

APPENDIX

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**APPENDIX A — PETITION FOR A WRIT OF CERTIORARI,
FILED MARCH 5, 20241a**

No. 23-

IN THE
Supreme Court of the United States

MSCHF PRODUCT STUDIO, INC.,

Petitioner,

v.

VANS, INC. AND VF OUTDOOR, LLC,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

1. Whether the exacting scrutiny this Court has long required of laws that abridge the freedom of speech requires limiting application of the Lanham Act to uses that cause confusion about the source of the defendant's products among purchasers of those products, as opposed to uses that might cause sponsorship, affiliation, post-sale, or initial-interest confusion, when the accused product's primary purpose is to communicate a message.
2. Whether the First Amendment requires modifying the traditional likelihood-of-confusion factors when the accused work's primary purpose is to communicate a message, as the Fourth Circuit has held, or whether the communicative nature of the work can be ignored, as the Second and Eighth Circuits have held.
3. Whether the Lanham Act can constitutionally be applied to noncommercial speech without any showing of harm or materiality, as the Second and Fifth Circuits have held, or whether such an application would be unconstitutional, as the Fourth, Sixth, Ninth, Tenth, and D.C. Circuits have held.
4. Whether the threshold trademark use inquiry is an objective evaluation of the challenged use to determine if it indicates the source of the defendant's product or service, or that inquiry instead depends, as the Second Circuit held, on the possibility that consumers might mistakenly believe that the use is *licensed* by the plaintiff.

RULE 29.6 STATEMENT

MSCHF Product Studio, Inc. is a corporation organized under the laws of Delaware. It has no parent corporation, and no publicly held company owns 10% or more of its stock.

RELATED PROCEEDINGS

Pursuant to Supreme Court Rule 14.1, Petitioner states that the following proceedings are directly related to the action that is the subject of this Petition.

Vans, Inc. and VF Outdoor, LLC v. MSCHF Product Studio, Inc., No. 22-cv-2156, U.S. District Court for the Eastern District of New York. Decision & Order entered Apr. 29, 2022.

Vans, Inc. and VF Outdoor, LLC v. MSCHF Product Studio, Inc., No. 22-1006, U.S. Court of Appeals for the Second Circuit. Judgment entered Dec. 5, 2023.

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INTRODUCTION

Is an expressive work whose “primary purpose is to convey a message” nothing more than a trademark? The Second Circuit says yes. App. 1a-32a. As a result, it held that this Court’s decision in *Jack Daniel’s Properties, Inc. v. VIP Prods. LLC*, 599 U.S. 140 (2023) (“VIP”), required it to ignore both the First Amendment and its own speech-protective test established in *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989). Remarkably, it did so even though there was no evidence that the buyers of MSCHF’s *Wavy Baby* were confused about whether they were buying sneakers from Vans.

Vans' Trademarks/Trade Dress	WAVY BABY Design
	
	
	
	

Having asserted the possibility of some kind of non-source-related confusion among non-purchasers, the Second Circuit applied its multifactor likelihood-of-confusion test without any consideration for the value of expression. App. 22a-29a. The court said that “if a parodic use of protected marks and trade dress leaves confusion as to the source of a product, the parody has not ‘succeeded’ for purposes of the Lanham Act.” App. 28a. But source confusion was not shown in this case. Nor was there any possibility of such confusion: *Wavy Baby* is obviously distorted and not seriously able to be worn as a functional shoe, its name is nothing like the Old Skool, the box *Wavy Baby* came in is obviously different from the Vans box, and *Wavy Baby* came with a printed “manifesto” explaining the commentary the artist intended. App. 4a-9a, 26a. No reasonable purchaser could possibly have thought *Wavy Baby* came from Vans, as the Second Circuit acknowledged. App. 26a (“It may be true that consumers who purchase the Wavy Baby shoes directly from MSCHF and receive the accompanying ‘manifesto’ explaining the genesis of the shoes may not be confused.”).

Nevertheless, the court held that *Wavy Baby* was infringing because a *non-purchaser* might somehow be confused *at some other time, about something other than Wavy Baby’s source*. App. 25a-26a. That is contrary to *VIP* and cases in other circuits that have treated commentary differently, and it cannot be squared with the First Amendment.

The Second Circuit’s approach turns what this Court characterized as a “narrow” decision in *VIP*, 599 U.S. at 163, into a flat-out rejection of any speech-protective rule in trademark cases, including those in which the

defendant's commentary is obvious. It also ignores this Court's warning that the standard test for likelihood of confusion might not be appropriate in cases involving parody or other commentary. *Id.* at 153, 161. The Second Circuit's approach allows trademark owners to ban criticism by alleging dubious, non-standard forms of confusion.

This Court should grant certiorari, first, to clarify that trademark use means use that identifies the *source* of a party's goods—that is, the party responsible for the product. *Id.* at 146 (“a mark tells the public who is responsible for a product”). Especially in the context of an expressive work like *Wavy Baby*, whose “primary purpose is to convey a message,” App. 27a, features that reference another's product are not used as trademarks just because some people may believe the mark owner licensed or otherwise sponsored the use. *See VIP*, 599 U.S. at 151 (“We hold only that [*Rogers*' threshold inquiry] is not appropriate when the accused infringer has used a trademark to designate the *source* of its own goods...”) (emphasis added). If the possibility of consumer speculation about licensing or other sponsorship were enough to turn artistic references into trademark uses, there would be no territory for *Rogers* or the First Amendment to operate, and mark owners would be able to force defendants into the onerous likelihood-of-confusion test even in the very cases this Court identified as appropriately applying *Rogers*. *Id.* at 157.

Relatedly, this Court also should clarify that the threshold determination of trademark use must be done by looking at the objective characteristics of the defendant's use, as this Court did in *VIP*, and not by some assessment

of consumer understanding. Otherwise, that threshold determination cannot serve the purpose of identifying the cases in which *Rogers* should provide an “escape” from the likelihood-of-confusion analysis and a “shortcut to dismissal.” *Id.* at 157.¹ It is no “shortcut” if courts must evaluate possible confusion to make the threshold trademark use determination. *Id.*

Second, this Court should grant certiorari to make clear that, even when no First Amendment threshold filter is available, the standard likelihood-of-confusion test is not sufficient to evaluate an expressive work like MSCHF’s *Wavy Baby*. Unmodified application of the likelihood-of-confusion factors is especially problematic where, as here, the plaintiff’s theory of infringement is not confusion as to source—the issue at the heart of trademark law—but confusion among non-purchasers about whether the trademark owner licensed commentary targeting its own products. *See VIP*, 599 U.S. 163-64 (Sotomayor, J., concurring) (describing the “particular risk” that surveys will reflect the mistaken belief that all parodies require permission); App. 26a. This Court should clarify that theories of confusion that are far from the core of trademark law cannot apply where the defendant’s use parodies or otherwise comments on the plaintiff’s mark.

Finally, the Second Circuit’s unwillingness to consider *Wavy Baby*’s parodic nature in assessing likelihood of confusion cannot be squared with the First Amendment. Restrictions on false or misleading commercial speech

1. Like this Court in *VIP*, “when we refer to ‘the *Rogers* threshold test,’ we mean any threshold First Amendment filter.” 599 U.S. at 153, n.1.

are constitutional because they protect consumers in transactions. *Bose Corp. v. Consumers Union of U.S., Inc.*, 466 U.S. 485 (1984); *Central Hudson Gas & Elec. Corp. v. Public Service Comm. of New York*, 447 U.S. 557 (1980). Content-based restrictions on noncommercial speech, by contrast, must survive strict scrutiny. *U.S. v. Alvarez*, 567 U.S. 709, 715 (2012) (“When content-based speech regulation is in question, however, exacting scrutiny is required.”); *U.S. v. Stevens*, 559 U.S. 460, 468-69 (2010). If trademark law cannot be limited to false or misleading speech that proposes a commercial transaction, this Court should hold that law unconstitutional as applied to the sale of commentary that does not confuse consumers as to source and makes no explicit statement about any other kind of relationship.

OPINIONS BELOW

The opinion of the court of appeals is reported at 88 F.4th 125 and is reproduced at App. 1a-32a. The district court’s opinion is reported at 602 F. Supp. 3d 358 and is reproduced at App. 33a-55a.

JURISDICTION

On December 5, 2023, the court of appeals affirmed the district court’s grant of a preliminary injunction and temporary restraining order against Petitioner, issuing a judgment the same day. This Court has jurisdiction under 28 U.S.C. § 1254(1).

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

The First Amendment to the United States Constitution provides, in relevant part: “Congress shall make no law ... abridging the freedom of speech”

U.S. Const. amend. I.

Lanham Act, 15 U.S.C. §§ 1114 and 1125(a), reproduced at App. 56a-58a.

STATEMENT OF THE CASE

A. World-Renowned Art Collective MSCHF

Petitioner MSCHF is a heralded American art collective that comments on contemporary society through its art. In the tradition of Marcel Duchamp and Ai Weiwei, MSCHF’s art falls within the “cultural readymade” art movement, in which artists recontextualize everyday objects to create art and cultural commentary. MSCHF has been invited to speak about its art at universities, and its artworks have been featured in museums around the world, sold at auction houses, discussed in industry and academic panels, and commented on by numerous media sources, art critics, and academics. *See* 22-1006 Joint Appendix, Doc. 40-43 (“A”), at 272. The New York Times dubbed MSCHF “the Banksy of consumer culture,” Digital Trends concluded that MSCHF makes “pop art for the internet age,” and CNN describes MSCHF as a headline-making “art collective” that specializes in “a series of irreverent art projects.” A487.

MSCHF's stated artistic mission is to "start a conversation about consumer culture . . . by participating in consumer culture." A486-87. In 2022 alone, MSCHF artworks critiqued: the music industry; U.S. politics; consumerism and digital media; standardized testing; "Hallmark Holidays"; and the U.S. legal system. A489; A519; A522; A525. MSCHF also comments on the interplay of art and trademark law. *See* MSCHF Product Studio, Inc.'s Amicus Curiae Brief in Support of Respondent, *VIP*.

Many of MSCHF's artworks are accompanied by manifestos, which enhance, and become part of, the art. *Id.* For example, MSCHF's *Blur* series began by displaying a blurred image of a stack of \$20 bills for sale. Once purchased, patrons discovered that the displayed image was not blurry; instead, they had purchased a blurry 3D object. A492-93. In an increasingly digitized world, the piece challenges conceptions of the boundary between the digital and physical worlds, while compelling MSCHF's customers to wonder why they buy what they buy.

The auction house Phillips, which specializes in "the world's most important twentieth century and contemporary works of art," displayed a large version of *Blur* in its Manhattan lobby, noting that the piece critiques consumer culture by "interrogating our desire to read value into an object, and the tantalization of the unknown." A504. A panel at Christie's, the world's leading art auction house, discussed MSCHF's *Birkenstock* shoe project and agreed that the work—created through the repurposing of disassembled Hermès Birkin bags as the uppers for cork Birkenstock-like sandals—were not merely high fashion but undeniably "conceptual art." A495; A504. International fashion and art agency Highsnobiety discussed MSCHF's art projects at length in a 2021

feature titled “The Museum of MSCHF: A Retrospective of the Creative Industry’s Antiheroes.” A503. MSCHF also was invited by Art Basel (one of the world’s leading art fairs) and the Perrotin gallery (which ranks among the most renowned art galleries in the world) to exhibit its artwork (including *Wavy Baby*) in 2022. A504-05.

For most people, shoes are utilitarian objects. Yet a \$10 billion industry has grown around shoe collecting, and shoes are increasingly being purchased and displayed as works of art. A497-98. As *The New York Times* and *CNN.com* explain, for “sneakerheads,” shoes are expressive, typically only displayed, and rarely worn—like fine art, sneakers are seen as investments. A497-98. Given MSCHF’s penchant for critiquing the absurdities of consumer culture, “sneakerheads” have become a focal point for MSCHF’s artistic expression.

B. MSCHF’s *Wavy Baby* Artwork

Wavy Baby is a limited-edition cultural readymade artwork that critiques consumerism, sneaker design, and the blurring boundaries between the digital and physical worlds—and pokes fun at Vans’ role in those phenomena.



A356

With *Wavy Baby*, MSCHF deliberately carried forth the spirit of surrealist artist René Magritte, who in 1929 released *The Treachery of Images*, a painting of an object that *looks* like an early twentieth century smoking pipe but, bafflingly, bears the inscription “Ceci n’est pas une pipe” (i.e., “This is not a pipe”). Just as Magritte’s painting probed the line between two-dimensional representation and the “real world,” *Wavy Baby* presents a three-dimensional sculpture that alludes to, but is not, a skate shoe. As MSCHF wrote in its manifesto, “This is not a skate shoe – Ceci n’est pas une chaussure de skate.” A364.

The *Wavy Baby* design process started with an image of the classic skate shoe—the Vans Old Skool. MSCHF selected the Old Skool because it is both the most iconic skate shoe in history and a hyper-trendy, mass-consumed online commodity, beloved by consumeristic sneakerheads and the masses alike. No other shoe embodies these dichotomies—niche and mass taste, functional and trendy, utilitarian and frivolous—as perfectly as the Old Skool, which made it the ideal shoe for MSCHF’s interrogation of consumer desire. A353.

MSCHF’s design transformed an iconic, practical skate shoe into a “cultural readymade,” evocative of Duchamp’s modern art practices. A349–51. Although MSCHF invoked the Old Skool as the cultural anchor, *Wavy Baby* is unlike anything Vans—or any other shoe company—has produced. *Wavy Baby* is exceedingly wavy, as the exaggerated warning label on the sole proclaims.



A356. *Wavy Baby* obviously is not designed for skateboarding, or even for walking down stairs; the shoe is not intended for everyday wear. A368–75. *Wavy Baby*'s unique branding also features a humorous rendering of former President George W. Bush falling off a Segway, reinforcing MSCHF's critique of the role of technology in complicating and destabilizing our lives. As MSCHF's manifesto explains, *Wavy Baby* is "a complete distortion of an entire object that is itself a symbol." A364.

MSCHF offered for sale a limited number of *Wavy Baby* works—4,306 in total—during a one-hour period only to MSCHF customers who had downloaded the MSCHF phone-application and were familiar with MSCHF's artwork. A489-90; A499; A712-16. The *Wavy Baby* sold for \$220 (an amount that is three times more expensive than a standard Old Skool sneaker). A813; A376; A746; A869.

Public reaction to *Wavy Baby* demonstrated that MSCHF's statements were understood. Even before MSCHF released its manifesto, the public recognized the surrealist critique of reality, with the shoe blog SneakerFreaker noting that *Wavy Baby* creates a "Dali-esque" impression. A381. Appearing to take literally MSCHF's tongue-in-cheek directive in its *Wavy Baby*

manifesto to “get liquid, with our assets, our diets, and our shoes,” and in an unsubtle allusion to Salvador Dali, Highsnobiety posted a video to TikTok “melting” Vans Old Skool shoes in a microwave to create their own version of *Wavy Baby*. A383-84. Another video posted on TikTok suggests that wearing *Wavy Baby* would transplant a person into an absurd, digitized world. A382. These posts (and many others) demonstrated that the message inherent in *Wavy Baby* was understood, while furthering the ideas raised by MSCHF.

Wavy Baby is a work of contemporary art, a centerpiece for discourse, and the result of nearly a year of innovation and creativity. Like the other footwear-related artworks in MSCHF’s collection, *Wavy Baby* is destined for art galleries and museums—and was planned for exhibition in 2022—but its purpose remains to critique sneaker culture, addressing both our consumerist instincts and our perception of reality. A273-77.

C. The District Court Proceedings

Vans filed a complaint claiming, *inter alia*, that *Wavy Baby* infringes its trademark rights. A12-68. Vans then moved for a temporary restraining order and a preliminary injunction. A144-49. MSCHF opposed Vans’ motion, arguing, among other things, that its *Wavy Baby* artwork is protected by the First Amendment through the test articulated by the Second Circuit in *Rogers v. Grimaldi*, 875 F.2d 994. A270-71; A278-82.

The district court granted Vans’ motion for a preliminary injunction. App. 54a-55a (the “Order”). In concluding that Vans likely would prevail on its trademark

claims, the court considered the factors set forth in *Polaroid Corp. v. Polarad Electronics Corp.*, 287 F.2d 492 (2d Cir. 1961). App. 40a-47a. In particular, the court concluded that *Wavy Baby's* distortion of the Old Skool marks and trade dress was not sufficient to dispel the consumer confusion arising from the similarity of the marks. App. 41a-42a. The court relied on evidence that various consumers "misunderstood the source of the Wavy Baby shoes as a collaboration between [Vans] and [MSCHF]" and MSCHF's acknowledgment that it was artistically referencing the Old Skool. App. 42a. Because the court found that *Wavy Baby* was not a successful parody, it held that "[w]hatever the actual artistic merits of the Wavy Baby shoes," the First Amendment did not apply. App. 48a. The court concluded that *Wavy Baby* on its face did not clearly indicate to the ordinary observer that MSCHF is "not connected in any way with the owner of the target trademark." App. 49a.

The district court entered a broad injunction that prohibits any display by MSCHF of *Wavy Baby*. The Order:

- Prohibited MSCHF from fulfilling orders for *Wavy Baby* works (or colorable imitations or reconstructions) or from advertising, marketing, promoting, offering to sell, selling, distributing, or taking orders for *Wavy Baby*;
- Directed MSCHF to cancel any open orders for *Wavy Baby*; and
- Directed MSCHF to escrow its gross revenue from any orders that could not be canceled, "so that . . .

[MSCHF] may return those funds to customers who ordered [*Wavy Baby*] under the mistaken belief that Vans was the source of the shoes or otherwise approved or sponsored [*Wavy Baby*].”

App. 54a-55a.

In compliance with the Order, MSCHF removed content from its website and its mobile app that displayed images of *Wavy Baby*. The injunction prohibited MSCHF from sending *Wavy Baby* to museums and galleries, including the Perrotin and Art Basel exhibitions, each of which were scheduled in late 2022. The Order creates a gap in the published record of MSCHF’s historical art projects and censors MSCHF’s artistic message.

D. The Second Circuit Decision

The Second Circuit affirmed the preliminary injunction, rejecting MSCHF’s arguments that the district court had failed to apply the heightened First Amendment protections provided by *Rogers*, and that the injunction prohibiting MSCHF from advertising *Wavy Baby* is an unconstitutional prior restraint of speech.

The Second Circuit concluded that Vans was likely to prevail on its argument that *Wavy Baby* was a trademark use. The court’s explanation for that conclusion is revealing: it treats any artistic reference to, or evocation of, another’s trademark as a trademark use:

MSCHF’s design evoked myriad elements of the Old Skool trademarks and trade dress. Among other things, MSCHF incorporates,

with distortions, the Old Skool black and white color scheme, the side stripe, the perforated sole, the logo on the heel, the logo on the footbed, and the packaging.... MSCHF included its own branding on the label and heel of the Wavy Baby sneaker, just as VIP Products placed its logo on the toy's hangtag. But even the design of the MSCHF logo evokes the Old Skool logo.

App. 21a. Based on these observations, the court summarily held that “MSCHF used Vans’ trademarks—particularly its red and white logo—to brand its own products.” *Id.* MSCHF “did not purport to sell the Wavy Baby under the Vans Brand,” but the court thought it was enough that MSCHF

admitted to start[ing] with Vans’ marks because [n]o other shoe embodies the dichotomies—niche and mass taste, functional and trendy, utilitarian and frivolous—as perfectly as the Old Skool. In other words, MSCHF sought to benefit from the “good will” that Vans—as the source of the Old Skool and its distinctive marks—had generated over a decades-long period.

App. 21a-22a (cleaned up).

Though the court acknowledged that “consumers who purchase the Wavy Baby shoes directly from MSCHF and receive the accompanying ‘manifesto’ explaining the genesis of the shoes may not be confused,” it held that confusion was nevertheless likely because “the Lanham Act protects against several categories of consumer

confusion, “including . . . initial interest confusion, . . . and post-sale confusion.” App. 26a. It held only the latter sorts of confusion were possible here. *Id.*

REASONS FOR GRANTING THE WRIT

I. THE DECISION BELOW CONFLICTS WITH THIS COURT’S DECISION IN *VIP* AND *HASLED*, AND WILL LEAD, TO CONFLICT BETWEEN THE LANHAM ACT AND PROTECTED SPEECH

A. Referencing a Trademark For Purposes of Commentary is Not a Trademark Use.

Rogers “does *not* apply,” the Second Circuit said, “when the allegedly infringing mark is used as a source identifier—that is, ‘as a designation of source for [the alleged infringer’s] own goods.’” App. 17a (emphasis in original) (quoting *VIP*, 599 U.S. at 153).²

2. The Second Circuit viewed *VIP* as having endorsed its decision to “apply *Rogers* to a limited category of expressive works, including the title and cover of books and magazines, and the use of trademarks products in feature films and video games.” App. 17a. *Contra Brown v. Entm’t Merchants Ass’n*, 564 U.S. 786 (2011) (noting that the First Amendment applies to a wide array of expressive works, not merely things classically viewed as speech). In fact, however, this Court in *VIP* declined the invitation to decide on a particular category of expressive works entitled to special protection and distinguished the *Rogers* cases from those in which *Rogers* was not appropriate by focusing on trademark use. Even if the Second Circuit were inclined to draw such lines—contrary to this Court’s decisions—*Wavy Baby*, whose primary purpose the Second Circuit described as “convey[ing] a message,” App. 27a, surely qualifies as an expressive work.

But the Second Circuit’s approach to trademark use renders *Rogers*—or any First Amendment filter—a nullity. That approach would treat every use that refers to or evokes another’s mark as a trademark use and would strip that concept of any capacity to distinguish the cases this Court described as appropriately resolved under the *Rogers* framework from those that are not. The Second Circuit’s approach also makes it impossible for *Rogers* to function as this Court described: as an escape from the likelihood-of-confusion inquiry and a shortcut to dismissal. *VIP*, 599 U.S. at 157.

B. Trademark Use is a Use that Tells Consumers Who is Responsible for a Product or Service.

The Second Circuit’s error was a result of its misunderstanding of the concept of trademark use as this Court defined it—use “as a designation of source of the infringer’s own goods.” *Id.* at 153; *see also Abitron Austria GmbH v. Hetronic Int’l, Inc.*, 600 U.S. 412, 428 (2023) (holding that “permissible domestic application” of the Lanham Act turns on the location of the “infringing use in commerce,” and “use in commerce” means “the bona fide use of a mark in the ordinary course of trade, where the mark serves to identify and distinguish [the mark user’s] goods ... and to indicate the source of the goods.”) (cleaned up); *id.* at 430–31 (Jackson, concurring) (“Congress’s statutory scheme embodies a distinction between trademark uses (use of a symbol or equivalent to identify or brand [a defendant’s] goods or services) and non-trademark uses (use of a symbol—even the same one—in a non-source-identifying way).”) (cleaned up).

This Court’s approach to trademark use focuses on the core function of trademarks as “indicat[ing] the

source of goods, and ... distinguish[ing] them from ones manufactured or sold by others.” *VIP*, 599 U.S. at 156-57 (cleaned up). That notion of source indication refers to the party responsible for a product, and not to the other messages a sign or feature might convey. As this Court said, a trademark “identifies a product’s source (this is a Nike) and distinguishes that source from others (not any other sneaker brand).” *Id.* at 146. “Trademarks can of course do other things: catch a consumer’s eye, appeal to his fancies, and convey every manner of message. But whatever else it may do, a trademark is not a trademark unless it...tells the public who is responsible for a product.” *Id.* at 146.

Using that definition of trademark use, this Court concluded that VIP used “its Bad Spaniels trademark and trade dress as source identifiers of its dog toy.” *Id.* at 159–60. VIP did so by highlighting the name and logo on the product’s packaging, and by explicitly claiming that Bad Spaniels and its design were its own trademarks. *Id.*

This Court contrasted VIP’s use with Aqua’s use of the Barbie mark in the title and content of the song *Barbie Girl*; use of Ginger Rogers’ name in the title *Ginger and Fred*; the reference to a “Lewis Vuitton” bag in *The Hangover Part II*; and artist Daniel Moore’s use of the University of Alabama’s trademarked uniforms in artworks depicting Alabama football games. *Id.* at 153-54 (citing *Rogers*, 875 F.2d at 998-1000; *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 901-02 (2002); *Louis Vuitton Malletier S. A. v. Warner Bros. Entertainment Inc.*, 868 F. Supp. 2d 172, 180 (S.D.N.Y. 2012); and *Univ. of Ala. Bd. of Trustees v. New Life Art, Inc.*, 683 F.3d 1266, 1279 (2012)). This Court had no trouble characterizing

the uses in those other cases as non-trademark uses even though the plaintiffs in all of those cases had non-trivial evidence that some consumers were likely to think that the defendant's use was sponsored by or affiliated with the plaintiff. *See, e.g., Rogers*, 875 F.2d at 1001 (noting that Rogers claimed there was "a likelihood of confusion that (1) Rogers produced, endorsed, sponsored, or approved the film, and/or (2) the film is about Rogers and Astaire, and that these contentions present triable issues of fact.")³ The uses in those cases were not trademark uses because it was clear on the face of the uses that the defendants were not using the plaintiff's marks "to identify and distinguish [their own goods] ... from those manufactured or sold by others and to indicate the source of [their own] goods." 15 U.S.C. §1127.

The Second Circuit and other lower courts have misunderstood that definition of trademark use and have applied *VIP* in a way that eviscerates *Rogers* and is contrary to the First Amendment, finding uses that are indistinguishable from the defendant's use in *Rogers* to

3. Rogers produced evidence that she had previously licensed her name for use in connection with lingerie, and that she was writing her autobiography and hoping to publish and sell it for adaptation as a movie. *Id.* at 996. She also produced a survey purporting to show that 38 percent of respondents believed that she had something to do with the defendant's film and 14 percent thought that the "title suggested that Rogers was involved in the making of the film." *Id.* at 1001 n.8. *See also Mattel, Inc. v. MCA Records, Inc.*, 28 F. Supp. 2d 1120, 1132-35 (C.D. Cal. 1998) (discussing two surveys submitted by Mattel purporting to show confusion; noting that only 4% of respondents believed Mattel "put out" *Barbie Girl*, but some greater percentage believed Mattel had some "connection with" the song or had given permission to use the name).

be impermissible trademark uses. *See, e.g., Homevestors of Am., Inc. v. Warner Bros. Discovery, Inc.*, 22-1583-RGA, 2023 WL 6880341 (D. Del., Oct. 18, 2023) (refusing to apply *Rogers* in a case involving a claim by the owner of “The Ugliest House of the Year” for a business system relating to buying, renovating, and selling homes against Warner Brothers for its use of “Ugliest House in America” as the title for a television show about renovating ugly houses).⁴ This Court should grant certiorari to clarify that trademark use is a use that indicates *source*—*i.e.*, who is responsible for the defendant’s products.

C. The Second Circuit’s Decision Highlights the Division of Lower Courts on the Proper Approach to Trademark Use.

The Second Circuit held *Rogers* inapplicable to *Wavy Baby* because it concluded that MSCHF had made a trademark use. The court drew that conclusion because “MSCHF’s design evoked myriad elements of the [Vans] Old Skool trademark and trade dress.” App. 21a.

There are two problems with that approach. First, it does not ask the relevant legal question. Rather than asking, as *VIP* requires, whether MSCHF used any of *Wavy Baby*’s features as trademarks identifying the

4. Both the Second Circuit in this case and the district court in *Homevestors* were led astray by evidence of a possible sponsorship. *See* App. 24a (emphasizing that Vans had previously created special editions of the Old Skool in collaboration with others); *Homevestors*, 2023 WL 6880341 at *1 (noting that Homevestors alleged that it was contacted on behalf of WB regarding the possibility of collaborating and the defendant ultimately chose not to collaborate).

source of MSCHF's products, the court simply asked whether Vans uses the features of the Old Skool to identify the source of its shoes and then concluded that MSCHF's evocation of those features was also a trademark use. That misses the point of trademark use entirely. It does not matter whether *Vans* uses its shoe design as a trademark; the only relevant question is whether *MSCHF* uses features of *Wavy Baby* to brand *Wavy Baby*. It does not.

Second, the Second Circuit conflated the *trademarks* and the products they identify. MSCHF's trademark is "Wavy Baby," which is not remotely similar to the Vans mark or logo. Nor is *Wavy Baby's* packaging similar to Vans', except in that they both use similar colors. *See* App. 9a. It is *Wavy Baby's* name and logo, and perhaps its packaging, that identify the source of *Wavy Baby*. The shape of *Wavy Baby* references the Old Skool shoe—as it must to comment on that shoe and the cultural meaning that has grown up around it. But there is no reason to think that the shape of *Wavy Baby* signals its own source, given the context of the artwork and the other obvious source identifiers used by MSCHF.

Demonstrating the incoherence of its approach, the Second Circuit concluded that MSCHF's inclusion of "its own branding on the label and heel of the *Wavy Baby*" *supported* the conclusion that it had used Vans' trademarks to brand *Wavy Baby*, by analogy to VIP's use of its logo on the Bad Spaniels hangtag. App. 21a. But the marks MSCHF used on the label and heel of *Wavy Baby* are not remotely similar to Vans' marks. The fact that MSCHF included its own, completely different brand name contrasts sharply with VIP's use: MSCHF used its own brand and logo to accurately and affirmatively

identify its own goods as something different from (and not supplied by) Vans.⁵ In that way, MSCHF's *Wavy Baby* also is unlike use of an adapted Harley Davidson logo to brand a repair business, *Harley-Davidson, Inc. v. Grottanelli*, 164 F.3d 806, 809, 812-13 (2d Cir. 1999), the use of "United We Stand America" as the name of an organization, *United We Stand Am., Inc. v. United We Stand, Am. New York, Inc.*, 128 F.3d 86, 93 (2d Cir. 1997), or the use of "Timmy Holedigger" as the name of a pet perfume product, *Tommy Hilfiger Licensing, Inc., v. Nature Labs, LLC*, 221 F. Supp. 2d 410, 412 (S.D.N.Y. 2002). And it is unlike use of "Punchbowl Press" to "identify and distinguish its news products," where, like VIP, Punchbowl had filed trademark applications to register the marks "Punchbowl News" and "Punchbowl Press." *Punchbowl, Inc. v. AJ Press LLC*, 90 F.4th 1022, 1031 (9th Cir. 2023).

In the end, the Second Circuit held that MSCHF made trademark use because it "sought to benefit from the 'good will' that Vans—as the source of the Old Skool and its distinctive marks—had generated over a decades-long period." App. 22a. The court drew that conclusion merely

5. The Second Circuit also said that "MSCHF did not include a disclaimer disassociating it from Vans or Old Skool shoes." App. 21a. This inverts the *Rogers* requirement that a statement of source must be explicit. The law does not and has never required an explicit disclaimer on an expressive use, much less an expressive work that uses a completely different, unrelated brand name. Nor did a very explicit disclaimer protect VIP, because it was using Bad Spaniels to brand its own goods. Nonetheless, the Second Circuit's assertion that MSCHF did not include an explicit disclaimer is simply wrong. Undisputed record evidence shows that purchasers received MSCHF's "manifesto" explaining the genesis of the shoes. App. 26a, 49a.

because MSCHF admitted that it “start[ed] with the Vans’ marks,” and despite acknowledging that MSCHF did not “purport to sell the Wavy Baby under the Vans Brand.” App. 21a-22a. But of course *Wavy Baby* evoked the Old Skool shoe—artistic commentary necessitates evocation, as this Court has recognized. See *VIP*, 599 U.S. at 161; *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 588 (1994) (“When parody takes aim at a particular original work, the parody must be able to ‘conjure up’ at least enough of that original to make the object of its critical wit recognizable.”).

Federico Fellini evoked Ginger Rogers when he called his film *Ginger and Fred*, but he was not using Rogers’ name to designate the source of the film; he used it “solely to perform some other expressive function.” *VIP*, 599 U.S. at 154. Aqua “started with” the Barbie mark and used it in the title and content of its *Barbie Girl* song, but “the band’s use of the Barbie name was ‘not [as] a source identifier’ because the use did not ‘speak[] to [the song’s] origin.’” *Id.* (quoting *Mattel*, 296 F.3d at 902). Likewise, Daniel Moore “started with the University of Alabama’s football uniforms when he depicted the Crimson Tide’s trademarked football uniforms solely to memorialize a notable event in football history.” *Id.* (quoting *Univ. of Ala.*, 683 F.3d at 1279) (internal quotation marks omitted). And the producers of *The Hangover: Part II* evoked Louis Vuitton when a character in the film “described his luggage as a ‘Louis Vuitton’ (though pronouncing it *Lewis*),” but, as “the film was not using the Louis Vuitton mark as its ‘own identifying trademark.’” *Id.* at 154 (quoting *Louis Vuitton*, 868 F. Supp. 2d at 180).

The defendants in all those cases unquestionably “used” the plaintiffs’ marks; but none of them used those

marks to identify the source of their own goods. So none of their uses were trademark uses. *See Mattel*, 296 F.3d at 901 (“There is no doubt that MCA uses Mattel’s mark: Barbie is one half of Barbie Girl. But Barbie Girl is the title of a song about Barbie and Ken, a reference that—at least today—can only be to Mattel’s famous couple. We expect a title to describe the underlying work, not to identify the producer, and Barbie Girl does just that.”). The same is true of *Wavy Baby*.

D. Trademark Use Must Be Determined Objectively.

This Court described *Rogers* as “an escape from the likelihood-of-confusion inquiry and a shortcut to dismissal.” *VIP*, 599 U.S. at 157. For *Rogers* to serve that function, trademark use must be a threshold question that can be determined based on the objective characteristics of the use, without need to evaluate evidence of consumer perception. It is no “escape” if a fact-intensive inquiry on likelihood of confusion is required to determine whether the “shortcut” applies.

The plaintiff’s theory in *VIP* was that consumers would be confused about a sponsorship or affiliation relationship, and Jack Daniel’s presented survey evidence purporting to show confusion of that type. But this Court did not evaluate *VIP*’s use by asking whether consumers would be confused about the use. This Court instead focused on the objective characteristics of *VIP*’s use, including *VIP*’s explicit claim that it “own[s] and use[s]” the “Bad Spaniels’ trademark and trade dress” as trademarks for its dog toys and *VIP*’s use of that name and logo on hangtags and packaging for the products. *Id.* at 159-60.

Here the Second Circuit's trademark use analysis was entirely infected by its focus on possible confusion about a potential licensing relationship. That approach contrasts with the Sixth Circuit, which looks to objective indicia of source indication as a predicate question to infringement. See *Interactive Prods. Corp. v. a2z Mobile Office Solutions, Inc.*, 326 F.3d 687, 695-96 (6th Cir. 2003).

Treatment of the trademark use inquiry in a way that requires fact-intensive inquiry into possible confusion would be contrary to Congress' stated intention that *Rogers* continue to be applied "to cabin the reach of the Lanham Act in cases involving expressive works." H.R. Rep. No. 116-645, at 20 (2020). As the House Judiciary Committee said in amending the statute's remedial provisions, "the adoption by a court of a test that departs from *Rogers*, including any that might require a court to engage in fact-intensive inquiries and pass judgment on a creator's 'artistic motives' in order to evaluate Lanham Act claims in the expressive-works context would be contrary to the Congressional understanding of how the Lanham Act should properly operate to protect important First Amendment considerations, and upon which the Committee is relying in clarifying the standard for assessing irreparable harm when considering injunctive relief." *Id.*

II. THE CIRCUITS ARE SPLIT OVER WHETHER, WHEN *ROGERS* DOES NOT APPLY, LIKELIHOOD-OF-CONFUSION ANALYSIS MUST MAKE ALLOWANCE FOR PARODY OR COMMENTARY BY FOCUSING ON CONFUSION ABOUT SOURCE, AS OPPOSED TO SPONSORSHIP, AFFILIATION, OR LICENSING

As this Court recognized, even if *Rogers* does not apply, the likelihood-of-confusion analysis needs to recognize the parodic or critical nature of the defendant's use. *VIP*, 599 U.S. at 161 (“[A] trademark’s expressive message—particularly a parodic one, as *VIP* asserts—may properly figure in assessing the likelihood of confusion.”). That is because “[a] parody must ‘conjure up; ‘enough of an original to make the object of its critical with recognizable.’” *Id.*; see also *id.* at 153 (“[C]onsumers are not so likely to think that the maker of a mocked product is itself doing the mocking.”). Indeed, both the majority and Justice Sotomayor’s concurrence in *VIP* expressed significant skepticism about likelihood of confusion in the case before it, notwithstanding the plaintiff’s survey, which purported to show meaningful levels of confusion. *Id.*; see also *id.* at 157 n.2; *VIP Prods., LLC v. Jack Daniel’s Properties, Inc.*, 291 F. Supp. 3d 891, 908 (D. Ariz. 2018) (survey purported to show confusion rate of 29%).

But the Lanham Act does not set out any test for likely confusion, and this Court has never taken a case squarely about the various tests the lower courts have used. As a result, courts have varied considerably in their treatment of parodies and other commentary. Some courts, like the Second Circuit in this case, have relied on their traditional likelihood-of-confusion factors in essentially unmodified

form. See App. 22a (“Having determined that the district court did not err in declining to apply the *Rogers* test in evaluating Vans’ claims, we consider whether the district court erred in its conduct of the traditional likelihood-of-confusion analysis.”); *Anheuser-Busch, Inc. v. Balducci Publ’s*, 28 F.3d 769, 774 (8th Cir. 1994) (applying “an expansive interpretation of likelihood of confusion” in case involving parody ad in a humor magazine; “we are convinced that the First Amendment places no bar to the application of the Lanham Act in this case. As we have discussed, Balducci’s ad parody was likely to confuse consumers as to its origin, sponsorship or approval.”). Other circuits, by contrast, have correctly recognized that parodic or critical meaning is essential to assessing likely confusion and should therefore change how various factors work. See, e.g., *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252 (4th Cir. 2007).

Because, prior to *VIP*, every circuit to have decided the question had adopted some form of the *Rogers* test to deal with expressive uses, the question of the proper approach to likelihood of confusion in these cases was previously less pressing. But where lower courts are applying *VIP* in a way that substantially limits the application of any First Amendment filter, that question now cannot be avoided. Lower courts need guidance on how to account properly for speech interests when applying the likelihood of confusion factors. Those factors were designed to be used in cases where a competitor sells closely related goods. 3 RESTATEMENT (FIRST) OF TORTS §§ 730-31 (Am. L. Inst. 1938); see also Robert G. Bone, *Taking the Confusion Out of “Likelihood of Confusion”: Toward A More Sensible Approach to Trademark Infringement*, 106 Nw. U. L. Rev. 1307, 1316-36 (2012). They are not well

sued to adjudicating cases involving speech. *See* William McGeeveran, *Rethinking Trademark Fair Use*, 94 Iowa L. Rev. 49, 76 (2008) (“marching one-by-one through the ill-fitting factors of the likelihood-of-confusion test is a terrible methodology for resolving expressive use cases”).

Even in the context of source confusion—the *bête noire* of trademark law,” *VIP*, 599 U.S. at 147—courts must adapt the likelihood-of-confusion inquiry to take account of the fact that the defendant is making fun of the plaintiff. Without that modification, many factors will inexorably point toward confusion, even though confusion is exceedingly unlikely. *Cf. Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 211, 224 (3d Cir. 2005) (modifying the likelihood of confusion factors in the context of nominative fair use because the factors “applied mechanically would inevitably point towards likelihood of confusion where no likelihood of confusion may actually exist”).

The Second Circuit, however, made no such allowance for parody. In applying the likelihood-of-confusion factors without modification, it departed from this Court’s guidance, its own precedent, and the rule in other circuits, despite recognizing that the “primary purpose” of MSCHF’s use of Van’s marks was “to convey a message.” App. 27a.

For example, the Second Circuit held that the “strength of the marks at issue support[ed] Vans” because “MSCHF expressly chose the Old Skool marks and dress because it was the ‘most iconic, prototypical’ skate shoe.” App. 23a. Ordinarily, a finding that the plaintiff’s mark is strong weighs in favor of likelihood of confusion. But

artistic reference always requires a culturally relevant referent, and in cases of expression, such as parody, satire, commentary, or jokes, the strength of the mark may “actually make it easier for the consumer to realize,” *Lyons P’ship v. Giannoulas*, 179 F.3d 384, 389 (5th Cir. 1999), or “allow consumers immediately to perceive the target” of the expressive work. *Haute Diggity Dog*, 507 F.3d at 261. See also Mark A. Lemley, *Fame, Parody, and Policing in Trademark Law*, 2019 Mich. St. L. Rev. 1 (noting that parodists only take aim at strong marks).

Some prior cases have accordingly recognized that parodies of strong marks are more likely to be recognized as such, and that parody always requires some imitation. See, e.g., *Haute Diggity Dog*, 507 F.3d at 265 (reasoning that strength of trademark weighs against likely confusion in parody cases because consumers will more easily understand the parody); *Cliffs Notes, Inc. v. Bantam Doubleday Dell Pub. Grp., Inc.*, 886 F.2d 490, 494 (2d Cir. 1989) (expressive interests in parody justify construing the Lanham Act “‘narrowly’ ... [and] weigh[ing] the public interest in free expression against the public interest in avoiding consumer confusion”). Accordingly, the strength-of-mark analysis is inverted when it comes to expressive works. People are not confused by a relatively strong mark being referenced; they realize the use is the target of expression and not serving as a source identifier. See *VIP*, 599 U.S. at 161.

The Second Circuit also held that the similarity-of-the-marks factor favored Vans, despite the court’s recognition that the “marks” on *Wavy Baby* are distorted and the term “Wavy Baby” bears no similarity to “Vans.” App. 23a. The court weighed this factor in favor of Vans

because it concluded that “the Wavy Baby sneaker design intentionally evoked an image of the Vans’ Old Skool sneaker.” *Id.*; see also App. 23a-24a (describing the *Wavy Baby* design as featuring “a combination of elements ... which are placed relative to one another such that the Wavy Baby’s appearance evokes Vans’ Old Skool sneaker”). But evocation for purposes of parody cannot be infringement. This Court has previously acknowledged that parodists must take enough from the original to call it to mind. *VIP*, 599 U.S. at 161.

Regarding competitive proximity, the Second Circuit felt obligated to give deference to the district court’s conclusion that *Wavy Baby* is a sneaker and not a work of art. App. 25a. It did so despite acknowledging that “the Wavy Baby’s primary purpose is to convey a message or fashion statement rather than to serve as a functional shoe,” App. 27a,⁶ and despite undisputed record evidence that MSCHF’s shoe-inspired works are accepted as art and displayed in art museums. A504; Brief of Amici Curiae Emmanuel Perrotin and Jean-Paul Engelen in Support of Defendant-Appellant [22-1006 Doc. 63].

By forcing its evaluation of *Wavy Baby* through the ordinary likelihood-of-confusion factors rather than modifying those factors to reflect the acknowledged commentary, the Second Circuit put itself in the position of having to decide whether *Wavy Baby* was art rather than a commercial product, a dichotomy this Court

6. In fact, the Second Circuit said both that *Wavy Baby* is a sneaker meant to be worn *and* that it was of lower quality because of the very feature (its wavy, distorted sole) that makes it unwearable as an actual sneaker, doubling its failure to account for the expressive nature of *Wavy Baby*. App. 27a.

rejected in *VIP* and that is contrary to this Court's repeated warnings that courts should not decide what constitutes art. *Andy Warhol Found. For the Visual Arts, Inc. v. Goldsmith*, 598 U.S. 508, 544 (2023); *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 251 (1903).

Finally, the Second Circuit held that Vans had presented evidence of actual confusion despite recognizing that no purchasers would have been confused at the point of purchase, especially since purchasers received MSCHF's "manifesto" explaining the genesis of the shoes. App. 26a.⁷ The court treated as evidence of actual confusion the possibility that people who saw a person walking on the street wearing *Wavy Baby* would think they were Vans Old Skool sneakers, App. 26a—an implausible basis for a claim, since the court recognized that *Wavy Baby* was not primarily intended to serve as a functional shoe and so was exceedingly unlikely ever to be viewed in that way.

In general, the Second Circuit's approach paid virtually no attention to the critical nature of MSCHF's use, and it found confusion entirely in reliance on the concepts of sponsorship, initial interest, and post-sale confusion, the most tenuous and manipulable theories of consumer confusion in the law. See Mark A. Lemley & Mark McKenna, *Irrelevant Confusion*, 62 Stan. L. Rev. 413 (2010); Jeremy Sheff, *Veblen Brands*, 96 Minn. L. Rev. (2012).

7. Indeed, it is undisputed that MSCHF made *Wavy Baby* available only to MSCHF customers who had downloaded the MSCHF phone-application and were familiar with MSCHF's artwork. A489-90; A499; A712-16. Confusion among those consumers was not plausible.

Regardless whether post-sale or initial-interest confusion—neither of which involves confusion among actual purchasers of the defendant’s product or has any basis in the text of the Lanham Act—should ever be actionable, those theories are particularly problematic in the context of expressive works. The very idea of a parody is to attract the attention of passersby, who must at first think the parody is the original work before they understand that it is a joke. To declare that even a momentary confusion, quickly dispelled, is trademark infringement, as the courts below did, would make parodying a trademark impossible. That would be inconsistent with this Court’s treatment of parody in both *Campbell* and *VIP*.

Nor should an expansive approach to confusion as to sponsorship or affiliation apply to expressive works. While that type of confusion has a textual basis in section 43(a), 15 U.S.C. § 1125(a), this Court has properly been wary of allowing claims that consumers will assume that a company is sponsoring jokes at its own expense. *VIP*, 599 U.S. at 161; see also *Tommy Hilfiger*, 221 F. Supp. 2d at 420 (finding no likelihood of confusion because “defendant’s use of the mark [was] an obvious parody or pun, readily so perceived, and unlikely to cause confusion among consumers”).

Importantly, the plaintiffs in every case this Court found to involve permissible non-trademark use had plausibly alleged that consumers were likely to believe that the use was sponsored by or affiliated with the plaintiff. See *VIP*, 599 U.S. at 153-54. This Court recognized the potential weakness of surveys in assessing confusion in these cases, and particularly the risk that

surveys might simply record respondents' beliefs about legal requirements. *Id.* at 164 (Sotomayor, J., concurring) (describing answers to the survey in VIP illustrating the potential that responses "may reflect a mistaken belief among some survey respondents that all parodies require permission from the owner of the parodied mark"). "Plaintiffs can point to this misunderstanding of the legal framework as evidence of consumer confusion. Cleverly designed surveys could also prompt such confusion by making consumers think about complex legal questions around permission that would not have arisen organically out in the world." *Id.*

Rogers acknowledged that consumers would sometimes be confused about use of a trademark in a title, assuming some kind of sponsorship. 875 F.2d at 999-1000. But that court adopted the "explicitly misleading" standard specifically to rule out claims where the suggestion of source was only implicit. While the use of Kim Kardashian's name in a revue titled *Kim Kardashian Live* might well be deemed explicitly false if Kim Kardashian did not appear in it, a fictionalized biography called *The Kim Kardashian Story* only potentially suggests her approval, and its legality should be judged by the standards of defamation law rather than requiring her permission by default because of potential trademark claims. The same is true of the musical *The Book of Mormon* vis-à-vis the Mormon church.

This Court should grant certiorari to clarify that even if expressive use cases at the core of the Lanham Act can be resolved using the likelihood-of-consumer-confusion test, liability cannot be based on doctrines at the periphery of trademark law such as initial-interest

and post-sale confusion. And liability for confusing people as to sponsorship with an expressive work must turn on whether the defendant made an *explicitly* false claim of sponsorship.

III. THIS CASE RAISES EXCEPTIONALLY IMPORTANT FIRST AMENDMENT ISSUES REGARDING THE APPLICATION OF TRADEMARK LAW TO EXPRESSIVE WORKS, AN ISSUE ON WHICH THE CIRCUITS HAVE SPLIT

The Second Circuit's decision puts trademark law in conflict with the First Amendment because it invites a factfinder to find infringement based on assumptions about sponsorship or even a misunderstanding of legal requirements. That is an especially important reason to limit the types of confusion deemed relevant in cases involving commentary and parody.

If the Court does not limit trademark law by applying the trademark use doctrine or a First Amendment filter like *Rogers*, it must confront the fact that the current, expansive version of trademark law impermissibly suppresses core protected speech.

Presently, the Circuits are deeply divided over when, or even if, the Lanham Act covers noncommercial speech for purposes of First Amendment analysis. Compare, e.g., *The Lan Taubman Co. v. Webfeats*, 319 F.3d 770, 774 (6th Cir. 2003) ("The Lanham Act is constitutional because it only regulates commercial speech, which is entitled to reduced protections under the First Amendment."); *Utah Lighthouse Ministry v. Found. for Apologetic Info. &*

Research, 527 F.3d 1045, 1052–54 (10th Cir. 2008); *Bosley Med. Inst., Inc. v. Kremer*, 403 F.3d 672, 676–77 (9th Cir. 2005); and *Radiance Foundation, Inc. v. N.A.A.C.P.*, 786 F.3d 316, 322 (4th Cir. 2015), with *Lamparello v. Falwell*, 420 F.3d 309, 314 (4th Cir. 2005), and *United We Stand Am., Inc. v. United We Stand, Am. New York, Inc.*, 128 F.3d 86, 90 (2d Cir. 1997) (holding otherwise), and compare *Alliance for Good Government v. Coalition for Better Government*, 998 F.3d 661 (5th Cir. 2021) (holding that noncommercial speech is exempt from liability for infringing unregistered marks but it was not plain error to conclude otherwise for registered marks). See generally Jennifer E. Rothman, *Commercial Speech, Commercial Use, and the Intellectual Property Quagmire*, 101 Va. L. Rev. 1929, 1938 (2015) (noting that this “lack of uniformity, while widespread, is rarely acknowledged”).

Congress may not, without violating the First Amendment, create new categories of prohibited noncommercial speech, even using the label “trademark.” This Court should take the opportunity to clarify that noncommercial speech—including for-profit noncommercial speech, see 303 *Creative LLC v. Elenis*, 600 U.S. 570 (2023), is subject to Lanham Act liability only where there is a compelling interest in preventing material consumer deception, and where the remedy is narrowly tailored to further that compelling interest. This is the standard the Court has articulated for regulations of noncommercial speech, as “the First Amendment means that government has no power to restrict expression because of its message, its ideas, its subject matter, or its content.” *U.S. v. Stevens*, 559 U.S. 460, 468 (2010); see also *Brown*, 564 U.S. at 790; *Sarver v. Chartier*, 813 F.3d 891, 903–04 (9th Cir. 2016) (applying strict scrutiny to right of publicity claim against noncommercial speech).

Without the Court's guidance on this fundamental question of Lanham Act doctrine—when, if at all, is noncommercial speech covered by the Act?—the chaos in the lower courts on this question will continue, as post-*VIP* developments have already revealed.

CONCLUSION

The petition should be granted.

Respectfully submitted,

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APPENDIX

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**APPENDIX A — OPINION OF THE UNITED
STATES COURT OF APPEALS FOR THE SECOND
CIRCUIT, DATED DECEMBER 5, 2023**

IN THE UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

September 28, 2022, Argued;
December 5, 2023, Decided

Docket No. 22-1006

VANS, INC., VF OUTDOOR, LLC.,

Plaintiffs-Appellees,

-v.-

MSCHF PRODUCT STUDIO, INC.,

Defendant-Appellant.

Before: JACOBS, CHIN, and ROBINSON, *Circuit Judges.*

Defendant-Appellant MSCHF Product Studio, Inc. (“MSCHF”), the creator of the Wavy Baby sneaker, appeals from the April 29, 2022 order of the United States District Court for the Eastern District of New York (Kuntz, *J.*) granting the request by Plaintiffs-Appellees Vans, Inc., and VF Outdoor, LLC (collectively “Vans”) for a temporary restraining order and preliminary injunction enjoining MSCHF’s use of Vans’ trademark and trade dress in the Wavy Baby sneakers.

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On appeal, MSCHF argues that the district court erred by failing to apply enhanced First Amendment protections in its likelihood-of-confusion analysis under the Lanham Act and in assessing the likelihood of confusion; the preliminary injunction is an unconstitutional prior restraint on MSCHF's free expression; the district court erred in requiring MSCHF to place its Wavy Baby revenues in escrow; and the district court erred by failing to make a bond determination.

The main issues in this appeal are governed by the United States Supreme Court's recent decision in *Jack Daniel's Properties, Inc. v. VIP Products LLC*, 599 U.S. 140, 143 S. Ct. 1578, 216 L. Ed. 2d 161 (2023). Applying *Jack Daniel's*, we conclude that Vans is likely to prevail in arguing that MSCHF's Wavy Baby shoes used Vans' marks and trade dress as source identifiers, and thus no special First Amendment protections apply to protect MSCHF against Vans' trademark infringement claim. As such, the district court did not err in concluding that Vans is likely to prevail on the merits of its trademark infringement claim in light of the likelihood of confusion as to the source of the Wavy Baby shoes. We further conclude that the district court did not err in requiring MSCHF to escrow its revenues from Wavy Baby sales, and that the district court was not required to make a bond determination because MSCHF never requested security. We therefore AFFIRM.

PER CURIAM:

In this case, defendant-appellant MSCHF Product Studio, Inc. ("MSCHF"), created a sneaker, the Wavy

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Baby, that purported to parody the Old Skool shoe, created and marketed by plaintiff-appellee Vans, Inc. (“Vans”), and thereby comment on the consumerism inherent in sneakerhead culture. MSCHF altered the features of an Old Skool sneaker by distorting Vans’ trademarks and trade dress, resulting in a shoe that was “exceedingly wavy.” After MSCHF engaged in an online marketing campaign, it sold 4,306 pairs of the Wavy Baby in one hour. Vans, unsurprisingly, was not amused.

The central issue in this case is whether and when an alleged infringer who uses another’s trademarks for parodic purposes is entitled to heightened First Amendment protections, rather than the Lanham Act’s traditional likelihood of confusion inquiry.

The Supreme Court recently addressed this issue in *Jack Daniel’s Properties, Inc. v. VIP Products LLC*, 599 U.S. 140, 143 S. Ct. 1578, 216 L. Ed. 2d 161 (2023). There, the Court held that, even if an alleged infringer used another’s trademarks for an expressive purpose, special First Amendment protections did not apply if the trademarks were used for source identification—that is, if the alleged infringer was “trading on the good will of the trademark owner to market its own goods.” *Id.* at 156 (citation omitted). Applying *Jack Daniel’s*, we conclude that no special First Amendment protections apply to insulate MSCHF against Vans’ trademark infringement claim.¹ As to those trademark infringement claims, the

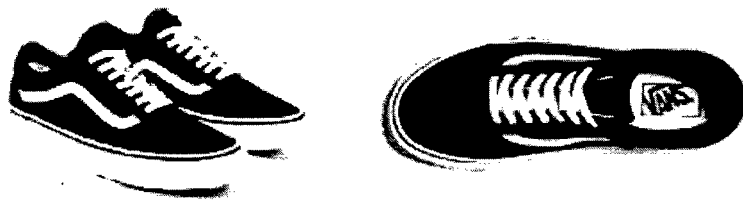
1. After we heard oral argument, we held the case pending a decision by the Supreme Court in *Jack Daniel’s*. After the Supreme Court ruled, the parties submitted supplemental briefing.

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district court did not err in concluding that Vans is likely to prevail on the merits. We further conclude that the district court did not err in requiring MSCHF to escrow its revenues from Wavy Baby sales, and that the district court was not required to make a bond determination because MSCHF never requested security. We therefore AFFIRM.

BACKGROUND²**I. Facts****A. Vans**

Vans is a globally known footwear and apparel company that specializes in skateboard-friendly shoes and sneakers. The company, founded in 1966, originally catered to customers in Southern California. Vans became popular among skateboarders, celebrities, and the public. One of Vans' most recognizable products is its "Old Skool" shoe, shown below:



Vans Old Skool Shoe

Jt. App'x at 13, 15.

2. This account is drawn from the record relied upon by the district court, comprising the parties' declarations and exhibits.

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The Old Skool trade dress consists of a combination of elements, including: (1) the Vans Side Stripe Mark on the upper shoe; (2) a rubberized sidewall of uniform height around the shoe's perimeter; (3) a three-tiered or grooved sidewall; (4) a textured toe box; (5) visible stitching; and (6) the placement and proportion of each of these elements in relation to one another. *Jt. App'x* at 256. It also features a distinctive "waffle sole" design. *Id.* at 258. The Old Skool is one of Vans' most popular shoes and sold for about \$60 a pair. Most Old Skool shoes are black and white, but Vans has expanded the shoes to come in a variety of colors or color arrangements.

Vans often collaborates with artists and celebrities to design and sell special edition versions of its shoes, including the Old Skools. Beyond official collaborations, many of the rich and famous have been photographed wearing the Vans Old Skool. In short, the Old Skool is an iconic Vans sneaker, easily recognizable by both "sneakerheads" and the uninitiated. *Id.* at 273 (explaining that sneakerheads are people who collect shoes to display them, but "rarely" to wear them).

B. MSCHF

MSCHF is a Brooklyn-based art collective "known as (and for) MSCHF." *Id.* at 271. MSCHF's mission is to use artwork "to start a conversation about consumer culture . . . by participating in consumer culture." *Id.* at 486-87. MSCHF recontextualizes everyday objects as a means of commenting on contemporary society. MSCHF's work has been displayed in museums, galleries, auction houses, and art shows worldwide, including Phillips

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Auction House, Art Basel, the Design Museum of London, and the Perrotin gallery.

MSCHF's works are often sold with "manifestos" that explain the work's commentary and are sold in "drops," or prescribed sales periods. Recent drops have critiqued music, the political system, consumerism, digital media, standardized testing, holidays, and the legal system. And often, MSCHF's "drops" will sell out in a day.

MSCHF has recently focused its artistic expression on "sneakerhead culture." Sneakers are utilitarian objects for most, but for sneakerheads, shoes are expressive, "collect[ed], trade[d], and display[ed] as a hobby." *Id.* at 497. MSCHF critiques the consumerism present in sneakerhead culture, as well as sneaker companies' practice of collaborating with "anyone and everyone to make money." *Id.* at 352.

C. *The Wavy Baby*

This case is about MSCHF's sneaker drop of the "Wavy Baby" shoe, depicted below:







MSCHF "Wavy Baby"

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Jt. App'x at 14, 17.





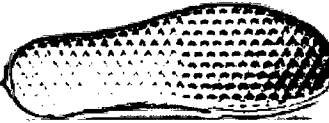



MSCHF's co-Chief Creative Officer explained MSCHF's conception of the connection between Vans' Old Skool shoe and MSCHF's Wavy Baby in the following manner: "The Wavy Baby concept started with a Vans Old Skool sneaker" because no other shoe embodies the dichotomies between "niche and mass taste, functional and trendy, utilitarian and frivolous" as perfectly as the Old Skool. *Id.* at 353. The Wavy Baby design process thus started with an image of a classic Vans Old Skool skate shoe. *Id.* MSCHF used a digital filter tool to warp the shoe into a new image, "transform[ing] the once iconic shoe into the modern, wobbly, and unbalanced realities." *Id.* at 353-54. One evident feature of the parody is that the distortion destroys the original premise of the Old Skool's popularity—its utility as a skateboarding shoe due to its flat sole.

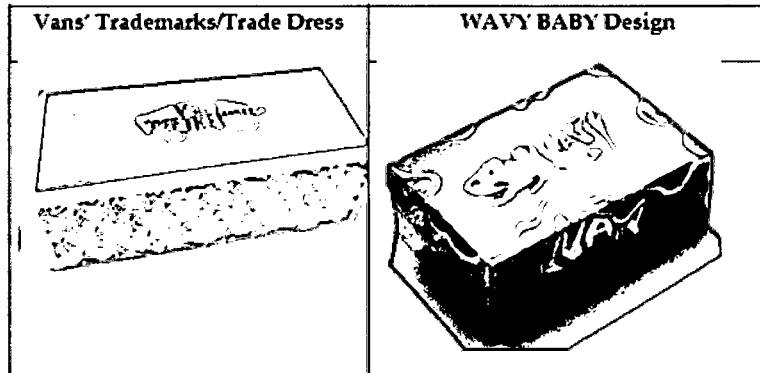
Wavy Baby incorporates and distorts the Old Skool black and white color scheme, the side stripe, the perforated sole, the logo on the heel, the logo on the footbed, and the packaging. Examples of the critical similarities, and distortions, are reflected in the graphics below.

Vans' Trademarks/Trade Dress	WAVY BABY Design
	
	

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Vans' Trademarks/Trade Dress	WAVY BABY Design
	
	
	
	

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Jt. App'x at 171-72; 252-53.

Prior to the Wavy Baby's release, MSCHF engaged in a marketing campaign in collaboration with musical artist Michael Stevenson, also known as Tyga. *Id.* at 363. MSCHF advertised the Wavy Baby collaboration before releasing the sneakers for sale—garnering hype and excitement through MSCHF's website, Instagram and YouTube accounts, and sneaker-focused platforms. Tyga also released a music video in which he wore the Wavy Baby shoe. *Id.* at 377.

Upon learning of the impending drop of the Wavy Baby shoe, Vans sent a cease and desist letter to Tyga on April 5, 2022, and to MSCHF the following day, putting them on notice of their claim that the Wavy Baby shoes infringed their trademarks and trade dress. MSCHF, however, continued to promote the planned drop and on April 18, 2022, after this suit commenced, launched the pre-planned one-hour drop of 4,306 Wavy Baby shoes. Customers purchased the shoes only on MSCHF's proprietary app for \$220.

*Appendix A***II. District Court Proceedings**

Vans filed a complaint in United States District Court for the Eastern District of New York on April 14, 2022, alleging six claims under state and federal law, including a federal claim for trademark infringement under the Lanham Act. 15 U.S.C. § 1114.

On April 15, 2022, Vans filed a motion for a temporary restraining order and preliminary injunction asking the district court to enjoin MSCHF from: (1) fulfilling orders for or otherwise releasing for sale to the public any of the “Wavy Baby” shoes, or colorful imitations or reconstructions thereof (the “Prohibited Shoes”); (2) using Vans’ Old Skool trade dress or marks or confusingly similar marks (collectively, the “Prohibited Marks”); (3) referring to or using any Prohibited Marks in any advertising, marketing, or promotion; and (4) aiding any other person or entity in taking the prohibited actions. Jt. App’x at 65, 147. Vans attached to its motion several supporting declarations with exhibits. MSCHF opposed the motion with numerous declarations and exhibits.

After oral argument on April 27, 2022, the district court granted the temporary restraining order and preliminary injunction, concluding primarily that because Vans had shown a significant danger of consumer confusion, Vans would likely prevail on its trademark infringement claims; it had shown that it would suffer irreparable harm without injunctive relief; and the balance of hardships and public interest supported preliminary relief. *Vans, Inc. v. MSCHF Product Studio, Inc.*, 602 F. Supp. 3d 358, 368, 371-73 (E.D.N.Y. 2022).

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In concluding that Vans would likely prevail on the consumer confusion issue, the court considered the factors set forth in *Polaroid Corp. v. Polarad Electronics Corp.*, 287 F.2d 492 (2d Cir. 1961). *See Vans*, 602 F. Supp. 3d at 367-70. In particular, the Court concluded that MSCHF's distortion of the Old Skool marks and trade dress on the Wavy Baby shoes was not sufficient to dispel the consumer confusion arising from the similarity of the marks. *Id.* at 368. It relied on evidence that various consumers "misunderstood the source of the Wavy Baby shoes as a collaboration between [Vans] and [MSCHF]," *id.*, and admissions by MSCHF's own representatives that the "base" of the Wavy Baby shoe before MSCHF's transformation was the Vans Old Skool. *Id.*

The court further concluded that the "sophistication of the buyers" factor weighed in Vans' favor because MSCHF advertised the Wavy Baby broadly in conjunction with Tyga, sold the shoes directly to the general public, and shoes are generally a common consumer item. *Id.* at 368-69.

Moreover, the court concluded that the market proximity of the Wavy Baby shoes and Vans' Old Skool shoes enhanced the likelihood of consumer confusion. *Id.* at 369. The court rejected MSCHF's suggestion that the Wavy Baby shoes were not, like Old Skool shoes, intended to be worn but were instead "collectible work[s] of art," that were "likely to be kept in glass cases or on shelves." *Id.* In rejecting MSCHF's claim, it pointed to statements of MSCHF's own representative, the quantity of shoes produced (4,306 pairs), and the fact that MSCHF held

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back some shoes in case the shoes shipped were the wrong size, thereby suggesting the Wavy Baby is to be worn. *Id.*

The district court rejected MSCHF's contention that Wavy Baby, as a parodic work of artistic expression, was subject to special First Amendment protections rather than the traditional likelihood of confusion test. *Id.* at 370-71. The court acknowledged that courts have "accorded considerable leeway to parodists whose expressive works aim their parodic commentary at a trademark or a trademarked product," but emphasized that they "have not hesitated to prevent a manufacturer from using an alleged parody of a competitor's mark to sell a competing product." *Id.* at 370 (quoting *Harley Davidson, Inc. v. Grottanelli*, 164 F.3d 806, 812 (2d Cir. 1999)). Moreover, the court observed that even while purporting to represent "the original," a successful parody must simultaneously convey "that it is *not* the original and is instead a parody." *Id.* (emphasis added) (quoting *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ'g Grp., Inc.*, 886 F.2d 490, 494 (2d Cir. 1989)). The court concluded that the Wavy Baby shoes on their face did not clearly indicate to the ordinary observer that MSCHF is "not connected in any way with the owner of the target trademark." *Id.* at 370-71 (quoting *Louis Vuitton Malletier, S.A. v. My Other Bag, Inc.*, 156 F. Supp. 3d 425, 435 (S.D.N.Y. 2016), *aff'd*, 674 F. App'x 16 (2d Cir. 2016)).

For these reasons, the district court granted Vans' motion for a temporary restraining order and preliminary injunction, prohibiting MSCHF from advertising or fulfilling orders for the Wavy Baby shoes, and ordering

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MSCHF to cancel any orders that had been placed for the shoes at the time of the court's order, and to escrow the funds received from orders that could not be reversed. MSCHF appealed.

DISCUSSION

On appeal, MSCHF argues that the district court erred in concluding that Vans was likely to succeed on the merits of its trademark infringement claim because Vans' claims are precluded by the First Amendment. For the same reason, MSCHF argues that the district court's injunction prohibiting Vans from advertising the Wavy Baby shoes amounts to an unconstitutional prior restraint of speech. Finally, MSCHF argues that the district court erred in requiring it to escrow all revenues from Wavy Baby sales, and in failing to require Vans to give security.

After considering the applicable standard of review, we consider each argument in turn.

I. Standard of Review

We review a district court's grant of a temporary restraining order ("TRO") or preliminary injunction for abuse of discretion. *See Sunward Electronics, Inc. v. McDonald*, 362 F.3d 17, 24 (2d Cir. 2004). "An abuse of discretion may be found when the district court relies on clearly erroneous findings of fact or on an error of law in issuing the injunction." *Cliffs Notes*, 886 F.2d at 493 (citation omitted).

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Although we review a district court's grant of a preliminary injunction for abuse of discretion, *Citigroup Glob. Mkts., Inc. v. VCG Special Opportunities Master Fund Ltd.*, 598 F.3d 30, 34 (2d Cir. 2010), any "allegations of error in a preliminary injunction [that] involve questions of law" are reviewed without deference. *Briggs v. Bremby*, 792 F.3d 239, 241 (2d Cir. 2015) (citing *Am. Express Fin. Advisors Inc. v. Thorley*, 147 F.3d 229, 231 (2d Cir. 1998)).

II. Trademark Infringement, the First Amendment, and Wavy Baby

To evaluate whether the district court abused its discretion in concluding that Vans was likely to succeed on its infringement claims, we must first determine whether Wavy Baby is subject to trademark law's traditional likelihood of confusion analysis or whether it is an expressive work entitled to heightened First Amendment scrutiny under *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989). We begin with an overview of the two frameworks before addressing the Supreme Court's recent guidance in *Jack Daniel's*, applying the lessons of that decision to this case, and evaluating the district court's application of the *Polaroid* factors.

A. The Lanham Act

The Lanham Act defines a trademark as "any word, name, symbol, or device, or any combination thereof" that a manufacturer uses to distinguish the manufacturer's goods from those manufactured or sold by others and to "indicate the source of the goods." 15 U.S.C. § 1127. As

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the *Jack Daniel's* Court observed, a trademark “enables customers to select ‘the goods and services that they wish to purchase, as well as those they want to avoid.’” *Jack Daniel's*, 599 U.S. at 146 (quoting *Matal v. Tam*, 582 U.S. 218, 224, 137 S. Ct. 1744, 198 L. Ed. 2d 366 (2017)). A trademark holder “derive[s] significant value from its marks” because such marks “ensure that the producer itself—and not some ‘imitating competitor’—will reap the financial rewards associated with the product’s good reputation.” *Id.* (citing *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 164, 115 S. Ct. 1300, 131 L. Ed. 2d 248 (1995)).

To prevail on a trademark infringement claim under the Lanham Act, the plaintiff must show that: (1) plaintiff owns a valid protectable mark; and (2) defendant’s use of a similar mark is likely to cause consumer confusion as to the origin or association of the goods or services. *See Christian Louboutin S.A. v. Yves Saint Laurent Am. Holdings*, 696 F.3d 206, 216-17 (2d Cir. 2012). MSCHF does not challenge the district court’s conclusion that Vans owns valid and protectable marks in its Old Skool shoes; in any case, Vans’ marks are registered, which is *prima facie* evidence that they are valid and protectable. *See Matal v. Tam*, 582 U.S. 218, 226-27, 137 S. Ct. 1744, 198 L. Ed. 2d 366 (2017). Accordingly, the focus of our inquiry on appeal is the second prong: likelihood of consumer confusion.

This Court applies the eight-factor test identified in *Polaroid*, 287 F.2d at 495, to assess the likelihood that an allegedly infringing product will create consumer confusion.³ The eight factors are: (1) strength of the

3. Other circuits apply balancing tests that are substantially the same. *See, e.g., Louis Vuitton Malletier S.A. v. Haute Diggity Dog*,

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trademark; (2) similarity between the two marks; (3) proximity of the products and their competitiveness with one another; (4) likelihood the prior owner may “bridge the gap” in the markets for their products; (5) evidence of actual consumer confusion; (6) the defendant’s good faith in adopting its imitative mark; (7) quality of the defendant’s product compared with the plaintiff’s product; and (8) sophistication of the buyers. *Id.* Collectively, these factors establish whether the allegedly infringing product creates consumer confusion.

B. *The Rogers Test*

The traditional infringement inquiry may be applied more narrowly if the allegedly infringing good or service is a work of “artistic expression.” *See Rogers*, 875 F.2d at 1000. In *Rogers*, this Court held that the Lanham Act should not apply to “artistic works” as long as the defendant’s use of the mark is (1) artistically relevant to the work, and (2) not “explicitly misleading” as to the source or content of the work. *Id.* at 999; *see also Twin Peaks Prods., Inc. v. Publ’ns Int’l, Ltd.*, 996 F.2d 1366, 1379 (2d Cir. 1993) (requiring the likelihood of confusion to be “particularly compelling” to outweigh the First Amendment concerns).

LLC, 507 F.3d 252, 259-63 (4th Cir. 2007) (applying the *Pizzeria Uno* factors as articulated in *Pizzeria Uno Corp. v. Temple*, 747 F.2d 1522, 1527 (4th Cir. 1984)); *Brookfield Commc’ns, Inc. v. West Coast Ent. Corp.*, 174 F.3d 1036, 1054 (9th Cir. 1999) (applying the *Sleekcraft* factors as articulated in *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979)).

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Although *Rogers* involved a dispute over a film title, lower courts adopting *Rogers* have applied its test to other kinds of works but have “confined it to similar cases, in which a trademark is used not to designate a work’s source, but solely to perform some other expressive function.” *Jack Daniel’s*, 599 U.S. at 154. Courts in this Circuit have been careful to apply *Rogers* to a limited category of expressive works, including the title and cover of books and magazines, *see, e.g., Rogers*, 875 F.2d at 1001-02 (film title); *Twin Peaks*, 996 F.2d at 1379-80 (book title); *Cliffs Notes*, 886 F.2d at 495 (book title), and the use of trademarked products in feature films and video games, *see, e.g., Louis Vuitton Mallatier S.A. v. Warner Bros. Ent. Inc.*, 868 F. Supp. 2d 172, 178 (S.D.N.Y. 2012) (film); *AM Gen. LLC v. Activision Blizzard, Inc.*, 450 F. Supp. 3d 467, 479-80 (S.D.N.Y. 2020) (video game).

C. *Jack Daniel’s*

The Supreme Court’s recent decision in *Jack Daniel’s* clarified when the *Rogers* test, and its heightened First Amendment protections, does *not* apply: when the allegedly infringing mark is used as a source identifier—that is, “as a designation of source for [the alleged infringer’s] own goods.” 599 U.S. at 153.

Jack Daniel’s is a case “about dog toys and whiskey.” *Id.* at 144. Respondent VIP Products created a dog toy called “Bad Spaniels” that was designed to look like a bottle of Jack Daniel’s whiskey, with some playful changes. *See id.* For example, VIP Products changed “Jack Daniel’s” to “Bad Spaniels,” “Old No. 7 Brand Tennessee

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Sour Mash Whiskey” to “The Old No. 2 On Your Tennessee Carpet,” and “40% alc. by vol. (80 proof)” to “43% poo by vol.” and “100% smelly.” *Id.* at 149-50. Jack Daniel’s did not appreciate the joke.

The central question before the Supreme Court was whether the *Rogers* test should have applied to Jack Daniel’s trademark infringement claims against VIP Products, where VIP Products’ Bad Spaniels dog toy (the allegedly infringing product) was an expressive or parodic work.⁴ Though the Court acknowledged that parodies are inherently expressive, it concluded that *Rogers* does not apply when the alleged infringer uses trademarks to designate source. *Id.* at 153 (“[W]e hold that [*Rogers*] does not [apply] when an alleged infringer uses a trademark in the way the Lanham Act most cares about: as a designation of source for the infringer’s own goods.”).

The Court explained that, historically, *Rogers* has been confined to cases where the trademark is not used to designate a work’s source, and instead is used “solely to perform some other expressive function.” *Id.* at 154 (emphasis added). In contrast, the use of another’s trademark that “convey[s] information (or misinformation)

4. Some sister circuits have adopted the *Rogers* test. *See, e.g., Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 896, 902 (9th Cir. 2002) (adopting *Rogers* test); *Westchester Media v. PLR USA Holdings, Inc.*, 214 F.3d 658, 665 (5th Cir. 2000) (noting that Fifth Circuit has adopted the approach in *Rogers*). The Supreme Court expressly used the *Rogers* test as a proxy for *any* threshold First Amendment filter in the Lanham Act context. *Jack Daniel’s*, 599 U.S. at 153 n.1.

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about who is responsible for a product . . . ‘implicates the core concerns of trademark law’ and creates ‘the paradigmatic infringement case.’” *Id.* at 157 (alterations adopted) (citation omitted).

Moreover, the Court declined to adopt the Ninth Circuit’s holding that *Rogers* applied to all “expressive work[s].” *Id.* at 151-52. It reasoned that such an expansive read of *Rogers* would “conflict with courts’ longstanding view of trademark law,” as “few cases would even get to the likelihood-of-confusion inquiry if all expressive content triggered the *Rogers* filter.” *Id.* at 158-59. Because the Court concluded that VIP Products used its Bad Spaniels “trademark and trade dress as source identifiers of its dog toy,” it held that *Rogers* did not apply to Jack Daniel’s claims of infringement. *Id.* at 159-61 (internal citation omitted).

Far from disregarding the parodic nature of the Bad Spaniel’s toy, however, the Supreme Court noted that “a trademark’s expressive message—particularly a parodic one . . . — may properly figure in assessing the likelihood of confusion.” *Id.* at 161; *see also id.* at 159 (noting that “the likelihood-of-confusion inquiry does enough work to account for the interest in free expression”). This is because, where a message of “ridicule or pointed humor” is clear, “a parody is not often likely to create confusion” for “consumers are not so likely to think that the maker of a mocked product is itself doing the mocking.” *Id.* at 161, 153; *see id.* at 161 (“[A]lthough VIP’s effort to ridicule Jack Daniel’s does not justify use of the *Rogers* test, it may make a difference in the standard trademark analysis.”).

*Appendix A***D. MSCHF's Use of Vans' Marks as Source Identifiers**

The Supreme Court's decision in *Jack Daniel's* forecloses MSCHF's argument that Wavy Baby's parodic message merits higher First Amendment scrutiny under *Rogers*. As the Court held, even if a defendant uses a mark to parody the trademark holder's product, *Rogers* does not apply if the mark is used "at least in part" for 'source identification.'" *Id.* at 156 (quoting *Tommy Hilfiger Licensing, Inc., v. Nature Labs, LLC*, 221 F. Supp. 2d 410, 414-15 (S.D.N.Y. 2002)).

Here, MSCHF used Vans' marks in much the same way that VIP Products used Jack Daniel's marks—as source identifiers. As discussed above and illustrated below, VIP Products used the Jack Daniel's bottle size, distinctive squared-off shape, and black and white stylized text to invoke an image of Jack Daniel's famous whiskey bottle.



Jack Daniel's, 599 U.S. 148-49.

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Likewise, MSCHF's design evoked myriad elements of the Old Skool trademarks and trade dress. Among other things, MSCHF incorporates, with distortions, the Old Skool black and white color scheme, the side stripe, the perforated sole, the logo on the heel, the logo on the footbed, and the packaging. *See* Part I, above. MSCHF included its own branding on the label and heel of the Wavy Baby sneaker, just as VIP Products placed its logo on the toy's hangtag. But even the design of the MSCHF logo evokes the Old Skool logo. And unlike VIP Products, MSCHF did *not* include a disclaimer disassociating it from Vans or Old Skool shoes. *See Jack Daniel's*, 599 U.S. at 150 (noting the dog toy included a disclaimer that read: "This product is not affiliated with Jack Daniel Distillery").

A trademark is used as a "source identifier" when it is used "to identify or brand a defendant's goods or services" or to indicate the "source or origin' of a product." *Id.* at 156 (alterations adopted). MSCHF used Vans' trademarks—particularly its red and white logo—to brand its own products, which constitutes "quintessential 'trademark use'" subject to the Lanham Act. *Id.* at 155 (citation omitted); *see also Harley-Davidson, Inc. v. Grottanelli*, 164 F.3d 806, 812-13 (mechanic's use of Harley-Davidson's bar and shield motif in his logo, despite the "humorous[]" message, was traditional trademark use subject to the likelihood of confusion analysis).

Moreover, although MSCHF did not purport to sell the Wavy Baby under the Vans brand, it admitted to "start[ing]" with Vans' marks because "[n]o other shoe embodies the dichotomies—niche and mass taste, functional and trendy,

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utilitarian and frivolous—as perfectly as the Old Skool.” Jt. App’x at 353. In other words, MSCHF sought to benefit from the “good will” that Vans—as the source of the Old Skool and its distinctive marks—had generated over a decades-long period. *See Jack Daniel’s*, 599 U.S. at 156. Notwithstanding the Wavy Baby’s expressive content, MSCHF used Vans’ trademarks in a source-identifying manner. Accordingly, the district court was correct when it applied the traditional likelihood-of-confusion test instead of applying the *Rogers* test.

E. Application of the Polaroid Factors

Having determined that the district court did not err in declining to apply the *Rogers* test in evaluating Vans’ claims, we consider whether the district court erred in its conduct of the traditional likelihood-of-confusion analysis.⁵ We review the district court’s overall likelihood-of-confusion determination without deference. “[I]nsofar as the determination of whether one of the *Polaroid* factors favors one party or another involves a legal judgment—which it often does—” we review that determination without deference to the district court. *Souza v. Exotic Island Enterprises*, 68 F.4th 99, 109 (2d Cir. 2023) (alteration adopted). And we review the district

5. We disagree with Vans’ argument that the likelihood-of-confusion analysis is not before us. *See* Vans FRAP 28(j) Letter (June 20, 2023) at 1-2. Although the core of MSCHF’s argument on appeal is that the district court erred in failing to apply *Rogers*, part of MSCHF’s opening brief challenges the district court’s *Polaroid* analysis. *See* Appellant Br. at 42-60. Although its argument has evolved slightly post-*Jack Daniel’s*, it was adequately preserved.

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court's factual findings for clear error. *See RiseandShine Corp. v. PepsiCo, Inc.*, 41 F.4th 112, 119 (2d Cir. 2022).

We agree with the district court's assessment that Vans is likely to prevail on the issue of whether the Wavy Baby causes consumer confusion. Like the district court, we consider the factors identified in *Polaroid* in considering whether MSCHF's Wavy Baby is likely to cause consumer confusion as to the source of the shoe. *Polaroid*, 287 F.2d at 495.

The strength of the marks at issue supports Vans. MSCHF expressly chose the Old Skool marks and dress because it was the "most iconic, prototypical" skate shoe there is, as conceded by MSCHF's co-Chief Creative Officer. Jt. App'x at 353, ¶ 24.

The similarity of the marks presents a closer question, as the marks on Wavy Baby, while derived from the Old Skool shoes, are distorted. But MSCHF's creative officer, Lukas Bentel, admitted that the Wavy Baby sneaker design intentionally evoked an image of Vans' Old Skool sneaker. *See* S. App'x at 8-9 ("Yes, [Vans Old Skools] are the anchor of the shoe . . ."); *see also Harley-Davidson*, 164 F.3d at 812-13 (concluding, in part, because defendant "admits that his use of [Harley Davidson's] bar-and-shield logo purposefully suggests an association with Harley," such use was impermissible under the Lanham Act. (internal quotation marks omitted)).

This admission is embodied in the Wavy Baby design: the Wavy Baby features a combination of elements (*e.g.*,

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a three-tiered appearance, textured toe box, visible stitching, and red tags on the back), which are placed relative to one another such that the Wavy Baby's appearance evokes Vans' Old Skool sneaker.

Plus, context matters. Though Vans has never warped its design in the same "liquified" or "microwaved" manner as MSCHF's work with the Wavy Baby,⁶ Vans has previously created special editions of its Old Skool sneaker often collaborating in launching the sneakers with celebrities and high-profile brands including Marc Jacobs, Supreme, Stussy, Kenzo, The North Face, and Disney. Jt. App'x at 257-58, ¶ 12.

The admittedly mimicked features of the Wavy Baby, combined with Vans' history of collaborating with artists and other brands, support our conclusion that the "similarity" factor favors Vans.

In considering competitive proximity, we are concerned with "whether and to what extent the two products compete with each other' and 'the nature of the products themselves and the structure of the relevant market.'" *Morningside Grp. Ltd. v. Morningside Capital Grp.*, 182 F.3d 133, 140 (2d Cir. 1999) (quoting *Cadbury Beverages, Inc. v. Cott Corp.*, 73 F.3d 474, 480 (2d Cir. 1996)). "Among the considerations germane to the structure of the market are the class of customers to whom the goods are sold, the manner in which the products are

6. MSCHF describes the Wavy Baby as a "liquified" version of a classic skate shoe silhouette." Jt. App'x at 501.

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advertised, and the channels through which the goods are sold.” *Cadbury Beverages*, 73 F.3d at 480.

The district court did not clearly err in rejecting MSCHF’s factual claim that the Wavy Baby is a work of art meant to be displayed rather than a pair of sneakers meant to be worn. Although it is hard to see why some people would wear the Wavy Baby as a functional shoe, we owe that finding deference. Many people are martyrs to fashion and dress to excite comment.

Considering the Wavy Baby as a wearable sneaker, we agree with the district court that the shoes are relatively proximate. MSCHF advertised the Wavy Baby as a wearable piece of footwear in promotional social media posts and in the promotional music video featuring Tyga. Vans’ own Old Skool limited releases are often sold on the same secondary platforms as those that sell Wavy Baby shoes to sneakerheads. *Jt. App’x* at 854. And where the Wavy Baby sold 4,306 units as a limited-edition collaboration with Tyga at \$220 per pair, Vans offers special editions of its Old Skool sneakers made in collaboration with celebrities or artists, sometimes selling for \$180 per pair, and often selling a limited edition of 4,000 units. *Id.* at 785, 813, 893. Because we conclude that the products are competitively proximate, we need not consider whether Vans may “bridge the gap” by developing a product in MSCHF’s market.

The district court did not clearly err in finding actual evidence of consumer confusion, and we conclude as a matter of law that this factor favors Vans. The district

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court relied on evidence in the record that customers were actually confused. For example, it pointed to comments made on a sneaker-centric podcast with guest appearance by MSCHF's chief creative officer, Lukas Bentel. Bentel acknowledged the host's comment that "[e]veryone [the host has] spoken to about" the Wavy Baby agrees that if a person saw someone wearing Wavy Baby sneakers on the street, "they'd say they're wearing a pair of Vans." *Vans*, 602 F. Supp. 3d at 368; Complex Sneakers Podcast Recording at 31:16-33:46.

It may be true that consumers who purchase the Wavy Baby shoes directly from MSCHF and receive the accompanying "manifesto" explaining the genesis of the shoes may not be confused. But the Lanham Act protects against several categories of consumer confusion, "including *point-of-sale* confusion . . . *initial interest* confusion, . . . and *post-sale* confusion." *Louis Vuitton Malletier v. Burlington Coat Factory Warehouse Corp.*, 426 F.3d 532, 537 n.2 (2d Cir. 2005) (emphases in original) (internal citations omitted); see also *Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co.*, 799 F.2d 867, 872-73 (2d Cir. 1986) (explaining that "post-sale confusion would involve consumers seeing appellant's [product] outside of the retail store, perhaps being worn by a passer-by" and that "in this post-sale context appellants' labels, most of which having been long since discarded, will be of no help"). The comments relied upon by the district court demonstrate both initial and post-sale confusion. The district court's factual finding of actual consumer confusion was not clearly erroneous, and its conclusion that this factor favors Vans was legally correct.

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The district court's finding that the Wavy Baby sneakers are lower quality shoes is not clearly erroneous, though we do not embrace the district court's legal conclusion that this factor favors Vans. In comparing the quality of MSCHF's product to that of the Old Skool sneaker, the district court found "particular deficiencies" in the Wavy Baby sneakers that demonstrated a lower quality shoe. *Vans*, 602 F. Supp. 3d at 369. The Wavy Baby's stylized bottom may create instability where a skate shoe should be stable—a fact that is conceded by MSCHF. *See id.* at 368 ("[I]f you put them on and walked around, you'll see this is not the greatest foot-feeling shoe."); *see also* Jt. App'x at 286 (MSCHF acknowledging itself that "[i]t is difficult to walk in *Wavy Baby* for long distances . . . and they cannot safely be worn to walk down stairs"); Jt. App'x at 362 ("[T]hey cannot be worn as an actual sneaker."); Jt. App'x at 501-02 ("We took a functional, iconic skate shoe and made it a non-functional—or at least 'non-functional' relative to the ways sneakers traditionally function."). The district court's finding that the Wavy Baby is a lower quality skate shoe is not clearly erroneous.

We are skeptical, however, that the Wavy Baby's inferior quality as a skate shoe weighs in favor of Vans. The Wavy Baby's primary purpose is to convey a message or fashion statement rather than to serve as a functional shoe. It seems unlikely that consumers would expect the Wavy Baby—a shoe with an obviously uneven sole—to be as comfortable or functional as the Old Skool. But even if the district court erred by weighing this factor in Vans' favor, this one factor does not change our conclusion that Vans is likely to prevail on the merits of

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its trademark infringement claim. *Accord Nabisco, Inc. v. Warner-Lambert Co.*, 220 F.3d 43, 46 (2d Cir. 2000) (“The evaluation of the *Polaroid* factors is not a mechanical process where the party with the greatest number of factors weighing in its favor wins. Rather, a court should focus on the ultimate question of whether consumers are likely to be confused.” (citation omitted)).

Finally, the district court was correct to conclude that sophistication of the buyers also favored Vans. MSCHF engaged in broad advertising to the “general public,” and customers of sneakers are not professional buyers.⁷

The fact that the Wavy Baby was conceived as a parody does not change that assessment. The Wavy Baby is a parody, just not one entitled to protection under *Rogers*. As noted above, to succeed, a parody must create contrasts with the subject of the parody so that the “message of ridicule or pointed humor comes clear.” *Jack Daniel’s*, 599 U.S. at 161. If that is done, “a parody is not often likely to create confusion.” *Id.* But if a parodic use of protected marks and trade dress leaves confusion as to the source of a product, the parody has not “succeeded” for purposes of the Lanham Act, and the infringement is unlawful.

For these reasons, we conclude that the Wavy Baby does create a likelihood of consumer confusion, and the

7. The district court made no finding with respect to MSCHF’s good faith and we do not rely on this factor in our own *Polaroid* analysis.

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district court correctly concluded that Vans is likely to prevail on the merits. It did not exceed its discretion by enjoining MSCHF's marketing and sale of the Wavy Baby.⁸

III. Escrow Order

MSCHF argues that the district court exceeded its discretion in ordering it to escrow all of its revenues from the Wavy Baby sales it had completed. Specifically, the district court ordered MSCHF, for any purchase that could not be reversed and/or cancelled, to escrow "any funds received from all orders taken to date for the Prohibited Shoes so that, if Vans prevails in this action, [MSCHF] may return those funds to customers who ordered [MSCHF's] Prohibited Shoes under the mistaken

8. MSCHF's opening brief also argues that the district court's injunction was an unconstitutional prior restraint on MSCHF's expression. Generally, if a product is found to infringe, preliminary injunctions under the Lanham Act are *not* considered prior restraints. See *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 206 (2d Cir. 1979) (holding that an injunction pursuant to the Lanham Act was not a prior restraint because trademark infringement implicated property rights, not speech rights); see also *Dr. Seuss Enterprises, L.P. v. Penguin Books USA, Inc.*, 109 F.3d 1394 (9th Cir. 1997) (upholding a preliminary injunction even for noncommercial speech); Deceptive Commercial Speech, 6 McCarthy on Trademarks and Unfair Competition § 31:142 (5th ed.) ("[T]he prior restraint prohibition does not apply to most trademark preliminary injunctions. . ."). MSCHF's argument that the preliminary injunction was an unlawful prior restraint piggybacks on its argument that the district court's assessment of Vans' likelihood of prevailing on the merits failed to properly account for First Amendment concerns, and thus fails for the same reasons.

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belief that Vans was the source of the shoes or otherwise approved or sponsored the shoes.” *Vans*, 602 F. Supp. 3d at 373. MSCHF contends that an order to escrow *net profits* might make sense if necessary to ensure the availability of funds to provide the plaintiff’s requested equitable relief, but not an order to escrow *gross revenues*.

We disagree. Under 15 U.S.C. § 1117, Vans is entitled to MSCHF’s profits, damages, and attorneys’ fees if it establishes trademark infringement under the Lanham Act. In assessing profits, the plaintiff is required to prove the defendant’s sales only; the defendant must prove all elements of cost or deduction claimed. *See* 15 U.S.C. § 1117(a). And, this Court has held that “district courts have the authority to issue a prejudgment asset restraint injunction in favor of plaintiffs seeking an accounting against allegedly infringing defendants in Lanham Act cases.” *Gucci Am., Inc. v. Weixing Li*, 768 F.3d 122, 132 (2d Cir. 2014).

In this case, Vans has sought an accounting. Moreover, MSCHF has not established its costs of production. Under these circumstances, we cannot conclude that the district court exceeded its discretion when it ordered MSCHF to essentially freeze its revenues from the Wavy Baby. We express no opinion as to the propriety of the ultimate relief the district court suggested in its order—refunds to consumers—and uphold the district court’s order without prejudice to MSCHF’s ability to renew its arguments before the district court on remand.

*Appendix A***IV. Bond Determination**

MSCHF's final claim is that the district court erred under Fed. R. Civ. P. 65(c) by failing to either require Vans to post security or to find, expressly, that no security was required. Vans argues that MSCHF waived this challenge by failing to seek a bond determination before the district court.

Under Rule 65(c), before issuing a preliminary injunction, the court must order the moving party to provide a security ("post bond") in an amount the court determines would cover damages sustained in the event a party has been wrongfully enjoined. *See* Fed. R. Civ. P. 65(c) ("The court may issue a preliminary injunction or a temporary restraining order only if the movant gives security in an amount that the court considers proper to pay the costs and damages sustained by any party found to have been wrongfully enjoined or restrained.").

But where the party opposing an injunction does not request security, the district court does not err in failing to order it. *See Clarkson Co., Ltd. v. Shaheen*, 544 F.2d 624, 632 (2d Cir. 1976). In *Clarkson* we ruled that, "[b]ecause no request for a bond was ever made in the district court, and because, under Fed. R. Civ. P. 65, the amount of any bond to be given upon the issuance of a preliminary injunction rests within the sound discretion of the trial court, . . . the district court may dispense with the filing of a bond." *Id.* (internal citations omitted).

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We reject MSCHF's suggestion that our decision in *Corning Inc. v. PicVue Electronics, Ltd.*, 365 F.3d 156 (2d Cir. 2004), overrules or limits our holding in *Clarkson*. In *Corning*, we said, "While it might have been within the discretion of the district court to decide that, under the circumstances, no security was required, . . . the district court was required to make this determination before it entered the preliminary injunction." *Id.* at 158 (internal citation omitted). Nothing in *Corning* suggests that its holding applies *even if the enjoined party never requested security*. Accordingly, we conclude the district court did not err in failing to require security from Vans. Nothing in our analysis precludes MSCHF from seeking security pursuant to Fed. R. Civ. P. 65(c) in the district court.

CONCLUSION

For the reasons discussed above, we **AFFIRM** the district court's grant of the preliminary injunction and the temporary restraining order.

APPENDIX B — OPINION OF THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF NEW YORK, FILED APRIL 29, 2022

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

April 29, 2022, Decided;
April 29, 2022, Filed

22-CV-2156 (WFK) (RML)

VANS, INC. AND VF OUTDOOR, LLC,

Plaintiffs,

v.

MSCHF PRODUCT STUDIO, INC.,

Defendant.

DECISION & ORDER

WILLIAM F. KUNTZ, II, United States District Judge:

Before the Court is a motion by Vans, Inc. and VF Outdoor, LLC (collectively, “Plaintiffs” or “Vans”) seeking a temporary restraining order and preliminary injunction against MSCHF Product Studio, Inc. (“Defendant”) related to its sale of the “Wavy Baby” shoes, which Plaintiffs assert, *inter alia*; infringe their trademarks and trade dress in violation of the Lanham Act. For the

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following reasons, the Court GRANTS Plaintiffs' motion for a temporary restraining order and a preliminary injunction.

BACKGROUND

This action arises out of a collaboration between Defendant and Michael Stevenson, who uses the stage name "Tyga," to design, to develop, and to sell the "Wavy Baby" shoes. Plaintiffs assert those activities violate their intellectual property rights by incorporating Plaintiffs' trademarks and trade dress. *See* Compl. ¶ 7, ECF No. 1. The Defendant released four thousand three hundred and six (4,306) Wavy Baby shoes for sale on Monday, April 18, 2022, at 12:00 Noon. Rosendahl Decl. ¶ 11, ECF No. 27-3.

On April 14, 2022, Plaintiffs filed a Complaint against Defendant asserting six claims for: (1) Federal Trademark Infringement in violation of 15 U.S.C. § 1114; (2) Federal Unfair Competition and False Designation of Origin in violation of 15 U.S.C. § 1125(a); (3) Federal Trademark Dilution in violation of 15 U.S.C. § 1125(c); (4) Unfair Trade Practices in violation of New York General Business Law § 349; (5) Trademark Dilution in violation of New York General Business Law § 360-1; and (6) Common Law Trademark Infringement and Unfair Competition. *See* Compl. Plaintiffs assert the Wavy Baby shoes and associated advertising infringe Plaintiffs' "jazz stripe" trademark (the "Side Stripe Mark"), "Flying-V" mark, "OFF THE WALL" mark, waffle sole mark, and Vans footbed logo (collectively, the "Marks") and the Plaintiffs' Old Skool shoes trade dress, Off the Wall trade dress, and

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shoe box trade dress (collectively, the “Trade Dress”). Pls. Mem. at 3, 14, ECF No. 12-1.

On April 15, 2022, Plaintiffs moved for a temporary restraining order (“TRO”) and preliminary injunction to enjoin Defendant from: (1) releasing for sale to the public any of the Wavy Baby shoes or any colorful imitations or reconstructions thereof (collectively, the “Wavy Baby shoes”); (2) fulfilling orders for any of the Wavy Baby shoes; (3) using Vans’ Old Skool Trade Dress or Side Stripe Mark, or any mark that is confusingly similar to Vans’ marks and trade dress or that is a derivation or colorable imitation or recreation thereof, regardless of whether used alone or with other terms or elements; (4) referring to or using any of the Marks, Trade Dress, or derivations and colorable imitations or recreations thereof in any advertising, marketing, or promotion; and, (5) instructing, assisting, aiding, or abetting any other person or business entity in engaging in or performing any of the activities referred to above, or taking any action that contributes to any of the activities referred to above. Pls. Mot. at 4, ECF No. 12. Plaintiffs requested the Court to order Defendant to place in escrow any funds received from all orders taken to date for the Wavy Baby shoes so that, if Plaintiffs prevail in this action, Defendant is able to return those funds to customers who ordered the Wavy Baby shoes under the mistaken belief Vans was the source of the shoes or otherwise approved or sponsored the shoes. Finally, Plaintiffs sought permission to file with the Court within thirty (30) days after entry of the injunction a report in writing under oath detailing the manner and form in which Defendant has complied with the injunction. Pls. Mot. at 5.

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In assessing Plaintiffs' motion for injunctive relief, this Court has reviewed the submissions of Plaintiffs and Defendant, including their memoranda, declarations, and exhibits, as well as the amicus curiae brief submitted by Harvard Law Professor Rebecca Tushnet. The Court also considered carefully the oral arguments made by counsel at the hearing held on April 27, 2022.

DISCUSSION

“[A] preliminary injunction is ‘an extraordinary remedy never awarded as of right.’” *Benisek v. Lamone*, 585 U.S. 138 S.Ct. 1942, 1943 (2018) (quoting *Winter v. Nat. Res. Def Council, Inc.*, 555 U.S. 7, 24 (2008)). “To obtain a preliminary injunction, a plaintiff must establish: ‘(1) the likelihood of irreparable injury in the absence of such an injunction, and (2) either (a) likelihood of success on the merits or (b) sufficiently serious questions going to the merits to make them a fair ground for litigation plus a balance of hardships tipping decidedly’ in its favor.” *Louis Vuitton Malletier v. Burlington Coat Factory Warehouse Corp.*, 426 F.3d 532, 537 (2d Cir. 2005).

“The Second Circuit has not definitively ruled on whether a Court should consider the [balance of the hardships and the public interest as] set forth in *eBay Inc. v. MercExchange, LLC*, 547 U.S. 388, 393, 126 S. Ct. 1837, 164 L. Ed. 2d 641 (2006), and *Winter v. Natural Res. Defense Council, Inc.*, 555 U.S. 7, 20 (2008), in evaluating preliminary injunctions in the trademark infringement context.” *Barefoot Contessa Pantry, LLC v. Aqua Star (USA) Co.*, No. 15-CV-1092, 2015 U.S. Dist.

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LEXIS 24013, 2015 WL 845711, at *2 (S.D.N.Y. Feb. 26, 2015) (Furman, J). However, “*eBay* strongly indicates that the traditional principles of equity it employed are the presumptive standard for injunctions in any context,’ and some district courts have applied the additional two factors in the trademark and trade dress infringement context as well.” *Id.* (quoting *Salinger v. Colting*, 607 F.3d 68, 78 (2d Cir. 2010)). Accordingly, the Court also considers those factors here.

I. Likelihood of Success on the Merits or Serious Questions Going to the Merits

“The principle underlying trademark protection is that distinctive marks—words, names, symbols, and the like—can help distinguish a particular artisan’s goods from those of others.” *B&B Hardware, Inc. v. Hargis Indus., Inc.*, 575 U.S. 138, 142, 135 S. Ct. 1293, 191 L. Ed. 2d 222 (2015). “In order to establish a valid Lanham Act claim based on trademark or trade dress infringement, a party must show, first, that the trademark or trade dress is valid and entitled to protection, and second, that defendant’s use of the trademark or trade dress is likely to cause consumer confusion as to the origin, affiliation or association, or endorsement of defendant’s goods or services.” *Barefoot Contessa Pantry, LLC*, 2015 U.S. Dist. LEXIS 24013, 2015 WL 845711, at *3 (citing *Christian Louboutin S.A. v. Yves Saint Laurent Am. Holdings*, 696 F.3d 206, 216-17 & n.9 (2d Cir. 2012)).

“The ‘serious questions’ standard permits a district court to grant a preliminary injunction in situations

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where it cannot determine with certainty that the moving party is more likely than not to prevail on the merits of the underlying claims, but where the costs outweigh the benefits of not granting the injunction.” *Citigroup Glob. Markets, Inc. v. VCG Special Opportunities Master Fund Ltd.*, 598 F.3d 30, 35 (2d Cir. 2010). However, “[b]ecause the moving party must not only show that there are ‘serious questions’ going to the merits, but must additionally establish that ‘the balance of hardships tips *decidedly*’ in its favor, . . . its overall burden is no lighter than the one it bears under the ‘likelihood of success’ standard.” *Id.* (citing *F. & M Schaefer Corp. v. C. Schmidt & Sons, Inc.*, 597 F.2d 814, 815-19 (2d Cir. 1979); *Jackson Dairy, Inc. v. H.P. Hood & Sons, Inc.*, 596 F.2d 70, 72 (2d Cir. 1979)) (emphasis in original).

A. Plaintiffs’ Marks Merit Protection

Courts analyzing trademark infringement claims first “look to see whether plaintiff’s mark merits protection. In order for a trademark to be protectable, the mark must be ‘distinctive’ and not ‘generic.’ A mark is said to be ‘inherently’ distinctive if ‘[its] intrinsic nature serves to identify a particular source.” *Christian Louboutin S.A.*, 696 F.3d at 216 (quoting *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 454 F.3d 108, 115 (2d Cir. 2006); *Genesee Brewing Co. v. Stroh Brewing Co.*, 124 F.3d 137, 143 (2d Cir. 1997)) (alteration in original). A mark inherently not distinctive may instead “‘acquire’ distinctiveness by developing ‘secondary meaning’”—that is, “in the minds of the public, the primary significance of a product feature . . . is to identify the source of the

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product rather than the product itself.” *Id.* (quoting *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 851 n.11 (1982)). Federal registration of a trademark is “prima facie evidence of the validity of the registered mark and of the registration of the mark, of the owner’s ownership of the mark, and of the owner’s exclusive right to use the registered mark.” *Matal v. Tam*, 137 S. Ct. 1744, 1753, 198 L. Ed. 2d 366 (2017); 15 U.S.C. § 1057(b).

“Trade dress” is a “category that originally included only the packaging, or ‘dressing’ of a product, but . . . has been expanded . . . to encompass the design of a product.” *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 209, 120 S. Ct. 1339, 146 L. Ed. 2d 182 (2000). A product’s trade dress is protected “if it is not functional and if it is either inherently distinctive or has acquired secondary meaning in the marketplace.” *Shandong Shino Food Indus. Co., Ltd. v. May Flower Int’l, Inc.*, 521 F. Supp. 3d 222, 253 (E.D.N.Y. 2021) (Brodie, C.J.) (quoting *Nora Beverages, Inc. v. Perrier Group of Am., Inc.*, 269 F.3d 114, 118 (2d Cir. 2001)). Secondary meaning may be shown by: “(1) advertising expenditures, (2) consumer studies linking the mark to a source, (3) unsolicited media coverage of the product, (4) sales success, (5) attempts to plagiarize the mark, and (6) length and exclusivity of the mark’s use.” *Christian Louboutin S.A.*, 696 F.3d at 226.

The Court finds Plaintiffs have established a likelihood of prevailing in their argument the Marks and the Trade Dress merit protection. Plaintiffs’ Marks are registered, *see* Wimmer Decl. ¶¶ 9, 15, Exs. 1-4, 6-7, ECF No. 12-2, and therefore prima facie valid and protectable.

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See Matal v. Tam, 137 S. Ct. at 1753. Plaintiffs have also sufficiently demonstrated a likelihood of success in asserting their trade dress has acquired secondary meaning. In particular, Plaintiffs note consumer surveys have shown the Old Skool shoe trade dress is a unique source identifier for Vans, Pls. Mem. at 9; Wimmer Decl. ¶ 14, Ex. 5; the Marks have received unsolicited coverage in third-party publications and reports commenting on the design, Regan Decl. ¶¶ 18, 22-23, ECF No. 12-4; the Plaintiffs have sold over 200 million pairs of the Old Skool shoes since their introduction in 1977, Callahan Decl. ¶¶ 5-7; and the Plaintiffs have invested millions of dollars in advertising the Old Skool trade dress, Regan Decl. 1120. Overall, Plaintiffs have sufficiently demonstrated a likelihood of showing “in the minds of the public,” the Old Skool trade dress operates as an identifier of the source of the product. *See Christian Louboutin S.A.*, 696 F.3d at 216. Furthermore, Defendant has offered no argument disputing the validity of the Marks.

B. Consumer Confusion

If a plaintiff’s trademark is valid and protectable, courts must then “determine ‘whether [the] defendant’s use of a similar mark is likely to cause consumer confusion.’” *Id.* at 217 (quoting *Dooney & Bourke, Inc.*, 454 F.3d at 115); *see also* 15 U.S.C. § 1114(1)(a)—(b). In order to determine the likelihood of confusion, courts in the Second Circuit apply the factors set forth in *Polaroid Corp. v. Polarad Electronics Corp.*, 287 F.2d 492 (2d Cir. 1961): (1) the strength of the trademark; (2) the degree of similarity between the two marks; (3) the proximity of

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the products and their competitiveness with one another; (4) the likelihood the prior owner may “bridge the gap” in the markets for the products; (5) evidence of actual consumer confusion; (6) the defendant’s good faith in adopting its imitative mark; (7) the quality of defendant’s product compared with the plaintiff’s product; and (8) the sophistication of the buyers. *See id.* at 495.

“The application of the *Polaroid* test is ‘not mechanical, but rather, focuses on the ultimate question of whether, looking at the products in their totality, consumers are likely to be confused.’” *Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.*, 588 F.3d 97, 115 (2d Cir.2009) (quoting *Star Indus., Inc. v. Bacardi & Co. Ltd.*, 412 F.3d 373, 384 (2d Cir. 2005)). “No single *Polaroid* factor is determinative. Rather each must be considered in the context of all of the other factors, and from a balance of these determinations, one is able to reach the ultimate conclusion, whether there is likelihood of confusion between the two parties’ products.” *Plus Prods. v. Plus Disc. Foods, Inc.*, 722 F.2d 999, 1004 (2d Cir. 1983) (citing cases).

Considering the *Polaroid* factors here, the Court finds Plaintiffs have demonstrated a likelihood of prevailing on the issue of consumer confusion. In particular, the Court notes the striking visual similarities between the Old Skool shoes and the Wavy Baby shoes and their respective packaging. Defendant asserts while the Wavy Baby shoes are reminiscent of the Old Skool shoes, each purported use of Plaintiffs’ Marks is distorted and thus different from the Old Skool shoes. Def. Mem. at 14, ECF No. 13; Wiesner Decl. ¶¶ 61-66, ECF No. 17. However, the Marks

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need not be identical, but rather only similar, for there to be a likelihood of confusion. “Whether simultaneous viewing by consumers is likely to result in confusion is not relevant when it is serial viewing that is at issue given the market context or the type of confusion claimed. In such a case, a district court must ask not whether differences are easily discernable on simultaneous viewing, but whether they are likely to be memorable enough to dispel confusion on serial viewing.” *Burlington Coat Factory Warehouse Corp.*, 426 F.3d at 538. “The Lanham Act protects against several types of consumer confusion, including *point-of-sale* confusion, *initial interest* confusion, and *post-sale* confusion, and the *Polaroid* factors must be applied with an eye toward each of these.” *Id.* at 537 n.2 (internal citations omitted) (emphasis in original). Here, Defendant’s distortion of the original marks is insufficient to dispel consumer confusion.

Plaintiffs have sufficiently demonstrated actual consumer confusion. Multiple independent sources commented on the similarity between the Old Skool shoes and the Wavy Baby shoes. Consumers have misunderstood the source of the Wavy Baby shoes as a collaboration between Plaintiffs and Defendant. *See* Pls. Mem. at 22; Rosendahl Decl. ¶ 4; Pls. Reply Mem. at 1-2, ECF No. 27. In an episode of the “Complex Sneakers Podcast,” entered into evidence during the April 27, 2022 hearing on this motion, and described as “the quintessential sneakerhead show,” Tr. at 37, one of the show’s hosts stated, in sum and substance, to Defendant’s chief creative officer, Lukas Bentel,

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Everyone I've spoken to about this shoe says that if someone was walking down the street and . . . if I asked you to tell me what the person across the street was wearing, they'd say they're wearing a pair of Vans Just the fact that the average person wouldn't, unless you like, sat there and looked at it with, you know, a magnifying glass, and saw the label on the back and saw that it read this, but just like, if you walked across the office, if you were wearing a pair of those sneakers, it's a pair of Vans.

To which Mr. Bentel responded,

Yes, these are the anchor of the shoe, like the base of the shoe before our transformation is of course a Vans, and I think there's no doubting that. And we are completely playing into that space, but there are a few things: number one I think it is a really unique transformation Vans would not ever have done. I wouldn't even say, like, I have a pair right now, and if you put them on and walked around, you'll see this is not the greatest foot-feeling shoe This in our mind is an image, it's sort of like if you want to . . . like if we're talking about things that are untouchable to us, frequently you would think, you know, like, big brands. You walk out, you look at the street, you're seeing just advertising everywhere, and these are the things that are untouchable. They're like sacred in some sense, and in the same sense we're just completely

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inundated by it all the time. So I think one of the things we really play on and like, play with is just trying to push those boundaries of like, what we as people interacting in the world can touch and mess with. So this is a play in that space, and we've had many other plays in that space previously that really range from very fine art-related things to some of these.

Complex Sneakers Podcast at 31:40-34:10. The host of a show dedicated to the discussion of sneakers comments directly upon the actual confusion of the average consumer.

The Court finds the “sophistication of the buyers” factor weighs in Plaintiffs’ favor. Defendants sold the Wavy Baby shoes to the general public through self-service mediums accessible without professional assistance, and shoes generally are a common consumer item. Pls. Mem. at 24; Wimmer Decl. ¶¶25-26. “Retail customers . . . are not expected to exercise the same degree of care as professional buyers, who are expected to have greater powers of discrimination.” *Virgin Enterprises Ltd. v. Nawab*, 335 F.3d 141,151 (2d Cir. 2003) (internal citations omitted). The Defendant engaged in a broad advertising campaign for the Wavy Baby shoes in conjunction with Tyga, an artist with a significant fan base. It is likely at least some buyers of the Wavy Baby shoes purchased them as a result of this public campaign, which included a video in which Tyga appeared to microwave an Old Skool shoe to produce a Wavy Baby shoe, Pls. Reply. at 6. Defendant argues few of the purchasers of the Wavy Baby shoes were likely to be unsophisticated members of the general public,

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as the shoe was only available for a short period of time on the Defendant's website and proprietary application. Def. Mem. at 16. This is merely supposition. Tr. at 8. Defendant has offered no persuasive rationale as to why the Wavy Baby shoe's sale solely on Defendant's website and application poses such a barrier to entry that only sophisticated consumers would have purchased the shoe.

Plaintiffs demonstrated sufficient proximity of the products in question. Both products are sneakers marketed with similar skate-related imagery. Plaintiffs regularly release special edition versions of the Old Skool shoes, including limited edition models developed in collaboration with artists, released in quantities similar to that of the Wavy Baby shoes, and at a closer price point of \$180.00 as compared to the retail price of \$220.00 for the Wavy Baby shoes. *See* Pls. Mem. at 22; Def. Mem. at 16; Tr. at 79. Defendant argues the Wavy Baby shoes are a "limited edition, collectible work of art," "likely to be kept in glass cases or on shelves," in contrast to the "simple and practical" Old Skool shoes, which are "meant to be worn." Def. Mem. at 17. However, in his interview on the Complex Sneakers Podcast, when comparing the Wavy Baby shoes with prior shoes developed by the Defendant, Mr. Bentel stated,

For better or for worse, we were thinking of those [prior shoes] as art pieces. I know now this is sort of transcending into more of a straight sneaker space. And so that is us sort of pushing those buttons a little more in some sense because I think we were told that we

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couldn't do certain things, and we said we're just going to figure out how to make them ourselves. So that's sort of the impetus behind pushing, you know, an actual sneaker brand, MSCHF sneakers.

Complex Sneakers Podcast at 36:45-37:16. Defendant's founder and chief executive officer, Gabriel Whaley, additionally stated Defendant has retained approximately 280 pairs of the Wavy Baby shoes which it had intended to use to "account for any fulfillment errors and to fulfill requests from museums and galleries for exhibitions." Supp. Whaley Decl. ¶ 14, ECF No. 22. Defendant stated during the April 27, 2022 hearing that the fulfillment errors refer to incorrect sizes being shipped. Tr. at 57-58. However, Plaintiffs noted if the shoes were truly meant to be artworks to be displayed rather than worn, there would be no specific need for consumers to receive a particular size. Tr. at 84. Despite Defendant's assertions the Wavy Baby shoes belong in museums and galleries for exhibition, the production of 4,306 pairs of shoes places the Wavy Baby shoes on a mobile footing vastly different from one found at the Brooklyn Museum.

The variation in quality between the Wavy Baby shoes and the Plaintiffs' Old Skool shoe also weighs in favor of Plaintiffs. Plaintiffs highlight particular deficiencies in the Wavy Baby shoes not apparent in Old Skool shoes. The exhibits depict the red coloring of the heel patch showing through the Wavy Baby shoe's white background, and misalignment of the black stripe bordering the upper sidewall of the shoe, which could lead to consumer