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Jack Daniel's Properties v. VIP Products at Chicago-Kent's 2023  
Supreme Court Intellectual Property Review*

# *JACK DANIEL'S PROPERTIES v. VIP PRODUCTS AND THE CURRENT STATE OF TRADEMARK FAIR USE*

PROFESSOR CHRISTINE HAIGHT FARLEY\*

In *Jack Daniel's Properties v. VIP Products*,<sup>1</sup> the Supreme Court missed an opportunity to clarify how to resolve conflicts between trademark infringement law and the right to freedom of expression. In this case involving a dog chew toy that parodied the Jack Daniel's whisky brand, the Court chose not to adopt any particular speech-protective trademark doctrine to use in such disputes, but instead held only that application of the *Rogers v. Grimaldi* test “is not appropriate when the accused infringer has used a trademark to designate the source of its own goods—in other words, has used a trademark as a trademark.”<sup>2</sup> According to the Court, “[t]hat kind of use falls within the heartland of trademark law, and does not receive special First Amendment protection.”<sup>3</sup> In addition, the Court held that the “noncommercial use of a mark” exclusion from trademark dilution liability in the Lanham Act cannot be broadly construed to include “every parody” because such an interpretation would conflict with the separate parody fair use exclusion in the Act, which “does not apply when the use is ‘as a designation of source

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\* Professor of Law, American University Washington College of Law. 1. *Jack Daniel's Props., Inc. v. VIP Prods. LLC*, 143 S. Ct. 1578 (2023).

2. *Id.* at 1583.

3. *Id.*

for the person’s own goods or services.”<sup>4</sup> Beyond these narrow holdings, the Court did not clarify how the First Amendment may limit the scope of trademark rights in the Lanham Act.

### THE DISPUTE

The facts of the *Jack Daniel’s* case provide an interesting example of how trademark and free speech rights can clash in the context of a trademark dispute. VIP Products LLC (“VIP”) sells a line of dog toys called “Silly Squeakers” that loosely imitate and poke fun at the marks and trade dress of various brands of beer, wine, soda, and liquor.<sup>5</sup> One such product in this line is the “Bad Spaniels” toy that parodies the Jack Daniel’s iconic black-label whiskey bottle. The toy mimics the shape, size, and design of that bottle, but also adds an image of a spaniel’s head with a guilty look in its eyes and several poop jokes. The label on the toy replaces “Jack Daniel’s” with “Bad Spaniels,” “Old No. 7” with “the Old No. 2,” “Tennessee Sour Mash Whiskey” with “on your Tennessee Carpet,” “40% ALC. BY VOL.” with “43% POO BY VOL,” and “80 PROOF” with “100% SMELLY.” The back of the packaging for the Bad Spaniels toy includes a disclaimer that says: “This product is not affiliated with Jack Daniel Distillery.”<sup>6</sup> According to VIP, its “purported goal in creating Silly Squeakers was to ‘reflect’ ‘on the humanization of the dog in our lives,’ and to comment on ‘corporations [that] take themselves very seriously.’”<sup>7</sup>

### THE LITIGATION

After receiving a cease and desist letter from Jack Daniel’s, VIP sought a declaratory judgement that its Bad Spaniels toy neither infringed nor diluted trademarks owned by Jack Daniel’s.<sup>8</sup> Jack Daniel’s counterclaimed, asserting trademark infringement and dilution.<sup>9</sup> When determining whether VIP’s use infringed or diluted the Jack Daniel’s marks, the district court did not apply a special speech-protective test, but instead held that the infringement claims should be evaluated using the standard trademark likelihood of confusion test. The court ruled that the speech-protective trademark test first articulated by the Second Circuit in *Rogers v. Grimaldi*<sup>10</sup> was not appropriate in this case because VIP was using the marks of Jack Daniel’s “to promote a

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4. *Id.* at 1582 (quoting 15 U.S.C. §§ 1125(c)(3)(A), 1125(c)(3)(C)).

5. *VIP Prods. LLC v. Jack Daniel’s Prods., Inc.*, 953 F.3d 1170, 1172 (9th Cir. 2020), *vacated & remanded*, *Jack Daniel’s Prods., Inc. v. VIP Prods. LLC*, 143 S. Ct. 1578 (2023).

6. Brief for Petitioner at 14, *Jack Daniel’s Prods., Inc. v. VIP Prods. LLC*, 143 S. Ct. 1578 (2023) (No. 22-148).

7. *VIP Prods.*, 953 F.3d at 1172.

8. *VIP Prods. LLC v. Jack Daniel’s Prods., Inc.*, No. CV-14-2057-PHX-SMM, 2016 WL 5408313, at \*1-2 (D. Ariz. Sept. 27, 2016), *aff’d in part, rev’d in part, vacated in part*, 953 F.3d 1170.

9. *Id.*

10. *VIP Prods.*, 953 F.3d at 1175–76.

somewhat non-expressive, commercial product.”<sup>11</sup> Ultimately, the court found VIP liable for infringement and dilution of Jack Daniel’s marks and issued a permanent injunction enjoining VIP from manufacturing and selling its Bad Spaniels toy.<sup>12</sup>

On appeal, a unanimous Ninth Circuit panel held that the district court erred both in not classifying VIP’s use as noncommercial and in not applying the *Rogers* test. Under the *Rogers* test, a defendant will not be subject to the traditional likelihood of confusion test unless its “use of the mark is either (1) ‘not artistically relevant to the underlying work’ or (2) ‘explicitly misleads consumers as to the source or the content of the work.’”<sup>13</sup> The Ninth Circuit remanded the case explaining that the lower court should have focused on the content of VIP’s message—here, its spoof of the Jack Daniel’s marks within the Bad Spaniels design—rather than the type of products it sold when determining whether the *Rogers* test should be used to evaluate the infringement claims.<sup>14</sup> On remand, the district court held that VIP was not liable for infringement or dilution and the Ninth Circuit affirmed.<sup>15</sup>

At the Supreme Court, Jack Daniel’s argued that the *Rogers* test is inconsistent with the text of the Lanham Act.<sup>16</sup> The majority decision, however, did not address the continued viability of the *Rogers* test, its virtues or vices, or whether it extends to case in which the defendant uses the mark on ordinary commercial products.<sup>17</sup>

#### THE IMPLICATIONS OF THE DECISION

As a result of the Court’s narrow ruling in *Jack Daniel’s*, the *Rogers* test survives. The Ninth Circuit’s rule that the *Rogers* test applies where the mark is used in “part of an expressive work protected by the First Amendment” remains good law in that circuit and other jurisdictions that follow this approach, with the new exception announced by the Court that the defendant must not use the plaintiff’s mark as a mark themselves.<sup>18</sup> The main source of contention in the *Jack Daniel’s* case was whether it was appropriate to apply *Rogers*’ heightened standard for infringement in cases where the accused

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11. *VIP Prods.*, 2016 WL 5408313, at \*5.

12. *VIP Prods. LLC v. Jack Daniel’s Prods., Inc.*, 291 F. Supp. 3d 891, 899-911 (D. Ariz. Jan. 29, 2018), *rev’d in part, vacated in part*, 953 F.3d 1170 (9th Cir. 2022).

13. *VIP Prods.*, 953 F.3d at 1174.

14. *Id.* at 1174–76; *see* 15 U.S.C. § 1125(e)(3)(C) (exemption from dilution liability for noncommercial use of the mark).

15. *VIP Prods. LLC v. Jack Daniel’s Prods., Inc.*, No. CV-14-2057-PHX-SMM, 2021 WL 5710730 (D. Ariz. Oct. 8, 2021), *aff’d* 2022 WL 1654040 (9th Cir. Mar. 18, 2022), *vacated & remanded*, *Jack Daniel’s Prods., Inc. v. VIP Prods. LLC*, 143 S. Ct. 1578 (2023).

16. Brief for Petitioner at 4, 19-39, *Jack Daniel’s Prods., Inc. v. VIP Prods. LLC*, 143 S. Ct. 1578 (2023) (No. 22-148). Jack Daniel’s also argued at the Supreme Court that the dilution statute should apply because this is not a noncommercial use of the mark. *Id.* at 5, 39-52.

17. *Jack Daniel’s Prods., Inc. v. VIP Prods. LLC*, 143 S. Ct. 1578 (2023).

18. *Gordon v. Drape Creative, Inc.*, 909 F.3d 257, 264 (9th Cir. 2018); *see also VIP Prods.*, 953 F.3d at 1174; *Mattel, Inc. v. MCA Recs., Inc.*, 296 F.3d 894, 900 (9th Cir. 2002).

infringer's products are not movies, plays, books, songs, or similar expressive works that have titles, but instead ordinary commercial products. Nevertheless, the Court declined to resolve this debate.

Beyond this narrow ruling, however, the Court indicated that the expressive aspects of a source-designating use of another's mark will matter when assessing whether the use is likely to cause confusion.<sup>19</sup> The majority opinion noted that the likelihood of confusion "inquiry is not blind to the expressive aspect of the Bad Spaniels toy that the Ninth Circuit highlighted. Beyond source designation, VIP uses the marks at issue in an effort to 'parody' or 'make fun' of Jack Daniel's. And that kind of message matters in assessing confusion because consumers are not likely to think that the maker of a mocked product is itself doing the mocking."<sup>20</sup>

The concurrence filed by Justice Gorsuch joined by Justices Thomas and Barrett reveals that some Justices were prepared to go farther in limited court's reliance on the *Rogers* test. These Justices seemed dubious of the *Rogers* test. Justice Gorsuch noted the lack of correspondence between the *Rogers* test and the Lanham Act stating that "it is not entirely clear where the *Rogers* test comes from—is it commanded by the First Amendment, or is it merely gloss on the Lanham Act, perhaps inspired by constitutional-avoidance doctrine?"<sup>21</sup> That concurring opinion also questioned whether "*Rogers* is correct in all its particulars" and noted that "lower courts should be attuned" to the fact that "serious questions about the decision" remain.<sup>22</sup>

Following the *Jack Daniel's* decision, perhaps lower courts will become discontent with the *Rogers* test. But until now, courts have gravitated to it. The *Rogers* test has been adopted by almost all of the appellate courts that have considered it. The test's popularity is likely due to its ability to provide "off-ramps" to protracted litigation when speech interests are at stake. The majority opinion in *Jack Daniel's*, in footnote 2, acknowledged that not "every infringement case involving a source-identifying use requires full-scale litigation." Disappointingly, the Court's new threshold requirement for the application of the *Rogers* test—whether the defendant uses the mark as a mark—is not likely a determination that can be made without significant fact-finding.

## CONCLUSION

The Supreme Court had decided three cases in the past six years on how trademark law comports with the First Amendment.<sup>23</sup> However, even after

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19. *Jack Daniel's*, 143 S. Ct. at 1587.

20. *Id.* (internal citations omitted).

21. *Id.* at 1594 (Gorsuch, J., concurring).

22. *Id.*

23. In addition to *Jack Daniel's*, the Court has decided *Matal v. Tam*, 582 U.S. 218 (2017) and *Iancu v. Brunetti*, 139 S. Ct. 2294 (2019).

all of these decisions, we still do not have anything approaching clarity on how the First Amendment may restrict trademark law, or what built in guard-rails keep trademark law from running afoul of the First Amendment. As we await the Court's decision in yet a fourth case, *Vidal v. Elster*,<sup>24</sup> it is unlikely that such a clarification will be forthcoming.

At the same time, the court has managed to remind us that the First Amendment looms large in trademark law without saying how it should operate. For instance, in oral argument in *Jack Daniel's*, Justice Alito stated, "there is a text that says that Congress shall make no law infringing the freedom of speech. That's a text that takes precedence over the Lanham Act." However, the Court has yet to provide a framework for dealing with these issues that the Court acknowledges are present. In *Jack Daniel's*, the Court had the chance to explain how speech defenses should be resolved in trademark law, but instead ruled only that use as a trademark disqualifies a defendant for the *Rogers* special defense.

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24. No. 22-704, *petition for cert. filed*, 2023 WL 1392051 (U.S. Jan. 27, 2023).