

Second Circuit Affirms Louis Vuitton Not Liable for Attorneys' Fees in Parody Handbag Case

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by Sandra Edelman

It's been an annual tradition here at The TMCA to write about a trademark and copyright dispute between Louis Vuitton Malletier, S.A. and My Other Bag, Inc. ("MOB") over a line of canvas tote bags that parodied Louis Vuitton's iconic designer handbags. We wrote about the case in [January 2016](#) and [January 2017](#), and then blogged about a further development in [January 2018](#), when we reported on the district court's [decision](#) denying an award of attorneys' fees and costs to MOB under the Lanham and Copyright Acts. In a [Summary Order](#) dated March 15, 2019, the Second Circuit affirmed the denial of fees. For those who have not been closely following the case, MOB's tote bag said "My Other Bag" on one side while the other side depicted an imitation of the famous LV monogrammed handbag:

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Judge Jesse Furman of the federal court for the Southern District of New York granted summary judgment to MOB in January 2016 on Louis Vuitton's claims for trademark dilution, trademark and copyright infringement, based on MOB's successful parody defense. In the opinion, the court observed that LV "cannot take a joke" and suggested that in some cases it is better "to accept the implied compliment in a parody" and smile or laugh rather than filing a lawsuit. The Second Circuit affirmed the trial court's decision in a December 2016 summary order, and the Supreme Court denied Louis Vuitton's petition for *certiorari* in October 2017. Notwithstanding the comments about Louis Vuitton's sense of humor in the summary judgment ruling, the court wrote a cogent decision as to why MOB was not entitled to an award of attorneys' fees and costs as a prevailing defendant. The court reiterated that Louis Vuitton "certainly needs to learn how to take a joke," but "[i]ts lack of a refined sense of humor" is "not a reason to pile on further by awarding MOB – however sympathetic its cause may be – attorneys' fees and costs."

The Second Circuit confirmed that Judge Furman was correct in assuming but not deciding that the Supreme Court's ruling in *Octane Fitness, LLC v. ICON Health & Fitness, Inc.*, on what constitutes an "exceptional case" for an award of fees under the Patent Act, should apply to Louis Vuitton's trademark and copyright claims. Prior to *Octane Fitness*, the Second Circuit had held that a prevailing defendant in a trademark infringement case must show "fraud or bad faith" to receive attorneys' fees. The



Supreme Court in *Octane Fitness* rejected a similar standard for patent disputes and held, instead, that an "exceptional case," given the "totality of circumstances" is "simply one that stands out from others with respect to the substantive strength of a party's litigating position (considering both the governing law and the facts of the case) or the unreasonable manner in which the case was litigated." Non-exclusive factors that may inform the analysis include "frivolousness, motivation, objective unreasonableness (both in the factual and legal components of the case) and the need in particular

circumstances to advance considerations of compensation and deterrence." As the Second Circuit confirmed in its March 2019 Summary Order, "In *Sleepy's LLC v. Select Comfort Wholesale Corp.*, 909 F.3d 519 (2d Cir. 2018), we held that *Octane Fitness*

does indeed govern fee awards” under both the Patent Act and Lanham Act attorneys’ fees provisions.

Applying the *Octane Fitness* factors, Judge Furman determined that, for a number of reasons, MOB was not entitled to a fee award under the Lanham Act, including:

- While neither the district court nor the Second Circuit thought the case to be “a particularly close call”, Louis Vuitton’s arguments were not objectively unreasonable as a legal or factual matter
- Louis Vuitton’s trademark dilution and infringement claims required the application of a fact-intensive multifactor analysis, making it difficult for Louis Vuitton to predict the likelihood of success
- Even though the district court ultimately found MOB’s totes to be a parody, a finding of parody did not necessarily resolve trademark infringement or dilution claims
- Louis Vuitton’s arguments could not be viewed as “frivolous or a mere shakedown” or “objectively unreasonable”
- There was no evidence that Louis Vuitton knew or willfully ignored evidence of the meritlessness of its claims
- Louis Vuitton did not litigate the case in an “exceptionally vexatious and coercive manner” – most of the litigation conduct challenged by MOB was “well within the metes and bounds of acceptable, if aggressive, litigation tactics” and one asserted example, filing an oversize or improperly spaced brief without permission, is “not particularly uncommon, even if it is regrettable”

The district court further addressed MOB’s characterization of Louis Vuitton as a “trademark bully” and its argument that fees and costs should be awarded to “deter litigation abuse.” While the court agreed that Louis Vuitton’s enforcement efforts had been aggressive over the years, the court offered three reasons why that did not warrant an award of fees and costs: (1) “the Court is sensitive to the fact that the law compels trademark owners to police their marks or risk losing their rights”; (2) given the size and nature of Louis Vuitton’s business, “it is no surprise that the company is involved in a lot of trademark litigation” and thus the court would need a better record “before adding its judicial imprimatur to the ‘trademark bully’ label”; and (3) putting aside “conclusory aspersions,” MOB did not present any “concrete evidence” that Louis Vuitton was solely or even primarily motivated *in this case* by an improper desire to chill parody or stamp out a smaller competitor”.

The Second Circuit held that the district court did not abuse its discretion in denying fees under the Lanham Act, given the totality of circumstances.

The appellate court also affirmed Judge Furman’s decision to deny MOB a fee award as a prevailing defendant under the Copyright Act. The district court had held that its analysis and conclusions with respect to awarding fees under the Lanham Act “all but compel denial” of MOB’s application under the Copyright Act. The Second Circuit held that the district court properly identified the governing legal standard from the Supreme Court’s decision in *Kirtsaeng v. John Wiley & Sons, Inc.*, 136 S. Ct. 1079 (2016), and did not abuse its discretion in analyzing the relevant factors and declining to award fees

under the Copyright Act.