Published on *The National Law Review* https://natlawreview.com

U.S. Supreme Court Vacates Dog Toy Company's Win in Jack Daniel's Parody Trademark Dispute

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A unanimous U.S. Supreme Court held on June 8, 2023, that a dog toy company's "parody" chew toy that mimics Jack Daniel's widely recognized whiskey bottle does not escape trademark liability merely because the toy has "expressive content" or because it parodies Jack Daniel's. Justice Kagan delivered the narrow opinion, writing that because the dog toy company, VIP Products LLC ("VIP"), used Jack Daniel's trademarks as a designation of source for VIP's own goods – i.e. using another's trademark as a trademark – there is no special threshold First Amendment inquiry. The Supreme Court vacated the prior Ninth Circuit opinion that VIP's use was protected under the First Amendment and the so-called Rogers test for "expressive" works, and remanded for consideration of whether VIP's use is likely to cause consumer confusion. The Supreme Court expressly did not evaluate whether or how the well-known Rogers test may or may not apply in other contexts. Jack Daniel's Properties, Inc. v. VIP Products LLC, 599 U.S. ___ (2023).

The opinion also vacated the Ninth Circuit's holding that VIP's use was shielded from trademark dilution liability as a parody, holding that this issue is "more easily dispatched" because under the Lanham Act the parody exception to dilution does not apply when the accused use is "as a designation of source of the person's own goods or services." 15 U.S. Code § 1125(c)(3)(A).

The decision will make it easier for trademark holders in all industries to sue for infringement or dilution, and more difficult for accused infringers to assert defenses based on First Amendment protections for expressive works or parody.

The dispute involves VIP's squeaky, chewable dog toy designed to look like a bottle of Jack Daniel's whiskey. Except on the toy, "Jack Daniel's" became "Bad Spaniels", "Old No. 7 Brand Tennessee Sour Mash Whiskey" became "The Old No. 2 On Your Tennessee Carpet", and references to "40% Alc. By Vol. (80 Proof)" became "43% Poo By Vol." and "100% Smelly", among other differences. Jack Daniel's sent VIP a cease and desist letter in 2014, VIP filed suit seeking a declaratory judgment of non-infringement and non-dilution, and Jack Daniels counterclaimed for infringement and dilution. The District Court initially found in Jack Daniel's favor after a bench trial, but the Ninth Circuit vacated and remanded with instructions for the District Court to apply the test first set forth in Rogers v. Grimaldi, 875 F.2d 994 (2d Cir. 1989), under which infringement claims against

“expressive works” are dismissed at the outset unless the complainant can show either (1) that the challenged use of a mark “has no artistic relevance to the underlying work” or (2) that it “explicitly misleads as to the source or content of the work.” Rogers, 875 F.2d at 999. On remand, the District Court applied the Rogers test and found in favor of VIP, and the Ninth Circuit affirmed.

According to the unanimous Supreme Court opinion, the preliminary Rogers test does not apply here. Justice Kagan cited with approval opinions from various courts of appeal that do not apply the Rogers test when an accused infringer used another’s trademarks to identify the infringer’s own goods or services, writing that such use “falls within the heartland of trademark law, and does not receive special First Amendment protection.” The opinion states that the contrary rule adopted by the Ninth Circuit “potentially encompasses just about everything” because trademarks often “contain some ‘expressive’ message” unrelated to source, and “few cases would even get to the likelihood-of-confusion inquiry if all expressive content triggered the Rogers filter.” (Internal citations to and quotations from the McCarthy on Trademarks and Unfair Competition treatise omitted).

In remanding for consideration of whether VIP’s use is likely to cause confusion, the Court noted that the dog toy’s “expressive message—particularly a parodic one, as VIP asserts” may be relevant to this analysis because true parodies that mock the original may be less likely to create confusion.

Justice Sotomayor’s concurring opinion, joined by Justice Alito, emphasizes that in the context of parodies and potentially other “expressive” works that implicate First Amendment concerns, “courts should treat the results of surveys with particular caution” because survey answers “may reflect a mistaken belief among some survey respondents that all parodies require permission from the owner of the parodied mark.”

Justice Gorsuch’s concurring opinion, joined by Justices Thomas and Barrett, underscores “that lower courts should handle [the Rogers test] with care” because “it is not obvious that Rogers is correct in all its particulars.” The concurrence states that Rogers raises questions “for resolution another day”, and “lower courts should be attuned to that fact.”

National Law Review, Volumess XIII, Number 190