

U.S. Supreme Court Rules in Favor of Jack Daniel's in Trademark Parody Case

Description

By David DiSegna

On June 8, 2023, the U.S. Supreme Court delivered its opinion in a highly anticipated case involving VIP Products LLC's ("VIP") dog toy parody of Jack Daniel's famous whiskey bottle. VIP manufactures chewable dog toys designed to look like well-known drinks, including Jack Daniel's. Instead of the words "Jack Daniel's", the toys are labeled "Bad Spaniels" and jokingly replace "Old No. 7 Brand Tennessee Sour Mash Whiskey" with "The Old No. 2 On Your Tennessee Carpet." Other spoofs on the toy include "43% poo by vol." and "100% smelly" in place of "40% alc. by vol. (80 proof)."

Not amused by the toy, Jack Daniel's filed suit against VIP alleging both trademark infringement and dilution under the Lanham Act (15 U.S.C. § 1051 *et seq.*). After an initial win before the trial court, the United States Court of Appeals for the Ninth Circuit reversed, holding that the First Amendment protected VIP's toy because it was an "expressive work", and that the toy's use of the marks was "noncommercial" and, therefore, exempt from a dilution claim under the Lanham Act.

In a unanimous decision, the Supreme Court reversed, holding that the infringement and dilution claims could proceed. With respect to the infringement claim, the Court held that no overarching First Amendment threshold test applied to a trademark that is used to identify the source of the goods (i.e., a trademark that is being used as a trademark). In such cases, the mark "falls within the heartland of trademark law, and does not receive special First Amendment protection." Instead, the traditional likelihood-of-confusion analysis under the Lanham Act will apply in determining whether one is liable for infringement. In this case, VIP conceded that it was using the marks as source identifiers and, therefore, the Court remanded the case back to the lower court for a determination of whether the marks are likely to cause confusion. In doing so, however, the Court noted that an expressive message, particularly a parody of a brand, should be considered in the confusion analysis because "consumers are not so likely to think that the maker of a mocked product is itself doing the mocking."

With respect to the dilution claim, the Supreme Court held that the Court of Appeals misconstrued the statutory "noncommercial use" exception. Like the infringement analysis, the key fact in the Court's mind was that the marks on the toy were being used as source identifiers (i.e., as a trademark). In such a case, "no parody, criticism or commentary will rescue the alleged dilutor." Stated another way, the noncommercial use exclusion from a dilution claim "does not shield parody or other commentary when its use of a mark is similarly source-identifying." Thus, Jack Daniel's dilution claim can also proceed.

Although the opinion is refreshingly entertaining—incorporating both dog excrement humor and an instruction to retrieve a Jack Daniel's bottle to aid in the analysis—its implications are considerably more sober. The decision is certainly a win for trademark owners, as it removes a First Amendment shield for those who parody others' products. Importantly, however, the Court makes clear that parodic use of a mark will weigh against a finding of infringement under the likelihood-of-confusion test.

For more information on *Jack Daniel's Properties, Inc. v. VIP Products LLC*, please connect with David DiSegna. [Partridge Snow & Hahn LLP](#) is available to answer questions about the decision. For additional information and resources, visit the firm's [Intellectual Property](#) page.

Date Created

June 13, 2023