

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

HERMÈS INTERNATIONAL and  
HERMÈS OF PARIS, INC.,

Plaintiffs,

-against-

MASON ROTHSCHILD,

Defendant.

22-cv-384 (JSR)

OPINION AND ORDER

JED S. RAKOFF, U.S.D.J.:

By Order dated December 30, 2022, the Court denied the parties' cross motions for summary judgment, with Opinion to follow. Here is that Opinion.

In their cross-motions for summary judgment, plaintiffs Hermès International and Hermès of Paris, Inc. (collectively "Hermès") and defendant Mason Rothschild ask the Court to determine two questions. First, whether the digital images underlying the non-fungible tokens ("NFTs") produced and sold by defendant Mason Rothschild depicting fur-covered Birkin handbags -- so-called "MetaBirkins" -- should be evaluated under the Rogers v. Grimaldi test for artistic works or the Gruner + Jahr test for general trademark infringement. Second, whether, under whichever test is applied, the MetaBirkins NFT images or related products infringe

and/or dilute Hermès' trademarks pertaining to its Birkin handbag.<sup>1</sup> As to the first, threshold question, the Court reaffirms the determination it made in its earlier Order of May 18, 2022 that the plaintiffs' claims should be assessed under the two-part test articulated in Rogers v. Grimaldi, 875 F.2d 994 (2d Cir. 1989), for evaluating trademark infringement in artistic works. Dkt. 77, Order Denying Mot. to Dismiss ("Mot. Dismiss Order") at 11. As to the second question, the Court finds that there remain genuine issues of material fact that preclude summary judgment.

### **I. Factual Background<sup>2</sup>**

Hermès is a luxury fashion brand known, among other things, for designing, producing, and marketing the "iconic" Birkin. Dkt. 74, Plfs.' Statement of Material Facts ("Plfs. SOMF") ¶ 2. Since 1986, Hermès has sold over \$1 billion worth of these handbags in the United States, including over \$100 million dollars' worth in the past ten years alone. Dkt. 69, Declaration of Nicolas Martin ("Martin Decl.") ¶ 10. Individual Birkin bags regularly sell for

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<sup>1</sup> The plaintiffs own trademark rights in the "Birkin" mark -- that is, the name of the bag itself -- and trade dress rights in the design of the Birkin handbag. Am. Compl. ¶¶ 34-36. Plaintiffs also bring cyber-squatting and unfair competition claims. See generally id.

<sup>2</sup> The following facts are taken from the parties' Rule 56.1 statements and supporting materials. Throughout this Opinion, the Court construes the facts in dispute most favorably to the party not moving for summary judgment with respect to whichever motion the Court is analyzing.

tens of thousands of dollars, with one fetching hundreds of thousands of dollars at Christie's, an art auction house. Plfs.' SOMF ¶ 58. As both parties recognize, the Birkin bag has also come to occupy a place of cultural importance as a symbol of wealth and exclusivity. Cf. Dkt. 84, Def's Counterstatement to Plfs. SOMF ¶ 3.

Defendant Mason Rothschild<sup>3</sup> is a self-described "marketing strategist" and "[e]ntrepreneur" who has launched two Birkin-related projects.<sup>4</sup> Dkt. 24, Amended Complaint ("Am. Compl.")

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<sup>3</sup> The defendant's legal name is Sonny Estival but he is referred to in this Opinion by his assumed name of Mason Rothschild, as he is in both parties' briefing papers. Am. Compl. ¶¶ 1, 8-9.

<sup>4</sup> There is substantial disagreement between the parties as to whether Rothschild himself created the digital images associated with the MetaBirkins project or whether another artist -- Mark Berden -- was responsible for designing and rendering them. On the one hand, Rothschild argues that he should be considered the NFT's progenitor: "[h]e had final approval" of all the digital images and, though "Mr. Berden functioned as a high-level studio assistant" who helped Rothschild create the digital images, Berden ultimately worked "at Rothschild's direction." Defendant's Counter-Statement to Plaintiff's Rule 56.1 Statement of Undisputed Facts ("Def. Counter-Statement to Plfs. SOMF") ¶ 35. The plaintiffs, on the other hand, submit that, to the extent the MetaBirkins are an artistic creation at all, Mr. Berden should be considered the artist. See Plfs. Br. in Support of Summary Judgment ("Plfs. Br. in Support") at 7. They allege that "Berden generated every image associated with the MetaBirkin NFTs" though "Rothschild did not provide Berden" with the requisite software, pay him a salary, or otherwise manage his hours. Id. This dispute, however, strikes the Court as legally irrelevant so far as the instant motions are concerned. Whether there is admissible evidence that the MetaBirkins are art -- and therefore, whether the Rogers test should apply -- does not turn on who designed the NFTs.

¶¶ 1, 8–9. First, in or around May 2021, Rothschild created a digital image he entitled “Baby Birkin,” which depicted a 40-week-old fetus gestating inside a transparent Birkin handbag. Dkt. 72, Decl. of Megan Corrigan (“Corrigan Decl.”) ¶¶ 70–71. Rothschild later sold the NFT linked to the “Baby Birkin” image for \$23,500; it recently resold for \$47,000. Id. ¶ 72. Then, a few months later, in December 2021, Rothschild created a collection of digital images titled “MetaBirkins,” each of which depicted a unique image of a blurry faux-fur-covered Birkin handbag. Am. Compl. ¶¶ 37, 76, 79, Fig. 5 and Ex. Z. It is this “MetaBirkins” project that is the subject of this litigation.

As with his earlier “Baby Birkin” project, Rothschild used NFTs to sell the digital images to individual buyers. NFTs are digital records of ownership, typically recorded on a publicly accessible ledger known as a “blockchain.” See Mot. Dismiss Order at 2. On the blockchain, an NFT functions as a sort of “digital deed” representing ownership in a physical or digital asset or assets. Here, each of the NFTs signified sole ownership of a particular “MetaBirkin,” that is, a unique digital image of a Birkin handbag rendered by Rothschild.

Rothschild also commissioned computer engineers to operationalize a “smart contract” for each of the NFTs. A “smart contract” refers to a computer code that is also stored on the blockchain and that, among other things, determines the name of

each of the NFTs, constrains how they can be sold or transferred, and controls which digital files are associated with each of the NFTs. See Dkt. 78, Decl. of Kevin D. Mentzer ("Mentzer Decl."), Ex. 1 at 9, 10, 16, 21 n.9, 24, 29.

Importantly, the "smart contract" is distinct from the NFT with which it is associated: the contract and the NFT can therefore be owned by two unrelated people or entities. Id. Indeed, Rothschild held onto the "smart contract" for each of the "MetaBirkin" NFTs even after the NFTs themselves had been sold to other buyers, which means he retains the power to change the image, title, or other attributes associated with the NFTs. See id. at 11, 16-17 & 29.

On December 2, 2021, Rothschild sold the rights to purchase the "MetaBirkin" NFTs before they were formally generated and placed on the blockchain -- or "minted" -- to one hundred purchasers through his website, <https://metabirkins.com>. Id., Ex. 1 at 9. Customers who browsed the website before the NFTs were sold and minted would see that each NFT was associated with a particular "MetaBirkins" digital image. Id. However, at the time the minting rights were sold, but before the "MetaBirkins" NFTs were formally minted and placed on the blockchain, a buyer viewing his purchase details on the MetaBirkins website would see that his NFT was now linked to a digital image of an object shrouded by a white cloth, not a unique "MetaBirkins" bag. Corrigan Decl., Ex.

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