said, "obviously a joke," despite overwhelming evidence that MOB intended otherwise. The district court then explained away MOB's failure to meet parody's statutory requirements and vitiated the carefully-wrought distinction between humorous

social commentary and parody. It also denied Louis Vuitton a trial under these newly-revised, albeit erroneous, dilution and parody standards.

With respect to Louis Vuitton's infringement claim, most of this Court's *Polaroid* factors, *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492 (2d Cir. 1961), favored Louis Vuitton, establishing a *prima facie* case that Louis Vuitton was entitled to take to the jury. Disregarding the Supreme Court's directive that commercial impression "requires a highly fact sensitive inquiry' that is 'reserved for the jury'" (*Hana Financial, Inc. v. Hana Bank*, 135 S. Ct. 907, 910 (2015) (citation omitted)), the district court held that the *Polaroid* factors favored MOB based on its conclusion that MOB's totes were "a joke" and parody. The district court used a similar approach to preclude liability under the Copyright Act.

The result of the decision below is thereby to fundamentally change the standards under which trademark dilution, trademark infringement, and copyright cases are considered in this Circuit. It presents the following issues for review:

1. Whether the district court erred in finding there could be no dilution liability based on its view that MOB's bags were "obviously a joke," notwithstanding that Louis Vuitton met all the statutory factors for proving dilution, MOB admitted it was using the Louis Vuitton marks as a designation of source, and MOB's products were never intended and did not qualify as parody?

2. Whether, based on its finding of a “joke,” the district court failed to properly consider Louis Vuitton’s evidence on the *Polaroid* factors, thereby denying Louis Vuitton a trial on infringement?

3. Whether the district court erred in using its new parody analysis to deny liability under the Copyright Act?

STATEMENT OF THE CASE

A. Nature of Case and Procedural History.

On May 12, 2014, Louis Vuitton filed a complaint against Defendant-Appellee MOB, seeking injunctive relief and damages for: (1) trademark infringement under Section 32 of the Lanham Act, 15 U.S.C. §1114; (2) unfair competition and false designation of origin under Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a); (3) federal trademark dilution under TDRA, 15 U.S.C. §1125(c); (4) copyright infringement under the Copyright Act of 1976, 17 U.S.C. §501; and (5) trademark dilution under New York Gen. Bus. Law §360-*l*.

Louis Vuitton asserted that MOB intentionally copied, and used as its own designation of source, Louis Vuitton's famous trademarks to sell MOB's products, thereby blurring the distinctiveness of those marks. Louis Vuitton also claimed trademark infringement because consumers were likely to be confused by MOB's use of Louis Vuitton's trademarks and copyright infringement for MOB's copying of two copyrighted designs.

MOB denied all of Louis Vuitton's claims. After discovery closed, Louis Vuitton sought summary judgment on only its dilution and copyright claims, while MOB sought summary judgment on all of Louis Vuitton's claims. MOB's principal defense was that its use was parody, even though its bags were advertised

as “an ode to handbags women love” and at no point before the risk of litigation arose did MOB hold out its products to consumers as a parody of Louis Vuitton.

On January 6, 2016, the Honorable Jesse Furman decided the motions without argument, denying Louis Vuitton’s partial summary judgment motion and granting MOB’s motion in its entirety. Final judgment was entered on January 8, 2016. This appeal was timely filed on January 25, 2016.

B. Statement of Facts.

Louis Vuitton presented the following evidence to the district court on the parties’ summary judgment motions. On appeal, this evidence must be viewed in the light most favorable to Louis Vuitton. *Nora Bevs., Inc. v. Perrier Grp. of Am., Inc.*, 269 F.3d 114, 118 (2d Cir. 2001).

1. Louis Vuitton’s Famous Trademarks and Copyrights.

Louis Vuitton, founded in Paris in 1854, is a premier luxury fashion house owning some of the most valuable trademarks in the world. (CA252-261; JA126-149.) At issue in this case are three groups of its trademarks: the Toile Monogram Trademark, the Damier Trademark, and the Monogram Multicolore Trademark (the “**Louis Vuitton Trademarks**”). The Toile Monogram Trademark, and the individual elements that comprise it – pictured below – have been used for over 100 years and are the subject of incontestable trademark registrations:



(JA480-509; JA594-612.)

Louis Vuitton also owns incontestable trademark registrations for its Damier Trademark, pictured below:



Damier Ebene
(JA715-18; JA623-35.)



Damier Azure
(JA721-22; JA636-41.)



Damier Graphite
(JA721-22; JA642-46.)

The Monogram Multicolore Trademarks, a variation of the Toile Monogram Trademark, were created in 2002 by Louis Vuitton in collaboration with the famous Japanese artist Takashi Murakami. (JA554-559; JA613-622.) Louis Vuitton owns common law trademarks and registered copyrights for the

Monogram Multicolore designs (the “**Louis Vuitton Copyrights**”), in white and black, (JA648-670) as shown below:



Louis Vuitton has made an enormous investment in advertising and promoting products bearing the Louis Vuitton Trademarks and Copyrights. (JA732-769; CA265-275.) Its marks have become famous and distinctive, instantly recognized worldwide as a sign of high fashion and luxury. (JA671-713.) Industry insiders consistently rank Louis Vuitton as one of the 100 most valuable global brands and the most valuable luxury brand worldwide. (JA817-822; JA824-825; JA827-862.)



All of Louis Vuitton’s canvas bags bear a Louis Vuitton Trademark or Copyright. (JA511-586; JA588-646.) Many, like the NEVERFULL® and KEEPALL® bags, are (as their names suggest) “workhorse bags.” Louis Vuitton regularly sells

seasonal tote bags, intended for use as a beach bag, such as the “Cabas” cotton tote, pictured below (CA222-224; CA279-283):



(JA96.)



(JA96.)

One of Louis Vuitton’s earlier Cabas bags, the Monogram Eponge, has an artist’s rendering of a Louis Vuitton handbag on one side. (JA99; CA219-220.)



(JA99.)

2. **MOB Launches Its Tote Bag Line as “An Ode To Handbags Women Love”.**

MOB, founded by self-proclaimed “designer handbag junkie” Tara Martin, sells canvas tote bags bearing an artist’s renderings of what it calls “iconic”

designer handbags as an “an ode to handbags women love.” (JA886-889; JA105-106; JA358-359; JA910; JA912; JA951; CA292-294.) Renderings of designer handbags appear on one side of the bag, with the words “My Other Bag . . .” in script on the obverse side.¹ MOB claims this script alludes to the car bumper sticker “My other car is a Jaguar.” (JA339-340.)

MOB markets its luxury-inspired totes in the U.S. and abroad as “the perfect complement” to designer bags. As Ms. Martin explained:

Designer handbags is [*sic*] 100% the inspiration behind this [product] line and it has just . . . been such an honor for me to be able to take something that I love and . . . am so inspired by and put it on a product that other women can relate to and love as well. . . .

The original idea behind My Other Bag was to be a cute fashion reusable tote bag for grocery shopping. But now what I’ve loved about watching the company grow is, you know, women have used it in all different arenas (JA105-106; JA910; CA293.)

On MOB’s website Ms. Martin elaborated on her purposes:

My Other Bag is an ode to handbags women love, bags that are the fabric of our culture and history. Every woman has her go to bag, her dream bag, her going out bag. My Other Bag is a perfect complement to these bags we love! Carry it in addition to your designer handbag or alone as you tackle your day’s “To Do List.” . . . It’s the perfect other bag! (JA886-889)(emphasis added.)

¹ Contrary to the district court’s finding, MOB’s products do not contain the quip “My Other Bag . . . is a Louis Vuitton.” All bags say “My Other Bag” on the reverse side, regardless which designer handbag is depicted on the front. (JA121-125.)

MOB's social media posts likewise emphasized the designer element: "Not ready to splurge on a CHANEL Louis Vuitton or Yves Saint Laurent handbag? Or do you want to do your grocery shopping in style but not carry groceries in your designer purse? Check out these eco-friendly canvas bags by www.myotherbag.com." (JA951.)

MOB launched its first collection of canvas totes during 2011, inspired by a *Los Angeles Times Magazine* article entitled "50 Signature Handbags." (JA967-972; JA974-981; JA983-992.) MOB initially worked with Jameson Simpson, the artist who had sketched the handbags for the magazine article, to create similar drawings of designer bags for MOB's totes.

MOB's initial collection did not include any products bearing the Louis Vuitton Trademarks or Copyrights. (*Id.*) During 2013, however, MOB decided to expand its product line with its London, Zoey, and Beckham bags, featuring renderings of Louis Vuitton's NEVERFULL®, SPEEDY®, and KEEPALL® handbags, (JA349) shown below:



**MOB London – Carry All
(JA890.)**



**Louis Vuitton SHARLEEN™
Multicolore Monogram
(JA33.)**



**MOB London – Tonal Brown
(JA895.)**



**Louis Vuitton NEVERFULL®
Damier Ebene
(JA567.)**



**MOB London – Nautical
(JA893.)**



**Louis Vuitton NEVERFULL®
Damier Azure
(JA570.)**



**MOB Zoey – Tonal Brown
(JA901.)**



**Louis Vuitton SPEEDY®
Toile Monogram
(JA526; JA606.)**



**MOB Zoey – Multi
(JA899.)**



**Louis Vuitton SPEEDY®
Multicolore Monogram
(JA558.)**



**MOB Zoey – Multi Black
(JA897.)**



**Louis Vuitton SPEEDY®
Multicolore Monogram
(JA35.)**



**MOB Beckham – Carry All
(JA885.)**



**Louis Vuitton KEEPALL®
Damier Graphic
(JA644.)**

MOB added Louis Vuitton to its product line because the Louis Vuitton Trademarks are immediately-recognizable, “iconic” luxury symbols. (JA338-339.) MOB intentionally copied Louis Vuitton handbags to create the renderings on its bags. (JA400-406; JA408-410; JA994-1001; JA1003-1006; JA1008.) Although MOB characterized its renderings as cartoonish, MOB’s own proffered expert could not distinguish between renderings of a real Louis Vuitton handbag and MOB’s supposedly cartoonish alterations of Louis Vuitton handbags. (JA306-311.) The MOB website’s description of the “London” and “Zoey” bags stated that one must “look closely” to “find a MOB surprise in pattern!”—the replacement of the famous, interlocking “LV” logo with “MOB” in similar interlocking letters. (JA892; JA898.) MOB’s designer, Mr. Venzke, admitted that the intent was to change the Louis Vuitton Trademarks just enough to

minimize the risk of getting sued for trademark infringement while maintaining enough of a likeness of the Louis Vuitton Trademarks so that consumers would associate MOB's products with Louis Vuitton. (JA346-347; JA405-410; JA1003-1006.)

3. MOB Actively Promotes an Association with Louis Vuitton's Luxury Image.

Before this lawsuit, MOB never promoted its handbags as a joke, let alone a parody. Rather, Ms. Martin explained that she came up with the company's concept when she was carrying her "designer handbag" while buying groceries and was not comfortable using it for groceries. She explained that "the whole starting point" was allowing women to "still be stylish and cute with all [their] reusable bags" even "coming out of the grocery store." (CA293). MOB therefore marketed its bags as fashion accessories, equally as stylish as the Louis Vuitton products that appear on the totes. The product description pages for MOB's "Beckham" and "London" product styles describe MOB's tote bags as "chic," having a "trendy pattern," a "very classic look," and a "high-fashion designer look." (JA885; JA893-894; JA896.)

On its first page, MOB's website features two full-page images of sharply dressed women carrying actual Louis Vuitton handbags. (JA903-906.) The references to Louis Vuitton continue on other pages of the website. The product page for MOB's "Zoey/Multi-White" tote states, "*It's a hard, stylish life being a*

trendsetter, but such is your fate when you rock our chic Zoey tote. Thank us later for giving you this ‘other bag’ to throw your onions in *instead of your speedy.*” (JA1010-1013.) (emphasis added.) The Zoey tote has a rendering of Louis Vuitton’s SPEEDY® handbag on its side.

Nothing was said about the bags being funny or conveying a message about Louis Vuitton. (JA885-896.) Instead, designer bags were called “the fabric of our culture and history.” (JA886-889.) On social media sites, MOB strategically posted photographs of its tote bags next to authentic luxury handbags. (JA922-927; JA929; JA931-932; JA934-935; JA940; CA299-306):



**“Yes please! They go perfect with our zoey tote!”
(JA924.)**



**“The three amigos. Weekend luggage never looked so good!”
(JA932.)**

MOB’s president defines “the My Other Bag Girl” as someone with a “self-proclaimed handbag obsession that carries My Other Bag to the gym or pool instead of or with her actual designer bag. She is a girl dreaming of which

designer handbag she is going to save up for.” (JA910.) MOB has cultivated a stylish image to attract the attention of numerous celebrities and taste-makers that have been photographed carrying MOB totes, usually with the MOB script hidden on the unseen side. (JA1015-1031.) MOB also boasts that it provided the “official bags of the 2013 [American Music Awards],” highlighting images of prominent musicians carrying them. (JA1016.)

4. Consumers Associate MOB with Louis Vuitton.

MOB has expressly admitted that it intended an association with the Louis Vuitton Trademarks and Copyrights. (JA369-370.) MOB’s customers got the message:

- “@myotherbag do you have the bigger bag w: the Louis designer shown bottom right available? I looked online and couldn’t find it. Thanks!”(JA928.)
- “Wore @myotherbag #lvprint at my meetings @mtv-got so many compliments!!!” (JA947.)
- “The amazing design that looks like you’re [sic] really expensive hand bags like Celine, Louis Vuitton, to name a few, gives a special touch to your average tote bag.” (JA916.)
- “I just want to let you know I purchased my first tote the other day and I think these are fabulous. I have a LV Speedy and I treat it like a child – having a canvas tote with style is the perfect in between and I fully intend on purchasing multiple bags for Christmas presents.” (JA1035.)

5. MOB Devises a Post-Litigation Tactic To Claim Parody.

Only after Louis Vuitton filed this lawsuit did MOB begin to promote its tote bags as “parody,” changing its website to add a statement that its totes were “playfully parodying” designer handbags. (JA907.) While MOB claimed that the change was to “ma[ke] its message even more clear” (CA165-166), the evidence, as explained above, established that MOB’s totes were never intended or conceived to be parodies—the “parody” rationale is a post-hoc ruse invented for this litigation.

At her deposition, Ms. Martin called her bags “social commentary,” mechanically adding “parody” without identifying any statement or element that might qualify as such:

Q. And the way in which it’s a parody is the way in which you just described, the kind of special commentary. Is that what you’re saying?

Ms. Martin: There’s a few things that I’m saying. You know, one would be that social commentary. At the time when I started the company I lost my job. And, you know, it was a funny thing to say like, okay, there’s these, you know, bags that are thousands and thousands of dollars, and we’re putting them on a reasonable cheeky cartoon tote bag, you know, for the grocery store as a reasonable product, and I think that is a social commentary about materialism and not taking yourself too seriously or high fashion, and they there’s also, you know, the parody about it that is very common in our culture.

(JA366-367.) This after-the-fact justification contradicted MOB’s pre-litigation statements. Ms. Martin also testified that she never criticized or

disparaged Louis Vuitton and “wouldn’t say” that MOB’s bags were meant to criticize Louis Vuitton. (JA343-344.)

C. The District Court Decision.

In the court below, MOB sought summary judgment on all of Louis Vuitton’s claims. Louis Vuitton only sought summary judgment on its dilution and copyright infringement claims, given that MOB had not met the requirements of parody. It did not move for summary judgment on its trademark infringement claim, as there were issues of material fact.

On January 6, 2016, the district court granted summary judgment to MOB, dismissing all of Louis Vuitton’s claims, and denied Louis Vuitton’s cross-motion for summary judgment on dilution and copyright infringement. At the outset, Judge Furman stated his personal view that MOB’s totes are “obviously a joke” and criticized Louis Vuitton for not being a better sport. (SpA1.)

Beginning its discussion with Louis Vuitton’s federal and state dilution claims, the district court gave only the briefest consideration to the statutory factors provided in TDRA as a basis for determining dilution by blurring, all of which Louis Vuitton indisputably met. Instead, it reiterated that MOB’s use of the Louis Vuitton Trademarks was a “joke,” and therefore protected as a parody. (SpA10.)

The district court asserted that “a successful parody communicates to a consumer that an entity separate and distinct from the trademark owner is poking

fun at a trademark or the policies of its owner.” (*Id.*) (internal quotation marks omitted.) Here, it said, “the whole point is to play on the well-known ‘my other car . . .’ joke by playfully suggesting that the carrier’s ‘*other* bag’ – that is, *not* the bag that he or she is carrying—is a Louis Vuitton bag.” (*Id.*) (emphasis in original.) Without any citation, the district court concluded that “the image of exclusivity and refinery that Louis Vuitton has so carefully cultivated is, at least in part, the brunt of the joke.” (*Id.*) Again without record evidence, the district court insisted that a MOB product “derives its humor from a constellation of features—including the features of the canvas bag itself, society’s larger obsession with status symbols, *and* the meticulously promoted image of expensive taste (or showy status) that Louis Vuitton handbags have come to symbolize.” (*Id.* at 12) (emphasis in original.)

The district court found that using the Louis Vuitton Trademarks to make social commentary about “luxury” still qualified as a parody because “[t]he fact that MOB’s totes convey a message about more than *just* Louis Vuitton bags is not fatal to a successful parody defense.” (*Id.*) (emphasis in original.) Although “strictly speaking,” MOB’s totes do not need to use Louis Vuitton’s trademarks to make the joke, it could still assert a parody defense because “MOB’s tote bags would not make their point, and certainly would not be funny, if the obverse of the tote merely depicted some generic handbag.” (SpA14.) According to the district

court, “Louis Vuitton’s argument distorts any ‘necessity’ requirement beyond recognition, and myopically suggests that, where a parody must evoke at least one of a finite set of marks in order to make its point, it can evoke none of them because reference to any *particular* mark in the set is not absolutely necessary.” (*Id.*) (emphasis in original.)

The district court also rejected Louis Vuitton’s argument that the fair use exclusion was unavailable because MOB used its renderings of the Louis Vuitton Trademarks as a designation of source for its own products. MOB’s founder had testified that “[p]eople know that the product ... our tote bags with those depictions come from My Other Bag,” but the district court argued that Louis Vuitton’s counsel was “attempt[ing] to establish that consumers were likely to be confused about the origins of MOB’s totes,” and “it is plain that Martin’s sole point was that she did not believe that consumers were confused about who produced MOB’s tote bags.” (SpA15-16.)

Thereafter the district court returned to whether Louis Vuitton had established dilution by blurring, this time with no mention of the statutory factors. Instead, it used the Fourth Circuit’s decision in *Louis Vuitton Malletier, S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252 (4th Cir. 2007), to create a new Second Circuit rule that “the owner of a famous mark such as Louis Vuitton therefore ha[s] an increased burden to demonstrate that the distinctiveness of its famous marks is

likely to be impaired by a successful parody.” (SpA18) (internal quotation marks omitted.) Louis Vuitton, it said, did not establish dilution because it failed to meet this heightened burden. (*Id.*) Finally, the district court applied a confusion-type infringement analysis to the dilution claim, finding that “MOB intentionally associated its marks, but only partially and certainly imperfectly, so as to convey the simultaneous message that it was not in fact a source of [Louis Vuitton] products.” (SpA19) (citation omitted.)

With respect to Louis Vuitton’s trademark infringement claims, the district court again opined that MOB’s use was “funny,” and therefore parody. It interpreted each *Polaroid* factor through the lens of parody, holding that Louis Vuitton had not demonstrated a likelihood of confusion. In the district court’s analysis, factors that would ordinarily favor Louis Vuitton, such as the strength of its marks and the similarity between the marks, were found to cut against a finding of likely confusion because MOB’s marks were supposedly jokes and “[t]he strength and recognizability of the mark may make it easier for the audience to realize that the use is a parody or a joke on the qualities embodied in trademarked word or image.” (SpA20) (citation omitted).

The district court’s analysis of Louis Vuitton’s copyright infringement claim closely mirrored its treatment of its dilution and trademark infringement claims. Although the Copyright Act’s fair use test differs from the parody analysis in the

dilution and trademark infringement contexts, the district court found that “[t]he Court’s conclusions above [on parody] effectively compel the conclusion that any use by MOB of copyrightable elements of Louis Vuitton’s prints qualifies as a matter of law as ‘fair use.’” (SpA26) (citation omitted.) Despite record evidence showing that MOB’s totes had no “transformative value” as required by the Copyright Act, the district court reinterpreted the Copyright Act’s four-factor test through the lens of parody and granted summary judgment to MOB.

SUMMARY OF THE ARGUMENT

The district court's summary judgment decision violated this Court's substantive rulings, the spirit of TDRA, and Federal Rule of Civil Procedure Rule 56. Louis Vuitton demonstrated that MOB's bags were designed and marketed as "chic" and "stylish" and were offered as "an homage" and "an ode" to designer bags. Following the express requirements of the dilution statute, Louis Vuitton further showed that MOB used the Louis Vuitton Trademarks to associate itself with Louis Vuitton's luxury image, thereby exploiting Louis Vuitton's fame and distinctiveness to sell MOB's bags, exactly what the dilution statute is designed to prevent. MOB never intended its bags as parody and, in any event, failed the requirements of that defense on multiple grounds.

The district court nevertheless dismissed Louis Vuitton's claims based on its personal view that MOB's tote bags were "obviously a joke," scolding Louis Vuitton for having no sense of humor. On this basis, it wrongly set aside Louis Vuitton's evidence under the statutorily-mandated dilution factors and found that the humor—never suggested by MOB until after this lawsuit arose, but subjectively seen by the district court—was sufficient for parody under the statute's "fair use" defense.

The district court's conclusion was not only dependent on its own sense of humor, but contained numerous legal errors. It imposed, without any warrant in

the dilution statute, a higher evidentiary burden on Louis Vuitton because it owns famous marks. The statute, however, applies *only* to famous marks, making a heightened burden for famous marks nonsensical. At the end of its consideration of dilution, the district court concluded that, even in the absence of parody, Louis Vuitton could not show dilution by blurring. But in performing its analysis, the district court reinterpreted the statutory dilution factors to reflect its view that humor (and parody) was involved. Even were there a basis for this in the statute, it would be an issue for the jury.

As for the parody defense itself, the district court ignored the requirements of the statute, the case law, and Rule 56. Usurping the jury's role, it interpreted away the admission of MOB's principal that MOB was using the Louis Vuitton Trademarks as a designation of source, precluding any fair use defense. It dismissed the statute's requirement that any parody be directed at Louis Vuitton. And it rejected the case law's carefully-wrought standards for distinguishing mere humor or general social commentary from parody.

As for Louis Vuitton's trademark infringement claim, the district court misinterpreted the *Polaroid* factors based on its "joke" conclusion, drew all inferences in MOB's favor (rather than Louis Vuitton's), and improperly made factual findings, all contrary to Supreme Court and Second Circuit case law and Rule 56. It also misapplied Second Circuit law on the role of humor in commercial

cases and improperly rejected our argument based on post-sale confusion. There was more than sufficient evidence for the infringement claim to go to the jury.

Finally, the district court erroneously used its parody determination and misapplied the Copyright Act's fair use factors to deny Louis Vuitton's summary judgment motion for copyright infringement and grant MOB's cross-motion dismissing that claim.

ARGUMENT

This Court reviews grants of summary judgment *de novo*. *Nora Bevs.*, 269 F.3d at 118. “The district court’s ultimate balancing of the *Polaroid* factors is always subject to *de novo* review,” which applies “*a fortiori*...on review of a grant of summary judgment.” *Patsy’s Brand, Inc. v. I.O.B. Realty, Inc.*, 317 F.3d 209, 215 (2d Cir. 2003) (citations omitted); *Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.*, 588 F.3d 97, 105 (2d Cir. 2009) (“*Starbucks IV*”) (the “district court’s determinations as to each separate factor in *Polaroid*’s multifactor test [is reviewed] for clear error, while the court’s ultimate balancing of those factors is a matter of law subject to *de novo* review.”) (internal quotation marks omitted).

“If a factual inference must be drawn to arrive at a particular finding on a *Polaroid* factor, and if a reasonable trier of fact could reach a different conclusion, the district court may not properly resolve that issue on summary judgment.” *Id.* (citation omitted). No deference is owed to the district court where it “base[s] its findings upon a mistaken impression of applicable legal principles.” *Star Indus., Inc. v. Bacardi & Co.*, 412 F.3d 373, 382-83 (2d Cir. 2005) (internal quotation marks omitted).

Copyright fair use is a “mixed question of law and fact” subject to *de novo* review. *Am. Union v. Texaco Inc.*, 60 F.3d 913, 918 (2d Cir. 1994) (citation omitted). Subsidiary fact findings are reviewed for clear error. *Id.*

I. THE DISTRICT COURT ERRED IN DENYING LOUIS VUITTON'S SUMMARY JUDGMENT MOTION ON ITS DILUTION CLAIMS.

A. Louis Vuitton Demonstrated Dilution by Blurring.

This case presents a textbook example of dilution by blurring under TDRA. Louis Vuitton proved, through the admissions of MOB's principal and other uncontroverted evidence, that MOB intentionally put near-identical renderings of the Louis Vuitton Trademarks on its own canvas bags specifically to create an association with Louis Vuitton's luxury image. MOB was successful, and consumers actually associated the two brands, buying the MOB bags as a stylish complement to, or substitute for, their existing Louis Vuitton bags.

This is dilution, under TDRA's express terms. TDRA calls upon the courts to consider six non-exclusive factors in determining whether there is a likelihood of dilution by blurring: (i) the degree of similarity between the junior user's design and the famous mark; (ii) the degree of inherent or acquired distinctiveness of the famous mark; (iii) the extent to which the owner of the famous mark is engaged in substantially exclusive use of the mark; (iv) the degree of recognition of the famous mark; (v) whether the junior user intended to create an association with the famous mark; and (vi) any actual association between the junior user's design and the famous mark. 15 U.S.C. § 1125(c)(2)(B)(i)-(vi).

The undisputed record demonstrated that all six TDRA factors supported a likelihood of dilution here. The district court itself found that “there is [no] serious question that the drawings on MOB’s totes are similar to Louis Vuitton’s handbags (factor (i)) in a way that was intended to create an association with Louis Vuitton’s bags (factors (v) and (vi)).” (SpA18.) It could hardly do otherwise; MOB’s Rule 56.1 submissions admitted these factors favored Louis Vuitton. (CA152-154; CA166-167.)

The remaining factors, (ii), (iii), and (iv), were also in Louis Vuitton’s favor. As the district court acknowledged, “it is readily apparent . . . that [Louis Vuitton’s] marks are distinctive, famous, and strong.” (SpA18) (citation omitted.) Further, Louis Vuitton has made exclusive use of some of the Louis Vuitton trademarks for over 100 years and others since their creation a decade ago. (Factor (iii)). (JA51-74.)

This overwhelming showing, by itself, should have shifted the burden to MOB to prove one of the fair use defenses. But the district court refused to adopt this approach on the basis of two legal errors. First, while doubting that dilution even applies to cases of competing products, the district court ruled that, because the Louis Vuitton Trademarks were famous, it bore a higher burden to prove dilution, especially in light of MOB’s defense of parody. (SpA18.) Second, it asserted that Louis Vuitton did not demonstrate that its trademarks were likely to

be blurred because humor is involved. (*Id.*) Neither of these assertions is defensible.

1. The District Court Improperly Imposed a Higher Burden on Louis Vuitton to Show a Likelihood of Dilution.

TDRA nowhere imposes a higher burden on Louis Vuitton to establish a likelihood of dilution where the trademarks are famous and parody was claimed. The statute applies only to famous marks. 15 U.S.C. § 1125(c)(2)(B) (Dilution by blurring is an “association arising from the similarity between a mark or trade name *and a famous mark* that impairs the distinctiveness of the famous mark.”) (emphasis added). There cannot be a heightened standard under the statute for famous marks like Louis Vuitton’s when the existing standards expressly apply to, *and only to*, famous marks like Louis Vuitton’s in the first place.

Nor is there any basis for the district court’s insistence that Louis Vuitton’s “fame and recognition only make it *less likely* that MOB’s use would impair the distinctiveness of Louis Vuitton’s marks.” (SpA18) (emphasis in original.) Dilution law is based upon the exact opposite premise. It recognizes that famous marks are *more* vulnerable than other marks to a whittling away of their distinctiveness. *Savin Corp. v. Savin Grp.*, 391 F.3d 439, 450 (2d Cir. 2004) (citation omitted).

“The more the famous mark is inherently distinctive and the more the famous mark is used exclusively, the more likely it will be diluted or ‘blurred’...”

(Trademark Dilution Revision Act of 2005: Hearing on H.R. 683 Before the Subcomm. on Courts, the Internet, and Intellectual Property of the H. Comm. on the Judiciary, 109th Cong. 18 (2005)(“Hearing on H.R. 683”)(SpA42-111 at SpA58)). Famous marks can suffer death by a thousand cuts. Their widespread use by others—even in the absence of confusion—undermines the trademark holder’s investment in its famous mark as a distinctive identifier. *Tcpip Holding Co. v. Haar Communs. Inc.*, 244 F.3d 88, 95 (2d Cir. 2001). The trademark holder must be able to protect against potentially diluting uses before actual dilution of the famous mark occurs. *Starbucks Corp. v. Wolf’s Borough Coffee, Inc.*, 736 F3d 198, 206 (2d Cir. 2013) (“*Starbucks VI*”).

A claim of parody does not change the analysis. Parody is a *defense*, to be separately proved once a likelihood of dilution is shown, as it was here. If a likelihood of dilution is not shown through the statutory factors, there is no need to consider parody. Conversely, if, as here, the factors are met, parody must be proved with proper evidence. It is illogical to change the elements of the *prima facie* case – by heightening the burden or otherwise – based on a defense that may never need to be and has not yet been shown.

2. The District Court Improperly Relied on “Humor” To Dismiss Louis Vuitton’s Dilution Claim.

The district court’s second mistake was to assert that because humor was used, there was no risk of impairment of Louis Vuitton Trademarks even without a

parody. Here the district court was at its most tendentious, rewriting the statutory factors to make them mean something different where humor is involved. There is nothing in the statute, its legislative history, or the case law to support this approach. A humorous use can dilute at least as fully as a serious one. A parody is protected because of First Amendment concerns, not because it is humorous or non-diluting. (SpA98; SpA104.)

Properly interpreted, Louis Vuitton’s showing on TDRA’s statutory factors demands the conclusion that it demonstrated dilution by blurring. The statutory factors provide the analytical framework for whether the distinctiveness of a mark is likely to be impaired. As this Court explained in *Starbucks VI*, TDRA’s legislative history demonstrates that the six TDRA factors “go to the question of whether the famous mark’s distinctiveness in the marketplace will be blurred by the junior use.” *Starbucks VI*, 736 F.3d at 207 (quoting Hearing on H.R. 683 at 13). What may be humorous to the district court does not change the analysis of TDRA’s factors.

To the extent *Haute Diggity Dog* suggests otherwise, it is inconsistent with the federal statute and this Circuit’s precedents. This Court has held that use of another’s trademark “somewhat humorously to promote [one’s] own products and services...is not a permitted trademark parody use.” *Harley-Davidson*, 164 F.3d at 813; *see also, Dr. Seuss Enters. L.P. v. Penguin Books USA, Inc.*, 109 F.3d 1394,

1405 (9th Cir. 1997) (trademark use was “pure shtick” used to draw attention to sell books); *Elvis Presley Enters. v. Capece*, 141 F.3d 188, 200 (5th Cir. 1998) (use of Elvis’s name to promote “faddish” 60’s bars not parody). In *Starbucks IV*, this Court found that, regardless of whether it would accept or reject the Fourth’s Circuit’s approach in *Haute Diggity Dog*, in the context of competing products, the supposed parody did not favor the defendant in the dilution analysis.²

In general terms, the district court’s interpretation of the dilution statute seems to derive from a fundamental misunderstanding of dilution law. TDRA was enacted as a response to the U.S. Supreme Court’s decision in *Moseley v. V. Secret Catalogue*, 537 U.S. 418 (2003), which restrictively interpreted the Federal Trademark Dilution Act (“FTDA”) as requiring proof of actual dilution instead of likelihood of dilution. In codifying the “likelihood of dilution” standard, TDRA’s drafters sought to *reduce* the burden on owners of famous trademarks to prove a dilution claim and prevent dilution at its incipiency. (Hearing on H.R. 683 at SpA57.)

For this reason, contrary to the district court’s implication, the statute applies directly to competing products. In fact, this Circuit has most completely analyzed

² *Starbucks IV* clarified that the *Haute Diggity Dog* analysis could apply, if at all, only to clear parodies. *Starbucks IV*, 588 F.3d at 113. As we show below, the supposed parody was anything but “clear” here.

the dilution statute, and the defense of parody, in just such a case – *Starbucks IV*. It stressed that “‘parodic use is sharply limited’ in circumstances where ‘an alleged parody of a competitor’s mark [is used] to sell a competing product’” because of the *higher* possibility of dilution in that context. 588 F.3d at 113 (*quoting Harley-Davidson*, 164 F.3d at 813).

The district court, however, failed to appreciate the distinction between dilution and infringement. Thus, while acknowledging that “MOB intentionally associated its marks,” the district court asserted that it did so “only partially and certainly imperfectly, so as to convey the simultaneous message that it was not in fact a source of [Louis Vuitton] products.” (SpA19) (citation omitted.) As the statute and its legislative history emphasize, however, dilution arises from association between an item and a famous mark, just as MOB did here, regardless whether there is confusion. 15 U.S.C. § 1125(c)(1). (Hearing on H.R. 683 at SpA47); *see also Tcip*, 244 F.3d at 94-95 (statute bars junior use even done “in a non-confusing way.”) The consumer often *knows* that the junior use is from a different source, but wants the fame the trademark conveys while buying the junior user’s products. This is exactly what happened here, where customers were led to buy MOB’s bags because they were sold to be as “chic” or “stylish” as the Louis Vuitton originals.

B. MOB’s Use of the Louis Vuitton Trademarks Was Not a Parody.

Parody is a “fair use” defense provided in the statute because of First Amendment concerns. The idea is that a person otherwise engaged in a use that was likely to dilute may still be exempt from liability if its purpose fell within a certain kind of protected speech. (SpA98; SpA104.)

To fall within this exclusion, several factors must be met. First, the supposed parodist must not be using the famous mark as its own “designation of source,” *i.e.* as a trademark. Second, the protected speech must be “identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.” 15 U.S.C. §1125(c)(3)

The district court’s subjective view that MOB’s use of the Louis Vuitton Trademarks is “obviously a joke” did not meet these requirements. (SpA1.) Parody requires more, which MOB did not, and could not, show in this case.

1. MOB Uses the Louis Vuitton Trademarks as a Designation of Source.

Under TDRA, no fair use exclusion is available if the junior user is using the senior user’s marks as a designation of source for its own products. 15 U.S.C. §1125(c)(3)(A); *Starbucks IV*, 588 F.3d at 112 (“As evident from the statutory language, [defendant’s] use of the Charbucks Mark cannot qualify under the

parody exception because the Charbucks Marks are used as a designation of source for [defendant's] own goods") (internal quotation marks omitted).

In her deposition testimony, Tara Martin, MOB's founder, expressly admitted to using the renderings of the Louis Vuitton Trademarks to designate the source of MOB's goods:

Q. Well, when you say people look at these things and they understand what they are, would you agree with me that the depictions of Louis Vuitton bags that you use on those totes that have depictions of Louis Vuitton bags are depictions, pictures you use in order for people to understand that the product comes from you, my Other Bag?

A. Yes. People know that the product comes from – people know that our tote bags with those depictions come from My Other Bag.

Q: So when they see one of these depictions, a customer or a consumer will say, "Aha, there is My Other Bag." Correct?

A: Yes, they would recognize the tote bags as, you know, from My Other Bag.

Q: Right. And the reason they would know that is they would recognize the depictions as designating My Other Bag; right?

A: That they would recognize the depictions.

(JA350, Martin Dep. Tr. 89:16-22.)

The district court disregarded MOB's admissions, claiming to have divined that Louis Vuitton's counsel was "attempt[ing] to establish that consumers were likely to be confused about the origins of MOB's totes." (SpA15-16). The district

court then decided that “it is plain that Martin’s sole point was that she did not believe that consumers were confused about who produces MOB’s tote bags.” (SpA16.)

There are at least three defects in these factual determinations by the district court. First, nothing in the question or answer addresses or relates to confusion. To the contrary, the question posits that there is *no* confusion and tracks the language of TDRA, seeking to determine whether MOB was using the depictions of the Louis Vuitton Trademarks “as designating My Other Bag, right?” Ms. Martin admitted that consumers viewing the renderings of Louis Vuitton handbags on MOB tote bags “know that the tote bags ... come from My Other Bag.” (Martin Dep. Tr. 89:13-15, JA350.)

Second, the district court’s own attempt to explain away Ms. Martin’s testimony contradicts its conclusion. If, as it said, Ms. Martin’s point was that consumers were not confused about who produced MOB’s bags, she was acknowledging that the Louis Vuitton rendering on the sides of the bags were intended to and did make clear to consumers what the source of the bags was. That is, she was using the Louis Vuitton Trademarks to have consumers “understand that the product comes from . . . My Other Bag,” not someone else. (*Id.* at 89:7-11, SpA350.)

Third, to the extent that the district court sought to reinterpret this testimony, it violated Federal Rule of Civil Procedure 56. Uncertainties of this kind about a witness's testimony are an issue for the jury.

**2. No Protected Speech Was
Aimed At Louis Vuitton.**

It bears repeating that the underlying purpose of the “fair use” defense is a First Amendment concern for protected speech. As such, the courts have strictly distinguished between expressive and commercial uses where parody is claimed, given the greater First Amendment implications in the former. Although it has “accorded considerable leeway to parodists whose *expressive* works aim their parodic commentary at a trademark or trademarked product,” this Circuit provides that a use “that endeavors to promote primarily non-expressive products” is “sharply limited.” *Harley-Davidson*, 164 F.3d at 812-13.

In commercial cases, such as this one, the supposed parody must “aim [its] parodic commentary at a trademark or a trademarked product.” *Id.* at 812. This rule draws force from the Supreme Court’s elucidation in the copyright context of parodies allegedly protected by a fair use defense. In *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 580 (1994), it held that a parody must have some “critical bearing on the substance or style of the original composition.”

It is not sufficient that, as the district court claimed, “Louis Vuitton’s handbags are an integral part of the joke that gives MOB its name and features

prominently on every tote bag that MOB sells.” (SpA12.) The tote bag renderings must poke fun *at* or make a statement *about* Louis Vuitton. Nor was it “*self evident* that MOB did mean to say *something* about Louis Vuitton specifically.” (SpA12) (emphasis added.) All the evidence was to the contrary. Ms. Martin admitted that the “my other bag” trope commented not on Louis Vuitton, but on her own bags, just as the bumper sticker “my other car is a Jaguar” does not make fun of Jaguars, but rather of the (often) dilapidated car on which the bumper sticker is affixed. (JA339-340.)

This point was re-emphasized by the undisputed fact, minimized by the district court, that Louis Vuitton was not essential to the supposed joke. The Louis Vuitton Trademarks do not feature on all MOB’s handbags, which display renderings of handbags from many luxury designers, including Hermes, Yves Saint Laurent, and Chanel. (JA967-972.) Products bearing the Louis Vuitton Trademarks were not even part of MOB’s product line until two years after it launched. (Martin Dep. Tr. 88:6-10, JA349.) Any famous luxury handbag would, and did, suffice, for years, until MOB decided it could make more money free-riding on Louis Vuitton’s goodwill. As a result, there is no “joke” specific to Louis Vuitton or requiring the use of the Louis Vuitton Trademarks.

As such, the district court dispensed with this Circuit’s rule, particularly in the commercial context, that a junior user must be commenting on the famous

mark itself to be a protected parodic use. *Harley-Davidson*, 164 F.3d at 813. Here, there was no evidence that MOB was commenting on Louis Vuitton specifically, nor could the district court ever specify the “something” was that was “self-evident[ly]” being said about Louis Vuitton. (SpA12.)

MOB’s use of the Louis Vuitton’s Trademarks is similar to defendant’s use of “Charbucks” in *Starbucks IV*, which this Court held did not qualify as parody. There, the Court found, based on defendant’s testimony, that “the Charbucks parody is promoted not as a satire or irreverent commentary of Starbucks, but, rather, as a beacon to identify Charbucks as a coffee that competes at the same level and quality as Starbucks in producing dark-roasted coffees.” *Starbucks IV*, 588 F.3d at 113 (emphasis in original). Similarly, MOB promoted its products as “the perfect complement” to designer bags such as Louis Vuitton, “a cute fashion reusable tote,” and a bag to carry if a consumer is “not ready to splurge” on an authentic designer handbag. (JA105-106; JA951.)

3. There Was No Parody.

MOB admitted that it was not criticizing or providing commentary on Louis Vuitton. It was not parodying it either. MOB in no way intended its products to be “taken in jest” when its founder, a self-proclaimed “designer handbag junkie,” offered her bags as an “ode to handbags women love.” (JA886-889; CA292-294.) In her marketing video, Ms. Martin stated “it has been such an honor for me to be

able to take something that I love . . . and put it on a product that other women can relate to and love as well.” (JA105-106)(emphasis added.) MOB routinely posted glamorous staged photographs of designer handbags with “hashtags” like “love” and “lv.” (JA922-927; JA929; JA931-932; JA934-935; JA940; CA299-306.) This is not parody.

The district court first sought to rescue MOB’s parody claim from these dispositive admissions by referring to MOB’s “stylized, almost cartoonish renderings of Louis Vuitton’s bags depicted on the totes,” which it claimed further built “significant distance” between MOB’s totes and “the expensive handbags they are meant to evoke” (SpA10.) This comment once again mixes up likelihood of dilution and likelihood of confusion (which applies only in the infringement context). More, it is contradicted by the record. The renderings are not cartoonish. The Damier renderings, for example, are virtually identical to Louis Vuitton’s trademark pattern, merely substituting the words “My Other Bag” for “Louis Vuitton Paris” in tiny letters on roughly 5% of the squares. (JA567; JA644; JA885; JA895.)

The district court next relied on a statement MOB added to its website only *after* Louis Vuitton filed this lawsuit, claiming, for the first time, that its tote bags were “playfully parodying the designer bags we love.” (SpA3; JA907.) This *post hoc* effort to transform its impermissible use of the Louis Vuitton Trademarks to

sell its own tote bags into a permissible parody is of no legal effect. *Car-Freshener Corp. v. Getty Images, Inc.*, 822 F. Supp. 2d 167, 178 (N.D.N.Y. 2012) (“[T]he cry of parody! does not magically fend off otherwise legitimate claims of trademark infringement or dilution and can provide no defense where the purpose of the similarity is to capitalize on a famous mark’s popularity for the defendant’s own commercial use.”) (citing *Dr. Seuss*, 109 F.3d at 1405-06 (internal quotation marks omitted)).

Further, MOB itself admitted that, to the extent there was any joke at all, it comprised larger social commentary, not a parody directed towards Louis Vuitton or its products. In its post-lawsuit revisionism, MOB described its use of Louis Vuitton’s trademarks as “a social commentary about materialism and not taking yourself too seriously or high fashion,” adding as an afterthought, “there’s also, you know, the parody about it that is very common in our culture.” (JA366-367.) The parody defense does not apply to general social commentary or a use not directed at the trademark owner. *Harley-Davidson*, 164 F.3d at 812.

Finally, there is not even social commentary here. The district court made the factual finding, without citation, that a MOB tote “derives its humor” from, among other things, the difference between MOB’s “workhorse” tote and “society’s larger obsession with status symbols” such as a Louis Vuitton. (SpA12.) But Louis Vuitton itself markets canvas totes, some with an artist’s

rendering of its bags on the side, and many of which are also “workhorse” totes too. (JA99; CA219-220; CA222-224; CA279-283.)

More important, MOB’s marketing and promotions aligned it with the very culture the district court claimed MOB was lampooning. MOB’s social media featured numerous photos with authentic Louis Vuitton bags as well as MOB totes. (JA922-927; JA929; JA931-932; JA934-935; JA940; CA299-306.) MOB publicized when a celebrity was pictured carrying a MOB tote, often carrying designer handbags at the same time. (JA1015-1031.) MOB’s tote bags were also featured as a giveaway at the American Music Awards. (JA1016; JA1025.) Nowhere on its website or social media has MOB associated itself with a counterculture that rejects society’s materialism. Instead, it sought to profit from it.

C. Louis Vuitton Was At Least Entitled To A Trial On Dilution By Blurring.

Louis Vuitton proved likelihood of dilution under the statutory standards. MOB failed to show a parody. For these reasons, summary judgment should have been entered for Louis Vuitton. On appeal, the Court can and should now grant Louis Vuitton the judgment it was entitled to.

At a minimum, however, Louis Vuitton is entitled to a trial on dilution. As stressed above, the district court’s decision was rife with factual determinations

seeking to absolve MOB of dilution. These determinations were for the jury under Rule 56.

First and foremost was the district court's view that the bags were a "joke." There was powerful evidence that MOB did not primarily intend them as such, aiming instead to make its bags trendy and stylish based on their association with Louis Vuitton. Likewise, the evidence showed that consumers took it in exactly that way. (*See supra* Part B-4.) The district court's personal view has no role in the analysis. *Hana Financial*, 135 S. Ct. at 910 (citing J. McCarthy, 4 *McCarthy on Trademarks and Unfair Competition* §17:26, p. 17-71 (4th ed. 2014) ("'Commercial impression,' like most issues in trademark law, should be determined from the perspective of the ordinary purchaser of these kinds of goods or services.'")).

The district court similarly (1) gave its own questionable interpretation of Ms. Martin's testimony about designation of source, (2) made a factual finding regarding how essential Louis Vuitton was to any humor, and (3) found there was genuine social commentary at issue. All of the record evidence was to the contrary on these issues.

"If a factual inference must be drawn to arrive at a particular finding on a [dilution] factor, and if a reasonable trier of fact could reach a different conclusion, the district court may not properly resolve that issue on summary

judgment.” *Cadbury Bevs. v. Cott Corp.*, 73 F.3d 474, 478 (2d Cir. 1996). “Credibility determinations, the weighing of the evidence, and the drawing of legitimate inferences from the facts are jury functions, not those of a judge.” *Jasco Tools, Inc. v. Dana Corp.*, 574 F.3d 129, 152 (2d Cir. 2009) (quoting *Reeves v. Sanderson Plumbing Products, Inc.*, 530 U.S. 133, 150 (2000)).³

II. LOUIS VUITTON WAS ENTITLED TO A JURY TRIAL ON ITS TRADEMARK INFRINGEMENT AND FALSE DESIGNATION OF ORIGIN CLAIMS.

Louis Vuitton sought a trial on its claims that MOB’s bags infringed the Louis Vuitton Trademarks and constituted false designation of origin under Section 43(a) of Lanham Act. In support of its claims, Louis Vuitton presented substantial factual evidence on each of the eight *Polaroid* factors⁴ from which a jury could find in Louis Vuitton’s favor. As such, Louis Vuitton was entitled to a jury trial on its trademark infringement claims. *Mana Products v. Columbia*

³ The district court acknowledged that Louis Vuitton’s state law dilution claim under N.Y. Gen. Bus. Law §360-1 must be “analyzed together” with its TDRA claim. (SpA9.) For reasons related to Louis Vuitton’s right to summary judgment on its federal dilution claim, it was also entitled to summary judgment on its state law dilution claim.

⁴ Judge Friendly’s well-known *Polaroid* test is an eight-factor balancing test to determine likelihood of confusion: (1) the strength of the trademark; (2) similarity of the marks; (3) proximity of the products and their competitiveness with one another; (4) evidence that the senior user may “bridge the gap” by developing a products for sale in the market of the alleged infringer’s product; (5) actual confusion; (6) good faith; (7) quality of the products; (8) sophistication of the consumers. *Polaroid*, 287 F.2d 492. Both trademark infringement and false designation of origin are analyzed under the *Polaroid* test. *Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co.*, 799 F.2d 867, 871 (2d Cir. 1986).

Cosmetics Mfg., 65 F.3d 1063, 1069 (2d Cir. 1995) (generally, the question of likelihood of confusion is one of fact.)

The district court re-interpreted the evidence against Louis Vuitton, in violation of Rule 56, principally based on its subjective finding of a “joke.” Simultaneously, it made two critical legal errors. First, the district court justified its conduct based on its misinterpretation of the law of this Circuit, claiming an “obvious parody or pun, readily so perceived” is “unlikely to cause confusion among consumers.” (SpA25) (internal quotation mark omitted.) Second, without any legal basis, it rejected Louis Vuitton’s post-sale confusion claim on the ground that post-sale confusion is generally “actionable only in the context of knock-offs.” (SpA25) (citation omitted.) Neither point is defensible.

A. Louis Vuitton Presented Sufficient Evidence on Each *Polaroid* Factor To Entitle It To a Trial.

There was compelling record evidence in Louis Vuitton’s favor on all of the *Polaroid* factors.

Strength of the Marks. The law affords broad protection to marks that are inherently strong and distinct and “that serve exclusively as identifiers.” *Virgin Enters. v. Nawab*, 355 F.3d 141, 147-48 (2d Cir. 2003); *Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254, 258 (2d Cir. 1987) (the stronger the mark the greater the scope of protection).

LV presented undisputed evidence that its trademarks are strong and famous. (JA126-132; JA133-149; JA432-478; JA671-713; JA732-769; JA770-815.) The district court acknowledged that “it is undisputed (indeed, indisputable) that Louis Vuitton’s marks are famous.” (SpA20.) This strength strongly weighs in Louis Vuitton’s favor.

The district court nevertheless turned this factor against Louis Vuitton using its newly-created “joke” theory. Because the Louis Vuitton Trademarks are so famous, it said, consumers are likely “both immediately to recognize the target of the joke and to appreciate the obvious changes to the marks that constitute the joke.” (SpA21) (citation omitted.) In doing so, the district court improperly relied on minor “changes” in the MOB totes and substituted its own view of the bags for that of consumers, in violation of Rule 56.⁵

Similarity of the Marks. This Circuit recognizes that “[o]f salient importance among the *Polaroid* factors is the ‘similarity of the marks’ test. . . .”

⁵ This Court has, under completely different facts, found strength to weigh against a finding of likely confusion where the defendant, in a commercial context, was parodying the plaintiff’s brand. *Hormel Foods Corp. v. Jim Henson Prods.*, 73 F.3d 497, 503 (2d Cir. 1996). There, the “defendant’s marks [were] strong, well recognized, and clearly associated in the consumers’ mind with a particular distinct ethic” and use of the name ‘Spa’am’ [was] simply another in a long line of Muppet lampoons.” *Id.* (emphasis added). The record is devoid of any such evidence here. The district court’s analysis transformed this Court’s acknowledgement of how a prominent parodist’s “well-recognized” marks and pattern of conduct might prevent confusion into a rule that any time the defendant in an infringement case purports to parody “well-known” marks, summary judgment is likely.

Louis Vuitton Malletier, S.A. v. Burlington Coat Factory Warehouse Corp., 426 F.3d 532, 537 (2d Cir. 2005) (“*Burlington I*”) (citation omitted). Courts must analyze a mark’s overall impression on a consumer, considering the context in which it is displayed and the “totality of factors that could cause confusion among prospective purchasers.” *Gruner + Jahr USA Publ. v. Meredith Corp.*, 991 F.2d 1072, 1078 (2d Cir. 1993) (citation omitted). “[A] significant similarity in appearance ... is all that is needed. Even if a consumer can differentiate between two products, the question is whether, and to what degree, the look of the junior user’s products calls to mind the senior user’s product.” *Burlington I*, 426 F.3d at 538 n.3.

Louis Vuitton presented undisputed evidence that MOB’s depictions of the Louis Vuitton Trademarks were highly similar—and in the case of the Damier Trademarks, virtually identical—to the originals, intending to call the Louis Vuitton Trademarks to mind and succeeding in doing so. Consumers recognized the Louis Vuitton Trademarks in the MOB renderings and referred to MOB’s totes as the “Speedy” or the “LV.” (JA368; JA928; JA943-944; JA947-948; JA953-959; JA1033; JA1035.) One fashion blogger wrote, “I’m so happy that someone thought about making our life’s [sic] easier and stylish at the same time. *The amazing designs that looks [sic] like you’re [sic] really expensive hand bags like*

Celine, Louis Vuitton to name a few, gives a special touch to your average tote bag.” (JA914-921.)

Relying instead on its own impression, the district court disagreed with MOB’s own statements and other evidence to find “obvious differences” between the marks used and characterized MOB’s depiction as “cartoonish.” (SpA21). Without record evidence, it insisted the “My Other Bag ...” legend on the back of the bag was “inviting the observer to complete the joke.” (SpA21.)

Additionally, the district court’s similarity analysis improperly focused on what it assumed was the effect on consumers viewing the two products simultaneously, where subtle differences between the Louis Vuitton Trademarks and MOB’s depiction of them might be detected. It ignored post-sale confusion, which is an essential part of the analysis in this Circuit. *Burlington I*, 426 F.3d at 539; *Louis Vuitton Malletier, S.A. v. Dooney & Bourke, Inc.*, 454 F.3d 108, 117 (2d Cir. 2006); (*See infra* Sec.II-B.)

Proximity of the Products. The third factor, the “proximity of the products,” concerns “whether, and to what extent, the two products compete with each other.” *Cadbury*, 73 F.3d at 480. Products need not be identically positioned for proximity to exist because “direct competition between the products is not a prerequisite to relief.” *Mobil Oil, Corp.*, 818 F.2d at 258-59 (“[L]ikelihood of confusion, not competition, is the real test of trademark infringement.”)

Competitive proximity will be found where goods are similar in use and function.

Id.

The evidence established that MOB offered its products as an alternative to consumers “not ready to splurge on a ... Louis Vuitton.” (JA951.) The products attract similar consumers, as MOB admitted it “has marketed its products to women who appreciate and/or own designer handbags such as LV’s, in addition to many other demographics.” (CA140.) MOB intended that women who ordinarily carry designer handbags would have the MOB totes as an alternative when going to the beach or grocery store. (JA886-889; JA1010-1013.) And, Louis Vuitton itself has sold seasonal cotton canvas tote bags intended for use as beach bags, including its “Cabas” totes for the Summer 2014 season. (CA222-224; CA279-283.)

The media and consumers perceived MOB’s totes as targeting actual and aspirational consumers of Louis Vuitton, the ideal solution “[f]or the mom who doesn’t always want to take her fancy designer bag out for a day of shopping.” MOB bags offered a means to “mimic your favorite designer’s iconic style,” or “ease your mind and leave your Louis Vuitton at home” when you go to the gym. (CA313-315.) The district court nevertheless insisted that the parties’ products were in no sense competitive relying on the price difference and *Tommy Hilfiger Licensing, Inc. v. Nature Labs, LLC*, 221 F. Supp. 2d 410, 418-19 (S.D.N.Y.

2002), which involved men’s cologne and pet perfume (a “novelty item” that was, in itself, “a parody of an actual product”), not women’s tote bags sold at different price points but marketed to overlapping demographics. To the contrary, where there is overlap in targeted consumers, “there already is an overlap in the market, [and] the likelihood of confusion is greater.” *Nikon, Inc. v. Ikon Corp.*, 987 F.2d 91, 95 (2d Cir. 1993).

“Bridging the Gap.” Bridging the gap considers whether the senior user might enter the junior user’s market. 4 *McCarthy on Trademarks*, §24:18. This factor concerns whether the parties sell similar products, not necessarily whether those products are sold at similar prices. *Star Indus.*, 412 F.3d at 387. Where the products are related, “there is no gap to bridge” and the factor is “not relevant.” *Id.* (bridging the gap was irrelevant where defendant’s premium rum sold for twice as much as plaintiff’s orange-flavored vodka).

As both Louis Vuitton and MOB sell casual canvas tote bags marketed to overlapping consumers, and Louis Vuitton has sold cotton canvas beach bags, the products at issue are clearly related and this factor is irrelevant. (*See* JA99; JA105-106; JA358-359; JA886-889; JA910; JA912; JA951; CA279-283; CA292-294); *Nikon Inc.*, 987 F.2d at 95 (expensive and inexpensive cameras are related goods).

The district court, however, in finding that this factor supported MOB, improperly limited MOB's market to "casual parody totes at low price points." (SpA22.) This is insufficient to support an inference in MOB's favor. *Lois Sportswear*, 799 F.2d at 874 ("[T]rademark laws are designed in part to protect the senior use's interest in being able to enter a related field at some future time.") (internal quotation marks omitted); *Cadbury*, 73 F.3d at 482 ("[T]he absence of a present intent to bridge the gap is not determinative," but rather, "the assumptions of the typical consumer. . . must be taken into account.") (citation omitted).

Actual Confusion. Actual confusion is not required to prove an infringement claim although "[e]vidence that confusion has actually occurred is of course convincing evidence that confusion is likely to occur." *Morningside Group, Ltd. v. Morningside Capital Group, L.L.C.*, 182 F.3d 133, 141 (2d Cir. 1999); (citation omitted).

Louis Vuitton presented evidence of actual confusion, showing that MOB consumers referred to MOB's products as the "LV," "Louis Vuitton bag," "LV ones" and "#LV print." (JA368; JA928; JA936; JA943-944; JA947-948; JA953-959; JA1033; JA1035.) The district court disregarded this evidence as a mere "handful of instances," asserting, without citation, that they "do little more than indicate that consumers get the joke on MOB's totes; they do not suggest that any consumers actually believed MOB's totes were produced or sponsored by Louis

Vuitton.” (SpA22-23.) Nothing in the context of these communications provides any basis for such certainty. The district court interpreted this evidence in MOB’s favor, based on its erroneous “parody” determination, clearly contravening Rule 56. By improperly finding post-sale confusion unavailable, the district court also failed to account for the likelihood of post-sale confusion.

Bad Faith. This factor “concerns whether the defendant adopted its mark with the intention of capitalizing on [the] plaintiff’s reputation and goodwill and any confusion between his and the senior user’s product.” *Cadbury*, 73 F.3d at 482-83 (internal quotation marks omitted). Although in this Circuit “[t]here is a considerable difference between an intent to copy and an intent to deceive,” *Starbucks IV*, 588 F.3d at 118, “deliberate copying may indicate that the defendant acted in bad faith.” *Id.* (internal quotation marks omitted).

Louis Vuitton presented undisputed evidence, disregarded by the district court, that MOB intentionally copied the Louis Vuitton Trademarks to create an association with Louis Vuitton. (JA338-339; JA346-347; JA349; JA400-406; JA408-410; JA950; JA994-1001; JA1003-1006.) The district court credited instead only MOB’s post-lawsuit statements that its product was a “parody.” This Court has disregarded such post-litigation reversals. *See, e.g., Salinger v. Colting*, 607 F.3d 68, 83 (2d Cir. 2010). At best for MOB, its post-litigation statements,

which directly contradict its pre-litigation marketing statements and website, could create fact issues that would weigh against summary judgment.

Quality of MOB's Products. For this factor, the court “examines whether defendant’s products or services are inferior to plaintiff’s, thereby tarnishing the plaintiff’s reputation if consumers confuse the two.” *Morningside*, 182 F.3d at 142. Louis Vuitton is famous for the high quality and craftsmanship of its products. (JA433-478; CA252-261.) Tara Martin admitted that the quality of her products is inferior to Louis Vuitton’s. (JA364.)

In finding that this factor was “at best a wash,” the district court found, without citation, that “it is uncontroverted that MOB’s totes are not of the same quality as Louis Vuitton’s handbags in a way that might cause confusion as to source.” (SpA 24.) Once inferiority was conceded, Louis Vuitton was entitled to an inference that this factor favored it, not MOB.

Sophistication of the Consumer. Where there is a high degree of similarity between the parties’ products and marks, “the sophistication of the buyers cannot be relied on to prevent confusion.” *Morningside*, 182 F.3d at 143. Furthermore, “in the post-sale context, the sophisticated buyer is more likely to be affected” by seeing the Louis Vuitton Trademarks on MOB’s totes and “consequently, to transfer goodwill.” *Lois Sportswear*, 799 F.2d at 875. MOB presented no evidence that this factor would weigh in its favor.

The district court concluded that “MOB’s gimmick would be obvious to even its most unsophisticated customers,” and “[b]ecause the joke is obvious, even a minimally prudent customer would not be confused by the source or affiliation of [its products].” (SpA25) (internal quotation omitted.) This is contradicted by the record evidence that consumers did not find MOB’s products to be a joke, and constituted an improper inference in MOB’s favor, violating Federal Rule 56.

* * *

In all these respects, Louis Vuitton provided more than ample evidence of a likelihood of confusion pursuant to the *Polaroid* analysis. The district court, by contrast, used its own impression of a “joke” to reverse Louis Vuitton’s showing. As the Supreme Court and this Circuit have repeatedly admonished, consumer perception is uniquely a jury question, and Louis Vuitton was entitled to a jury trial on its infringement and designation of origin claims.

B. The District Court Improperly Relied on Its Parody Determination and Failed to Consider Post-Sale Confusion.

The district court’s tendentious application of the *Polaroid* test also contained two major legal errors. First, relying on *Cliff Notes*, 886 F.2d at 495 n.3, it insisted that “normal application of the *Polaroid* test, which developed in the context of purely commercial exploitation, is at best awkward in the context of parody, which must evoke the original and constitutes artistic expression.”

(SpA20) (internal quotation marks omitted.) Second, the district court insisted that post-sale confusion was limited to knockoff claims and, thus, was not actionable in this case. (SpA 25) (citing *Hermes Int'l v. Lederer de Paris Fifth Ave., Inc.*, 219 F.3d 104, 108-09 (2d Cir. 2000)). Both points are wrong.

The district court's reliance on *Cliff Notes* was unsound. There, the Second Circuit analyzed an *expressive* work under the balancing test articulated in *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989), addressing First Amendment concerns and not considering a competing commercial product such as MOB's tote bags. By contrast, this Court has "not hesitated to prevent a manufacturer from using an alleged parody of a competitor's mark to sell a competing product." *Harley-Davidson*, 164 F.3d at 812 (citation omitted).⁶

Moreover, only successful, non-confusing parodies weigh against a finding of likelihood of confusion. *See id.* at 813; *Elvis Presley*, 141 F.3d at 199-200 (unsuccessful parody is infringing use); *Dr. Seuss*, 109 F.3d at 1405. Louis Vuitton presented ample evidence that consumers did not view MOB's products as

⁶ In its dilution analysis, the district court relied heavily on *Tommy Hilfiger*. In doing so, it failed to recognize the distinction between expressive and commercial products in this context. There, the defendant was using an adaptation of the Hilfiger mark arguably for the dual purpose of making an expressive comment and selling pet cologne. The district court held that "because the mark is being used at least in part to promote a somewhat non-expressive, commercial product, the First Amendment does not extend to such use, or to the extent that it does, the balance tips in favor of allowing trademark recovery, if in fact consumers are likely to be confused." 221 F. Supp. 2d at 415-16.

parody. (*See supra* Part B4.) The district court, by contrast, cited no evidence at all, much less undisputed evidence, that MOB’s supposed parody was successful to consumers or to support its conclusion that “defendant’s use of the mark is an obvious parody or pun, readily so perceived, and unlikely to cause confusion” (SpA25.) It relied on its own impression instead. This was error.

Second, while the Second Circuit’s opinion in *Hermes* involved knock-offs, it made no mention of limiting post-sale confusion to that context. *Id.* To the contrary, this Court has stated that “it is...clear that post-sale confusion as to source is actionable under the Lanham Act.” *Lois Sportswear*, 799 F.2d at 872 (considering post-sale confusion outside of the knock-off context); *see also Gucci Am., Inc. v. Guess?, Inc.*, 868 F. Supp. 2d 207, 246-48 (S.D.N.Y. 2012) (weighing the *Polaroid* factors and finding a likelihood of post-sale confusion between plaintiff’s and defendant’s purses). In the post-sale context, when a product is “likely to cause consumers to believe that [defendant] somehow is associated with [plaintiff] or at least has consented to the use of its trademark...this striking similarity no doubt will cause consumers to transfer the goodwill they feel for [plaintiff] to [defendant], at least initially [and] [t]his misuse of goodwill is at the heart of unfair competition.” *Lois Sportswear*, 799 F.2d at 873.

This Court has repeatedly found that ignoring post-sale confusion while analyzing the *Polaroid* factors constitutes reversible error because “[t]he Lanham

Act protects against several types of consumer confusion, including ... *post-sale* confusion, and the *Polaroid* factors must be applied with an eye toward each of these.” *Burlington I*, 426 F.3d at 537 n.2 (internal citation omitted; emphasis in original) (vacating denial of preliminary injunction in light of post-sale confusion considerations); *Dooney & Bourke*, 454 F.3d at 118 (vacating order denying preliminary injunction and remanding to reassess the *Polaroid* factors because “where, as here, the plaintiff claims initial-interest *and post-sale confusion*, market conditions must be examined closely to see whether the differences between the marks are likely to be memorable enough to dispel confusion on serial viewing.”) (internal quotation marks omitted)(emphasis added).

Finally, this Court stressed in *Malletier, S.A. v. Burlington Coat Factory Warehouse, Corp.*, 217 F. App'x 1, 2 (2d Cir. 2007) (“*Burlington II*”) that turning a blind eye to post-sale confusion risks missing “the potential for confusion as to the ‘sponsorship, affiliation, connection, or identification’ of those marks.” (quoting *Star Indus.*, 412 F.3d at 383). Here, the appearance of the MOB bags as they appeared when walking down the street was an important part of the analysis.

In sum, in considering the individual *Polaroid* factors, and in balancing them, the district court used its personal view of the commercial impression of MOB totes, even in the presence of conflicting evidence, all in violation of Rule 56. It is the province of the jury, not the district court on a summary judgment

motion, to determine commercial impression. *Hana Financial*, 135 S. Ct. at 911 (“When the relevant question is how an ordinary person or community would make an assessment, the jury is generally the decisionmaker [sic] that ought to provide the fact-intensive answer.”) (citation omitted). Its rationale based on parody and dismissal of post-sale confusion was plain legal error. The grant of summary judgment on the infringement claim must be reversed, and a trial ordered.

III. THE DISTRICT COURT ERRED BY DENYING SUMMARY JUDGMENT ON LOUIS VUITTON’S COPYRIGHT INFRINGEMENT CLAIM.

To prevail on its copyright infringement claims, Louis Vuitton must prove that (1) it owns a valid copyright and (2) MOB copied constituent elements of the work that are original. *Harper & Row Publr. v. Nation Enters.*, 471 U.S. 539, 548 (1985). The undisputed record established both elements.

Louis Vuitton owns two subsisting copyright registrations for the Louis Vuitton Copyrights. (JA648-670.) Registration constitutes *prima facie* evidence of ownership. Melville B Nimmer & David Nimmer, Nimmer on Copyright § 13:01[A] (2002). Louis Vuitton also presented undisputed evidence of copying. A defendant will be determined to have copied a protected work if “(i) the defendant has actually copied the plaintiff’s work; *and* (ii) the copying is illegal because a substantial similarity exists between the defendant’s work and the protectible [sic]

elements of plaintiff's." *Knitwaves, Inc. v. Lollytogs Ltd.*, 71 F.3d 996, 1002 (2d Cir. 1995) (citations omitted).

"Actual copying" presents "the factual question whether the defendant, in creating its work, used the plaintiffs material as a model, template, or even inspiration." *Castle Rock Entm't v. Carol Publ. Group, Inc.*, 955 F. Supp. 260, 264 (S.D.N.Y. 1997), *aff'd*, 150 F.3d 132 (2d Cir. 1998) (citation omitted). It is undisputed that MOB did just that. It researched the Louis Vuitton Copyrights and used them as a model for the renderings on its tote bags. (JA400-406; JA408-410; JA994-1001; JA1003-1006.)

MOB's renderings of the Louis Vuitton Copyrights are also substantially similar to the copyrighted works. The central question in a copyright infringement analysis is whether the "total concept and feel" of the two works, including all the elements, protected and unprotected, is "substantially similar." *Boisson v. Banian, Ltd.*, 273 F.3d 262, 273 (2d Cir. 2001). "Accordingly, the Second Circuit has recognized that the defendant may infringe on the plaintiff's work not only through literal copying of a portion of it, but also by parroting properties that are apparent only when numerous aesthetic decisions embodied in the plaintiff's work . . . are considered in relation to one another." *LaChapelle v. Fenty*, 812 F. Supp. 2d 434, 441-42 (S.D.N.Y. 2011) (internal quotation marks omitted). Whether the copyrighted work consists solely of original expression or includes both original

and public domain elements, the inquiry ultimately focuses on whether the “infringer has misappropriated ‘the original way in which the author has selected, coordinated, and arranged’ the elements of his or her work.” *Id.* at 442 (quoting *Knitwaves*, 71 F.3d at 1004).

MOB’s designer admitted that its monogram layout “has a similar feel to the Louis Vuitton bag.” (JA408.) Much of the aesthetic appeal of the Louis Vuitton Copyrights lies in the distinctive, bright color scheme of the Toile Monogram set against a white or black background, which MOB mimics in its depiction of near-identical repeating monogram pattern and gives the two works the same overall look and feel, as MOB intended. (JA88; JA79; JA897-902.)

The district court nevertheless opined that Louis Vuitton “attempt[ed] to use a copyright claim to pursue what is at its core a trademark and trade dress infringement claim” (SpA27.) Untrue. The Louis Vuitton Copyrights give it the six exclusive rights set forth in Section 106 of the Copyright Act, 17 U.S.C. §106, including the right to reproduce the copyrighted work (§106(1)) and the right to derivative works based on the copyrighted works (§106(2)). These rights are different from, but not inconsistent with, Louis Vuitton’s claims of common law trademark infringement and false designation, and the elements required to prove copyright infringement are different from those required for trademark infringement. *See 4 McCarthy on Trademarks* §6.18. Among other things, there is

no requirement under copyright law that Louis Vuitton prove a likelihood of consumer confusion.

The district court next found that MOB's use of the Louis Vuitton Copyrights was protected by the fair use doctrine, analyzing each of the Copyright Act's fair use factors through the lens of its prior conclusion of parody. But the Copyright Act provides its own four-factor test to determine whether a particular use is "fair": (i) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes; (ii) the nature of the copyrighted work; (iii) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and (iv) the effect of the use upon the potential market for or value of the copyrighted work. 17 U.S.C. §107. To qualify as fair use, a copied use must alter the original with "new expression, meaning, or message." *Campbell*, 510 U.S. at 579.

The Supreme Court's decision in *Campbell* represents the prototypical case of parody, where defendant's creation of an entirely new song based on the refrain in the classic song "Oh, Pretty Woman," was a transformative fair use because "it was a "joinder of reference and ridicule." By contrast, MOB's slight alterations of the Louis Vuitton Copyrights do not alter the original work with any "expression, meaning, or message;" rather, they were made to reduce the risk MOB would be

sued. (JA405-406; JA408-410; JA1003-1006.) The legal factors confirm no fair use here.

A. The Nature of the Use.

The district court's determination of this factor erred in two ways. First, it ignored the rule, in the commercial context, that "[e]very commercial use of copyrighted material is presumptively an unfair exploitation of the monopoly privilege that belongs to the owner of the copyright." *Harper & Row*, 471 U.S. at 562 (citation omitted). Therefore, "[t]he crux of the profit/nonprofit distinction is not whether the sole motive of the use is monetary gain but whether the user stands to profit from exploitation of the copyrighted material without paying the customary price." *Id.* For MOB's use to be a parody, it "must critique or comment on the work itself." *Salinger*, 607 F.3d at 73 (citing *Campbell*, 510 U.S. at 580).

As the Supreme Court has cautioned,

If... the commentary has no critical bearing on the substance or style of the original composition, which the alleged infringer merely uses to get attention or to avoid the drudgery in working up something fresh, the claim to fairness in borrowing from another's work diminishes accordingly (if it does not vanish), and other factors, like the extent of its commerciality, loom larger.

Campbell, 510 U.S. at 580.

Here, as explained in Part B-2-5, *supra*, MOB's use of the Louis Vuitton Copyrights was not to criticize the copyrighted works; it was a purely commercial

use of the Louis Vuitton Copyrights. MOB's post-litigation claim of parody cannot alter the facts showing its purely commercial intent. *Salinger v. Colting*, 641 F. Supp. 2d 250, 260 (S.D.N.Y. 2009) (“[C]ourts . . . must take care to ensure that not just any commercial takeoff is rationalized *post hoc* as a parody.”) (quoting *Campbell*, 510 U.S. at 600 (Kennedy, J., concurring)), *vacated and remanded on other grounds* by 607 F.3d 68, 83 (2d Cir. 2010) (affirming finding against post-hoc parody justification); *Castle Rock*, 150 F.3d at 142-43 (purpose of use factor weighed against defendant where defendant's purpose was to encourage and capitalize on fans' enjoyment of plaintiff's television show, rather than comment upon or criticize the show, and defendant only “minimally alter[ed] [plaintiff's] original expression”). This factor heavily weighs against a finding of fair use.

B. The Nature of the Copyrighted Work.

This factor “recognizes that ‘some works are closer to the core of intended copyright protection than others[,]’” *Warner Bros. Entm't Inc. v. RDR Books*, 575 F. Supp. 2d 513, 549 (S.D.N.Y. 2008) (quoting *Campbell*, 510 U.S. at 586), and “[i]t is well settled that creative...works are generally more deserving of protection than factual works.” *Id.* (citation omitted). The Louis Vuitton Copyrights are creative variations by the internationally acclaimed artist, Takashi Murakami, of the classic Toile Monogram. (JA659-670.) The creative nature of the Louis

Vuitton Copyrights is significant while MOB's use is at best minimally transformative.

The district court found that this factor did not provide much help in a parody case, citing *Harper & Row*, 471 U.S. 539. That case, however, addressed whether the unauthorized use in a magazine article of quotations from an unpublished manuscript was fair use, which has no bearing on the facts here.

C. “The ‘Amount and Substantiality of the Portion Used in Relation to the Copyrighted Work as a Whole.’”

This factor asks whether the amount and substantiality of the copying by the third-party user is reasonable in relation to the purpose of the copying. *Campbell*, 510 U.S. at 586. The answer here is no. Courts have concluded that far less copying than MOB's near-entire appropriation was “qualitatively substantial.” *See, e.g., Harper & Row*, 471 U.S. at 564-66 (defendant's verbatim copying, constituting “an insubstantial portion” of the copyrighted work and only 13% of the infringing magazine article, was a substantial appropriation in view of the expressive value of the excerpts and their key role in the infringing work).

Even if MOB had parodic intent, it would not justify MOB copying nearly every element of the Louis Vuitton Copyrights. MOB could “conjure up” Louis Vuitton by using fewer elements of its designs and not so closely mimicking the Louis Vuitton Copyrights' color scheme and pattern.

D. The Effect of the Use Upon the Potential Market for or Value of the Copyrighted Work.

This factor addresses whether the secondary use usurps or substitutes the original work in the market. *Castle Rock*, 150 F.3d at 145 (citing *Campbell*, 510 U.S. at 593). As in *Castle Rock*, MOB is not critical of Louis Vuitton, but pays homage to “handbags women love.” (JA105-106; JA886-889.) Here, MOB encouraged its customers to “carry [its totes] in addition to [their] designer handbag or alone” (JA886-889), to buy them if they are “not ready to splurge on a ... Louis Vuitton ... handbag.” (JA951.) MOB’s totes “substitute for a derivative market” that Louis Vuitton could develop or license to others. *Castle Rock*, 150 F.3d at 145.

It is irrelevant whether Louis Vuitton has entered this market. “It would . . . not serve the ends of the Copyright Act – *i.e.*, to advance the arts – if artists were denied their monopoly over derivative versions of their creative works merely because they made the artistic decision not to saturate those markets with variations of their original.” *Id.* at 146; *accord Salinger*, 614 F. Supp. 2d at 268 (The need to assess the effect on the market is not lessened by the fact that the author disavowed any intention to publish during his lifetime.). Therefore, this factor strongly favors Louis Vuitton.

*

*

*

On balance, the factors do not favor a finding of fair use. MOB has not “transformed” Louis Vuitton’s work by merely placing Louis Vuitton’s images on its bags. Accordingly, this Court should reverse the district court’s grant of summary judgment dismissing Louis Vuitton’s copyright claims and enter summary judgment in Louis Vuitton’s favor.

CONCLUSION

For the foregoing reasons, this Court should reverse the decision below, enter judgment for Louis Vuitton on its dilution and copyright claims (or order a trial thereon), and grant Louis Vuitton a trial on its infringement and false designation of origin claims.

DATED: May 9, 2016

Respectfully submitted,

/s/ Robert E. Shapiro
One of the attorneys for
Louis Vuitton Malletier S.A.

CERTIFICATE OF COMPLIANCE WITH FED. R. APP. 32(a)

1. This brief complies with the type-volume limitations of Fed. R. App. P. 32(a)(7)(B) because this brief contains 13,967 words, excluding the parts of the brief exempted by Fed. R. App. P. 32(a)(7)(B)(iii).
2. This brief complies with the typeface requirements of Fed. R. App. P. 32(a)(5) and the type style requirements of Fed. R. App. P. 32(a)(6) because this brief has been prepared in a proportionally spaced typeface using Microsoft Word 2010 Times New Roman font in size 14.

DATED: May 9, 2016

/s/ Robert E. Shapiro
One of the Attorneys for Plaintiff-Appellant
Louis Vuitton Malletier, S.A.