

Netflix Dispute May Alter 'Source' In TM Fair-Use Analysis

By **Sara Gold** (December 6, 2024)

A lawsuit filed by a drag queen against Netflix tests the impact of the U.S. Supreme Court's decision last year on the scope of First Amendment protection for expressive works that utilize trademarks in a creative fashion.

The court's 2023 decision in *Jack Daniel's Properties Inc. v. VIP Products LLC* limited the applicability of the Rogers test, which historically has granted fair-use protection for most uses of trademarks in expressive works.



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Post-*Jack Daniel's*, the test itself remains intact, but there is a new threshold requirement: The defense can only be invoked if the defendant first demonstrates that he did not use the relevant mark in a trademark, or source-identifying, manner.

What it means to be "source-identifying" is at the heart of an ongoing lawsuit filed by Lance Hara, better known as the drag queen Vicky Vox. She sued Netflix for releasing an animated series with a character allegedly modeled after her. The character, according to Vox, falsely implies her connection to or endorsement of the series in violation of the Lanham Act.

In a 2023 decision in *Hara v. Netflix Inc.*, the U.S. District Court for the Central District of California found that the Netflix series was an expressive work that used Vox's likeness in a non-source-identifying manner, triggering a Rogers analysis. On this basis, the court applied the Rogers test and dismissed the case.

Vox appealed to the U.S. Court of Appeals for the Ninth Circuit, arguing that the Rogers test should not have been applied because the use of her likeness was source-identifying under *Jack Daniel's*. The court heard oral arguments in Hara in October, and will soon issue a ruling clarifying what it means for a person's likeness to be "source-identifying" when used in an expressive work.

From Dance Queen to Drag Queen

The Rogers test comes from the seminal case *Rogers v. Grimaldi*, decided by the U.S. Court of Appeals for the Second Circuit in 1989. There, dancer Ginger Rogers asserted Lanham Act claims against the film "*Ginger and Fred*," which presented a fictional story about Italian dancers who imitated Rogers and her real-life dance partner, Fred Astaire.

In rejecting Rogers' claims, the court famously articulated a two-part test applicable to trademarks occurring within expressive works: There is no infringement liability if the accused mark was (1) artistically relevant to the work; and (2) not explicitly misleading as to the source or content of the work.

The test has since been adopted by courts nationwide as a First Amendment defense for creators and artists.

Like Ginger Rogers, Vicky Vox is a performer alleging appropriation of her likeness within a cinematic production. Vox is a Los Angeles-based drag queen, stage actress, TV personality and podcast host. She has been a well-known performer for more than a decade, starting

with her drag band DWV, which rose to popularity in 2012.

In 2021, Netflix released "Q-Force," a queer-inspired animated superhero series featuring a team of nonheterosexual superheroes. The character at issue — with Vox's signature facial features and large, red-orange hair — is seen briefly as a background character in one episode of the series. A portion of the scene, set at a West Hollywood bar, was also played as the first few seconds of Netflix's promotional YouTube video for the series.

Vox filed her complaint in the Central District of California in May 2023. Just a month later, the Supreme Court decided *Jack Daniel's*. Soon after, Netflix filed a motion to dismiss Vox's complaint.

Applying *Jack Daniel's*, the district court found Rogers analysis appropriate because there was no implication that Vox herself was the manufacturer or creator of the Netflix series. The court also found that the series satisfied Rogers because the at-issue character was artistically relevant and nonexplicitly misleading as to the source or content of the work.

The complaint also included right-of-publicity claims, but with no federal claims remaining, the court dismissed the entire suit due to lack of jurisdiction. Vox appealed, contesting the application of Rogers because the "Q-Force" character was source-identifying due to falsely implying her endorsement of the series.

Source Confusion on Appeal

Oral arguments before the Ninth Circuit explored what it means for a trademark to identify source, using the text of the Lanham Act as a reference point.

Section 43(a) of the Lanham Act provides two distinct theories on which infringement can be alleged. One theory is infringement based on false designation of origin, commonly referred to as source confusion. Falsely designating the origin of a product is, at least on its face, source-identifying.

The other theory, which Vox relies on, is false endorsement — phrased in the statute as false implication of "affiliation, connection, association ... sponsorship or approval."

During oral argument, the attorneys discussed whether conduct that falsely implies endorsement, rather than the literal source or origin of a product, can be considered source-identifying. To the panel's surprise, counsel for both sides agreed that false endorsement can indeed be source-identifying within the meaning of *Jack Daniel's*.

Vox's argument was based on the structure of the Lanham Act. Her counsel urged the court to view false endorsement claims as a subtype of false origin claims — and thus equally source-identifying — because both types of claims coexist in Lanham Act Section 43(a).

Netflix, meanwhile, based its conclusion on the fact that the original Rogers case applied the two-part test to a false endorsement claim like Vox's. When asked to clarify this concession, Netflix's counsel stated that false endorsement can be "a type of source, the source of approval."

Netflix's counsel ultimately argued that Vox's claims failed — not because false endorsement is inherently non-source-identifying, but because the complaint did not plausibly plead the existence of false endorsement in the first place.

The panel seemed skeptical of both parties' positions, with U.S. Circuit Judge Richard Clifton calling endorsement and source being equivalent "a leap that on its face Jack Daniel's doesn't support."

As U.S. Circuit Judge Gabriel Sanchez explained,

I think there's a distinction to be made between a trademark being used to indicate the source or origin of that mark, meaning that Vicky Vox created "Q-Force," versus a claim for infringement based on endorsement of something, meaning that Vicky Vox did not create "Q-Force" and is not the source of "Q-Force," but maybe she's endorsing it.

During the arguments, the panel repeatedly cited the text of Jack Daniel's, which refers to "source" without any reference to implication of sponsorship, association or endorsement. The panel intimated that this omission was intentional, thus excluding false endorsement from the scope of non-Rogers source-identifying uses.

Predictions and Implications for Trademark Law

The Ninth Circuit likely will ultimately affirm the lower court and hold that falsely implying endorsement of a product is different from identifying the source of said product.

Film and TV can present tricky questions of trademark law, because these types of productions are both a product and a creative work. But even in this unique context, source from a trademark perspective means the origin or ownership of the article to which the trademark is affixed, the panel stated citing Jack Daniel's.

The Supreme Court has long held, since *Dastar Corp. v. Twentieth Century Fox Film Corp.* in 2003, that "source" under trademark law does not encompass the source of a film's content, ideas or concepts. This distinction is necessary, according to the court, to distinguish trademark law from copyright law, the purpose of which is to protect the substance of creative expression.

Just because Vox might be the source of her own image or likeness does not mean that she is the "source" of Netflix's "Q-Force" from a trademark perspective. In fact, during oral argument, Vox's counsel likened her client's drag queen persona to Austin Powers or any other fictional character.

Fictional characters are protected by copyright law, which protects the content of creative works. Counsel's analogy to copyright-protected fictional characters further suggests that any potential for confusion pertains to the series' content rather than its source.

Moreover, from a First Amendment perspective, preserving at least one infringement theory as non-source-identifying is necessary to keep the Rogers test alive. As false origin and false endorsement together comprise the universe of claims actionable under the statute, classifying both types of claims as source-identifying could disqualify all Lanham Act claims from Rogers analysis — thus rendering the test moot.

As the panel intimated, it seems unlikely that Jack Daniel's, a statedly "narrow" holding, intended to completely eviscerate such a well-established free-speech doctrine. Due to the slippery slope of construing "source" so broadly as to extend to the source of a film's content, ideas, or concepts, I predict that the Ninth Circuit will uphold the lower court's decision.

Even if Vox loses her appeal, that does not mean that Netflix was necessarily justified in modeling a character after Vox without her consent. If the appellate court affirms the dismissal, Vox could pursue her right-of-publicity claims in state court.

Assuming Vox could prove that the animated character was indeed based on her likeness and was used for commercial gain, it would then be a matter of defeating a fair-use defense. Fortunately for Vox, fair use in the publicity rights context does not invoke concerns about source-identification, Rogers or Jack Daniel's.

Regardless of how the dispute ultimately plays out, the Ninth Circuit's expected ruling could be impactful in shaping the breadth of the Rogers defense.

If the court sides with Netflix, we may see future plaintiffs shying away from false endorsement claims where possible, in favor of false designation of origin claims, to have the best chance of blocking Rogers analysis.

Still, such ruling could also be seen as a victory for creators by affirming the continued vitality of Rogers as a defense to false endorsement claims rooted in a nonmisleading expressive work.

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