GRIN & BEAR IT: LITIGATING AN INFRINGEMENT CLAIM INVOLVING PLUSH TOYS

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1. INTRODUCTION.

A teddy bear is a teddy bear is a teddy bear. Or is it? Manufacturers of plush toys jealously guard their designs and aggressively sue those who knock off their toys. But can they succeed? Perils and pitfalls await the unwary who claim infringement of similar (or even virtually identical) teddy bears or other stuffed animals.

There is a fairly well developed body of case law addressing infringement of plush toys. This article will explore that case law as it applies to claims of copyright infringement and trade dress infringement of plush toys. As will be shown, proving such claims is easier said than done.

2. COPYRIGHT INFRINGEMENT: THE IDEA/EXPRESSION DILEMMA

To establish copyright infringement, a plaintiff must show ownership of a valid copyright and copying. The Kyjen Co. v. Vo-Toys, Inc., 223 F. Supp.2d 1065, 1067 (C.D. Cal.2002). Copying is shown by defendant's access to the copyrighted work and

substantial similarity between the copyrighted work and defendant's work. Columbia Pictures Industries, Inc. v. Miramax Films Corp., 11 F. Supp.2d 1179, 1184 (C.D. Cal. 1998).

A. Copyright Law Does Not Protect Expression Inherent In An Idea.

In determining the existence of substantial similarity, a court must focus only on those elements that are protected by copyright law and not mere ideas and expression inherent in such ideas. Thus, in determining whether two plush toys are substantially similar, the Court must first determine what characteristics of the toys have gained copyright protection. Eden Toys, Inc. v. Marshall Field & Co., 675 F.2d 498, 500 (2d Cir. 1982). Thus, "[t]he protection afforded a copyrighted work covers only the work's particular expression of an idea, not the idea itself." Id. In other words, "similarity in expression is noninfringing to the extent the nature of the creation makes similarity necessary, and . . . 'indispensable expression' of a generalized idea may be protected only against virtually identical copying." Gund, Inc. v. Smile Int'l, Inc., 691 F. Supp. 642, 645 (E.D.N.Y. 1988), aff'd, 872 F.2d 1021 (2d Cir. 1989).

Applying this concept, many Courts have rejected claims of copyright infringement of plush toys on the ground that the characteristics copied were traditional characteristics of the general idea of a plush toy and therefore not protected. The following cases are instructive:

- North American Bear Co. v. Carson Pirie Scott & Co., 1991 WL 259031 at *4 (N.D. Ill 1991): Noting that "[s]ince the early 1900's, millions of teddy bears have been sold world wide by thousands of different manufacturers," the Court found that the size, shape, color, and fur length

of the teddy bears at issue are "common to virtually all plush bears and are thus unprotected expression";

- Aliotti v. R. Dakin & Co., 831 F.2d 898 (9th Cir. 1987): The Court of Appeal held that "[n]o copyright protection may be afforded to the idea of producing stuffed dinosaur toys or to elements of expression that necessarily follow from the idea of such dolls." Id. at 901. The Court further held that substantial similarity was not proven by the mere fact that the stuffed dinosaurs shared similar postures, had similar body designs, or that defendant produced the same five dinosaurs and one mammal as plaintiff had created. Id. at 902 n.2.
- Eden Toys, 675 F.2d at 500: The Court held that any similarity between plush snowmen "would appear to the ordinary observer to result solely from the fact that both are snowmen."
- Gund, Inc. v. Smile Int'l, 691 F. Supp. at 645: The trial court denied a motion for preliminary injunction on the ground that similarities between two stuffed dogs "are the very features so generalized as not to be subject of copyright protection." In other words, "[t]here are a limited number of ways of creating a more or less realistic 'floppy' dog toy."
- Uneeda Doll Co. v. P&M Doll Co., 353 F.2d 788, 789 (2d Cir. 1965): Plaintiff had a copyright of a doll in a display box with one arm around a red and white striped pole; defendant began to sell a doll in a display box with one arm around a red and white striped pole. The Court of Appeals held that copying was limited to the abstract idea of a doll on a pole in a

display box and therefore there could be no copyright infringement.

- Alchemy II, Inc. v. Yes! Entertainment Corp., 844 F. Supp. 560, 568 (C.D. Cal. 1994): The trial court granted summary judgment for defendant on a copyright infringement claim involving two similar teddy bears. The court specifically found that a "pear-shaped" head is probably not protectable because "[t]here are only a limited number of head shapes a teddy bear could have: round, oval, wider at the bottom than on the top (pear shaped), or wider on the top than on the bottom."

There are a few cases where courts do find protectible characteristics of a plush toy, but these are exceptions that prove the rule. For example, in Gund, Inc. v. Russ Berrie & Co., 701 F. Supp. 1013 (S.D.N.Y. 1988), the Court granted a preliminary injunction, finding that a likelihood of success of plaintiff's copyright infringement claim based on two similar plush ostrich toys. The Court acknowledged the idea/expression dichotomy, holding that the issue was "whether the essential 'expression' of [defendant's product] -- which flows not from the commonality of characteristics of ostriches nor characteristics of soft plush toys but from the way in which the characteristics have been designed and projected to produce whole new 'looks' -- is such that it must be seen as copied from [plaintiff's product]." Id. at 1019.

Analyzing the toys at issue, the Gund court held that Plaintiff's stuffed ostriches looked nothing like real ostriches, at least as ostriches are depicted in an encyclopedia. Id. at 1021. Indeed, the Court noted that "ostriches in nature . . . are relatively ugly and mean-looking characters." Id. Plaintiff's copyrighted ostrich toy, on the other hand, was "cute," "soft," and "inviting in appearance." Id. at 1016. That defendant's ostrich looked

more like plaintiff's ostrich than like ostriches in nature confirmed for the Court that it was the protectible aspects of the toy that were copied.

The reasoning of the Gund court, however, applies equally to the cases cited above: A teddy bear invariably looks more like other teddy bears than it resembles a real bear. Yet those courts reached contrary results. Gund, then, is in conflict with the majority of cases.

B. Problems In Proving Substantial Similarity of Plush Toys.

Even if a plaintiff proves that there is protectible expression in its plush toy, the hurdle of substantial similarity is not one that is easy to overcome.

In American Greetings Corp. v. Easter Unlimited, Inc., 579 F. Supp. 607 (S.D.N.Y. 1983), American Greetings contended that their Care Bear plush toys were infringed by Easter's Message Bears; both sets of bears were the same size and of similar color, and both had designs embroidered on the bears' chests. The trial court denied American Greetings' motion for a preliminary injunction and, after an expedited trial on the merits, entered judgment in favor of the defendant on the ground that the Care Bears and Message Bears were not substantially similar.

Initially, the Easter Unlimited court relied on the doctrine discussed above, that is, that plush bears "of necessity, would share some common ground." Id. at 614. The Court noted that the mere fact that Care Bears and Message Bears had similar colors and similar head to torso ratios did not indicate substantial similarity, but rather, "similarities inherent in most plush stuffed toy bears." Id.

The Court then made a detailed comparison of the Message Bears and the Care

Bears. First, the Court noted, for example, that the Message Bears have an embroidered slogan, rather than a chest design, which "has a wholly different impact on the observer." Id. at 614. Further, while Message Bears have identical facial expressions and do not have individual names, Care Bears have individual names and differing facial expressions to match their personalities. Id. at 610-11, 614.

Second, the Court held that the packaging for Care Bears and the Message Bears differed. Specifically, the Message Bears are "'bin' or 'bulk' items," with "no packaging and no accompanying brochure." Care Bears, on the other hand, had extensive packaging and was sold in special Care Bear promotional displays. Id. at 614. Similarly, the toys' price points were very different. Id.

Third, in finding no substantial similarity, the Court relied on a number of physical differences between the Care Bears and Message Bears, including:

- "At the top of the Care Bear's head is a color-coordinated tuft of hair; at the top of the Message Bear's head is a loop of gold string to facilitate the use of hooks." Id. at 615.
- "The Message Bear's ears are noticeably larger than the Care Bear's and they are set more widely apart." Id. at 615.
- "The Care Bear has eyebrows; the Message Bear does not." Id. at 615.
- "The Care Bear has a heart-shaped nose, and a wide rounded muzzle, with dots to represent whiskers. The Message Bear has a pointed plastic muzzle, capped with a nondescript plastic nose. It has no whiskers." Id. at 615
- "A small plastic heart . . . saying 'Care Bears' is tacked on the backside of

the stuffed Care Bear; there is no such attachment on the Message Bear." Id. at 615.

Under those circumstances, the American Greetings court concluded that the respective toys were not substantially similar.

To the contrary, in cases where courts do find substantial similarity, it is usually because the toys at issue are virtually identical. See The Kyjen Co., 223 F. Supp.2d at 1070 (Summary judgment for plaintiff on copyright infringement claim because "[defendant's] toy designs are nearly identical to [plaintiff's].")

3. **TRADE DRESS INFRINGEMENT AND THE FUNCTIONALITY PROBLEM.**

Toy manufacturers who have been knocked can also assert claims of trade dress infringement. A trade dress infringement plaintiff must prove that (1) the trade dress at issue is primarily non-functional, (2) the trade dress is distinctive, and (3) the trade dress is confusingly similar. See Abercrombie & Fitch Stores, Inc. v. American Eagle Outfitters, Inc., 280 F.3d 619, 629 (6th Cir. 2002).

A. **Difficulties In Proving Non-Functionality of Plush Toys.**

Functional product designs cannot be protected as trade dress. Abercrombie & Fitch, 280 F.3d at 640. The functionality doctrine prevents trade dress law from "inhibiting legitimate competition by allowing a producer to control a useful product feature." Id. In other words, trade dress law recognizes that "in many instances there is no prohibition against copying goods and products . . . unless an intellectual property right such as a patent or copyright protects an item." Id.

There are two forms of functionality: (1) a product feature is functional if it is

essential to the use or purpose of a device or affects the cost or quality of the device; and (2) a product feature is functional if there is a significant, non-reputation-related disadvantage to competitors if they cannot use that feature. Id. at 641.

Courts have held various features of plush toys to be functional. For example, in American Greetings Corp. v. Dan-Dee Imports, Inc., 807 F.2d 1136 (3d Cir. 1986), the Court of Appeals affirmed the district court's decision that "tummy graphics" - - embroidered drawings on the tummy of the teddy bear - - do not merely make Care Bears more appealing to the eye but also "contribute to the effectiveness and performance of the Care Bears as plush toy teddy bears." Id. at 1142. The Court of Appeals specifically relied on American Greetings' own advertising materials which emphasize the utilitarian aspects of the tummy graphics – that is, that they convey messages. Id. at 1143.

The court noted that the fact that American Greetings' tummy graphics are functional does not end the inquiry. American Greetings could have a protectible interest in a combination of features or elements that includes one or more functional features. Id. at 1143-44. A party can be "required to select alternative non-functional features and utilize imitated functional ones in such a way as to avoid confusion as to source if that is feasible." Id. However, "a court may not enter an injunction, the practical effect of which is to preclude the defendant from using the functional features of the plaintiffs' combination." Id. at 1144.

See also North American Bear, Inc., at *6(the only similarities between the bears – general size, shape, color and softness – concern features that are inherent in the abstract idea of a teddy bear [and therefore] are "functional" and necessary for effective

competition”).

B. Difficulties In Proving Likelihood of Confusion.

In analyzing whether there is a likelihood of confusion, courts generally apply multi-factor tests such as the Ninth Circuit’s test in AMF v. Sleekcraft, 599 F.2d 341, 348 (9th Cir. 1979). Certain of these factors take special significance in a plush toy case.

For example, one factor courts examine is similarity of the trade dress. AMF, 599 F.2d at 350-51. But Courts look not just at the plush toys in isolation, but also at how they are packaged. Therefore, courts have held that the risk of confusion is minimized when the products are labeled differently. In Easter Limited, 579 F. Supp. 607, the Court noted that Defendant minimized the risk of confusion by appending to its bears a prominent tag reading ‘Fun World.” Id. at 617. See also North American Bear, Co., at *6(“both bears are clearly labeled so as to prevent even the possibility of consumer confusion concerning each bear’s origin”); Great American Eagle Corp. v. Hosung New York Trading, Inc., 960 F. Supp 815, 820-21 (S.D.N.Y. 1997) (“the packaging in which the products are sold is not alike”).

Differences in the manner in which products are sold - - and therefore, in the way that consumers encounter the product - - weigh against a finding of confusion. Easter Limited, 517 F. Supp at 617 (“Care product is a “bin’ items, sold on ‘speed’ tables or attached to hooks near the checkout counters”; (the other products) come in display boxes and are sold from shelves”).

Also relevant is proximity of the goods. AMF, 599 F.2d at 351. The Easter Limited court relied on the differences in price and quality, noting that plaintiff’s plush toy sold for three times the wholesale price of defendant’s plush toy and was more

elaborately constructed that the Message Bears, utilizing additional pieces of fabric and different facial expressions. 579 F. Supp at 617.

4. **CONCLUSION.**

Suing a plush toy competitor who has knocked off a toy for trade dress infringement or copyright infringement may not be as easy as it appears. Plaintiff in such cases should make sure that the similarities of the relevant products are sufficiently close and the evidence strong enough to warrant such a claim.