

No.

In the Supreme Court of the United States

JACK DANIEL'S PROPERTIES, INC.,
PETITIONER,

v.

VIP PRODUCTS LLC,
RESPONDENT.

*ON PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT*

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

Respondent VIP Products LLC markets and sells dog toys that trade on the brand recognition of famous companies such as petitioner Jack Daniel's Properties, Inc. The district court found that VIP's use of Jack Daniel's trademarks to sell poop-themed dog toys was likely to confuse consumers, infringed Jack Daniel's marks, and tarnished Jack Daniel's reputation. The Ninth Circuit, however, held that VIP's First Amendment interest in using Jack Daniel's trademarks as its own marks on funny dog toys conferred special protection from infringement claims and rendered VIP's commercial dog toys "noncommercial" and thus exempt from dilution-by-tarnishment claims. The questions presented are:

1. Whether humorous use of another's trademark as one's own on a commercial product is subject to the Lanham Act's traditional likelihood-of-confusion analysis, or instead receives heightened First Amendment protection from trademark-infringement claims.

2. Whether humorous use of another's mark as one's own on a commercial product is "noncommercial" under 15 U.S.C. § 1125(c)(3)(C), thus barring as a matter of law a claim of dilution by tarnishment under the Trademark Dilution Revision Act.

II

CORPORATE DISCLOSURE STATEMENT

Petitioner Jack Daniel's Properties, Inc. is a wholly owned subsidiary of Brown-Forman Corporation, a publicly traded company.

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PETITION FOR A WRIT OF CERTIORARI

Jack Daniel's Properties, Inc. respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Ninth Circuit.

OPINIONS BELOW

The order of the court of appeals summarily affirming the district court's post-remand decision is unreported and available at 2022 WL 1654040 (9th Cir. Mar. 18, 2022). Pet. App. 2a. The opinion of the district court granting summary judgment to respondent on remand is unreported and available at 2021 WL 5710730 (D. Ariz. Oct. 8, 2021). Pet. App. 5a-19a. The opinion of the court of appeals affirming in part, reversing in part, and vacating in

part the district court's earlier grant of judgment to petitioner is reported at 953 F.3d 1170 (9th Cir. 2020). Pet. App. 22a-34a. The district court's findings of fact and conclusions of law are reported at 291 F. Supp. 3d 891 (D. Ariz. 2018). Pet. App. 45a-76a. The district court's opinion denying respondent's motion for summary judgment and granting petitioner's motion for partial summary judgment is unreported and available at 2016 WL 5408313 (D. Ariz. Sept. 27, 2016). Pet. App. 77a-124a.

JURISDICTION

The judgment of the court of appeals was entered on March 18, 2022. The court of appeals denied a timely petition for rehearing en banc on May 10, 2022. This Court has jurisdiction under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

15 U.S.C. § 1125(a)(1) (Section 43(a)(1) of the Lanham Act), provides:

Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which—

(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or

(B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities,

shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

15 U.S.C. § 1125(e), provides in relevant part:

(1) INJUNCTIVE RELIEF. Subject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.

(2) DEFINITIONS.

* * *

(C) For purposes of paragraph (1), "dilution by tarnishment" is association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.

(3) EXCLUSIONS. The following shall not be actionable as dilution by blurring or dilution by tarnishment under this subsection:

(A) Any fair use, including a nominative or descriptive fair use, or facilitation of such fair use, of a famous mark by another person other than as a designation of source for the person's own goods or services, including use in connection with—

(i) advertising or promotion that permits consumers to compare goods or services; or

(ii) identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.

(B) All forms of news reporting and news commentary.

(C) Any noncommercial use of a mark.

* * *

The full text of 15 U.S.C. § 1125(a) and (c) is set forth in the Appendix. Pet. App. 131a-136a.

STATEMENT

This case presents an important and frequently recurring question under the Lanham Act: under what circumstances does humorous use of another's trademark as one's own mark on a commercial product constitute trademark infringement or dilution. Petitioner Jack Daniel's Properties, Inc.'s trademarks and trade dress define its iconic brand. Consumers have associated Jack Daniel's brand with JACK DANIEL'S[®], OLD NO. 7[®], and the distinctive square shape of its whiskey bottle for more than a century. The decision below—which departs from the decisions of every other circuit to decide this question—guts Jack Daniel's ability to protect its brand and paves

the way for companies like respondent to unleash mass confusion in the marketplace.

Respondent VIP Products LLC copied Jack Daniel's marks and trade dress to make a dog toy, "Bad Spaniels," that imitates a Jack Daniel's whiskey bottle, while adding poop humor:



The district court found that the Bad Spaniels toy was likely to confuse consumers and tarnish Jack Daniel's marks. The court thus ruled for Jack Daniel's on its claims for trademark infringement and dilution by tarnishment, and enjoined VIP from selling the toy.

The Ninth Circuit invoked the First Amendment to reverse and remand. Regarding trademark infringement, the Ninth Circuit held that the Lanham Act's likelihood-of-confusion test does not account for VIP's purported First Amendment interest in making poop-themed jokes

at Jack Daniel's expense. The Ninth Circuit did not explain why the First Amendment protects speech that the district court found likely to confuse, nor did the court of appeals acknowledge Jack Daniel's own First Amendment interest in the expressive content of its marks. Tipping the scales in VIP's favor, the Ninth Circuit engrafted a two-part test on top of the Lanham Act analysis, requiring Jack Daniel's to show on remand that VIP's use of Jack Daniel's trademarks and trade dress either is "not artistically relevant to the underlying work" or "explicitly misleads consumers as to the source or content of the work."

Jack Daniel's sought certiorari, supported by six amicus briefs representing diverse industries. VIP urged the Court to deny certiorari in part because the case stood in an interlocutory posture. This Court denied certiorari. On remand, the district court begrudgingly entered summary judgment for VIP, while lamenting that the Ninth Circuit's test "excuses nearly any use less than slapping another's trademark on your own work and calling it your own," and urging Jack Daniel's to "seek relief" from this Court. The Ninth Circuit summarily affirmed.

The Ninth Circuit's infringement holding unjustifiably transforms humor into a get-of-out-the-Lanham-Act-free card. To be sure, everyone likes a good joke. But VIP's profit-motivated "joke" confuses consumers by taking advantage of Jack Daniel's hard-earned goodwill. The likelihood-of-confusion test already reconciles the competing First Amendment interests of mark holders and infringers; the Ninth Circuit's test unjustifiably protects even intentionally misleading trademark use and elevates the infringer's supposed free-speech interest above the mark holder's. The Second, Seventh, and Eighth Circuits have expressly rejected a rule giving First Amendment protection to humorous or parodic use of a mark in these

circumstances. Those courts—and every other court of appeals that has confronted a similar case—instead apply the Act’s traditional likelihood-of-confusion test, in which humor is one factor relevant to the likelihood of confusion.

With respect to trademark dilution, the Trademark Dilution Revision Act (TDRA) specifically excludes parody from dilution liability, but only if the challenged use is “other than as a designation of source for the person’s own goods or services.” 15 U.S.C. § 1125(c)(3)(A)(ii). The district court held that VIP could not satisfy this exclusion because it used Jack Daniel’s mark to designate the source of its own goods—that is, it used Jack Daniel’s mark as its own. The Ninth Circuit did not disturb or even acknowledge that holding on appeal. Instead, the Ninth Circuit bizarrely held that VIP’s poop humor rendered its commercial use of Jack Daniel’s trademarks as VIP’s own marks “noncommercial” and thus immune from dilution liability under a separate, more general exclusion. *See id.* § 1125(c)(3)(C). That holding flouts basic canons of statutory construction, nullifies the dilution provision in every case involving humor, and conflicts with decisions of the Second and Fourth Circuits.

The Ninth Circuit’s egregious mishandling of the questions presented, and the resulting conflicts in the application of federal trademark law, require this Court’s review—as the district court recognized on remand. The Ninth Circuit’s decision gives copycats free license to prey on unsuspecting consumers and mark holders. Companies like VIP may market funny alcohol-themed rip-offs to children. Others may sell funny versions of popular food brands laced with marijuana. And mark holders will be powerless to stop them, because infringers will funnel litigation to the Ninth Circuit, as VIP did here. Only this Court can correct the Ninth Circuit’s dangerously misguided decision. Having reached final judgment, this case

is an ideal vehicle to resolve the important question presented. This Court should grant the petition.

A. Statutory Framework

The Lanham Act guards against unfair competition, fraud, and deception “by making actionable the deceptive and misleading use of marks.” 15 U.S.C. § 1127. Trademark infringement under the Act exists if another’s use of a mark likely causes confusion about the origin, sponsorship, or approval of a good. *Id.* §§ 1114(1), 1125(a)(1). Courts assessing the likelihood of confusion consider a variety of nonexclusive factors, including the mark’s strength, the relatedness of the goods, the similarity of the parties’ marks, the defendant’s intent, and evidence of actual confusion. *See, e.g., AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979), *abrogated on other grounds by Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792 (9th Cir. 2003).

Congress first prohibited dilution of famous marks in the Federal Trademark Dilution Act of 1995 (FTDA) and then revised the dilution provision in 2006 in the TDRA. As revised, 15 U.S.C. § 1125(c)(1) provides that an owner of a “famous” mark may obtain relief against use of a mark likely to cause “dilution by blurring” or “dilution by tarnishment,” whether or not the use likely confuses consumers. Dilution by tarnishment occurs when “association arising from the similarity between a mark or trade name and a famous mark . . . harms the reputation of the famous mark.” *Id.* § 1125(c)(2)(C). Famous marks are “widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark’s owner.” *Id.* § 1125(c)(2)(A).

As originally enacted, the FTDA excluded from dilution liability, *inter alia*, “[f]air use” of famous marks in “comparative commercial advertising or promotion,” as

well as “[n]oncommercial use of a mark.” Pub. L. No. 104-98, § 3, 109 Stat. 985, 986 (1995). In the TDRA, Congress amended the fair-use exclusion to cover “parodying” a famous mark owner or its goods or services. Pub. L. No. 109-312, § 2, 120 Stat. 1730, 1731 (2006) (codified at 15 U.S.C. § 1125(c)(3)(A)(ii)). At the same time, however, Congress limited the fair-use exclusion to uses “other than as a designation of source for the person’s own goods or services.” *Id.* § 1125(c)(3)(A).

B. Factual and Procedural Background

1. Petitioner Jack Daniel’s owns and licenses the trademarks and trade dress associated with JACK DANIEL’S Tennessee whiskey. Pet. App. 46a.¹ The Jack Daniel Distillery in Lynchburg, Tennessee is the oldest registered distillery in the United States. Jack Daniel’s Tennessee whiskey has been sold for over a century, except during Prohibition. Since 1997, Jack Daniel’s has been the best-selling whiskey in the country. Pet. App. 47a, 52a.

Since 1875, Jack Daniel’s Tennessee whiskey has borne the registered trademarks JACK DANIEL’S and OLD NO. 7. Jack Daniel’s also has a registered trademark for its three-dimensional configuration of a square-shaped bottle with the embossed signature of “Jack Daniel.” Pet. App. 47a.

Hundreds of millions of dollars have been spent promoting Jack Daniel’s whiskey. Approximately 98% of consumers express awareness of the Jack Daniel’s brand. Pet. App. 52a-53a.

¹ Trade dress is “the total image of a product and may include features such as size, shape, color or color combinations, texture, graphics, or even particular sales techniques.” *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 764 n.1 (1992) (citation omitted).

Jack Daniel's maintains an active brand licensing program. As relevant here, Jack Daniel's licenses its trademarks and trade dress for pet products, including dog leashes, dog collars, and dog houses. Pet. App. 72a-73a.

2. Respondent VIP designs, manufactures, markets, and sells chew toys for dogs. Its "Silly Squeakers" product line consists of rubber dog toys designed to profit off consumers' familiarity with well-known brands of liquor, beer, wine, and soda that include sometimes dog-related and often poop-related humor. Pet. App. 46a. Examples include dog toys labeled "Smella R-Crotches" (Stella Artois), "Heini Sniff'n" (Heineken), "Pissness" (Guinness), and "Mountain Drool" (Mountain Dew).² See Pet. App. 26a, 47a-48a.

Formerly, VIP sold a "ButtWiper" dog toy mimicking Budweiser:



² Images of these products appear in the appendix and are available on VIP's website. See www.mydogtoy.com/silly-squeaker.

In 2008, a federal district court preliminarily enjoined VIP's sale of its ButtWiper toy, finding that Anheuser-Busch had demonstrated a substantial likelihood of success on its claim for trademark infringement. *Anheuser-Busch, Inc. v. VIP Prods., LLC*, 666 F. Supp. 2d 974, 986 (E.D. Mo. 2008).

Undeterred, VIP in 2014 began selling its "Bad Spaniels" toy. Bad Spaniels copies the distinctive square bottle and black-and-white labeling of JACK DANIEL'S Tennessee whiskey:



As these images make clear, Bad Spaniels appropriates Jack Daniel's marks and trade dress in virtually every way. The toy replaces "Jack Daniel's" with "Bad Spaniels," along with the image of a spaniel. It replaces "Old No. 7 Tennessee Sour Mash Whiskey" with "Old No. 2 on your Tennessee Carpet." And it replaces "40% ALC. BY VOL. (80 PROOF)" with "43% POO BY VOL." and "100%

SMELLY.” The remaining features—the square bottle shape, ribbed neck, arched lettering, filigreed border, color scheme, font styles, and size—are nearly identical. The back side of the Bad Spaniels label states in tiny font: “This product is not affiliated with Jack Daniel Distillery.” Pet. App. 47a-48a, 70a-71a.

The district court found that VIP’s “intent behind designing the ‘Bad Spaniels’ toy was to match the bottle design for Jack Daniel’s Tennessee Sour Mash Whiskey.” VIP’s president coined the name “Bad Spaniels” and asked the company’s designer to propose a design. The designer understood that “Bad Spaniels” referred to “Jack Daniels.” Pet. App. 48a. She retrieved a Jack Daniel’s bottle from her liquor cabinet, examined it, and placed it on her desk while sketching the design. Pet. App. 49a.

3. After VIP introduced Bad Spaniels in July 2014, Jack Daniel’s promptly asked it to stop selling the toy. VIP responded by suing Jack Daniel’s in the U.S. District Court for the District of Arizona, VIP’s home forum, seeking a declaratory judgment that Bad Spaniels did not infringe or dilute any trademark rights. Jack Daniel’s filed federal- and state-law counterclaims for infringement and dilution by tarnishment. VIP moved for summary judgment, and Jack Daniel’s cross-moved for partial summary judgment.

The district court denied VIP’s motion and granted Jack Daniel’s motion. Pet. App. 77a-124a. The court ruled as a matter of law that Jack Daniel’s established the first two elements of its infringement claims—i.e., the distinctiveness and nonfunctionality of its trademarks and trade dress. Pet. App. 90a-101a. The court further held that Jack Daniel’s raised triable issues of fact on the remaining infringement element—namely, that VIP’s use of Jack

Daniel's trademarks and trade dress likely caused confusion. Pet. App. 101a-102a.

The district court rejected VIP's defense that its dog toy merited heightened First Amendment protection under the Second Circuit's framework in *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989). Pet. App. 87a-90a. In *Rogers*, actress Ginger Rogers claimed that use of "Ginger and Fred" as a movie title violated the Lanham Act by creating the false impression that she had sponsored the movie. 875 F.2d at 996-97. Concluding that "the expressive element of titles requires more protection than the labeling of ordinary commercial products," the Second Circuit construed the Lanham Act to avoid "intrud[ing] on First Amendment values" applicable to titles. *Id.* at 998. The court held that, in the context of artistic titles, infringement will not lie unless "the title has no artistic relevance to the underlying work whatsoever, or, if it has some artistic relevance, unless the title explicitly misleads as to the source or the content of the work." *Id.* at 999.

The district court here dismissed *Rogers* as limited to use of trademarks in titles or expressive or artistic works, such as movies, plays, books, and songs. Pet. App. 88a-90a. By contrast, VIP infringed Jack Daniel's trademarks and trade dress to promote sales of a "commercial product." Pet. App. 90a. The court reasoned that trademark law "regulates misleading commercial speech where another's trademark is used for source identification" and "the First Amendment does not extend to such use." Pet. App. 89a, 90a. Accordingly, the court held that the Lanham Act's "standard" likelihood-of-confusion analysis governed Jack Daniel's claims. Pet. App. 89a.

With respect to dilution by tarnishment, the district court rejected VIP's parody fair-use defense. The court observed that 15 U.S.C. § 1125(c)(3)(A) excludes from di-

lution liability “[a]ny fair use . . . other than as a designation of source for the person’s own goods or services, including use in connection with . . . (ii) parodying.” Because VIP used Jack Daniel’s trademarks and trade dress as source designations, the court concluded that the parody exclusion did not apply. Pet. App. 104a-105a.

The district court further held that Jack Daniel’s raised triable issues of fact concerning its dilution-by-tarnishment claims. Pet. App. 115a-116a. The case proceeded to trial on those claims, as well as the remaining likelihood-of-confusion element of the infringement claims.

Following a four-day bench trial, the district court ruled in Jack Daniel’s favor on both the infringement and dilution-by-tarnishment claims. Pet. App. 45a-76a. With respect to infringement, the district court found that Bad Spaniels was likely to cause confusion. Pet. App. 62a-74a. In particular, the court credited the opinion of Jack Daniel’s survey expert that approximately 29% of potential purchasers believed Bad Spaniels was associated with Jack Daniel’s. Pet. App. 67a. The court added that 29% was “nearly double” the 15% threshold courts typically recognize as establishing likely confusion. Pet. App. 68a (citing cases).

The district court further found that Jack Daniel’s trademarks and trade dress were “extremely strong,” Pet. App. 71a; that VIP “intended to produce a dog toy that included and was similar to Jack Daniel’s trademarks and trade dress,” Pet. App. 70a; and that VIP “sought to capitalize on Jack Daniel’s popularity and good will for its own gain,” Pet. App. 70a. The court also found that Bad Spaniels and Jack Daniel’s licensed pet products were related goods sold to the same class of purchasers and through some of the same stores. Pet. App. 72a, 73a. For these reasons, the court found that Jack Daniel’s had

proved likely confusion and thus prevailed on its infringement claims. Pet. App. 74a.

The district court also concluded that Jack Daniel's proved dilution by tarnishment. Pet. App. 62a. Specifically, the court found that Jack Daniel's trademarks and trade dress were famous, Pet. App. 52a-53a; that VIP intentionally appropriated them in "every aspect," Pet. App. 53a-55a; and that Bad Spaniels likely tarnished the reputation of Jack Daniel's marks by, among other things, creating negative associations between a product for human consumption and dog poop and by associating the marks with toys that might appeal to children. Pet. App. 55a-62a.

The district court permanently enjoined VIP from manufacturing, advertising, or selling Bad Spaniels. Pet. App. 35a-44a. Jack Daniel's did not request damages.

4. The Ninth Circuit affirmed in part, reversed in part, vacated in part, and remanded. Pet. App. 22a-34a. The Ninth Circuit did not disturb the district court's factual finding that VIP's use of Jack Daniel's trademarks and trade dress created a likelihood of confusion. Nevertheless, the court of appeals vacated the judgment on the infringement claims on the ground that Bad Spaniels merited heightened First Amendment protection. Pet. App. 29a-33a.

The Ninth Circuit did not address the district court's ruling that the First Amendment does not protect misleading use of trademarks as designations of source. *See supra* p. 13. Instead, while acknowledging that VIP's dog toy was "surely not the equivalent of the *Mona Lisa*," the court of appeals held that it was an "expressive work" because it communicated a "humorous message." Pet. App. 31a (citation omitted). The Ninth Circuit thus applied the Second Circuit's framework from *Rogers*, 875 F.2d at 994,

discussed above. As interpreted by the Ninth Circuit, that framework requires a Lanham Act plaintiff to prove not only likely confusion, but also that the defendant's use of a mark either is "not artistically relevant to the underlying work" or "explicitly misleads consumers as to the source or content of the work." Pet. App. 30a (citation omitted). The Ninth Circuit vacated the judgment and remanded for the district court to determine whether Jack Daniel's could prove "one of the two *Rogers* prongs." Pet. App. 33a.

With respect to dilution by tarnishment, the Ninth Circuit reversed. Pet. App. 33a-34a. The Ninth Circuit did not question, or even acknowledge, the district court's holding that the parody exclusion in section 1125(c)(3)(A) did not apply because VIP used the trademarks and trade dress to designate the source of its product. Instead, the Ninth Circuit invoked the separate exclusion in section 1125(c)(3)(C) for "noncommercial use of a mark." Pet. App. 33a. The court explained that, even though "VIP used [Jack Daniel's] trade dress and bottle design to sell Bad Spaniels," VIP's use was nonetheless "noncommercial" because it conveyed a "humorous message." Pet. App. 33a. The Ninth Circuit thus concluded that such use was "protected by the First Amendment" and that VIP was entitled to judgment on the dilution claims. Pet. App. 33a-34a.

5. The Ninth Circuit denied panel rehearing and rehearing en banc. Pet. App. 21a. Jack Daniel's petitioned for a writ of certiorari. Amici representing mark holders in diverse industries filed six amicus briefs urging the Court's review. *See generally* No. 20-365. VIP urged the Court to deny certiorari in part because the case stood in an interlocutory posture. Br. in Opp'n 17-18, No. 20-365. This Court denied the petition. Pet. App. 20a.

6. On remand, the district court granted summary judgment to VIP on Jack Daniel's infringement claims, holding that Jack Daniel's did not satisfy *Rogers*. Pet. App. 11a-19a. As to the first *Rogers* prong, the court observed that "only the use of a trademark with *no* artistic relevance to the underlying work *whatsoever* does not merit First Amendment protection." Pet. App. 12a. Applying that test, the court found that VIP's use of Jack Daniel's trade dress was relevant to VIP's "joke about a dog defecating on the carpet." Pet. App. 12a.

Regarding the second prong, the court explained that the "use [must] be *explicitly* misleading." Pet. App. 15a. Applying that "high bar," the court found Bad Spaniels was not explicitly misleading because it altered Jack Daniel's trade dress, described itself as a "Silly Squeaker," and had a "miniscule disclaimer" on the back. Pet. App. 15a-18a.

The district court thus reluctantly concluded that Bad Spaniels was "entitled to First Amendment protection." However, it lamented that "it appears nearly impossible for any trademark holder to prevail under the *Rogers* test." "Where relevance need be merely 'above zero,'" the court explained, "it is difficult to imagine what creative junior use would not pass the *Rogers* test." "Similarly," the court continued, "the 'explicitly misleading' standard essentially displaces the likelihood-of-confusion test with a standard that excuses nearly any use less than slapping another's trademark on your own work and calling it your own." Consequently, the court bemoaned, Jack Daniel's and similar mark owners have "no means to protect the viability" of their marks in the Ninth Circuit and "must seek relief before the United States Supreme Court or the United States Congress." Pet. App. 18a-19a. The court then entered final judgment for VIP. Pet. App. 3a-4a.

7. Jack Daniel’s appealed. On Jack Daniel’s motion, the Ninth Circuit summarily affirmed the judgment based on the prior panel’s ruling. Pet. App. 2a. Subsequently, the court denied rehearing en banc. Pet. App. 1a.

REASONS FOR GRANTING THE PETITION

The Ninth Circuit—which leads the country in trademark case filings—has eviscerated the core protections of trademark law, in flagrant violation of the controlling statutes and in stark conflict with decisions of other circuits. The consequences of the decision below are staggering for both consumers and mark holders. As the district court recognized on remand, the Ninth Circuit’s decision makes it virtually impossible to stop misleading or tarnishing use of a mark whenever a copycat deploys “humor.” Under the Ninth Circuit’s approach, the copycat’s supposed First Amendment interest trumps all else—the statutory text, the public interest in avoiding confusion, and the mark holder’s goodwill and own First Amendment interest. Neither the First Amendment nor the controlling statutes require that perverse result. Now that this case has reached final judgment, this Court should grant review to correct the deeply flawed decision below, as the district court urged on remand.

I. The Courts of Appeals Are Divided on the Questions Presented

A. The Ninth Circuit’s Embrace of First Amendment Protection for Humorous Trademark Use Conflicts with Decisions of the Second, Seventh, and Eighth Circuits

In contrast to the decision below, the Second, Seventh, and Eighth Circuits have rejected claims for heightened First Amendment protection in cases where a party makes humorous use of another’s trademark as one’s own—i.e., to identify the source of a commercial good or service. Those circuits hold that a mark holder need only

satisfy the traditional likelihood-of-confusion test and that humor or parody is merely a factor in that test that makes it less likely the mark holder will prevail. Additional circuits, as well as the Trademark Trial and Appeal Board (TTAB), have likewise analyzed humorous use of trademarks under the traditional likelihood-of-confusion test. This Court should grant review to resolve this conflict.

1. The Second Circuit, which originated the *Rogers* test, has rejected the notion that *Rogers*'s heightened standard applies merely because a commercial product uses a trademark humorously. Instead, the Second Circuit applies the standard likelihood-of-confusion analysis, in which the use of humor or parody is just one factor.

In *Harley-Davidson, Inc. v. Grottanelli*, 164 F.3d 806 (2d Cir. 1999), the defendant used a modified version of the Harley-Davidson logo for his motorcycle repair business and products, adding a “hog” with sunglasses and the words “Unauthorized Dealer.” *Id.* at 809. In an opinion authored by the same judge who wrote *Rogers* (Newman, J.), the Second Circuit distinguished *Rogers* and explained that, although the Second Circuit has “accorded considerable leeway to parodists whose expressive works aim their parodic commentary at a trademark,” it has “not hesitated to prevent a manufacturer from using an alleged parody of a competitor’s mark to sell a competing product.” *Id.* at 812. In declining to apply *Rogers*, the Second Circuit relied on this Court’s observation in *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569 (1994), that parody offers commentary on the existing work. *Harley-Davidson*, 164 F.3d at 813 (citing *Campbell*, 510 U.S. at 580). The defendant’s use of Harley-Davidson’s mark “ma[de] no comment on Harley’s mark; it simply use[d] it somewhat humorously to promote his own products and services.” *Id.* The Second Circuit thus rejected the defendant’s claim to protection under *Rogers* for “a trademark

parody that endeavors to promote primarily non-expressive products such as a competing motorcycle repair service.” *Id.* The court of appeals concluded that the district court had properly enjoined the defendant’s use of marks that were “likely to cause confusion.” *Id.* at 814.

The conflict between the Second Circuit’s decision in *Harley-Davidson* and the Ninth Circuit’s decision below could not be starker. In *Harley-Davidson*, the author of *Rogers* rejected application of the *Rogers* test when the defendant used the plaintiffs’ mark “somewhat humorously to promote” “primarily non-expressive products.” *Id.* at 813. Here, by contrast, the Ninth Circuit rigidly applied the *Rogers* test in a case involving humorous use of Jack Daniel’s mark to promote commercial dog toys.

Another dog product case illustrates the divide between the two circuits. Applying *Harley-Davidson*, then-Judge Mukasey rejected a dog product manufacturer’s request for First Amendment protection, holding that “because the mark is being used at least in part to promote a somewhat non-expressive, commercial product, the First Amendment does not extend to such use, or to the extent that it does, the balance tips in favor of allowing trademark recovery, if in fact consumers are likely to be confused.” *Tommy Hilfiger Licensing, Inc. v. Nature Labs, LLC*, 221 F. Supp. 2d 410, 415-16 (S.D.N.Y. 2002).

The conflict between the Second and Ninth Circuits—which see the highest number of trademark filings³—would alone justify review. *See, e.g.*, Pet. for a Writ of Certiorari, *Andy Warhol Found. for the Visual Arts, Inc. v. Goldsmith*, No. 21-869. But here there is more. Both

³ *See* Administrative Office of the U.S. Courts, *Just the Facts: Intellectual Property Cases—Patent, Copyright, and Trademark* (Feb. 13, 2020), <https://bit.ly/3clx704> (1996-2018 data).

the Seventh and Eighth Circuits have applied the same reasoning as *Harley-Davidson* and rejected heightened First Amendment protection for using a mark as one's own on commercial products.

In *Nike, Inc. v. "Just Did It" Enterprises*, 6 F.3d 1225 (7th Cir. 1993), the defendant sold shirts bearing the well-known Nike "swoosh," along with the name "MIKE," instead of "NIKE." *Id.* at 1226. The defendant claimed that its shirts were a "joke on Nike's image which has become a social phenomenon." *Id.* at 1227. The Seventh Circuit recognized that the First Amendment generally protects "ridicule in the form of parody." *Id.* It reasoned, however, that where a defendant uses a trademark on a commercial product, the "ultimate question" is "whether [the defendant's] goods confuse customers," holding that "[p]arodies do not enjoy a dispensation from this standard." *Id.* at 1228. As the Seventh Circuit explained, "parody is not an affirmative defense but an additional factor in the analysis." *Id.* "If the defendant employs a successful parody, the customer would not be confused, but amused." *Id.* The Seventh Circuit held that whether the defendant's use of Nike's marks likely confused consumers was a question for the factfinder on remand. *Id.* at 1233.

The Eighth Circuit reached the same conclusion in *Mutual of Omaha Insurance Co. v. Novak*, 836 F.2d 397 (8th Cir. 1987). There, the defendant sold merchandise bearing the slogan "Mutant of Omaha," an "emaciated" version of Mutual of Omaha's "familiar 'Indian head' logo," and the words "Nuclear Holocaust Insurance." *Id.* at 398. The district court found confusion likely and enjoined the defendant from selling its products. *Id.* The defendant argued on appeal that "Mutant of Omaha" was an "obvious parody" "protected by the First Amendment." *Id.* at 401-02. The Eighth Circuit held, however, that the "ultimate issue" was "whether [the defendant's]

design so resembles Mutual’s marks that it is likely to cause confusion among consumers” and that the First Amendment was not a “license to infringe the rights of Mutual.” *Id.* at 398, 402. The court acknowledged that the outcome might be different if the defendant produced “an editorial parody in a book, magazine, or film,” but reasoned that the First Amendment did not protect “commercial use of Mutual’s marks in a way that causes consumer confusion.” *Id.* at 402-03 & n.9. Because the district court’s likelihood-of-confusion finding was not clearly erroneous, the Eighth Circuit affirmed. *Id.* at 403.

2. No other circuit has conferred special First Amendment protection on humorous use of marks designating the source of a commercial product. To the contrary, when faced with such trademark use, other circuits and the TTAB—just like the Second, Seventh, and Eighth Circuits—apply a likelihood-of-confusion analysis.

The Fourth, Fifth, and Tenth Circuits evaluate commercial use of a mark in a humorous way as one factor in the likelihood-of-confusion analysis. For example, in *Elvis Presley Enterprises, Inc. v. Capece*, 141 F.3d 188 (5th Cir. 1998), the defendant opened an Elvis-Presley-themed bar called “The Velvet Elvis,” which it argued was a parody. *Id.* at 191-92. The Fifth Circuit held that parody is “not a defense to trademark infringement” but rather a “relevant factor” in the likelihood-of-confusion analysis. *Id.* at 194, 198. The Fifth Circuit concluded that the bar’s name infringed Elvis’s marks by using them with an intent to confuse consumers. *Id.* at 203-05. Similarly, in *Jordache Enterprises v. Hogg Wyld, Ltd.*, 828 F.2d 1482 (10th Cir. 1987), where the defendant made jeans imitating the “Jordache” brand under the name “Lardashe,” the Tenth Circuit evaluated the defendant’s alleged intent

to parody within the likelihood-of-confusion framework. *Id.* at 1485-88.⁴

The Fourth Circuit employed this same analysis in yet another case involving dog toys. In *Louis Vuitton Malletier, S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252 (4th Cir. 2007), the Fourth Circuit accepted that the defendant’s “Chewy Vuiton” dog toy parodied Louis Vuitton handbags but reasoned that this did “not end the inquiry.” *Id.* at 261. “The finding of a successful parody,” the Fourth Circuit explained, “only influences the way in which the [likelihood-of-confusion] factors are applied.” *Id.* The Fourth Circuit thus applied a traditional likelihood-of-confusion test—not a heightened First Amendment inquiry.⁵

The TTAB takes a similar approach in deciding whether parodic marks are entitled to registration. *See Boston Red Sox Baseball Club LP v. Sherman*, 88

⁴ The First Circuit employed similar reasoning in a case involving trademarks in advertising, concluding that an advertising video that “served a commercial purpose” was not a parody subject to First Amendment protection. *Scholz v. Goudreau*, 901 F.3d 37, 51-52 (1st Cir. 2018). The First Circuit added that, even if the video was a parody, a “parody that engenders consumer confusion [is] entitled to less protection since it implicates the legitimate commercial and consumer protection objectives of trademark law.” *Id.* at 52 (alteration in original) (internal quotation marks omitted).

⁵ The Ninth Circuit oddly cited *Louis Vuitton* in support of its decision below. Pet. App. 32a. Although acknowledging that “[t]he Fourth Circuit decision was based on likelihood of confusion, not the First Amendment,” the Ninth Circuit attempted to diminish that aspect of the Fourth Circuit’s reasoning by noting that the Fourth Circuit later adopted the “Rogers test” in *Radiance Foundation v. NAACP*, 786 F.3d 316 (4th Cir. 2015). *See* Pet. App. 32a n.1. *Radiance Foundation*, however, is far afield, as it involved use of a trademark in an article raising social and political issues. 786 F.3d at 319, 327.

U.S.P.Q.2d 1581, 1592 (TTAB 2008) (finding consumers unlikely to confuse “Sex Rod” with “Red Sox,” but holding that “[p]arody is not a defense if the marks would otherwise be considered confusingly similar”); *Cards Against Humanity, LLC v. Vampire Squid Cards, LLC*, Opp’n No. 91225576, at 22-23 (TTAB Feb. 28, 2019) (holding the same, and denying registration to “Crabs Adjust Humidity” card game because of likely confusion).

The Ninth Circuit’s decision sharply diverges from all these decisions. When parody is one consideration in the flexible, fact-specific likelihood-of-confusion analysis, some mark holders will prevail and some will not. Under the decision below, by contrast, mark holders must satisfy a rigid, atextual two-pronged test whenever a commercial product uses a trademark to communicate a “humorous message.” Pet. App. 31a.⁶ As the district court observed, that inflexible rule makes it “nearly impossible for any trademark holder to prevail.” Pet. App. 18a. This Court should grant review to restore the Lanham Act’s likelihood-of-confusion test to its rightful place in the Ninth Circuit.

B. The Decision Below Creates a Conflict on Dilution-by-Tarnishment Liability for Humorous Use of Another’s Trademark

The Ninth Circuit’s ruling on dilution by tarnishment creates another circuit conflict, independently warranting review. The Ninth Circuit reasoned that, although VIP used Jack Daniel’s trademarks and trade dress to sell Bad

⁶ Even in cases where *Rogers* applies, the Second Circuit balances the alleged infringer’s interest in freedom of expression against likely confusion. *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ’g Grp.*, 886 F.2d 490, 495 (2d Cir. 1989). By contrast, the Ninth Circuit’s version of the *Rogers* test writes likelihood of confusion out of the equation entirely.

Spaniels, its use was nonetheless “noncommercial” because it conveyed a “humorous message.” Pet. App. 33a. The Ninth Circuit thus held, as a matter of law, that VIP’s use fell within the “noncommercial use” exclusion to the TDRA’s cause of action for dilution. *See* 15 U.S.C. § 1125(c)(3)(C). Under the Ninth Circuit’s standard, virtually any “humorous” use of another’s trademark to sell a product is “noncommercial” and thus excluded from dilution liability.

1. The Ninth Circuit’s decision diverges from other circuits’ decisions construing the statutory exclusions. *See* 15 U.S.C. § 1125(c)(3). As explained above, Congress expressly excluded parodies of famous marks from dilution claims, but only when the parody is not used “as a designation of source” for the parodist’s own goods. *Id.* § 1125(c)(3)(A); *see supra* pp. 8-9. The Second and Fourth Circuits, as well as the TTAB, have recognized that, in cases involving purported parodies, the parody exclusion specifically governs whether the defendant is exempt from dilution liability. *See Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.*, 588 F.3d 97, 112 (2d Cir. 2009) (“Charbucks” coffee); *Louis Vuitton*, 507 F.3d at 266 (“Chewy Vuiton” dog toy); *N.Y. Yankees P’ship v. IET Prods. & Servs., Inc.*, 114 U.S.P.Q.2d 1497, 1508-09 (TTAB 2015) (“The House that Juice Built” apparel). They further hold that the parody exclusion does not apply where, as the district court found, a defendant uses a famous mark as a “designation of source” for its own goods. *Louis Vuitton*, 507 F.3d at 266.

To be sure, neither these courts nor the TTAB expressly discussed whether they could disregard the limitations of the specific parody exclusion by deeming diluting uses “noncommercial” under the more general, separate exclusion for “noncommercial use.” But that just illustrates how egregiously the Ninth Circuit erred. Under

basic canons of construction, when the conduct at issue arguably falls within the scope of both a general provision and a more specific one, “the specific presumptively governs.” *RadLAX Gateway Hotel, LLC v. Amalgamated Bank*, 566 U.S. 639, 648 (2012). Consistent with that canon, the Second and Fourth Circuits and TTAB analyze commercial parodies under the parody exclusion, not the noncommercial exclusion. The Ninth Circuit did not even acknowledge the parody exclusion, let alone engage in anything resembling statutory construction. Instead, it relied on caselaw predating the TDRA’s addition of the parody exclusion. Pet. App. 33a. But, as the Second Circuit has recognized, cases “decided before the TDRA” are “inapposite to the extent they are inconsistent with the amended section.” *Starbucks Corp.*, 588 F.3d at 112.

2. The Ninth Circuit’s interpretation of the noncommercial exclusion also conflicts with that of other circuits. The court reasoned that, although VIP used Jack Daniel’s marks to “sell Bad Spaniel’s” (i.e., for a commercial purpose), VIP’s use was “noncommercial” because it conveyed a “humorous message.” Pet. App. 33a. Under that interpretation, virtually any “humorous” use of a famous mark to sell a product, even a product directly competitive with, or closely related to, that of a plaintiff, would be “noncommercial.”

No other circuit has read the “noncommercial” exclusion to turn exclusively on use of humor. The Fourth Circuit applies a multi-factor test to determine noncommercial use, considering questions such as “whether the speaker has an economic motivation for the speech” and “whether the listener would perceive the speech as proposing a transaction.” *See, e.g., Radiance Found., Inc. v. NAACP*, 786 F.3d 316, 331-32 (4th Cir. 2015). Under that test, the presence of a single factor, like humor, does not determine the exclusion’s applicability. *See id.*

Under the Ninth Circuit’s test, by contrast, the non-commercial exclusion applies any time a defendant includes a modicum of humor. That interpretation renders the tarnishment-by-dilution statute a dead letter in a vast swath of cases in which it has traditionally been applied—for example, cases using famous marks to make sexual jokes. *See, e.g., Pfizer Inc. v. Sachs*, 652 F. Supp. 2d 512, 525 (S.D.N.Y. 2009) (finding tarnishment where a defendant’s display at an adult entertainment exhibition featured two models riding a “Viagra-branded missile” and “distributing condoms”). The Ninth Circuit’s obliteration of the parody exclusion and rewriting of the noncommercial exclusion find no support in any other circuit decision.

II. The Questions Presented Are Recurring, Important, and Squarely Presented

1. As the foregoing discussion makes clear, the questions presented recur frequently. The decision below is only the latest reported opinion to consider these questions in the specific context of humorous use of trademarks on dog products—and the first to grant heightened First Amendment protections to such trademark use. *See Louis Vuitton*, 507 F.3d at 261; *Anheuser-Busch*, 666 F. Supp. 2d at 986; *Tommy Hilfiger*, 221 F. Supp. 2d at 415-16.

More generally, these questions have arisen, and will continue to arise, across a broad spectrum of commercial uses of trademarks and trade dress. Judge Leval recognized fifteen years ago that “[i]n the last quarter century, we have witnessed a new aggressiveness on the part of advertisers, social commentators and wisecrackers in the use of other people’s trademarks.” Pierre N. Leval, *Trademark: Champion of Free Speech*, 27 Colum. J.L. & Arts 187, 187 (2004) (citing cases). That trend has continued, and the decision below threatens to supercharge it.

Recent examples abound. Children have been hospitalized after eating marijuana-infused candy and foods sold in packaging that mimics well-known brands. These children could not distinguish between, for example, “Double Stuf Stoneos” and Nestlé’s Double Stuf Oreos. Laura Reiley, *Major Food Brands Seek Crackdown on Marijuana-Infused Copycats*, Wash. Post (Apr. 29, 2022, 9:36 AM), <https://wapo.st/3OREJpq>:

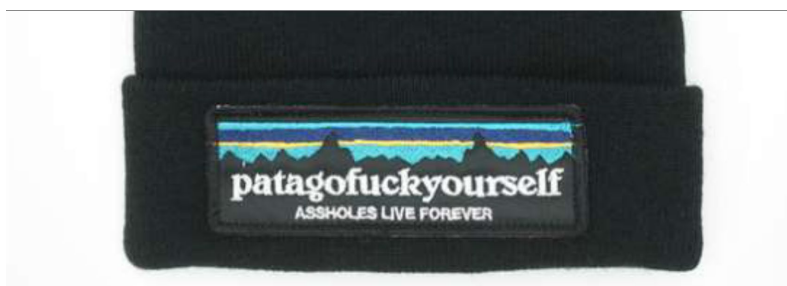


Similarly, Ferrara Candy Company recently sued a company selling marijuana-infused candy products that mimic well-known Nerds candies. Compl., *Ferrera Candy Co. v. Akimov, LLC*, No. 22-cv-80768 (S.D. Fla. May 23, 2022):



Patagonia recently sued to protect its trademark against infringers selling apparel bearing Patagonia’s

mark with text saying “patagofuckyourself” and “Assholes Live Forever.” Compl. at 9-10, *Patagonia, Inc. v. KirillWasHere LLC*, No. 22-cv-01949 (C.D. Cal. Mar. 24, 2022):



And Campbell Soup Co. recently took action to halt another party’s marketing of t-shirts depicting the famous red and white Campbell Soup label but with the words “Bat Soup” and “Now With COVID-19.” Campbell Soup Co. Amicus Br. 8, No. 20-365.

The impact of the Ninth Circuit’s decision will be felt nationally. Infringers will have every incentive to stack the deck in their favor by funneling trademark litigation into the Ninth Circuit, which already sees the highest volume of trademark claims, *see supra* n.3, by filing declaratory-judgment actions there.

VIP, for example, launched this declaratory-judgment action in the U.S. District Court for the District of Arizona after Jack Daniel’s sent it a cease-and-desist demand. VIP has filed numerous similar actions in the same district seeking declarations that its products do not infringe trademarks of other well-known brands. *See* Compl., *VIP Prods., LLC v. Tequila Cuervo La Rojena, S.A. de C.V.*, No. 20-cv-319 (D. Ariz. Feb. 11, 2020) (“Jose Perro” product copying Jose Cuervo tequila); Compl., *VIP Prods., LLC v. Pabst Brewing Co.*, No. 14-cv-2084 (D.

Ariz. Sept. 19, 2014) (“Blue Cats Trippin” product copying Pabst Blue Ribbon beer); Compl., *VIP Prods., LLC v. Champagne Louis Roederer*, No. 13-cv-2365 (D. Ariz. Nov. 18, 2013) (“Crispaw” product copying Cristal champagne); Compl., *VIP Prods., LLC v. Champagne Louis Roederer*, No. 13-cv-823 (D. Ariz. April 23, 2013) (“Crispaw”); Compl., *VIP Prods., LLC v. Heineken USA, Inc.*, No. 13-cv-319 (D. Ariz. Feb. 13, 2013) (“HeinieSniff’n” product copying Heineken beer); Compl., *VIP Prods., LLC v. Coca-Cola Co.*, No. 9-cv-1985 (D. Ariz. Sept. 22, 2009) (“Bark’s” product copying Barq’s root beer); Compl., *VIP Prods., LLC v. Heineken USA, Inc.*, No. 9-cv-842 (D. Ariz. Apr. 21, 2009) (“HeinieSniff’n”); Compl., *VIP Prods., LLC v. Jackson Family Wines, Inc.*, No. 9-cv-281 (D. Ariz. Feb. 12, 2009) (“Kennel Relax’n” product copying Kendall-Jackson wine).⁷ The inevitability of such forum shopping is compelling reason for this Court to establish a uniform, national interpretation of the Lanham Act.

2. The questions presented have significant implications for consumers and mark owners alike. Absent correction by this Court, the decision will subvert the Lanham Act’s twin purposes of preventing consumer confusion and protecting mark owners’ investments in goodwill. See *U.S. Pat. & Trademark Off. v. Booking.com B.V.*, 140 S. Ct. 2298, 2302 (2020). The Lanham Act’s likelihood-of-confusion standard already gives fact-finders the tools they need to weigh the competing interests of the infringer, mark holder, and public. The decision below inexplicably elevates VIP’s unprotected interest in profiting from Jack Daniel’s trademark and trade dress over everything else.

⁷ Except for the Jose Perro action, which remains pending, the court dismissed all of these actions for lack of service.

Engrafting a special test on top of the likelihood-of-confusion standard, as the Ninth Circuit did here, improperly undermines the Act's consumer-protecting goal. In some cases involving humorous, commercial use of trademarks, courts have found that consumers are unlikely to be confused. *See, e.g., Tommy Hilfiger*, 221 F. Supp. 2d at 416-21 (finding confusion unlikely because in part, unlike in this case, the companies did not sell competing or closely related goods). In other cases—for example, the marijuana-laced Double Stuf Stoneos depicted above, *see supra* p. 28—consumers may well be confused, to devastating and even dangerous effect. *See* Frederic Rocafort, *1st Amendment May Help Cannabis Cos. Beat TM Claims*, Law360 (June 22, 2022, 4:08 PM), <https://bit.ly/3NTgN3M> (“The Ninth Circuit’s reasoning . . . could be applied to some of the trademarks used by some cannabis brands that parody, or are inspired by, more famous trademarks.”).

The decision below also undercuts mark holders’ investments in goodwill. The decision allows VIP to capitalize on Jack Daniel’s hundreds of millions of dollars of investments in its goodwill—all the while tarnishing Jack Daniel’s own expressive mark by associating it with juvenile dog-poop humor. Jack Daniel’s takes great care to maintain its reputation as a responsible company that markets its products only to adults of drinking age. Under the decision below, however, infringers like VIP can advertise Jack Daniel’s mark to children simply by adding a modicum of humor. *See* Alcohol Beverage Indus. Ass’n’s Amicus Br., No. 20-365. The decision below ignores Jack Daniel’s own “free expression rights,” “proceed[ing] from the mistaken belief that only infringing uses implicate First Amendment principles.” Campari Am. LLC Amicus Br. 13-14, No. 20-365; *see Matal v. Tam*, 137 S. Ct. 1744, 1760 (2017) (trademarks are private speech).

Given these consequences, it is little wonder that commentators have criticized the decision below and called for this Court’s review. *See, e.g.*, Jared Kagan, *Bad Spaniels Make Bad Law: Ninth Circuit Says Dog Toy is an Expressive Work Entitled to First Amendment Protection*, IPWatchdog (Apr. 3, 2020, 7:15 AM) <https://bit.ly/3ACWXa8> (“One can only hope that Jack Daniel’s will obtain . . . *certiorari* so that this dog of a decision can be overturned.”); Zachary Shufro, *Based on a True Story: The Ever-Expanding Progeny of Rogers v. Grimaldi*, 32 Fordham Intell. Prop. Media & Ent. L.J. 391, 424 (2022) (noting that the Ninth Circuit’s decision “will significantly curtail the trademark rights of mark holders for years to come”); Jared I. Kagan & Emily R. Hush, *Parody Chew Toys and the First Amendment*, Landslide, Jan./Feb. 2021, <https://bit.ly/3IndbpC> (“[T]he Ninth Circuit’s application of *Rogers* has the potential to render any commercial product that contains humorous elements a ‘work of artistic expression,’ . . . unsettling the balance between trademark protection and free speech.”); Muireann Bolger, *Applying the Rogers Test: A Step Too Far?*, World Intell. Prop. Rev., June 7, 2022, <https://bit.ly/3OTsloR> (“[A]nswers to these complex questions are long overdue.”); Hannah Knab, Note, *Jack Daniel’s Highlights the Second and Ninth Circuit’s Divide on the Application of the Rogers Test*, 10 Am. Bus. L. Rev. 517, 518 (2022) (“This bifurcated analysis of the Lanham Act will eventually require Supreme Court intervention.”).

4. This case now stands in the perfect posture to decide these important questions presented. Since this case was last before the Court in an interlocutory posture, the district court applied the *Rogers* test, and it was case-dispositive. When the district court conducted the traditional likelihood-of-confusion analysis before the first appeal, it ruled for Jack Daniel’s. Pet. App. 62a-75a. When it applied the *Rogers* test on remand, it (begrudgingly)

ruled for VIP, while urging this Court’s review. Pet. App. 11a-19a.

III. The Decision Below Is Egregiously Wrong

A. The Court of Appeals Erred with Respect to Trademark Infringement

1. The Ninth Circuit’s decision on the trademark-infringement claims finds no support in the Lanham Act’s text. The Act prohibits use of a mark in a way “likely to cause confusion . . . as to the origin, sponsorship, or approval of his or her goods.” 15 U.S.C. § 1125(a)(1)(A); *see also id.* § 1114(1)(a). Put simply, liability follows from likely confusion. Under the Ninth Circuit’s rule, however, a defendant can escape liability even if the plaintiff proves a *certainty* of confusion, as long as the defendant’s use of the mark is “artistically relevant” and the defendant does not *explicitly* mislead as to the source of its products. Pet. App. 30a. No language in the statute permits a court to require that showing in every case of humorous infringement.

The Ninth Circuit’s rule also clashes with the Lanham Act’s structure. Congress knows how to exclude certain uses of a mark from liability. It did so in the context of dilution, creating an express exclusion for parody. 15 U.S.C. § 1125(c)(3)(A)(ii). Similarly, in the context of registered marks that have become incontestable, Congress exempted certain categories of fair use from liability. *Id.* § 1115(b)(4).⁸ The absence of a parody or humor exemption to the Act’s infringement provisions demonstrates that Congress expected courts to handle such cases within the traditional likelihood-of-confusion framework—especially in cases of classic infringement like this one, where

⁸ VIP raised the defense of nominative fair use, but the Ninth Circuit affirmed the district court’s rejection of that defense. Pet. App. 29a.

the infringer uses the plaintiff's trademark as its own and confuses consumers. *See Romag Fasteners, Inc. v. Fossil, Inc.*, 140 S. Ct. 1492, 1495 (2020) (drawing similar inference from absence of express willfulness requirement when Congress had specified mens rea requirements elsewhere in Lanham Act).

2. Nothing in established trademark doctrine or the First Amendment supports the Ninth Circuit's scale-tipping solicitude for "humorous" commercial products. The Ninth Circuit's reasoning means that virtually any humorous pirating of a trademark will be "expressive" and thus qualify for heightened First Amendment protection, no matter how misleading. *See* Pet. App. 25a. Overlaying the Ninth Circuit's rigid standard on the Lanham Act could well exclude "many of the most culpable offenders" from liability. *See Halo Elecs., Inc. v. Pulse Elecs., Inc.*, 579 U.S. 93, 104 (2016) (rejecting similarly restrictive two-part test for enhanced patent infringement damages); *see also Romag*, 140 S. Ct. at 1497 (rejecting effort to transform defendant's mental state from "highly important consideration" into "inflexible precondition" to recovery of profits for trademark infringement).

Any First Amendment interest implicated by the use of a humorous mark to identify the origin of a commercial product can and should be evaluated as part of the likelihood-of-confusion test. *See supra* Part I.A; *accord* 6 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 31:153 (5th ed. 2022). This view recognizes that a parody still can confuse consumers and thereby violate the Lanham Act. As the Second Circuit explained:

A parody must convey two simultaneous—and contradictory—messages: that it is the original, but also that it is *not* the original and is instead a parody. To the extent that

it does only the former but not the latter, it is not only a poor parody but also vulnerable under trademark law, since the customer will be confused.

Cliffs Notes, 886 F.2d at 494. In other words, the funnier a use of a trademark, the less likely consumers are to be confused, and vice versa.

This Court recognized a similar concept in *Booking.com*, which presented the question whether a term styled “generic.com” is eligible for trademark registration. 140 S. Ct. at 2301. The PTO urged the Court to adopt a “nearly *per se* rule” rendering such terms ineligible for registration, and expressed “concern . . . that trademark protection for a term like ‘Booking.com’ would hinder competitors” who used similarly descriptive marks. *Id.* at 2305, 2307.

This Court rejected the PTO’s “unyielding legal rule,” which it held “incompatible” with the “bedrock principle” that “whether a term is generic depends on its meaning to consumers.” *Id.* at 2306. Importantly, it dismissed the PTO’s concern for competitors by explaining that the likelihood-of-confusion test already accounts for that concern. *Id.* at 2307. As the Court observed, “a competitor’s use does not infringe a mark unless it is likely to confuse consumers.” *Id.* And a mark’s use of descriptive language such as “booking.com” is a relevant factor in that analysis: the weaker a mark, the Court explained, the less likely consumers are “to think that other uses of the common element emanate from the mark’s owner.” *Id.*

So too here. The Ninth Circuit’s “unyielding legal rule” makes consumer perception irrelevant to infringement claims in cases like this one. And, like the PTO in *Booking.com*, the Ninth Circuit failed to appreciate that the flexible likelihood-of-confusion test, as applied in

other circuits, already accounts for the policy concerns animating the Ninth Circuit’s rule. *See* Leval, *supra*, at 189. When a statutory scheme strikes an appropriate balance between free expression and intellectual property, courts should respect that balance. *See Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 560 (1985) (so holding in copyright fair-use context).

In the copyright context, the Court already has rejected the notion that parody is presumptively exempt from infringement claims, recognizing instead that parody *may* be protected as fair use, in light of all the circumstances. *See Campbell*, 510 U.S. at 581. “[P]arody, like any other use, has to work its way through the relevant factors, and be judged case by case, in light of the ends of the copyright law.” *Id.* The same case-by-case approach should apply in the trademark context. Factfinders are well-equipped to weigh the various factors and determine whether a given use creates an undue risk of confusion. The district court made that determination here, and that should have ended the matter.

B. The Court of Appeals Erred with Respect to Dilution by Tarnishment

The Ninth Circuit’s interpretation renders the TDRA’s dilution provision incoherent. Section 1125(c)(3) provides that certain categories of use “shall not be actionable as dilution.” One excluded category is “[a]ny fair use” including “parodying” the famous mark owner or its good or services. 15 U.S.C. § 1125(c)(3)(A). But that exclusion applies only if the parodist uses the famous mark “*other than as a designation of source* for the person’s own goods or services.” *Id.* (emphasis added). The Ninth Circuit did not even address the district court’s conclusion that the parody exclusion does not apply here because VIP used Jack Daniel’s trademarks to designate the source of its dog toy. Pet. App. 33a.

The Ninth Circuit instead applied the separate exclusion for “[a]ny noncommercial use of a mark.” *Id.* § 1125(c)(3)(C). Under the Ninth Circuit’s decision, any humorous use of a mark, including parody, qualifies as “noncommercial use” and is therefore immune from dilution liability. *See* Pet. App. 33a. That interpretation, however, improperly renders superfluous the TDRA’s express parody exclusion. *See Corley v. United States*, 556 U.S. 303, 314 (2009). It nullifies Congress’ decision to limit the parody exclusion to cases where the defendant has not used the plaintiff’s mark as a designation of source. And it violates the “well established canon of statutory interpretation” that the “specific governs the general.” *RadLAX Gateway Hotel*, 566 U.S. at 645. When “a matter [is] specifically dealt with” in a statutory provision, a court cannot apply a more general provision in a way that negates the limitations of the more specific provision. *Bloate v. United States*, 559 U.S. 196, 207-09 (2010) (citation omitted). By shoehorning the Bad Spaniels parody into the more general noncommercial exclusion, the Ninth Circuit performed an end-run around the limitations of the parody exclusion.

* * *

Absent this Court’s review, the Ninth Circuit’s outlier decision in this case will threaten to destroy mark owners’ ability to protect their marks and to flood the market with misleading rip-offs. The Court should grant the petition.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

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