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May 23, 2022

OPINION LETTER RE BANNY

Juicebox Affiliate, or Affiliates

Re: Juicebox

To Whom It May Concern:

Please allow this correspondence to constitute our opinion regarding any legal and potential liability issues related to your use of "The Banny" character.

The Banny

One issue that arises is whether the use of "The Banny" can include depictions of him in superhero tropes or themes. In general, the owners of the characters have trademarked the characters and logos meaning that a license would be required in order to use the logos or characters.

A copyright is a type of intellectual property that protects original works of authorship as soon as an author fixes the work in a tangible form of expression, giving its owner the exclusive right to copy and distribute a creative work. A trademark can be any word, phrase, symbol, design, or a combination of these things that identifies one's goods, which becomes effective as soon as the mark is used in association with the good.

In general, comic characters/superheroes can contain both copyrights and trademarks meaning that the characters/superheroes are protected by two types of intellectual property rights. The result is that a license would be required for the use of the copyrights associated with the actual images/drawings of the characters. This is equally true for the trademarks associated with the owner branding logos as well as some of the

character logos. Thus, assuming any use of "The Banny" character may include depictions involving a super hero trope, it would be instructive to provide some color in this regard.

A full list of trademarks filed by Marvel, both active and pending registrations, can be found here: https://www.gerbenlaw.com/trademarks/entertainment/marvel/.

The list is exhaustive covering every iteration of character ever created by Marvel. While these obvious protections extend to cover both the authorship of the work along with the visual depiction used to identify the work, Marvel/DC may, in fact, have protection over general superhero tropes or themes. Because the advent of the term "super hero" was identified almost exclusively with characters featured in Marvel's and DC Comics' storylines, the two companies were able to co-register the name "SUPER HEROES" as a mark for use on toys (US Reg. No. 1140452 - Oct. 14, 1980) and comic books (US Reg. No. 1179067 – Nov. 24, 1981). These registrations remain active; however, many now question whether such registration remains appropriate given the evolution of "super hero" into what has arguably become a descriptive generic term given its now ubiquitous use over the course of many decades. A generic term is not entitled to trademark protection. However, with respect to actual characters, or even features of certain characters that make them unique from other drawings or characters, such as Mickey Mouse's ears, copyright protections remain in full force and effect.

A trademark violation may be implicated when one uses the images, likenesses, personas, and names of protected characters to promote and advertise its services online.[1] Federal trademark infringement claims arise under Section 32 of the Lanham Act. (*See* SAC ¶¶ 39–42.) Under Section 32, "the owner of a mark registered with the Patent and Trademark Office can bring a civil action against a person alleged to have used the mark without the owner's consent." *ITC Ltd. v. Punchgini, Inc.*, 482 F.3d 135, 146 (2d Cir. 2007). To prevail on a claim for trademark infringement under the Lanham Act, a plaintiff must show that (1) the "mark is entitled to protection," and (2) "the defendant's use of the mark is likely to cause consumers confusion as to the origin or sponsorship of the defendant's goods." *Tiffany (NJ) Inc. v. eBay Inc.*, 600 F.3d 93, 102 (2d Cir. 2010); *see also Int'l Info. Sys. Sec. Certification Consortium, Inc. v. Sec. Univ., LLC*, 823 F.3d 153, 161 (2d Cir. 2016) ("[T]he modern test of infringement is whether the defendant's use [is] likely to cause confusion not just as to source, but also as to sponsorship, affiliation or connection.") (citation omitted), *cert. denied* , —— U.S. ——, 137 S.Ct. 624, 196 L.Ed.2d 516 (2017).

Where the mark in question is registered, its entitlement to protection is presumed. *See 15 U.S.C. § 1115(a); Patsy's Italian Rest., Inc. v. Banas*, 658 F.3d 254, 266 (2d Cir. 2011). To determine whether the use of a mark is likely to cause consumer confusion, courts apply the non-exclusive, eight-factor balancing test set forth in *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492 (2d Cir. 1961). Those factors include: (1) strength of the trademark; (2) similarity of the marks; (3) proximity of the products and their competitiveness with one another; (4) evidence that the senior user may "bridge the gap" by developing a product for sale in the market of the alleged infringer's product; (5) evidence of actual consumer confusion; (6) evidence that the imitative mark was adopted in bad faith; (7) respective quality of the products; and (8) sophistication of consumers in the relevant market. *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.* , 588 F.3d 97, 115 (2d Cir. 2009). "The application of the *Polaroid* test is not mechanical, but rather, focuses on the ultimate question of whether, looking at the products in their totality, consumers are likely to be confused." *Int'l Info. Sys.*, 823 F.3d at 160.

Marvel/DC Comics has not been shy about enforcing its copyright and trademark rights over the stable of Marvel Universe characters. It has filed suit to protect its copyright protections, prevailing against Jack Kirby (*Marvel Worldwide, Inc. v. Kirby*, 756 F. Supp. 2d 461 (S.D.N.Y. 2010)) and more recently in many matters that remain pending (*see, e.g., Marvel Characters Inc v. Lieber,* U.S. District Court for the Southern District of New York, No. 1:21-cv-07955). Disney has been equally aggressive in enforcing its copyright and trademark rights against possible infringement.

The key issues to be addressed are:

1) whether there exists any registration of a mark that is so substantially similar that it would be an obvious violation;

2) whether a case for infringement could be made based upon the likelihood of consumer confusion against existing known similar marks currently entitled to protection;

3) whether any defense may exist.

A. Existing registration of a substantially similar mark

Trademark registrations are accessible for search here: www.uspto.gov/trademarks/search
A search of the term "banana" reveals over six thousand hits that is too overwhelming an amount to review. A search of the term "Bananaman" returns six hits, as "The Banny" is clearly a cartoon depiction of a banana-like man. All past attempted registrations are "Dead," meaning the mark was never successfully registered. The most recent two attempts at registration are instructive. The same applicant, D.C. Thomson & Co, attempted to trademark the word mark, "Banny" in October 14, 2019, which the USPTO contested, causing D.C. Thomson & Co to abandon that application. Two years later, on July 27, 2021, D.C. Thomson & Co attempted again register the word mark "Bananaman" along with the fanciful mark:

The designated use of the mark was for clothing, games, toys, and entertainment, namely television programs and cartoons. This application remains pending. Looking at the D.C. Thomson & Co website (https://www.dcthomson.co.uk/) it describes itself as "one of the leading media organizations in the UK, with a proud heritage of creating trusted brands that enlighten and entertain audiences across the globe… with a portfolio of newspapers and magazines, DC Thomson has diversified into digital technology, radio, TV and events."

On November 17, 2021, D.C. Thomson & Co issued a press release that stated, in part, that it was launching Emanata Studios to help develop their comic book archive for film and television, which includes the rights to Bananaman. It is unclear if that character will be developed into any specific project. However, the press release announces its ambitious intent to open up its entire catalog for development to international audiences.[2] This press release coincides with the renewed effort to get the Bananaman mark the benefits of a

federal trademark registration. Bananaman, however, is not a recent phenomenon. It first appeared in 1980. There is a fairly exhaustive Wikipedia page that covers the history and use of this character. *See* //en.wikipedia.org/wiki/Bananaman.

Suffice it to say, without repeating the vast store of information on the page, the salient take-away is that the use of a "Bananaman" character well precedes any use by Juicebox, thus giving priority of the mark to D.C. Thomson & Co. As a result, any similarity between the marks would support a presumed finding of infringement.

There is one hit with the term "Banny." This is an active registration from March 21, 2017 and is for the word mark, "Banny Pink." It is registered by an entity in China for the purpose of selling jewelry, charms and bracelets. No analysis would be required as it is clear on its face that there would be no infringement with this mark.

B. Likelihood of consumer confusion

Given the preceding, the next step is to consider whether any consumer confusion would exist between the respective marks in light of the eight factor Polaroid test. Arguably, a case could be made either way for and against consumer confusion depending upon how the mark is used. In Juicebox's current use, the marks lack "proximity." "Bananaman" is used in media, cartoons, and entertainment; "The Banny" is used incidentally in the cryptocurrency space. The marks are both similar and dissimilar. "Bananaman" is clearly being used as a "superhero" character with powers directly attributable to it as a personified banana man. "The Banny" is used as a fanciful drawing that does not have any direct "superhero" implications as a personified banana man. There is no likelihood that the "bridge would be gapped," given the dissimilar industries and uses of the marks. There has been no evidence of actual consumer confusion, given that one mark has been in use since 1980 and the Juicebox mark has been in use for at least 2 years without incident. Moreover, it should be noted, that the personification of fruit is such a common device across all mediums that it has become generic. A trademark becomes "genericized" if the mark becomes identified with a type of product or service in the public's mind, rather than a particular brand. Countless cartoon-like depictions exist that personify fruit and vegetables in a generic, non specific way that does not infringe on a recognized "produce" character with distinct characteristics, such as Mr. Potato Head. In fact, Juicebox itself does this by also personifying both a pineapple and blueberry, consistent in the same way it does the banana.

However, if Juicebox used the personified "The Banny" as more of a superhero figure of action, then the foregoing analysis would change. Many more similarities would be found across the eight factors and the likelihood of confusion would rise. As is often the case in law, the outcome is fact dependent and open to judicial interpretation, meaning predicting an exact outcome would be impossible. Even assuming both marks are similar in style and identical in name, the likelihood of confusion test may still fail on the basis that there is no actual evidence of confusion among consumers and that the use of the marks in their respective industries is too far removed to ever "bridge the gap." Any final determination will have to remain an open question for now, but this detailed analysis provides you the framework to understand how the law is applied in this space to allow you to take your risks accordingly.

C. Possible defenses

The most readily obvious defense is to assert the lack of any likelihood of consumer confusion. (*See discussion, supra*). It is my understanding that the intended use of "The Banny" is to demonstrate how to use

voting escrow tokens with the Juicebox project. The character will simply serve as a fanciful addition to what might otherwise be dry text and, as a piece of fruit, along with the pineapple and blueberry, obviously tie into the "Juicebox" mark used as the overall product identifier. Thus, it is clearly relatable in a distinctive and characteristic way to the "Juicebox" site and overall project, thus greatly reducing any chance of confusion with the one banana mark that has been used in commerce since the 1980s in the comic-book superhero context. It is my opinion that, especially if "The Banny" is not depicted in a super hero format, that any likelihood of consumer confusion is a practical nullity. Thus, in terms of suggestions, using "The Banny" in ways that are specifically and readily relatable to the "Juicebox" mark would be wise. Examples might include showing "The Banny" drinking from a juice box, or a depiction of "The Banny" eating chunks of bananas next to a post about how certain cryptocurrency based projects won't "cannabalize" each other.

One other defense to be aware of is Fair Use, which is a legal defense to a claim of copyright/trademark violation where you admit you have adopted and used the copyrighted work, but claim a right to do so based on the character's "fair use." The problem is that if your use does not constitute "fair use," you have already admitted to copying the drawing or character. In determining where there has a "fair use" of the images or drawings, a court would use a test of four factors noting that each case is fact dependent and can be complicated by a number of factors. Section 33(b) of the Lanham Act provides an affirmative defense to a claim of trademark infringement where "the use of the name[ ] ... charged to be an infringement is a use, otherwise than as a mark, ... which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin." 15 U.S.C. § 1115(b)(4). Thus, to prevail on such a defense, the defendant must prove three elements: "that the use was made (1) other than as a mark, (2) in a descriptive sense, and (3) in good faith." *Kelly-Brown* , 717 F.3d at 308. The purpose of the fair use defense is to "permit[ ] others to use a protected mark to describe *aspects* of their own goods." *Merck & Co. v. Mediplan Health Consulting, Inc.*, 425 F.Supp.2d 402, 412 (S.D.N.Y. 2006) (emphasis added) (quoting *Nihon Keizai Shimbun, Inc. v. Comline Bus. Data, Inc.*, 166 F.3d 65, 73 (2d Cir. 1999)). *See Car-Freshner Corp.*, 70 F.3d at 269 ("What matters [for purposes of the fair use defense] is whether the defendant is using the protected word or image descriptively, and *not as a mark*").

Without going into a greater discussion on the potential application of Fair Use to "The Banny," suffice it to say, the chances this defense would ever be implicated are quite slim in light of the fact that the respective marks are already so dissimilar. Nonetheless, it is good to be aware of it.

In terms of recommendations:

1) Continue to do nothing and hope D.C. Thomson & Co and/or Disney/Marvel takes no notice.
2) Spend time exploring the vast Disney/Marvel stable of characters to make sure there is nothing of such a similar nature to "The Banny" that might infringe. It is well known that Disney/Marvel are highly aggressive and has shown above, are willing to seek an injunction against others based upon the mere similarity of a mark, despite its use being vastly different.
3) Take a "safer than sorry" approach and confront the issue by choosing to either broach the subject of a license from D.C. Thomson & Co or attempt to head off any issues by sending a peremptory letter of non-infringement that sets forth your intent to make use of your mark freely based upon your position that "The Banny" does not infringe upon the "Bananaman,"

Of course, it is always best to create your own distinct character to avoid any claim of violating another's copyright or trademarks. If you create your own, then you want to make the character as unique and distinct as possible in such a way that can hopefully be related to your business and industry. This will go a

long way to defeat any argument that there may exist a likelihood of consumer confusion. Whether or not your "new" character violates the copyright or trademark ultimately will depend on the types and nature of the changes and the type of IP (copyright or trademark) which will determine the level of change needed.

In the event you need additional information or have questions, please do not hesitate to contact me.

Sincerely yours,

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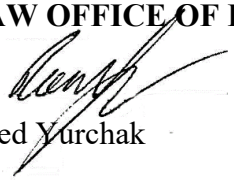

Reed Yurchak

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[1] Section 32 of the Lanham Act provides, in pertinent part, that "[a]ny person who shall, without the consent of the registrant ... use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive ... shall be liable in a civil action by the registrant." 15 U.S.C. § 1114.

[2] https://www.dcthomson.co.uk/2021/11/beano-studios-and-dc-thomson-launch-emanata-studios-to-develop-the-uks-largest-comic-book-archive-for-film-and-television/