

What To Know About Jack Daniel's Dog Toy IP Tug Of War

By **Hannah Albarazi**

Law360 (November 23, 2022, 12:13 PM EST) -- A dogfight over a chew toy parodying a Jack Daniel's bottle is headed to the U.S. Supreme Court, providing the justices with a chance to weigh in on the balance that federal appeals courts have struck between protecting trademarks and safeguarding free speech.

Whether or not the court overturns a Ninth Circuit ruling from March affording greater legal leeway to a parody dog toy called "Bad Spaniels" that mimicked a Jack Daniel's whiskey bottle, the high court's grant of certiorari in the case Monday could have long-lasting implications for free speech and trademark law, legal experts told Law360.

David Donahue, a partner at Fross Zelnick Lehrman & Zissu PC who specializes in intellectual property litigation, told Law360 that to him, the chew toy case is really about "whether commercial products with purportedly expressive content should be granted the same First Amendment protections against trademark infringement claims as traditionally expressive works such as books, movies and works of art."

But Rebecca Tushnet, a professor of First Amendment law at Harvard Law School, said given the questions on which certiorari was granted, the chew toy case "could end up a very broad inquiry into the relationship between trademark law and commercial speech doctrine."

The dispute dates back to 2014, when the creator of the "Bad Spaniels" product, a company called VIP Products LLC, sued Jack Daniel's after receiving cease-and-desist letters over the toy, which parodies the bottle's iconic "Old No. 7" and "Tennessee Whiskey" labeling with the scatologically humorous "Old No. 2 On Your Tennessee Carpet."

Following a bench trial, a district court judge ruled in 2018 that the toy infringed Jack Daniel's trademarks. But the Ninth Circuit overturned that decision in 2020, saying the trial judge should have deemed the toy an "expressive work" protected by the First Amendment.

At the time, David G. Bray, an attorney for VIP Products, said the company was pleased with the ruling.

"It has always been VIP Products' position that its good-humored and good-natured Bad Spaniels parody dog toy is an expressive work that invites consumers to both reflect on the humanization of dogs in our lives and to laugh at how large corporations like Jack Daniel's can take themselves and their brands so seriously," Bray said.

Jack Daniel's appealed to the U.S. Supreme Court, arguing the chew toy is not an expressive work protected from trademark laws and that the Ninth Circuit's decision "unjustifiably transforms humor into a get-out-of-the-Lanham-Act free card."

In January 2021, the justices initially declined to hear the case. The case returned to the district court, which granted summary judgment to VIP on remand, a decision the Ninth Circuit affirmed without an opinion.

But on Monday, the high court justices had a change of heart, finally granting Jack Daniel's petition for review.

Putting Trademarks to the Test

Long before the Ninth Circuit held that the "Bad Spaniels" chew toy was an expressive work, the Second Circuit developed a framework to evaluate expressive uses of trademarks with the 1989 case *Rogers v. Grimaldi*.

Known as the Rogers test, the framework allows for the use of a trademark in an expressive work as long as it is artistically relevant and not explicitly misleading.

Over the years, as the Rogers test has been widely applied by other circuits, parties have tried to extend the doctrine to cover commercial products as well as expressive works. The Supreme Court has never before weighed in on the Rogers test.

Mark McKenna, a UCLA School of Law professor and co-director of the UCLA Institute for Technology, Law & Policy, told Law360 during a phone interview that he was surprised the high court took the chew toy case, given that the justices previously declined to review it.

McKenna said the first question will be: "Does Rogers apply?" And if the justices determine that it does, then the more specific question will be: "Does it apply to the labeling of a humorous product?"

He said he will be watching to see what the justices say about the Rogers framework, how they understand the First Amendment interests, and whether they continue to distinguish between commercial and noncommercial speech.

"It's really hard for me to imagine that they will say, 'You can't do a joke about Jack Daniel's,'" McKenna said.

At the same time, McKenna said, some justices may think the Rogers test is interfering with owners' ability to enforce trademarks.

Free Speech on the Line

To Jessica Litman, a professor at the University of Michigan Law School, the courts have devised these special tests, such as Rogers, to insulate particular trademark uses.

"These court-made tests arose because of judges' recognition that these categories of use were in fact unlikely to cause confusion or dilution, and that suppressing or chilling these uses would have grave First

Amendment implications," Litman told Law360.

"Not having any kind of special protection for speech would be pretty chilling," UCLA's McKenna said.

However, McKenna said he thinks the justices are likely to recognize that trademark rights don't trump the right to free speech, but that it will be interesting to see how the justices articulate that.

McKenna said a high court win for the chew toy would likely mean a more expansive First Amendment evaluation of the nature of the trademark use, which could open up more room for people to make joking use of or references to trademarks, even in the context of selling something.

Harvard's Tushnet told Law360 in an email that it's difficult to say on what grounds the justices might rule, "but given the obviously parodic nature of the dog toy, a decision that upheld Jack Daniels' rights to suppress it if enough consumers believe that parody can only happen with permission, that would be very bad for parody and for social commentary in general."

Tushnet argued that many commercial products – such as newspapers, Barbie dolls, decorative wall posters, the latest Marvel movie – produced for profit also contain "noncommercial speech" under existing First Amendment doctrine. Therefore, a high court ruling treating newspapers the same as bottles of liquor "would be very bad indeed," Tushnet said.

But legal minds disagree on where the line should be drawn.

Will the Rogers Test Hold Up?

Donahue of Fross Zelnick said that a win for the chew toy "would provide additional protection for purportedly parodic commercial products, even where consumers might otherwise be confused as to the source of their product."

The Ninth Circuit, he argued, took the Rogers test too far, applying it not only to expressive works but to nonartistic commercial products.

Donahue said "a court's invocation of the Rogers test almost always sounds the death knell for trademark owner plaintiffs."

A win for Jack Daniel's at the Supreme Court would restore the "rigorous, fact-specific traditional likelihood-of-confusion test" in cases such as this one, which involve commercial products that do not qualify as traditionally expressive works, Donahue said.

"If the parodic nature of the product were clear enough to consumers, then consumers would not likely be confused, and the parodist would not be enjoined," Donahue said.

But McKenna argued that people should be able to make art even if others don't quite get the joke or even that a joke is being made.

"You don't want it to hinge just on what people think," McKenna said.

Michigan's Litman said that trademark owners "would prefer to have comprehensive control over uses

that remind consumers of their marks, even when confusion or trademark dilution are not likely to occur."

Litman sees the chew toy case as "an effort to eliminate or curtail the use of these tests and to expand [the] ability for trademark infringement."

While Litman may see brands trying to hold onto control at the expense of the First Amendment, Monica Riva Talley, the head of Sterne Kessler Goldstein & Fox PLLC's trademark and brand protection practice, told Law360 that to her, this case "is about a brand's ability to protect its goodwill and reputation in the marketplace."

"Let's face it, the VIP product is appealing because of the fame and reputation of the Jack Daniel's bottle and label design," Talley said.

"VIP is getting a free ride into [the] consumer psyche because consumers instantly associate the dog toy look and feel with Jack Daniel's. It may be funny to see a dog playing with a bottle of Jack, but for Jack Daniel's, they have lost the ability to control the reputation and product categories of their brand in the marketplace," Talley said.

It's also conceivable that Jack Daniel's may branch out into the dog toy field, she said, noting that singer Dolly Parton recently launched a dog toy and apparel line called Doggy Parton.

Talley said that commercializing a product under a trademark or trade dress that mimics another's is different from creating an expressive work and that "it is cloaking use of a confusingly similar mark for profit under a thin veneer of parody, and will open the floodgates to all kinds of knockoff brands that will whittle away brand reputation and cache under the guise of being funny."

Jack Daniel's is represented by Theodore H. Davis Jr. and Dennis L. Wilson of Kilpatrick Townsend & Stockton LLP and Lisa S. Blatt, Amy M. Saharia, Matthew B. Nicholson and Natalie A. Komrovsky of Williams & Connolly LLP.

VIP is represented by Bennett E. Cooper and David G. Bray of Dickinson Wright PLLC.

The case is Jack Daniel's Properties Inc. v. VIP Products LLC, case number 22-148, before the Supreme Court of the United States.

--Editing by Jill Coffey and Michael Watanabe.