

Trader Joe's Ruling Highlights Trademark Infringement Trends

By **Rebecca Benjamin and Matt Mardesich** (October 22, 2025)

On Sept. 8, the U.S. Court of Appeals for the Ninth Circuit **reinstated** a trademark infringement claim brought by Trader Joe's against Trader Joe's United, a labor union representing some of its employees.[1]

This case, *Trader Joe's Co. v. Trader Joe's United*, explores the legal boundaries between a union's right to advocate for workers, on the one hand, and the protection of a brand's intellectual property, on the other hand, and illustrates the growing trend of courts to disfavor early dismissal of trademark infringement claims in the context of expressive speech.

Case Summary

Trader Joe's alleged that TJU infringed on its trademarks by selling apparel, mugs, buttons and reusable tote bags that used the company's distinctive typed word mark, unique red coloring, capitalized lettering and similar style of font.[1] Trader Joe's contended that TJU's items were likely to cause consumer confusion and dilute its trademarks.[2]

The U.S. District Court for the Central District of California disagreed, finding that there was no plausible likelihood of confusion[3] and that Trader Joe's request for injunctive relief was prohibited by the Norris-LaGuardia Act,[4] which proscribes injunctive relief in any case "involving or growing out of a labor dispute." [5] The district court therefore granted TJU's motion to dismiss the complaint with prejudice and also awarded TJU over \$112,000 in attorney fees.[6]

The Ninth Circuit reversed the dismissal of the trademark infringement claim, applying the likelihood-of-confusion factors articulated in *AMF Inc. v. Sleekcraft Boats*, decided by the Ninth Circuit in 1979.

First, the court found that Trader Joe's mark was strong, which weighed strongly in favor of Trader Joe's.[7]

Second, the court found that both parties sold similar nongrocery goods, including reusable tote bags, such that consumers "may nevertheless be confused about the source or sponsorship of these products if they are labeled with a mark similar to Trader Joe's." [8]

Noting the tote bags in particular, the Ninth Circuit found that these products were clearly related, identical in use and function, and targeted the same class of consumers — the general public.[9] The second factor thus weighed in favor of Trader Joe's.[10]

Third, the court found that Trader Joe's and TJU's marks were strikingly similar, as the name "Trader Joe's" in both parties' marks used capitalized lettering, the same red color and similarly stylized fonts, and both marks were found within concentric circles.[11] This factor also weighed in favor of Trader Joe's.[12]



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Fourth, the court noted that TJU markets and sells its products online via its website, while Trader Joe's promotes its products online but sells its products only in stores.[13] However, the court stated that under an initial interest theory, consumers searching for "Trader Joe's tote bags" online could be diverted to TJU's website.[14] Thus, this factor was neutral.[15]

Fifth, the court found that because TJU sells moderately priced goods and Trader Joe's sells affordable products, it was too early to tell at the pleading stage "whether consumers would exercise little or significant care when purchasing products from TJU's website," rendering this factor neutral in the likelihood of confusion analysis.[16]

Lastly, the court found the remaining factors neutral because Trader Joe's failed to plausibly allege actual confusion, TJU's intent to deceive or either party's plans to expand their products into new markets.[17] The court therefore reversed the district court's dismissal of Trader Joe's trademark infringement claim, finding that a reasonably prudent consumer could be confused about the origin of the goods.[18]

The Ninth Circuit also vacated the district court's holding that it lacked jurisdiction to issue injunctive relief due to the Norris-LaGuardia Act.[19] In the district court's view, Trader Joe's request for injunctive relief was undoubtedly related to TJU's nationwide organizing efforts due to its timing in relation to the parties' ongoing labor disputes, and because the relative impact of TJU's online sales of merchandise was de minimis compared to the chilling effect injunctive relief could potentially have on TJU's organizing efforts.[20]

However, the Ninth Circuit found this determination premature at the pleading stage because neither party had moved for preliminary injunctive relief, and a sufficient record had not been established regarding whether the injunctive relief sought by Trader Joe's involved or grew out of the parties' labor dispute, rather than Trader Joe's interest in protecting its trademark against infringement or dilution.[21]

The Ninth Circuit remanded the case back to the district court, allowing Trader Joe's claims to proceed to trial, and vacated the district court's award of attorney fees.[22]

Key Takeaways

From a labor perspective, companies should not reflexively assume they are powerless when a labor union attempts to mimic their logo for the union's own ends, even in the context of an ongoing labor dispute.

However, it is important to recognize the fact-intensive nature of the Ninth Circuit's holding. This case involved a union that sold consumer goods, and the outcome may have been different had TJU merely used the logo at issue for noncommercial purposes such as discussing the union's cause.

While this case suggests unions may have difficulties securing dismissal of trademark infringement claims at the pleading stage, it will be interesting to see how the court balances whether Trader Joe's request for injunctive relief involved or grew out of the parties' ongoing nationwide labor dispute as a more complete record is developed.

From a trademark perspective, this case demonstrates another instance of courts moving away from early dismissals of trademark infringement claims in the context of expressive speech, consistent with the trend following the 2023 U.S. Supreme Court decision in Jack Daniel's Properties Inc. v. VIP Products LLC.

The Ninth Circuit declined to interpret the general impression of the mark at the pleading stage, striking a bit of a blow to parodists who may wish to poke fun at or otherwise criticize a brand, and who might ordinarily take comfort in a quick win.

While a review of similarity of parodical marks historically tends to be made in the context of the dilution factors, the court's analysis on this issue fell under the trademark-infringement standards. This analysis might have differed if TJU had made and preserved arguments while fighting Trader Joe's dilution claim, but TJU did not do so.

Further, the nuanced way that the circuit reviewed some information on TJU's site (e.g., price) but not others (e.g., purchasing process) shows that this battle between speech and trademark rights will shift as discovery unfolds.

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[1] Trader Joe's Company v. Trader Joe's United, --- F.4th ---, 2025 WL 2586674, at *2 (9th Cir. 2025).

[2] Id. at *3.

[3] Trader Joe's Company v. Trader Joe's United, 2024 WL 305697, at *1 (C.D. Cal. Jan. 12, 2024), rev'd and remanded, 2025 WL 2586674 (9th Cir. Sept. 8, 2025).

[4] 29 U.S.C. § 101.

[5] Trader Joe's Company, 2024 WL 305697, at *1.

[6] Trader Joe's Company, 2025 WL 2586674, at *3.

[7] Id. at *4.

[8] Id. at *5.

[9] Id.

[10] Id.

[11] Id. at *6.

[12] Id.

[13] Id. at *7.

[14] Id.

[15] Id.

[16] Id.

[17] Id. at *8.

[18] Id.

[19] Id. at *25.

[20] Trader Joe's Company, 2024 WL 305697, at *4.

[21] Trader Joe's Company, 2025 WL 2586674, at *24.

[22] Id. at *25.