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# Disney Sued Over 'Toy Story 3' Evil Stuffed Bear Character

9:00 AM PST 2/11/2014 by Eniq Gardner

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A New Jersey toy company says that the company didn't have the right to misappropriate its "Lots of Hugs" trademark.



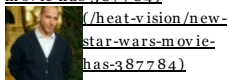
Disney/Pixar

"Toy Story 3"

Someone needs a hug.

### OUR EDITOR RECOMMENDS

[\(/heat-vision/new-star-wars-movie-has-387784\)](#)



**New 'Star Wars' Movie Has Treatment by 'Toy Story 3'**

Disney Enterprises has been taken to Texas federal court by a trademark owner who objects to the "Lots-O'-Huggin'" stuffed bear character in *Toy Story 3*.

As a refresher, in the 2010 film, this character -- aka "Lotso" -- has psychological problems stemming from being abandoned by his owner. The bear now resides at the Sunnyside Day Care Center, which he treats as his personal fiefdom. In *Toy Story 3*, "Lotso" and his gang attempt to stop Woody and other toys from escaping. The film's principal antagonist has now set off a trademark lawsuit.

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The plaintiff is Dicee-Lisa Industries, a New Jersey

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company that created the "Lots of Hugs" stuffed toy bears. DLI asserts that it has been licensing its "Lots of Hugs" since 1995, including for use as a promotional Olympic Panda Bear for the 2008 Olympics in Beijing, China.

Not only does DLI have trademarks, but the company has a registered patent as well. According to the complaint ([read here](#) (<http://www.scribd.com/doc/206439914/Lotso>)), DLI licensed its "hugging technology" to a company affiliated with Disney for its sale of **Jim Henson's** "Bear in the Big Blue House" huggable stuffed bear product. In other words, the plaintiff implies Disney knew about DLI's intellectual property.

*Toy Story 3* was a smash Pixar sequel with more than \$1 billion in worldwide box office. Not unlike last weekend's big hit, *The Lego Movie*, Disney's own movie featured animations of well-known toys including *Batman*, *Superman* and *Wonder Woman* figurines.

In the new lawsuit, DLI says that "Disney has aggressively enforced its various intellectual property rights" and points to past legal action taken jointly by Disney and DC Comics to protect *Toy Story* and *Toy Story 2* movie characters. In other words, the plaintiff implies that Disney respects the rights of Batman's owner.

DLI now claims that it has been experiencing harm from the film. In 2011, the company's affiliate entered into a license agreement with Interactive Group for a bear product.

According to the lawsuit, "IG was fearful to use the 'Lots of Hugs' mark for the DLI licensed bear products in view of the worldwide success of the *Toy Story 3* movie -- fearing Disney and consumer confusion with Defendant [Disney's] 'Lots-O'-Huggin'" bear a/k/a 'Lotso' bear character if IG should market and sell 'Lots of Hugs' bears. Subsequently, IG required that the licensed bear be marked 'hugalots' instead of 'Lots of Hugs.' "

DLI is now suing for unfair competition and trademark infringement and demanding profits attributable to the alleged bad actions, trebled damages and an injunction on future use of the "Lotso" character.

Disney hasn't responded to a request for comment.

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