

No. 22-148

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In the  
**Supreme Court of the United States**

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JACK DANIEL'S PROPERTIES, INC.,  
*Petitioner,*

v.

VIP PRODUCTS LLC,  
*Respondent.*

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**On Writ of Certiorari to the United States  
Court of Appeals for the Ninth Circuit**

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**BRIEF OF *AMICI CURIAE* AMERICAN APPAREL &  
FOOTWEAR ASSOCIATION, FOOTWEAR  
DISTRIBUTORS & RETAILERS OF AMERICA,  
COUNCIL OF FASHION DESIGNERS OF AMERICA,  
INC., AND THE ACCESSORIES COUNCIL IN  
SUPPORT OF PETITIONER**

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**INTERESTS OF *AMICI CURIAE*<sup>1</sup>**

Amici and their members share an interest in robust intellectual property protections and a commitment to fighting counterfeit and knockoff products that undermine those protections, threaten their brands, destroy jobs, and endanger consumers. Amici write to share their expertise on the global threat of counterfeit products and how a broadly applied First Amendment defense that insulates “humorous” expressive works from Lanham Act claims will make the already significant problem of counterfeit and knockoff products much worse.

The American Apparel & Footwear Association is a national trade association representing more than 1,000 name-brand apparel, footwear, travel goods, and other sewn product companies, and their suppliers. Through its public policy and political initiatives, AAFA protects American innovation, brands and their intellectual property, workers, and consumers. And through its Brand Protection Council, AAFA vigorously pursues brand protection efforts, with a focus on the global war against counterfeit apparel, footwear, accessories, and other supplier products that proliferate on online marketplaces and social media platforms.

The Footwear Distributors & Retailers of America is the only trade organization focused solely on the footwear industry. Representing 95% of total U.S.

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<sup>1</sup> No counsel for any party has authored this brief in whole or in part, and no person other than the *amici* or their counsel have made any monetary contribution intended to fund the preparation or submission of this brief.

footwear sales and supporting nearly 500 companies, FDRA's members include most U.S. footwear manufacturers, brands, retailers and importers, from small family-owned business to global brands that reach consumers around the world. FDRA serves its members by proactively surveying the global footwear counterfeit landscape and testifying before federal agencies, including the Office of the U.S. Trade Representative, to provide input on global footwear intellectual property challenges.

The Council of Fashion Designers of America, Inc., is trade association with a membership of over 450 of America's foremost womenswear, menswear, jewelry, and accessory designers. The CFDA provides its members with thought-leadership and business development support. It also supports emerging designers and students through professional development programming and numerous grant and scholarship opportunities. Through the CFDA Foundation, Inc., CFDA also mobilizes its membership to raise funds for charitable causes and engage in civic initiatives.

The Accessories Council is a trade association dedicated to helping accessories, jewelry, and footwear companies grow their businesses. The membership includes over 350 members, from large companies to start-ups. The Council hosts over 100 opportunities for its members each year—including awards events, educational programming, legislative support, mentoring, press support, and sourcing assistance—and publishes a weekly newsletter and a quarterly digital magazine. Many of its members

have small budgets and limited resources for protecting their designs from copies.

### SUMMARY OF ARGUMENT

The Ninth Circuit’s application of *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989), opens the door to a new global counterfeit threat: an influx of infringing products meriting First Amendment protection because their creators clear a ground-level hurdle of affixing minimal “humorous” expression onto them. This application of *Rogers* creates an artistic license to counterfeit and poses a significant threat to American companies, workers, and consumers. By greenlighting thieves pretending to be artists, the Ninth Circuit’s decision undermines the protections the Lanham Act is meant to give.

This is unwelcome under any scenario, but counterfeit and knock-off merchandise is already a significant and ever-increasing threat to American companies. While counterfeit and knockoff products harm American companies and steal their intellectual property, the harms don’t stop there. Infringing products are often defective or use inadequate materials, increasing dangers to consumers; they often implicate criminal organizations and other illegal products, financing such groups and exposing consumers to other threats like financial or identity theft; they are often made in facilities that ignore the rights of workers, jeopardizing their health and safety; and they stifle creativity and innovation, threatening economic competitiveness. American companies already face stiff challenges in addressing these threats and can ill afford even more. And American consumers—already facing high levels of counterfeits

goods—are likewise ill-equipped to face even more under a judicially-invited expansion of illicit and unsafe products.

These threats undermine the robust intellectual property protection that is at the heart of our market economy, artistic expression, and legal system. Armed with that protection, American companies have risen to the forefront of design, manufacture, and sale of footwear, apparel, and other fashion accessories. The resulting benefits are numerous, from jobs, consumer safety and satisfaction, economic growth, and more. At a time when these benefits are already under increasing attack, the amici join the Petitioner in asking this Court to reverse the Ninth Circuit’s decision.

#### ARGUMENT

##### I. THE NINTH CIRCUIT’S DECISION WILL CREATE AN INDUSTRY OF “EXPRESSIVE COUNTERFEITS” AND “HUMOROUS KNOCKOFFS.”

The Ninth Circuit’s ruling presents a needlessly steep climb for trademark holders protecting their intellectual property.

First, consider the *Rogers* test itself. To overcome a First Amendment defense, a trademark holder must “show that the defendant’s use of the mark is either (1) not artistically relevant to the underlying work or (2) explicitly misleads consumers as to the source or content of the work.” *VIP Prods., LLC v. Jack Daniels Props, Inc.*, 953 F.3d 1170, 1174 (9th Cir. 2020). As the district court in this case noted, it is “nearly impossible for any trademark holder to prevail under this standard”; artistic relevance can

be “scant or de minimis” and it takes very little to avoid *explicitly* misleading consumers. *VIP Prods. LLC v. Jack Daniels Props., Inc.*, 2021 WL 5710730 (D. Ariz. Oct. 8, 2021); *see also Dr. Seuss Enter. LP v. ComicMix LLC*, 983 F.3d 443, 462 (9th Cir. 2020) (requiring “the use to be an explicit indication, overt claim, or explicit misstatement about the source of the work.”). The *Rogers* test is, in other words, a low bar by design.

The Ninth Circuit’s decision applying this test to “expressive works” adds to the challenge. The Court held that the dog toy here is “expressive” because it “communicates a humorous message...on precisely those elements that Jack Daniels seeks to enforce here.” 953 F.3d at 1175. That the medium for that message was a dog toy, the court held, was of no moment. *Id.*

Applying *Rogers* to any “humorous” expression in any medium will exacerbate the global problem of IP-infringing products by protecting “expressive” counterfeits and “humorous” knockoffs. Consider a counterfeit shoe producer. To sell its product, it designs and manufactures products to look and feel like the real thing. By replicating the brand, the appearance of the shoe is intended to mislead consumers to look like the established brand. While detection and enforcement may vary, the law rightfully prohibits these products from entering the marketplace and, when it can, punishes those responsible.<sup>2</sup>

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<sup>2</sup> *See* H. MARSHALL JARRETT, ET AL., PROSECUTING INTELLECTUAL PROPERTY CRIMES 1-6, 92 (4th ed.),

But under the Ninth Circuit’s application of *Rogers*, a bad actor need only make minor changes to the same product to invoke artistic expression and skirt liability. Our counterfeit shoe producer can take a name-brand product, remove its official logo but otherwise keep the same design, and add a “humorous message” for artistic expression along with a small label (like the one on “Bad Spaniels”) disclaiming affiliation with the name-brand. With that, our counterfeiter now enjoys First Amendment protection. This adaptation of counterfeit products is easy and, under the Ninth Circuit’s application of *Rogers*, threatens to undermine the IP rights of footwear, apparel, and fashion accessories brands.

And it’s not just existing counterfeiters that would pose a new threat. An entirely new industry of knockoffs may emerge because it will be easier to produce and sell “expressive” counterfeits and “humorous” knockoffs. Because a product cannot explicitly mislead the consumer, its creator need not worry about making the product look identical to the real thing. Infringing other brands just enough to profit, but saving the effort of a true counterfeit and its concomitant risk of punishment, is easier. If the cost of entering this marketplace of global knockoffs is as low as the Ninth Circuit’s decision makes it, opportunists will jump in.

This global market of “expressive” counterfeits and “humorous” knockoffs will have considerable consequences. Low-quality products, customs’ en-

forcement difficulty (is this product a counterfeit or a permissible expressive work?), dilution of brand IP, and incentivizing bad actors, to name just a few. It will also exacerbate existing problems at the United States Patent and Trademark Office, where counterfeiters already flout the rules to obtain online legitimacy.<sup>3</sup> Expressive counterfeiters can further flood that agency with bogus applications to springboard their legitimacy on online platforms, such as applying for existing trademarks and meriting *Rogers* protection because they added a “humorous message.” This, in turn, would also lead to increased problems on social media and e-commerce platforms, which fuel—intentionally or not—the market for knock-off products.

Plus, an “expressive counterfeit” or “humorous knockoff” market may impact smaller brands who have not encountered such problems to date. Unlike larger ones, these brands already face an uphill battle when it comes to brand recognition and protecting their intellectual property. And unlike larger brands, these companies often lack the resources to effectively fight knock-off products and police platforms. A wave of legally protected infringing products would present a new problem that many have never had to face and lack the resources to effectively combat. This, in turn, strains the entire industry, sows dis-

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<sup>3</sup> See U.S. PATENT AND TRADEMARK OFFICE, PERFORMANCE AND ACCOUNTABILITY REPORT 36 (2021), [www.uspto.gov/sites/default/files/documents/USPTOFY21PAR.pdf](http://www.uspto.gov/sites/default/files/documents/USPTOFY21PAR.pdf) (last visited Jan. 11, 2023) (noting the need for increased spending to “alter trademark operations to protect the integrity of the register and contend with increasing fraudulent applications”).

trust in consumers, creates brand reputation issues, and undermines IP protections and brand strength.

How American companies could combat this emerging market is hard to fathom. Customs officials, brands, and courts would have to engage in amorphous line-drawing on what qualifies as “expressive” or “humorous.” This will ultimately liberate bad actors, threaten American companies, and complicate existing frameworks for protecting IP and punishing infringing conduct.

Given the scope of IP threats that already exist, footwear, apparel, and fashion accessories companies can ill afford a vibrant market of thieves pretending to be humorous artists.

## **II. THE FOOTWEAR, APPAREL, AND FASHION ACCESSORIES INDUSTRIES ALREADY FACE A GLOBAL PROBLEM OF KNOCKOFFS AND COUNTERFEITS.**

The apparel and footwear industries collectively employ three million U.S. workers and contribute more than \$470 billion in annual U.S. retail sales.<sup>4</sup> The footwear industry alone invests millions of dollars every year in innovations to their products, 2.5 billion pairs of which are supplied to the U.S. market

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<sup>4</sup> Letter from Stephen Lamar, President and CEO of Am. Apparel & Footwear Assoc., to Hon. Daniel Lee, Office of the U.S. Trade Rep. (Oct. 7, 2022), *available at* [https://www.aafaglobal.org/AAFA/AAFA\\_News/2022\\_Letters\\_and\\_Comments/AAFA\\_Files\\_2022\\_Notorious\\_Markets\\_Comments\\_USTR.aspx](https://www.aafaglobal.org/AAFA/AAFA_News/2022_Letters_and_Comments/AAFA_Files_2022_Notorious_Markets_Comments_USTR.aspx) (last visited Jan. 17, 2023).

every year.<sup>5</sup> Given their size, the apparel and footwear industries provide critical contributions to our national economy and American cultural identity. To do so, companies in these industries commit substantial resources to develop their products and brands, foster and protect creativity and innovation, and serve consumers across the world.

But despite their importance to the U.S. economy, these industries are under constant attack from a global industry of counterfeit and knockoff products. These infringing products present a smorgasbord of problems, from financial harm to companies, safety, financial and health risks to consumers, and increased funding to criminal and terrorist organizations.<sup>6</sup>

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<sup>5</sup> Letter from Matt Priest, President and CEO of Footwear Distrib. & Retailers of Am., to Hon. Thom Tillis and Hon. Chris Coon, Senate Judiciary Comm. (Dec. 5, 2019), <https://fdra.org/wp-content/uploads/2020/05/FDRA-Letter-of-Support-Counterfeit-Goods-Seizure-Act-of-2019-.pdf> (last visited Jan. 11, 2023).

<sup>6</sup> *See generally* U.S. CHAMBER OF COMMERCE, GLOBAL INTELLECTUAL PROPERTY CENTER, MEASURING THE MAGNITUDE OF GLOBAL COUNTERFEITING 5–10 (2016), [www.uschamber.com/assets/archived/images/documents/files/measuringthemagnitudeofglobalcounterfeiting.pdf](http://www.uschamber.com/assets/archived/images/documents/files/measuringthemagnitudeofglobalcounterfeiting.pdf) (last visited Jan. 17, 2023) (hereinafter “MEASURING THE MAGNITUDE”); U.S. DEPT. OF HOMELAND SECURITY, COMBATING TRAFFICKING IN COUNTERFEIT AND PIRATED GOODS (Jan. 24, 2020), [www.dhs.gov/sites/default/files/publications/20\\_0124\\_ply\\_counterefeit-pirated-goods-report\\_01.pdf](http://www.dhs.gov/sites/default/files/publications/20_0124_ply_counterefeit-pirated-goods-report_01.pdf) (last visited Jan. 17, 2023); AMER. APPAREL & FOOTWEAR ASSOC., “Fashion Industry Study Reveals Dangerous Chemicals, Heavy Metals in Counterfeit Products” (March 23, 2022), *available at* [https://www.aafaglobal.org/AAFA/AAFA\\_News/2022\\_Press\\_Rele](https://www.aafaglobal.org/AAFA/AAFA_News/2022_Press_Rele)

“Counterfeit” goods are “any goods, including packaging, bearing without authorization a trademark which is identical to the trademark validly registered in respect of such goods, or which cannot be distinguished in its essential aspects from such a trademark, and which thereby infringes the rights of the owner of the trademark in question under the law of the country of importation.”<sup>7</sup> Counterfeit goods ride on the coattails of established brands’ reputation, quality, and popularity to deliver a lower-quality and lower-cost version.<sup>8</sup> Relatedly, “knockoffs” describe goods that do not bear identical trademarks but are deliberately designed to resemble established trademarks and profit from their success.<sup>9</sup>

The United States Chamber of Commerce estimates that the worldwide trade in counterfeit and fake goods is approximately \$500 billion annually and growing.<sup>10</sup> The footwear, and apparel and accessories industries are particularly susceptible to counterfeits due to their place in popular and youth cul-

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ases/Fashion\_Industry\_Study\_Reveals\_Dangerous\_Chemicals\_Heavy\_Metals\_Counterfeits.aspx (last visited Jan. 17, 2023).

<sup>7</sup> Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), sect. 4, art. 51 n.14.

<sup>8</sup> MEASURING THE MAGNITUDE 7–9.

<sup>9</sup> See BARBARA KOLSUN & DOUGLAS HAND, *THE BUSINESS AND LAW OF FASHION AND RETAIL* 488 (1st ed. 2020).

<sup>10</sup> See Scott Hall, *10 Tips to Spot Counterfeit and Fake Goods While Holiday Shopping*, U.S. CHAMBER OF COMMERCE (Nov. 17, 2021), <https://www.uschamber.com/intellectual-property/shopsmart>.

ture. Both categories of products are consistently among the top products seized by U.S. Customs & Border Protection: in 2021, apparel and accessories accounted for 30% of all seizures while footwear accounted for 13%.<sup>11</sup> The retail value of these seizures was approximately \$585 million dollars.<sup>12</sup> The actual amount of counterfeit goods that reach U.S. consumers likely dwarfs that amount, as counterfeiters continue to innovate their methods by, for example, shipping the product and labels separately or relying on small packages that can evade detection.<sup>13</sup>

Counterfeits and knockoffs also litter online marketplaces and platforms, with the rise of e-commerce and social media platforms exacerbating these problems. As e-commerce has grown in popularity, it has ushered in an “explosion” of counterfeits.<sup>14</sup> Online platforms are a preferred marketplace for counterfeiters because they facilitate casting a wide net while avoiding detection. Meanwhile, the failure of

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<sup>11</sup> See U.S. CUSTOMS AND BORDER PROT., INTELLECTUAL PROP. RIGHTS SEIZURE STATISTICS: FISCAL YEAR 2021 at 30-31, <https://www.cbp.gov/sites/default/files/assets/documents/2022-Sep/202994%20-%20FY%202021%20IPR%20Seizure%20Statistics%20BOOK.5%20-%20FINAL%20%28508%29.pdf> (last visited Jan. 16, 2023).

<sup>12</sup> *Id.* at 33.

<sup>13</sup> Letter from Matt Priest, President and CEO of Footwear Distrib. & Retailers of Am., to Hon. Daniel Lee, Office of the U.S. Trade Rep., at 3 (Jan. 31, 2022), [https://fdra.org/wp-content/uploads/2022/02/FDRA\\_2022-Special-301\\_Review\\_Comment.pdf](https://fdra.org/wp-content/uploads/2022/02/FDRA_2022-Special-301_Review_Comment.pdf) (last visited Jan. 11, 2023) (“Priest Letter”).

<sup>14</sup> *Id.* at 2.

online platforms to vet sellers, identify infringing content and products, ban repeat offenders, and protect brands' intellectual property make e-commerce a particularly fertile ground for those counterfeiters.<sup>15</sup>

Specifically, online platforms often fail to verify seller contact information, making it hard—if not impossible—for brands to identify the individual(s) infringing their intellectual property rights.<sup>16</sup> Online platforms also vary in how effectively brands can locate the existence of infringing content. And assuming brands can locate counterfeit products and identify the source, “notice and takedown” procedures are too often inadequate to protect the impacted companies.<sup>17</sup> Many platforms, for example, fail to verify seller information, allowing infringers to create new accounts with impunity even after they have been

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<sup>15</sup> Letter from Stephen Lamar, President and CEO of Am. Apparel & Footwear Assoc., to Hon. Daniel Lee, Office of the U.S. Trade Rep. at 3 (Oct. 11, 2021), <https://www.regulations.gov/comment/USTR-2021-0013-0023> (last visited Jan. 11, 2023) (“Lamar 2021 Letter”) at 3.

The White House has also taken notice of this pressing issue. *See* Fact Sheet: President Biden’s Safer America Plan (July 21, 2022), <https://www.whitehouse.gov/briefing-room/statements-releases/2022/07/21/fact-sheet-president-bidens-safer-america-plan/> (“To tackle organized retail theft, the plan calls on Congress to pass legislation to require online marketplaces, like Amazon, to verify third-party sellers’ information, and to impose liability on online marketplaces for the sale of stolen goods on their platforms.”).

<sup>16</sup> Priest Letter at 2; *see* Lamar 2021 Letter at 4 (AAFA members describing the process of locating counterfeit and infringing listings as “impossible” and “very difficult”).

<sup>17</sup> Priest Letter at 2.

discovered.<sup>18</sup> And due to what are often inadequate intellectual property tools, minimal if any proactive measures to prohibit the publishing of counterfeit listings, and delay in acting upon submitted notices, the volume of infringing products only increases.<sup>19</sup> This presents a true “whack-a-mole” problem for apparel, footwear, and fashion accessories companies.

Online platforms have also enabled counterfeiters to benefit from the prevalence of so-called “influencers” on social media who share and review fake products for their social media followers.<sup>20</sup> Dupe influencers use a variety of tactics to promote counterfeits, including unboxing videos, sponsorship and giveaways, tutorial videos, hidden links, and influencer shopping apps.<sup>21</sup> As a result, dupe influencers legitimize, facilitate, and promote the sale of counterfeit products online.

Similar problems have plagued the United States Patent and Trademark Office. Counterfeiters have flooded the USPTO with applications for fraudulent trademark filings, using digitally created or altered specimens and flouting the requirement that applicants retain U.S. counsel. *See* U.S. Dept. of Commerce, Office of Inspector Gen., “USPTO Should Im-

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<sup>18</sup> Lamar 2021 Letter at 6.

<sup>19</sup> *Id.* at 3–5.

<sup>20</sup> *See generally* Am. Apparel & Footwear Assoc., *Dupe Influencers: The Concerning Trend of Promoting Counterfeit Apparel, Footwear, and Accessories on Social Media* (May 2021), [www.aafaglobal.org/DupeInfluencers](http://www.aafaglobal.org/DupeInfluencers) (last visited Jan. 11, 2023); *see also* Lamar 2021 Letter at 4.

<sup>21</sup> *See id.* at 8–16.

prove Controls over Examination of Trademark Filings to Enhance the Integrity of the Trademark Register,” Final Report No. OIG-21-033-A, Aug. 11, 2021, at 3-9, *available at* <https://www.oig.doc.gov/OIGPublications/OIG-21-033-A.pdf> (last visited Jan. 11, 2023). These methods lead to approved applications, which the fraudulent applicants then use to gain false legitimacy and security on e-commerce platforms, where they continue their fraudulent conduct.

The challenge of national and international enforcement of IP rights—including trademarks, trade dress, and copyrights—often puts the onus squarely on these industries to police illegal counterfeit activity. This is an uphill battle. The footwear, apparel and fashion accessories industries collectively spend millions of dollars every year protecting their brands through a variety of measures: online and physical training and enforcement efforts; hiring vendors to police online third-party marketplaces and social media platforms; conducting extensive consumer and public education and outreach; and even making purchases of suspected fake products. While these protection efforts are enough to strain any company, they are acutely felt by smaller companies with fewer resources at their disposal.

Needless to say, counterfeits and knockoffs are no laughing matter. The Ninth Circuit’s extension of *Rogers* to “humorous” knockoffs will make these problems worse and further threaten the value of these industries’ intellectual property.

### III. THE FOOTWEAR, APPAREL, AND FASHION ACCESSORIES INDUSTRIES NEED ROBUST IP PROTECTION.

Protecting intellectual property is vital. Strong intellectual property protection allows companies to maintain long-term exclusivity over the trademarks or trade dress that are fundamental to their brand's identity, supports U.S. jobs, and more.<sup>22</sup> IP protection also fosters innovation of core designs and brands: companies can capitalize on short-term trends while maintaining long-term brand identity for consumers. For example, the long-term exclusivity that IP protection provides is valuable for iconic designs because it allows the trademark owner to innovate their design and products while capitalizing on its long-term success. *See id.*

New and smaller brands benefit too. Before they have brand recognition and the financial resources to fully protect it, new companies can be assured that their investment in and strategy for building their brand will be protected. While trends and fashion seasons come and go, a well-established brand serves as the foundation for both a company's innovation and its financial sustainability. *See generally Rockwell Graphic Sys., Inc. v. DEV Indus., Inc.*, 925 F.2d 174, 180 (7th Cir. 1991) ("The future of the nation depends in no small part on the efficiency of industry, and the efficiency of industry depends in no small part on the protection of intellectual property.").

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<sup>22</sup> See Jonathan Hyman, et al., *If the IP Fits, Wear It: IP Protection for Footwear—A U.S. Perspective*, 108 Trademark Rep. 645, 648 n. 10 (2018).

IP protection also enables footwear, apparel, and fashion accessories brands to pursue licensing agreements, business deals, and design collaborations. *See Hyman et al., supra* note 22, at 649. Before entering such deals, investors and licensees often look to see whether designers have invested resources into protecting their designs, as a robust IP portfolio communicates a brand's sophistication in the market. *See id.* ("IP rights, or lack thereof, could affect the valuation of a brand" and a company's available to capitalize on it). While companies regularly collaborate with other brands, celebrities, or artists, these collaborations are strategic: they are not created on a whim or without a company's consent. This ensures that their IP continues to act as intended: as a source-identifier distinguishing their brand from others. Anything less would compromise the many years of hard work and investment spent on building their brands.

### CONCLUSION

The benefits of robust IP protection are numerous. As the United States and its many industries continue to defend those rights against the global threat of counterfeit and knockoff products, the Ninth Circuit's decision invites more of them. The amici urge this Court to rescind the invitation.

Respectfully submitted,

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