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Unpacking the Supreme Court's Decision in *Jack Daniel's Properties, Inc. v. VIP Products LLC*

Publications

June 12, 2023
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Last week, the Supreme Court issued its decision in *Jack Daniel's Properties, Inc. v. VIP Products LLC*, a trademark case addressing how the Lanham Act intersects with the First Amendment. While the parties each argued for broad holdings in their briefs and at oral argument, the Court took a "narrower path" in resolving the case. It held that a dog toy evoking a bottle of Jack Daniel's was not entitled to special First Amendment protection but left open the larger question about whether and when expressive works like films, songs, and books can claim First Amendment protection from trademark claims. The Court's decision was unanimous, but concurring opinions warned about the use of surveys in trademark litigation and the future of the "*Rogers* test" for uses of marks in connection with expressive works.

Background

This case concerned a dog toy manufactured by VIP Products LLC (VIP), labeled "Bad Spaniels," which was designed to mimic a bottle of whisky produced by Jack Daniel's Properties, Inc. (Jack Daniel's). VIP sought a declaratory judgment that its Bad Spaniels toy did not infringe or dilute Jack Daniel's trademarks, and Jack Daniel's counterclaimed.[1] After a bench trial, relying heavily on survey evidence, the district court found that VIP was liable for trademark infringement and dilution.[2]

The Ninth Circuit reversed, holding that the district court should have applied the *Rogers* test to the infringement question and that VIP was entitled to an exception to dilution claims for "noncommercial use" of a mark.[3] The *Rogers* test stems from the Second Circuit's seminal decision in *Rogers v. Grimaldi*, where the court held that to accommodate First Amendment concerns, the Lanham Act "should be construed to apply to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression."[4] As a result, trademark liability under the *Rogers* test attaches only when the use of a trademark has no artistic relevance to the underlying creative work or when its use is explicitly misleading as to the

source or content of that work.[5] Every circuit to consider the issue has adopted the *Rogers* test, but the Supreme Court had never considered it before now.[6]

On remand, the district court applied the *Rogers* test and found that VIP had not infringed Jack Daniel's mark.[7] Jack Daniel's appealed, and the Ninth Circuit affirmed.[8] The Supreme Court then granted certiorari as to both trademark infringement and dilution.[9]

The Court's Decision

In its briefing and at oral argument, Jack Daniel's urged the Court to hold that the *Rogers* test has no foundation in either constitutional or statutory law. However, the Court explicitly declined to rule on the general merits of the *Rogers* test, holding narrowly instead that the *Rogers* test or "any threshold First Amendment filter" does not apply when the trademark is used "as a designation of source for the infringer's own goods."[10] The Court explained that the "primary mission" of the Lanham Act is to prevent confusion about source.[11] Such confusion is "most likely to arise when someone uses another's trademark as a trademark—meaning, again, as a source identifier—rather than for some other expressive function."[12]

VIP effectively conceded that it had used the Bad Spaniels mark as a source identifier, and the Court determined that concession was corroborated by various facts in the record, including VIP's use of the "Bad Spaniels" logo in the same positioning as its "Silly Squeakers" trademark and VIP's past practice of treating other parody dog toy names as trademarks.[13] As a result, the Court held that *Rogers* was not relevant and remanded for a new determination of whether the Bad Spaniel's toy is likely to cause confusion, particularly in light of the parodic nature of the product.[14]

Nonetheless, the Court acknowledged that even where someone is using another's trademark as a source identifier, "full-scale litigation" may not be justified.[15] The Court explicitly noted that "if, in a given case, a plaintiff fails to plausibly allege a likelihood of confusion, the district court should dismiss the complaint under Federal Rule of Civil Procedure 12(b)(6)."[16]

Separately, the Court held that the "noncommercial use" exception to federal dilution claims does not apply solely by virtue of a use having a humorous or parodic purpose.[17] Accordingly, the Court remanded the dilution claim for reconsideration as well.[18]

Justice Sotomayor wrote a brief concurring opinion, joined by Justice Alito, "emphasiz[ing] that in the context of parodies and potentially other uses implicating First Amendment concerns, courts should treat the results of surveys with particular caution."[19]

Justice Gorsuch also wrote a concurring opinion, joined by Justice Thomas and Justice Barrett, expressing skepticism about the validity of the *Rogers* test but acknowledging that "[a]ll this remains

for resolution another day."[20]

Takeaways

- **Rogers *Remains Good Law, but the Door Is Open to Future Challenges:*** Despite an invitation from Jack Daniel's to reject the *Rogers* test entirely, the Court expressly declined to consider *Rogers*'s validity where a mark is being used in an expressive work rather than being used or referenced to identify the source of the accused infringer's product. The *Rogers* framework thus remains good law in each of the circuits that have adopted it to date. That said, Justice Gorsuch's concurrence joined by Justices Thomas and Barrett raised questions about *Rogers*'s validity and may fan the flames of future challenges to the longstanding doctrine even in cases that involve quintessentially expressive works.

- ***A Mark's Source-Identifying Function:*** The majority opinion confirmed that a mark is used as a trademark when it identifies a product's source. In so doing, the majority relied on VIP's concession that it used its trademark both to identify and distinguish its dog toy and as a source identifier, and the majority also looked to facts to corroborate those confessions. However, the majority did not articulate how other courts should determine whether a mark is being used as a source identifier in future cases where litigants do not concede this issue. In that circumstance, the "key question" is likely to be "whether, as actually used, the designation is likely to be recognized in and of itself as an indication of origin for th[e] particular product or service."[21] Courts that have been called upon to determine whether a use was "use as a mark" for other purposes have considered whether the party "differentiate[d] the designation claimed as a trademark from [] the surrounding material" by using "larger-sized print, all capital letters or initial capitals, [a] distinctive or different print style, color," placed the mark in a "prominent position on [a] label or in advertising," or used the mark "repetitively" as opposed to "infrequent or sporadic appearance."[22] Now, the majority opinion provided some additional guidance for litigants attempting to prove that a mark has been used as a source identifier. First, parties should focus on the way a product is marketed. The opinion highlighted the packaging attached to VIP's dog toy, which displayed the source-identifying Silly Squeakers logo side-by-side with the Bad Spaniels logo, as evincing the latter's source-identifying function.[23] Second, a party's treatment of similar products may also inform the inquiry. On this point, the majority relied on VIP's actions with respect to other Silly Squeakers products, including VIP's representations in litigation that it owned various unregistered trademarks for other parody dog toy products and VIP's formal registration of trademarks for its Dos Perros, Smella Arpaw, and Doggie Walker toys.[24] In turn, the Court's focus on the facts of how the mark is used suggests that in appropriate cases particularly involving uses of marks on commercial products, courts may require further factual development to establish whether use of a mark is source-identifying. In the context of the use of marks in expressive works such as movies, television, books, and video games, in most cases, it should be easy to establish that the mark is not plausibly being used as a source identifier and

thus the challenge is subject to dismissal under *Rogers*. In any event, the opinion also reminds lower courts that dismissal on the pleadings is appropriate where there is no plausible likelihood of confusion, regardless of whether *Rogers* applies.[25]

- ***Deeper Questions for Titles and Series:*** The majority opinion's focus on a mark's source-identifying function could raise questions about the use of a mark *to identify the source of a creative work*, such as its title. The Court recognized, of course, that *Rogers v. Grimaldi* itself involved a dispute over a film's title.[26] But there may be scenarios where all or part of a title is used to identify a series of related works and thus may be claimed to identify the "source" of the works. Courts will need to determine whether *Jack Daniel's* excludes application of the *Rogers* analysis in such scenarios. Litigants seeking to invoke *Rogers* could also possibly rely on the opinion's suggestion that there may be "rare situations" where a mark is used as a mark but heightened First Amendment protection could be necessary.[27]

- ***Proceed Carefully with Survey Evidence:*** The concurring opinion authored by Justice Sotomayor and joined by Justice Alito cautioned parties and courts evaluating trademark infringement disputes against relying too heavily on certain consumer survey results. Although the opinion may be read as focused principally on parodies and "other uses implicating First Amendment concerns," it identifies broader risks inherent in over-reliance on survey evidence: the risk of consumers' "mistaken belief[s] . . . that all parodies require permission from the owner of the parodied mark" or other "misunderstanding[s] of the legal framework."[28] These risks are not unique to parodic uses and may very well be present in surveys concerning non-parodic uses of a plaintiff's mark. For example, the concurrence specifically questioned reliance on a survey response evincing a respondent's mistaken belief that the Bad Spaniels toy required VIP to "ask [Jack Daniels'] permission to use the image" since the latter "h[e]ld the patent."[29] The concurrence will likely be cited by trademark defendants for the principles that surveys should not "completely displace other likelihood-of-confusion factors" and that courts should stay carefully attuned to the "ways in which surveys may artificially prompt [] confusion" or "fail to sufficiently control for it."[30]

- ***Next Steps for the Parties:*** The opinion delivered a win to Jack Daniel's, but the litigation is not over. On remand, the lower courts will need to reconsider whether the Bad Spaniels toy is likely to confuse. Specifically, the Court noted the fact that a parody must "conjure up enough of an original to make the object of its critical wit recognizable" but "must also create contrasts" with the original "so that its message of ridicule or pointed humor comes clear."[31] This issue could be resolved in multiple postures, including but not limited to a new bench trial that reassesses likelihood of confusion in light of the parodic nature of the product (and potentially reassesses the probative value of survey evidence in light of Justice Sotomayor's concurrence).

Footnotes

[1] *Jack Daniel's Props., Inc v. VIP Prods. LLC*, No. 22-148, 599 U. S. ____, slip op. at 8 (June 8, 2023).

[2] *See id.* at 9.

[3] *See id.*

[4] *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989).

[5] *See id.*

[6] *See, e.g.*, *Radiance Found., Inc. v. NAACP*, 786 F.3d 316, 328–29 (4th Cir. 2015); *Westchester Media v. PRL USA Holdings, Inc.*, 214 F.3d 658, 664–65 (5th Cir. 2000); *Parks v. LaFace Records*, 329 F.3d 437, 450–52 (6th Cir. 2003); *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 901–02 (9th Cir. 2002); *MGFB Props., Inc. v. Viacom Inc.*, 54 F.4th 670, 679–80 (11th Cir. 2022).

[7] *Jack Daniel's Props., Inc v. VIP Prods. LLC*, 599 U. S. ____, slip op. at 9–10.

[8] *See id.* at 10.

[9] *See id.*

[10] *Id.*; *id.* at 10 n.1.

[11] *See id.* at 14.

[12] *Id.*

[13] *See id.* at 17–18.

[14] *See id.* at 18–19.

[15] *Id.* at 15 n.2.

[16] *Id.*

[17] *See id.* at 19.

[18] *See id.* at 20.

[19] *Jack Daniel's Props., Inc v. VIP Prods. LLC*, 599 U. S. ____, slip op. at 1 (Sotomayor, J., concurring).

[20] *Jack Daniel's Props., Inc v. VIP Prods. LLC*, 599 U. S. ____, slip op. at 1 (Gorsuch, J., concurring).

[21] 1 *McCarthy on Trademarks and Unfair Competition* § 3:4 (5th ed.) ("*McCarthy*").

[22] *Id.*

[23] *See Jack Daniel's Props., Inc v. VIP Prods. LLC*, 599 U.S. __, slip op. at 17.

[24] *See id.* at 17–18.

[25] *See id.* at 15 n.2.

[26] *See id.* at 11.

[27] *Id.* at 17.

[28] *Jack Daniel's Props., Inc v. VIP Prods. LLC*, 599 U.S. __, slip op. at 1–2 (Sotomayor, J., concurring).

[29] *Id.* at 2.

[30] *Id.*

[31] *Jack Daniel's Props., Inc v. VIP Prods. LLC*, 599 U. S. ____ slip op. at 18 (internal quotation marks and alterations omitted).

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