

The Supreme Court released an opinion addressing the applicability of the *Rogers* test for analyzing trademark infringement in *Jack Daniel's Properties, Inc. v. VIP Products LLC* on June 8, 2023. The case appeals a decision by the Court of Appeals for the Ninth Circuit in which the Ninth Circuit reversed a bench trial decision in favor of Jack Daniel's Properties, Inc. ("Jack Daniel's"). The Supreme Court reversed, holding that the *Rogers* test did not insulate VIP Products LLC ("VIP") from a likelihood of confusion analysis.

VIP sells a novelty dog toy called the "Bad Spaniels Silly Squeaker" that closely resembles a bottle of Jack Daniel's Old No. 7 Tennessee Sour Mash Whiskey, but it has a few notable alterations: namely, replacing "Jack Daniel's" with "Bad Spaniels," "Old No. 7 Brand" with "The Old No. 2," and "Quality Tennessee Sour Mash Whiskey" with "On Your Tennessee Carpet." The toy also includes a cardboard hangtag that includes both the "Silly Squeakers" and "Bad Spaniels" logos.

Shortly after the toys showed up in stores, Jack Daniel's demanded that VIP stop selling the product. VIP answered by filing suit in the Federal District Court for the District of Arizona seeking a declaratory judgment that its toy did not infringe Jack Daniel's intellectual property rights. VIP argued that Jack Daniel's infringement claim failed the *Rogers* test because its toy was an expressive work and Jack Daniel's could not show that either the challenged use of the mark has no artistic relevance to the underlying work or that it explicitly misleads as to the source or the content of the work—the two-prong *Rogers* test. The District Court rejected VIP's contentions, holding that the Court was required to address whether there was a likelihood of confusion between VIP's product and Jack Daniel's marks since VIP was using Jack Daniel's famous features to identify the source of its product. The Court of Appeals reversed, holding that the toy "communicates a humorous message" and, therefore, was an expressive work subject to the *Rogers* test.

The Supreme Court held that the *Rogers* test—or any other First Amendment threshold filter—does not apply when an alleged infringer "uses a trademark in the way the Lanham Act most cares about: as a designation of source for the infringer's own goods." The Supreme Court remanded for further proceedings—including a likelihood of confusion analysis—in the District Court because VIP, in its complaint, conceded that it both "own[s]" and "use[s]" the "'Bad Spaniels' trademark and trade dress for its durable rubber squeaky novelty dog toy[:]" and the way the product's hangtag uses the Silly Squeakers and Bad Spaniels logos to serve as source-identifiers, coupled with VIP's similar actions with previous toys, indicates VIP's intent to use the marks as source identifiers. The Supreme Court did indicate that VIP's effort to ridicule Jack Daniel's "may make a difference in the standard [likelihood of confusion] analysis" because "consumers are not so likely to think that the maker of a mocked product is itself doing the mocking."

The holding here is an important development for the safe harbors and fair use exceptions to trademark law because it limits First Amendment protection for parodic uses of brand owners' marks. While relatively fact-specific, it likely will affect how district and appellate courts review these exceptions because humor alone does not guarantee First Amendment protection.

Justice Sotomayor wrote a concurrence focusing on the use of surveys in likelihood of confusion analyses. At the District Court level, Jack Daniel's used surveys to show that consumers were likely to be confused about the source of VIP's Bad Spaniels dog toy. Justice Sotomayor cautions that "surveys should be understood as merely one piece of the multifaceted likelihood of confusion analysis." Importantly for parodies, Justice Sotomayor emphasizes the "particular risk in giving uncritical or undue weight to surveys" because they may "reflect a mistaken belief" of the law. Accordingly, surveys in likelihood of confusion analyses should be treated with caution.



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