Supreme Court Reinforces Trademark Protections for Brand Owners in *Jack Daniel's* Decision

Legal Alert
June 20, 2023

Contact

Benjamin J. Hodges

Related Services

Commercial & IP Transactions

Copyright & Trademark

IP & Technology

The recent Supreme Court decision in the Jack Daniel's trademark lawsuit against a dog toy manufacturer has significant implications for both brand owners and those seeking to parody established trademarks.

Earlier this month, the high court ruled in favor of the iconic whiskey brand, overturning a Ninth Circuit decision, in its trademark dispute with dog toy maker VIP Products LLC. The case involves a poop-themed dog toy that parodied the iconic Jack Daniel's whiskey bottle, replacing the storied brand's name with "Bad Spaniels" and incorporating other humorous elements.

In this Q&A, we delve into the significance of the Court's rejection of the Ninth Circuit's argument that the parody was shielded by the First Amendment and explore the implications for brand owners seeking to safeguard their trademarks from unauthorized use and consumer confusion.

Why is the Supreme Court's rejection of the Ninth Circuit's argument that the poop-themed dog toy is protected by the First Amendment considered significant?

Putting aside the subject matter of the case (Jack Daniel's suing over a poop-themed parody of its whisky bottle, replacing the brand with "Bad Spaniels" among other jokes), this impacts anyone claiming parody as defense to trademark infringement. The case ruled that a previously created judicial test, the *Rogers* test does not apply when the alleged infringer is using the accused mark as a designation for its own goods.

The Court essentially held that relying on a parody defense, when the accused mark is used as a name, does not provide an easy out at the pleading stage. Instead, such accused marks have to be analyzed under a standard likelihood of confusion

test. Similarly, claims of trademark dilution cannot be avoided under the "noncommercial" use exception for parody when the alleged diluting mark is used as a source identifier for goods.

In light of the Supreme Court's ruling, what are the potential implications for brand owners seeking to protect their trademarks from unauthorized use and the confusion it may cause among consumers?

This decision strengthens protections for brand owners. It eliminates a hurdle that brand owners faced with infringers parodying their marks and claiming First Amendment protection even though the parody was acting as a source identifier. Brand owners still have to respect parody in other contexts, but if the parody is in the brand itself, then brand owners can move against it, if there is a likelihood of confusion.

This case clarifies that, in those instances, the brand still has to show a likelihood of confusion, which may still represent a significant hurdle depending on the circumstances, but it is a situation that is much less amenable to a motion to dismiss, which would allow the brand at least the chance to prove the issues.

What is the significance of this ruling with regards to the use of consumer surveys to evaluate confusion in trademark cases, and how might it shape the approach in future trademark disputes?

This case does not change the use of surveys or change the overall approach for future disputes. Instead, it clarifies that those approaches are even more important and broad because even in some cases of parody, such as in this case, both the brand owner and the infringer will need to focus the case – and the evidence – on proving a likelihood of confusion regardless of the claimed parody. The parody nature may very well impact different aspects of a likelihood of confusion analysis, such as the proposed consumers, the care taken or the sales channels to name a few, but that analysis will need to be done instead of eliminated with a First Amendment defense.

Justices Sotomayor and Alito did have a concurring opinion to address surveys and how they should be analyzed critically and not treated as the only important piece of evidence in brand confusion cases. They pointed out that, particularly in parody cases, surveys can be designed to prompt consumer confusion, so courts should take care to analyze how surveys are designed and to not let surveys displace other likelihood of confusion factors.

What broader implications does this ruling have? How does it influence the balance between free speech rights and the protection of trademarks?

This case helps to clarify when and how a parody defense can be applied both for brand owners and for those parodying the brand. This case does not change the underlying *Rogers* test for expressive uses. It just clarifies that the expressive use cannot be the source identifier.

Those wishing to parody a brand will still be at liberty to do so in context, but they just will not be able to make the parody a source identifier. The Court did make a point, both in oral argument and in its opinion to reiterate the importance of the First Amendment and parody, but placed guardrails on those issues to help keep brand ownership and trademark rights strong as well.

Those wanting to parody in other contexts, should still be careful in relying too much on *Rogers*, though. The opinion went out of its way to not address the overall merits of the *Rogers* test. The concurring opinion from Justices Gorsuch, Thomas and Barrett, while agreeing that the test should not be examined in this case, did question the merits of the *Rogers* test and its underlying source/authority, and noted that the Solicitor General's brief also raised serious questions about it. That would seem to signal that the Court is open to taking another case where the *Rogers* test is accurately applied to question the underlying merits of that test in the future.

While the subject matter of this case may elicit a chuckle, the Supreme Court's ruling has far-reaching consequences for the defense of parody as a protection against trademark infringement. As the balance between First Amendment rights and trademark protection continues to evolve, this latest high court decision provides valuable guidance for navigating the intersection of parody and trademark law, while leaving the door open for further examination of the *Rogers* test. If you have trademark protection questions, please contact a member of Foster Garvey's Intellectual Property team.