

No. 22-347

---

---

IN THE  
**Supreme Court of the United States**

---

DIECE-LISA INDUSTRIES, INC.,

*Petitioner,*

*v.*

DISNEY STORE USA, LLC, *et al.*,

*Respondents.*

---

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

---

---

**REPLY BRIEF**

---

---

RICHARD L. SCHWARTZ  
THOMAS F. HARKINS, JR.  
WHITAKER CHALK SWINDLE  
& SCHWARTZ PLLC  
301 Commerce Street,  
Suite 3500  
Fort Worth, Texas 76102  
(817) 878-0500

WILLIAM A. DELGADO  
*Counsel of Record*  
MEGAN O'NEILL  
DTO LAW  
601 South Figueroa Street,  
Suite 2130  
Los Angeles, California 90017  
(213) 335-6999  
wdelgado@dtolaw.com

*Counsel for Petitioner*

---

---

318876



COUNSEL PRESS

(800) 274-3321 • (800) 359-6859

**CORPORATE DISCLOSURE STATEMENT**

Petitioner Diece-Lisa Industries, Inc.'s Rule 29.6 Statement remains accurate. Petitioner certifies it has no parent corporation, and there is no publicly held corporation that owns 10% or more of its stock.

**TABLE OF CONTENTS**

	<i>Page</i>
CORPORATE DISCLOSURE STATEMENT .....	i
TABLE OF CONTENTS.....	ii
TABLE OF CITED AUTHORITIES .....	iii
REPLY BRIEF OF PETITIONER.....	1
I. Both DLI and the Petitioner in <i>Jack Daniel's</i> Have Asked this Court to Repudiate the <i>Rogers</i> Test.....	2
II. Because Repudiating <i>Rogers</i> Would Require Vacating the Decision Below, this Court Should Hold the Petition Pending Disposition of <i>Jack Daniel's</i> .....	4
III. Because this Case Is an Ideal Vehicle to Decide Whether <i>Rogers</i> Applies to Reverse Confusion Cases, Immediate Plenary Review Would Also Be Appropriate .....	6
CONCLUSION .....	7

**TABLE OF CITED AUTHORITIES**

*Page*

**CASES**

*Ironhawk Techs., Inc. v. Dropbox, Inc.*,  
2 F.4th 1150 (9th Cir. 2021) .....5

*Lawrence v. Chater*,  
516 U.S. 163 (1996) .....4

*Rogers v. Grimaldi*,  
875 F.2d 994 (2d Cir. 1989) .....1, 2, 3, 4, 5, 6

**STATUTES AND OTHER AUTHORITIES**

U.S. Const., amend. I .....1, 4, 5, 6, 7

## REPLY BRIEF OF PETITIONER

Disney's primary argument in opposition to a grant of certiorari—that this case is completely dissimilar to the pending case of *Jack Daniel's Properties, Inc. v. VIP Products LLC* (“*Jack Daniel's*”), No. 22-148—is easily disproved. At bottom, both cases advance the same legal argument: the *Rogers* test, first announced by the Second Circuit in *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989), and then improperly expanded upon by the Ninth Circuit, should be repudiated. If this Court were to agree with Petitioner in *Jack Daniel's*, such a holding would be entirely dispositive of this case because the Ninth Circuit relied exclusively on *Rogers* to affirm summary judgment for Respondents.

Disney's secondary argument—admittedly, dressed more in atmospheric clothing than in legal precedent—is that Petitioner is unworthy of this Court's protection. After all, Disney argues, Petitioner sold her products in a flea market, while its own *Toy Story 3* won an Academy Award and became the highest grossing animated film at the time. That argument finds no support in either the First Amendment or the Lanham Act and, in fact, wholly misunderstands Petitioner's theory of liability. As Petitioner has noted, time and again, this is a case of “reverse trademark confusion” wherein the harm is ***precisely*** what Disney has articulated as reality: Petitioner is locked out of business opportunities because a bigger, junior player has saturated the market. Indeed, at the district court below, Petitioner provided evidence of a third party who refused to do business with her because it was afraid doing so would upset Disney, the “800-pound gorilla in the room.” C.A. E.R. 2:176; *see also* C.A. E.R. 2:98, 2:115-18, 2:177-80, 3:334.

As explained below, this Court’s decision in *Jack Daniel’s* will be dispositive of this case. Therefore, consistent with common practice and the interests of justice, this Court should hold the petition pending the outcome of *Jack Daniel’s*, and then grant, vacate, and remand for the lower courts to apply this Court’s holding and reasoning.

**I. Both DLI and the Petitioner in *Jack Daniel’s* Have Asked this Court to Repudiate the *Rogers* Test.**

A straightforward comparison of Petitioner’s arguments in *Jack Daniel’s* and Petitioner’s arguments here leads to one inescapable conclusion: both parties are advancing the same argument that *Rogers* should be repudiated. Cognizant of that fact, Disney attempts to draw a distinction between the questions presented in each case, essentially arguing to this Court that, despite the obvious similarities between both cases, there is “nothing to see here.”

Disney’s argument is disingenuous. Though the questions presented may be styled differently, both parties have posited ***the same legal argument*** in support of their trademark infringement claim: *Rogers* is wrong because it fails at the very job it was created to do—balance free expression and intellectual property rights. *Compare* Pet. 25 (arguing *Rogers* has “created more problems than it has solved”) *with* Brief for Petitioner, *Jack Daniel’s*, p. 32 (“*Rogers’* test raises more constitutional questions than it answers.”). More specifically, Petitioners in both this case and *Jack Daniel’s* argue the Ninth Circuit has so transmogrified *Rogers* that it effectively renders the protections afforded to trademark owners by the Lanham

Act completely ineffectual. *Compare* Pet. 4 (“Today, the Ninth Circuit’s application of *Rogers* is less of a balancing test and more of a ‘get out of jail free’ card for even willful infringers.”) *with* Brief for Petitioner in *Jack Daniel’s*, p. 39 (arguing the Ninth Circuit’s application of *Rogers* to a dog chew toy “mean[s] that virtually any product would be subject to *Rogers*, effectively swallowing the Lanham Act”).

DLI and Petitioner in *Jack Daniel’s* are not the only parties arguing for the repudiation of *Rogers*. So, too, argue an amicus in support of Petitioner in *Jack Daniel’s*: “This Court should reverse the decision below, **reject the ill-conceived Rogers test**, close the infringement loophole, and restore the Lanham Act to the scope intended.” Brief for Constellation Brands, Inc. as *Amicus Curiae* in *Jack Daniel’s* (“Constellation Brief”), p. 2-3 (emphasis added). Indeed, the Constellation Brief provides nearly the same chronological exegesis as Petitioner provided here to illustrate how the Ninth Circuit’s unnecessary expansion of *Rogers* is deeply and doctrinally flawed. Further, the Constellation Brief cites to the facts of **this** case to illustrate the “obvious double standard the *Rogers* exemption forces courts to apply.” *Id.* at 15. Given this lawsuit is referenced as a prime example of why the Ninth Circuit’s application of *Rogers* is flawed, Disney is wrong to argue it should not be held in abeyance pending the disposition of *Jack Daniel’s*.

Nor should this Court countenance Disney’s argument that the products at issue—a dog toy in *Jack Daniel’s* versus the stuffed bear from *Toy Story 3* here—can altogether affect the legal analysis or the disposition of each case. In so arguing, Disney has ignored the Opening

Brief in *Jack Daniel's* in which Petitioner argues *Rogers* is entirely inconsistent with the First Amendment and the Lanham Act. *See* Brief for Petitioner in *Jack Daniel's*, p. 19 (“The First Amendment concerns that animated *Rogers* are misplaced. Constitutional concerns cannot justify rewriting the Lanham Act’s text.”). That is to say, Petitioner there is not just challenging *Rogers*’ application to dog toys but, rather, arguing *Rogers* is bad law.

At bottom, Petitioner here seeks to scrap *Rogers* and replace it with a workable alternative. *See* Pet. 34-35 (advancing alternative test). Indeed, Petitioner sought *en banc* hearing in the first instance to attempt to convince the Ninth Circuit to do precisely that: “reconsider its use of the *Rogers* test wholesale.” Pet. App. 2a. Petitioner in *Jack Daniel's* is doing the same and could not be clearer as to its desired result: “*Rogers*, from start to finish, should be discarded.” Brief for Petitioner in *Jack Daniel's*, p. 38.

## **II. Because Repudiating *Rogers* Would Require Vacating the Decision Below, this Court Should Hold the Petition Pending Disposition of *Jack Daniel's*.**

This Court has recognized its intervening decisions are grounds to hold petitions and then grant, vacate, and remand. *See, e.g., Lawrence v. Chater*, 516 U.S. 163, 166 (1996). This process “alleviates the [p]otential for unequal treatment that is inherent in [this Court’s] inability to grant plenary review of all pending cases raising similar issues[.]” *See id.* at 167 (internal quotations and citations omitted).



The district court and the Ninth Circuit disposed of this case entirely under *Rogers*. See Pet. App. 3a (“*Rogers* bars DLI’s claims. Because we affirm based on the *Rogers* test, we do not address Disney’s argument that alternative grounds for affirmance exist.”); see also *id.* at 7a-11a. Accordingly, if this Court repudiates *Rogers*, the decisions below cannot stand.

Moreover, even if this Court limits, modifies, or otherwise tweaks *Rogers*, as opposed to repudiating it altogether, the decisions below cannot stand. For example, say this Court finds that *Rogers* is an appropriate way to balance the rights provided by the First Amendment with the rights provided by the Lanham Act with respect to the title of an artistic work but not in any other respect. Such a ruling might not constitute a wholesale repudiation of *Rogers*, but as applied in this case would require reversal and remand.

Similarly, any modification to *Rogers* requiring a determination related to the trademark infringement claim itself would require reversal. Below, Petitioner introduced evidence of likely consumer confusion. See C.A. E.R. 4:614-622.<sup>1</sup> But, because the Ninth Circuit treats *Rogers* as a threshold test that must be cleared before

---

1. Disney’s repeated insistence that DLI had no evidence of “actual confusion”—something that is not necessary to show trademark infringement, see *Ironhawk Techs., Inc. v. Dropbox, Inc.*, 2 F.4th 1150, 1165 (9th Cir. 2021)—coupled with its silence on the *other eight Sleekcraft* factors only serves to highlight the weakness of their argument on likelihood of confusion. It cannot be seriously contested that some of the *Sleekcraft* factors, such as similarity in sight, sound, and meaning, clearly weigh in DLI’s favor.

likelihood of confusion can be considered, the courts below never considered such evidence. Any revision to *Rogers* requiring consideration of such evidence, *e.g.*, crafting a test where First Amendment concerns were analyzed simultaneously with likelihood of confusion factors, would in turn require reconsideration of the decisions below.

### **III. Because this Case Is an Ideal Vehicle to Decide Whether *Rogers* Applies to Reverse Confusion Cases, Immediate Plenary Review Would Also Be Appropriate.**

Admittedly, this case is distinguishable from *Jack Daniel's* in one respect: the trademark claim here is one of “reverse trademark confusion.” But this distinction only further supports grant of certiorari.

As Petitioner noted in its opening brief, it is impossible for the trademark plaintiff in a reverse trademark confusion case to meet the “explicitly misleading” prong of the *Rogers* test. Disney offers no real rebuttal of that argument nor does it offer an example of how that might be done. To the extent this Court adopts that prong as appropriate in *Jack Daniel's*, this case is an ideal vehicle to address whether that prong also applies in a reverse trademark confusion case.

Notably, Disney’s argument on the propriety of *Rogers* in a reverse confusion case highlights the deep-seated problem with *Rogers* in general. According to Disney, “[i]f anything, the concerns are heightened in a reverse confusion case because such cases typically involve a less well-known senior user of the mark, meaning that artists creating works for widespread public consumption would

be forced to be on the lookout for any minor existing use of a likely little-known mark to stave off potential reverse confusion claims.” BIO 16.

In other words, the First Amendment rights of the artist should always trump the intellectual property rights of the trademark holder. And, according to Disney, this is especially true when the junior-user-artist is a giant corporation with a vast marketing budget, and the senior user has limited means to market the products bearing her mark. There is no shortage of irony in a legal position that relies on the First Amendment to trample the rights of another.

### CONCLUSION

Notwithstanding Disney’s insistence to the contrary, this Court’s resolution of *Jack Daniel’s* is critical to this case. For that reason, this Court should hold the instant petition pending the outcome of *Jack Daniel’s*, and then grant, vacate, and remand.

Respectfully submitted,

RICHARD L. SCHWARTZ  
 THOMAS F. HARKINS, JR.  
 WHITAKER CHALK SWINDLE  
 & SCHWARTZ PLLC  
 301 Commerce Street,  
 Suite 3500  
 Fort Worth, Texas 76102  
 (817) 878-0500

WILLIAM A. DELGADO  
*Counsel of Record*  
 MEGAN O’NEILL  
 DTO LAW  
 601 South Figueroa Street,  
 Suite 2130  
 Los Angeles, California 90017  
 (213) 335-6999  
 wdelgado@dtolaw.com

*Counsel for Petitioner*