

## Disney Sued Again By Toymaker Over 'Toy Story 3' Character

By **DOMINIC PATTEN** | Tuesday February 11, 2014 @ 10:46am PST

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Not a lot of love at [Diece-Lisa Industries](#) for [Disney](#) or [Toy Story 3](#), it seems. Yesterday, the toymaker sued Disney Enterprises in a Texas federal court for trademark infringement and unfair competition. Like it did in previous filings against Disney Shopping Inc and QVC last year and [Pixar](#) in 2012, the New Jersey company is claiming that the devious Lotso character featured in 2010's *Toy Story 3* is too similar to the "Lots of Hugs" technology and stuffed bears it has produced since the mid-1990s and re-trademarked in 2007. While not quite saying Disney knew of its product directly, the filing ([read it here](#)) this week notes that Diece-Lisa licensed the hugging tech to products related to the Jim Henson Company's *Bear In The Big Blue House* TV series — which was sold to Disney in 2004. Noting the box office success of the *Toy Story* sequel from Pixar and the \$7 billion it has made in merch, Diece-Lisa wants unspecified damages as well as an injunction stopping Disney from future use of the character and declarations from the court as to its rights.



The other cases have been weaving their way through the courts, with Pixar being dropped as a defendant in one of them in late 2012. Still, with Disney Enterprises as its latest defendant, Diece-Lisa is determined that the *Toy Story 3* character has caught consumers in a retail bear hug.

"Potential customers will likely improperly associate or confuse Defendant DEI's 'Lots-O'-Huggin' and 'Lotso' character with Plaintiff DLI's stuffed toys, including its bears, as identified with Plaintiff DLI's 'Lots of Hugs' mark," says Diece-Lisa's filing in the eastern district of Texas. "In fact, Plaintiff DLI has been required to develop a new mark due to the likelihood of confusion with and the concern that Plaintiff DLI's 'Lots of Hugs' toys will be improperly associated or confused with the Defendant DEI's 'Lots-O'-Huggin' and 'Lotso' character," it adds. Diece-Lisa cites that when the company signed a licensing deal for its bears in July 2011 with Interactive Group, the latter forced them to change the name of the characters to "hugalots" to avoid customers thinking it was related to the *Toy Story 3* character. Interestingly, Diece-Lisa notes in its 14-page complaint that Disney never claimed copyright protection for the underhanded Lotso AKA Lots-O'-Huggin character, voiced by Ned Beatty, despite doing so for every other major *Toy Story* character. With all that said, it's worth asking whether this third attempt by Diece-Lisa will achieve much more than the past ones?

The plaintiff is represented by Richard Schwartz of Ft. Worth firm Whitaker Chalk, Swindle & Schwartz.

### See Also

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