

No.

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**In the Supreme Court of the United States**

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JACK DANIEL'S PROPERTIES, INC.,  
PETITIONER,

*v.*

VIP PRODUCTS LLC,  
RESPONDENT.

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

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**PETITION FOR A WRIT OF CERTIORARI**

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## QUESTIONS PRESENTED

Respondent VIP Products LLC's business model is based on marketing and selling dog toys that intentionally use the trademarks and trade dress of well-known companies, in a way that courts have deemed likely to confuse consumers about the source of the toys and to tarnish the reputation of such companies, including petitioner Jack Daniel's Properties, Inc. The questions presented are:

1. Whether a commercial product using humor is subject to the same likelihood-of-confusion analysis applicable to other products under the Lanham Act, or must receive heightened First Amendment protection from trademark-infringement claims, where the brand owner must prove that the defendant's use of the mark either is "not artistically relevant" or "explicitly misleads consumers."

2. Whether a commercial product's use of humor renders the product "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 Lanham 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**

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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 in this case.

**OPINIONS BELOW**

The opinion of the court of appeals is reported at 953 F.3d 1170 (9th Cir. 2020). Pet. App. 2a-14a. The district court's findings of fact and conclusions of law are reported at 291 F. Supp. 3d 891 (D. Ariz. 2018). Pet. App. 25a-56a. 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. 57a-104a.

### **JURISDICTION**

The judgment of the court of appeals was entered on March 31, 2020. The court of appeals denied a timely petition for panel rehearing and rehearing en banc on June 3, 2020. This Court has jurisdiction under 28 U.S.C. § 1254(1).

### **STATUTORY PROVISIONS INVOLVED**

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

Section 43(c) of the Lanham Act, 15 U.S.C. § 1125(c), 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) are set forth in the Appendix. Pet. App. 111a-116a.

#### STATEMENT

This case presents a frequently recurring question under the Lanham Act: under what circumstances humorous use of another's trademark or trade dress to identify the origin of a commercial product constitutes trademark infringement or trademark dilution. Petitioner Jack Daniel's Properties, Inc. identifies its whiskey products with near-universally recognized trademarks and trade dress. Jack Daniel's also carefully licenses use of its trademarks and trade dress on non-whiskey products, including pet products. Respondent VIP Products LLC pirated Jack Daniel's trademarks and trade dress to make a dog toy, "Bad Spaniels," that imitates a Jack Daniel's whiskey bottle, while adding dog poop humor. The question the case presents is whether VIP Products' use of humor on its dog toy entitles it to special protections against liability for trademark infringement and dilution under the Lanham Act.

On the question of trademark infringement, every court of appeals confronting a similar case has exercised common sense and applied the traditional likelihood-of-confusion test under the Act, which asks whether the use

of the trademark or trade dress is likely to confuse consumers regarding the product's origin or sponsorship. Those courts have considered the humorous nature of the product as just one factor relevant to the likelihood of confusion. In many cases, humorous use of trademarks is not actionable under the Act because the use is so obviously parody that consumers would not be confused.

But this is one of many cases where the harm to one's brand identity is real and direct. Jack Daniel's spirits products are consumed by adults. Jack Daniel's has invested substantial resources into an image of sophistication. Accordingly, Jack Daniel's has a strong interest in protecting its trademarks and trade dress from association with juvenile bathroom humor. The district court found that VIP Products' use of Jack Daniel's trademarks and trade dress as marks and trade dress for its own goods was likely to confuse consumers and injure Jack Daniel's reputation. Following a four-day bench trial, the district court credited evidence showing that 29% of consumers believed that Jack Daniel's actually sponsored the Bad Spaniels dog toy. The court further found that VIP Products and Jack Daniel's sold related products, that consumers are unlikely to exercise caution when buying dog toys, and that VIP Products intentionally used Jack Daniel's trademark and trade dress to capitalize on Jack Daniel's popularity. The court thus found a likelihood of confusion, as well as a likelihood of dilution by tarnishment, and enjoined VIP Products from selling the toy.

On appeal, the Ninth Circuit—diverging from the Second, Fourth, Fifth, Seventh, Eighth, and Tenth Circuits, and from the Trademark Trial and Appeal Board—held that the standard likelihood-of-confusion test does not account for VIP Products' purported First Amendment interest in making jokes using Jack Daniel's trademarks

and trade dress. In other words, because the court of appeals thought VIP Products' notorious copying was funny, it held that the company has a First Amendment interest in confusing consumers into believing that Jack Daniel's sponsors a dog toy spotlighting poop. The Ninth Circuit reached this result by engrafting a two-part test on top of the standard Lanham Act analysis, requiring Jack Daniel's to show that VIP Products' 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."

On the issue of trademark dilution, until the decision below, no court had held that humorous use of a trademark insulates an infringer from liability for trademark dilution. To the contrary, as the Second and Fourth Circuits and Trademark Trial and Appeal Board have recognized, the Lanham Act 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 Products was unable to satisfy this exclusion because it used Jack Daniel's mark to designate the source of its own goods. The Ninth Circuit, however, sidestepped the district court's holding under section 1125(c)(3)(A) and held that VIP Products' poop humor—which, by design, injures Jack Daniel's brand identity—rendered its use of Jack Daniel's trademarks "noncommercial" and thus immune from dilution liability under a separate exclusion, *see id.* § 1125(c)(3)(C).

The Ninth Circuit's bungling of the questions presented, and the resulting conflicts in the application of the Lanham Act, require this Court's review. Absent review, the decision below will encourage forum shopping by infringers like VIP Products. And it will undermine the

Lanham Act’s goals of protecting consumers from deception and protecting mark owners’ investments in goodwill.

The Ninth Circuit’s concern for First Amendment interests was egregiously misguided. The Act’s likelihood-of-confusion test and the parody exclusion to dilution claims protect First Amendment interests arising from humorous use of trademarks and trade dress in the circumstances here. This Court should grant the petition and reverse the decision below.

#### A. Statutory Framework

The Lanham Act guards against unfair competition, fraud, and deception “by making actionable the deceptive and misleading use of marks.” Pub. L. No. 79-489, § 45, 60 Stat. 427, 444 (1946) (codified at 15 U.S.C. § 1127). Trademark infringement under the Act exists if the defendant’s use of a mark is likely to cause confusion about the origin, sponsorship, or approval of a good. 15 U.S.C. § 1125(a)(1). Courts assessing the likelihood of confusion consider a variety of nonexclusive factors, including the strength of the plaintiff’s mark, the relatedness of the goods, the similarity of the parties’ marks, and evidence of actual confusion. *See, e.g., AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348 (9th Cir. 1979).

The Lanham Act also protects against dilution of famous marks. 15 U.S.C. § 1125(c). Under section 1125(c)(1), an owner of a “famous” mark may obtain relief against use of a mark in commerce likely to cause “dilution by blurring” or “dilution by tarnishment,” whether or not the use is likely to confuse consumers regarding the product’s source. 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.” 15 U.S.C. § 1125(c)(2)(C). Famous



mark are ones “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).

The Act excludes from liability “fair use” of a famous mark, which includes “identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.” *Id.* § 1125(c)(3)(A)(ii). To qualify as “fair use,” however, the use must be “other than as a designation of source for the person’s own goods or services.” *Id.* § 1125(c)(3)(A). “[N]oncommercial use of a mark” also cannot give rise to liability for trademark dilution. 15 U.S.C. § 1125(c)(3)(C).

#### **B. Factual and Procedural Background**

1. Petitioner, Jack Daniel’s Properties, Inc., owns and licenses the trademarks and trade dress associated with JACK DANIEL’S® Tennessee whiskey. Pet. App. 27a.<sup>1</sup> The Jack Daniel’s distillery in Lynchburg, Tennessee is the oldest registered distillery in the United States. Its Tennessee whiskey has been sold continuously for over a century, except during Prohibition. Since 1997, Jack Daniel’s has been the best-selling whiskey in the United States. Pet. App. 33a. Between 1997 and April 2015, its domestic sales exceeded 75 million cases. Pet. App. 33a, 52a.

Since 1875, Jack Daniel’s Tennessee whiskey has borne the registered trademarks JACK DANIEL’S and OLD NO. 7. Pet. App. 27a. Jack Daniel’s also has a registered trademark for its three-dimensional configuration

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<sup>1</sup> 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, 765 n.1 (1992) (citation omitted).

of a square-shaped bottle with the embossed signature of “Jack Daniel.” Jack Daniel’s trade dress has included aspects of these trademarks for many decades. *Id.*

Jack Daniel’s has spent hundreds of millions of dollars promoting its whiskey. Pet. App. 32a. Its website is visited millions of times per year, and millions of Americans have seen its trademarks and trade dress in movies and television programs. Approximately 98% of consumers express awareness of the Jack Daniel’s brand. Pet. App. 32a-33a.

For many years, Jack Daniel’s has maintained an active brand licensing program. Its trademarks and trade dress have appeared on a wide range of products other than whiskey, including barbeque sauces, belt buckles, cufflinks, and clothing. Jack Daniel’s licenses its trademarks and trade dress for certain pet products, including branded dog leashes, dog collars, and dog houses. Pet. App. 52a-53a.

2. Respondent VIP Products LLC is an Arizona company that designs, manufactures, markets, and sells chew toys for dogs. It sells various product lines, including “Silly Squeakers.” Pet. App. 26a. This line consists of vinyl dog toys designed to profit off consumers’ familiarity with well-known brands of liquor, beer, wine, and soda, but include sometimes dog-related and often excrement-related humor. Examples include dog toys labeled “Smella R-Crotches” (exploiting Stella Artois beer), “Heini Sniff’n” (exploiting Heineken beer), “Pissness” (exploiting Guinness beer), and “Mountain Drool,” (exploiting Mountain Dew soda).<sup>2</sup> See Pet. App. 5a-6a, 28a.

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<sup>2</sup> Images of these and other “Silly Squeakers” products appear in Appendix F (Pet. App. 105a-110a) and are available on VIP’s website. See [www.mydogtoy.com/silly-squeaker](http://www.mydogtoy.com/silly-squeaker) (last visited Sept. 14, 2020).

Formerly, VIP Products also sold a dog toy labeled “Buttwiper,” to profit from the brand familiarity of Budweiser beer:



In 2008, a federal district court preliminarily enjoined VIP Products’ 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 Products in 2014 began selling the dog toy at issue here, “Bad Spaniels.” Pet. App. 29a. The toy copies the distinctive square bottle and black-and-white labelling of JACK DANIEL’S® Tennessee whiskey:



VIP Products' Bad Spaniels toy appropriates Jack Daniel's trade dress in virtually every respect, while adding poop-related humor. It replaces "Jack Daniel's" with "Bad Spaniels," along with the image of a spaniel. It also 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. 28a, 51a.

VIP Products' "intent behind designing the 'Bad Spaniels' toy was to match the bottle design for Jack Daniel's Tennessee Sour Mash Whiskey." Pet. App. 28a. VIP Products' president coined the name "Bad Spaniels" and

asked the company's designer to work on a proposed design. Pet. App. 28a. The designer understood that "Bad Spaniels" referred to "Jack Daniel's," and she was familiar with the brand. Pet. App. 28a-29a. Before sketching the design, she recalled several of Jack Daniel's features from memory, including the black-and-white label, the cursive font for Tennessee, and the square shape of the bottle. Pet. App. 29a. She then retrieved a Jack Daniel's bottle from her liquor cabinet, examined it, and placed it on her desk while developing the sketch. Pet. App. 29a.

VIP Products introduced Bad Spaniels in July 2014. VIP Products sells the product through several retailers, including Walmart and Amazon, that also sell Jack Daniel's licensed merchandise. Pet. App. 51a. VIP Products' promotional materials feature the Bad Spaniels product in a bar alongside various liquor bottles, one of which is recognizable as a real Jack Daniel's bottle. Pet. App. 29a, 110a.

3. After VIP Products introduced Bad Spaniels, Jack Daniel's promptly asked VIP to stop selling the toy. Pet. App. 6a. VIP Products responded by suing Jack Daniel's in the United States District Court for the District of Arizona, VIP Products' home forum, seeking a declaratory judgment that Bad Spaniels did not infringe or dilute any trademark rights and that Jack Daniel's trade dress and bottle design were not entitled to trademark protection. *Id.* Jack Daniel's filed federal and state-law counterclaims for infringement and dilution by tarnishment of its trademarks and trade dress. *Id.* VIP Products moved for summary judgment, and Jack Daniel's cross-moved for partial summary judgment. Pet. App. 7a.

The district court denied VIP Products' motion and granted Jack Daniel's motion. Pet. App. 57a-104a. 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. 71a-81a. The court further held that Jack Daniel’s raised triable issues of fact as to the remaining element of its infringement claims—namely, that VIP Products’ use of Jack Daniel’s trademarks and trade dress created a likelihood of confusion. Pet. App. 81a-82a.

The district court rejected VIP Products’ 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. 67a-70a. In *Rogers*, the actress Ginger Rogers claimed that a movie entitled “Ginger and Fred” violated section 1125(a) of 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. It 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 understood the *Rogers* test as limited to the use of trademarks in the titles or contents of expressive or artistic works, such as movies, plays, books, and songs. Pet. App. 68a-69a. Here, by contrast, VIP Products infringed Jack Daniel’s trademarks and trade dress, at least in part, to promote sales of a “commercial product.” Pet. App. 69a-70a. The district 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.” *Id.* Accordingly, the district court held that the “standard” likelihood-of-confusion analysis applicable under the Lanham Act governed Jack Daniel’s claims. *Id.*

With respect to dilution by tarnishment, the district court rejected VIP Products’ fair-use defense that its dog toy was a non-actionable parody. Pet. App. 84a-85a. The court observed that 15 U.S.C. § 1125(c)(3)(A) excludes from dilution liability “[a]ny fair use . . . other than as a designation of source for the person’s own good or services, including use in connection with . . . (ii) parodying.” Under the plain language of that provision, the court explained, the defense applies only if the parody is “not a designation of source for the person’s own goods or services.” Pet. App. 84a. Because VIP Products used Jack Daniel’s trademarks and trade dress as source identifiers for its dog toy, the court concluded that the parody exclusion did not apply. Pet. App. 84a-85a.

The district court further held that Jack Daniel’s raised triable issues of fact concerning its dilution-by-tarnishment claims. Pet. App. 85a-96a. The case thus proceeded to trial on the elements of 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. 30a-55a. With respect to infringement, the court found that VIP Products’ use of Jack Daniel’s trademarks and trade dress was likely to cause confusion. Pet. App. 42a-55a. 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. 47a-48a. The district court added that 29% was “nearly double” the 15% threshold typically used by

courts to establish likely confusion under the Lanham Act. Pet. App. 48a (citing cases).

The district court further found that Jack Daniel's trademarks and trade dress were "extremely strong," Pet. App. 52a; that VIP Products "intended to produce a dog toy that included and was similar to Jack Daniel's trademarks and trade dress," Pet. App. 50a-51a; and that VIP Products "sought to capitalize on Jack Daniel's popularity and good will for its own gain," Pet. App. 49a-50a. The court also found that Bad Spaniels and Jack Daniel's licensed pet products were related goods, Pet. App. 52a-53a; that they were sold to the same class of purchasers and through some of the same stores, Pet. App. 53a; and that consumers were unlikely to exercise significant care when purchasing Bad Spaniels because of its relatively inexpensive price, Pet. App. 54a. For all these reasons, the court concluded that Jack Daniel's had proved likely confusion and thus prevailed on its infringement claims. Pet. App. 55a.

The district court also concluded that Jack Daniel's proved its claims for dilution by tarnishment. Pet. App. 30a-42a. Specifically, the court found that Jack Daniel's trademarks and trade dress were famous before VIP Products began using them in 2014, Pet. App. 32a-33a; that the marks on Bad Spaniels were similar to Jack Daniel's trademarks and trade dress because VIP Products intentionally appropriated them in "every aspect," Pet. App. 34a-35a; and that Bad Spaniels likely tarnished the reputation of Jack Daniel's trademarks by, among other things, creating negative associations between a product for human consumption and canine excrement, Pet. App. 35a-42a.

Having ruled for Jack Daniel's on both the infringement and dilution claims, the district court permanently



enjoined VIP Products from sourcing, manufacturing, advertising, promoting, displaying, shipping, importing, offering for sale, selling, or distributing Bad Spaniels. Pet. App. 21a-24a. Jack Daniel's did not request damages.

4. The Ninth Circuit affirmed in part, reversed in part, vacated in part, and remanded for further proceedings. Pet. App. 5a-14a. The Ninth Circuit affirmed the district court's ruling that Jack Daniel's trade dress and bottle design are distinctive and nonfunctional and thus entitled to protection. Pet. App. 8a-9a. The Ninth Circuit also did not disturb the district court's factual finding that VIP Products' use of Jack Daniel's trademarks and trade dress created a likelihood of confusion. Nevertheless, the court of appeals vacated the judgment in favor of Jack Daniel's on the infringement claims on the ground that the Bad Spaniels dog toy merited heightened First Amendment protection. Pet. App. 13a.

While acknowledging that VIP Products' dog toy was "surely not the equivalent of the *Mona Lisa*," the Ninth Circuit held that it was an "expressive work" because it communicated a "humorous message." Pet. App. 11a (citation omitted). On that basis, the Ninth Circuit applied the Second Circuit's framework from *Rogers*, 875 F.2d at 999, 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. 10a (citation omitted). In light of that holding, 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. 12a-13a.

With respect to dilution by tarnishment, the Ninth Circuit reversed the district court's judgment. Pet. App.

13a. The Ninth Circuit did not disturb the district court’s finding that Jack Daniel’s marks are famous. Nor did it question, or even address, the district court’s holding that the parody exclusion in section 1125(c)(3)(A) did not apply because VIP Products used the trademarks 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. 13a. The court explained that, even though “VIP used [Jack Daniel’s] trade dress and bottle design to sell Bad Spaniels,” VIP Products’ use was nonetheless “noncommercial” because it conveyed a “humorous message.” *Id.* The Ninth Circuit thus concluded that such use was “protected by the First Amendment” and that VIP Products was entitled to judgment on the dilution claims. *Id.*

5. The Ninth Circuit denied panel rehearing and rehearing en banc. Pet. App. 1a.

#### **REASONS FOR GRANTING THE PETITION**

The decision below conflicts with the decisions of the courts of appeals, with respect to both trademark-infringement liability and trademark-dilution liability. The resulting conflicts on these recurring, important questions of federal trademark law will encourage forum shopping and undermine the core protections of the Lanham Act. This Court should grant review to correct the deeply flawed decision below.

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

##### **A. The Courts of Appeals Are Divided on the Contours of Trademark-Infringement Liability for Humorous Use of a Trademark**

The courts of appeals are divided over whether, to establish infringement under the Lanham Act, a plaintiff

must make an evidentiary showing above and beyond a likelihood of confusion where a defendant uses a trademark to identify the origin or sponsorship of a commercial product in a humorous way. In such circumstances, six circuits hold that a plaintiff need only satisfy the traditional likelihood-of-confusion test and that the use of humor or parody is merely a factor in that analysis that makes it less likely the plaintiff will prevail. In contrast, the Ninth Circuit applies a heightened First Amendment inquiry. Holding that VIP Products' use of humor rendered the dog toy expressive, the Ninth Circuit applied a test traditionally limited to use of marks in artistic or expressive works. Under that test, the Ninth Circuit held, a plaintiff must prove not only likelihood of confusion, but also that the defendant's humorous use of the mark is "not artistically relevant" or "explicitly misleads consumers." Pet. App. 10a. This Court should grant review to resolve this conflict.

1. Unlike the Ninth Circuit, the Second, Fourth, Fifth, Seventh, Eighth, and Tenth Circuits do not require an additional evidentiary showing to establish infringement when a defendant uses a trademark to identify the source of a commercial product in a humorous way or as a parody. Instead, these circuits apply a likelihood-of-confusion analysis in which the use of humor or parody is one factor.

The Seventh Circuit's decision in *Nike, Inc. v. "Just Did It" Enterprises*, 6 F.3d 1225 (7th Cir. 1993), is illustrative. There, the defendant sold shirts bearing the well-known Nike "swoosh," along with the name "MIKE," instead of "NIKE." *Id.* at 1226-27. The defendant claimed that its shirts were a "joke on Nike's image which has become a social phenomenon." *Id.* at 1227. On appeal, 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 was likely to confuse consumers was a question for the factfinder to decide on remand. *Id.* at 1233.

The Eighth Circuit employed a similar approach 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,” along with an “emaciated” version of insurer 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 Eighth Circuit acknowledged that the outcome might have been different had the defendant produced “an editorial parody in a book, magazine, or film,” but it reasoned that the First Amendment did not protect the “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.

The Fifth and Tenth Circuits similarly hold that whether a commercial product uses a mark in a humorous way is 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 defendants opened an Elvis-Presley-themed bar called the “Velvet Elvis,” which they 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 infringed Elvis’s marks by using them with intent to confuse consumers. *Id.* at 200-05. In *Jordache Enterprises, Inc. 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 similarly evaluated the defendant’s alleged intent to parody within the likelihood-of-confusion framework. *Id.* at 1485-88.<sup>3</sup>

Contrary to the Ninth Circuit’s view, *see* Pet. App. 12a, the Fourth Circuit’s opinion in *Louis Vuitton Malletier, S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252 (4th Cir. 2007), accords with this majority approach. There, the Fourth Circuit accepted that the defendant’s “Chewy

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<sup>3</sup> The First Circuit employed similar reasoning in a case involving use of 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).

Vuiton” dog toy parodied Louis Vuitton handbags, but it reasoned that this conclusion 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 like that applied by the Ninth Circuit here.<sup>4</sup>

Finally, even the Second Circuit, which originated the *Rogers* test, has rejected the notion that a heightened standard applies merely because a commercial product uses a trademark in a humorous way. 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. Distinguishing its prior decision in *Rogers*, the Second Circuit explained that, although it 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. It thus rejected the defendant’s claim to First Amendment

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<sup>4</sup> Although acknowledging that “[t]he Fourth Circuit’s 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, Inc. v. NAACP*, 786 F.3d 316 (4th Cir. 2015). *See* Pet. App. 12a n.1. *Radiance Foundation*, however, is far afield, as it involved a nonprofit’s use of a trademark in an article raising social and political issues. 786 F.3d at 327. It provides no support for the notion that the Fourth Circuit applies a heightened First Amendment test to the humorous use of a trademark on a commercial product.

protection for “a trademark parody that endeavors to promote primarily non-expressive products such as a competing motorcycle repair service.” *Id.* at 813. The Second Circuit concluded that the district court had properly enjoined the defendant’s use of marks that were “likely to cause confusion.” *Id.* at 814.

2. The Trademark Trial and Appeal Board (TTAB) takes a similar approach in deciding whether parodic marks are entitled to registration. *See Bos. Red Sox Baseball Club Ltd. P’ship v. Sherman*, 88 U.S.P.Q.2d 1581, 1592 (T.T.A.B. 2008) (finding that consumers were 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, 2019 WL 1491525, at \*11 (T.T.A.B. Feb. 28, 2019) (holding the same, and denying registration of “Crabs Adjust Humidity” card game because of likely confusion).

3. These decisions cannot be reconciled with the decision below, which requires Lanham Act plaintiffs to satisfy a rigid two-pronged test whenever a commercial product uses a trademark to communicate a “humorous message.” Pet. App. 11a-12a. Under the Ninth Circuit’s rule, the plaintiff in such a case must prove not only a likelihood of confusion, but also that the commercial product’s “humorous” 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. 10a, 12a.

The Ninth Circuit based its rule on the Second Circuit’s decision in *Rogers*, which, as discussed above, involved a movie title referencing a famous performer’s name. *See supra* p.13. The Second Circuit has made clear

that *Rogers* concerns the use of a trademark in “expressive works” and does not apply where, as here, a defendant “simply uses [a trademark] somewhat humorously to promote his own products and services.” *Harley-Davidson*, 164 F.3d at 812-13. Further, even in cases where *Rogers* applies, the Second Circuit balances the defendant’s interest in freedom of expression against the likelihood of consumer confusion. *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ’g Grp., Inc.*, 886 F.2d 490, 495 (2d Cir. 1989). Here, in contrast, the Ninth Circuit interpreted *Rogers* as imposing a strict requirement that a plaintiff must satisfy one of two specific prongs, in addition to the likelihood-of-confusion analysis, to prevail. Pet. App. 12a-13a.

The Ninth Circuit thus extended *Rogers*’ heightened First Amendment standard beyond traditionally expressive or artistic works to any commercial product copying another’s trademark to identify the source of the copier’s own product in a humorous way. It did so even though the only purported “expression” here is the infringing use itself—as opposed to cases where a defendant uses a trademark as one element of an expressive work like a book, movie, or song, as in *Rogers*. And it rigidly applied *Rogers* to require a plaintiff to satisfy one of two strict prerequisites. The Ninth Circuit’s decision conflicts directly with the decisions of other courts of appeals, which hold that affixing an allegedly humorous mark to a commercial product is merely a factor in the traditional likelihood-of-confusion analysis. The Court should grant review to resolve this conflict.



**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 Products used Jack Daniel’s trademarks and trade dress to sell Bad Spaniels, its use was nonetheless “noncommercial” because it conveyed a “humorous message.” Pet. App. 13a. The Ninth Circuit thus held, as a matter of law, that VIP Products’ use fell within the “noncommercial use” exclusion to the Lanham Act’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. No other circuit has adopted such a broad reading of the “noncommercial use” exclusion. In contrast to the Ninth Circuit’s bright-line “humor” test, the Fourth Circuit applies a multifactor test to determine whether the defendant’s use of the mark was noncommercial, considering such questions 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 the Fourth Circuit’s test, the presence of a single factor, such as humor, does not determine the exclusion’s applicability. *See id.*

More generally, multiple other circuits have allowed dilution-by-tarnishment claims to proceed under the Lanham Act or analogous state law even when the defendant’s use of a mark involves humor. Indeed, the use of famous marks to make sexual jokes is one of the most common

contexts in which plaintiffs successfully prove tarnishment. The Sixth Circuit recognized as much in *V Secret Catalogue, Inc. v. Moseley*, 605 F.3d 382 (6th Cir. 2010), approvingly citing a case that found dilution by tarnishment in “defendants’ display at an adult entertainment exhibition of two models riding a VIAGRA-branded missile and distributing condoms,” *id.* at 388 (citing *Pfizer Inc. v. Sachs*, 652 F. Supp. 2d 512, 525 (S.D.N.Y. 2009)). The Ninth Circuit’s rule renders use of trademarks to make sexual jokes immune from dilution-by-tarnishment liability, gutting the statutory protection against tarnishment.

Other circuits have allowed tarnishment claims to proceed in commercial contexts even where the defendant used the mark for humorous commentary. *See N.Y. Stock Exch., Inc. v. N.Y., N.Y. Hotel, LLC*, 293 F.3d 550, 558 (2d Cir. 2002) (“New York Slot Exchange,” casino’s humorous commentary on stock market, could constitute tarnishment); *Anheuser-Busch, Inc. v. Balducci Publ’ns*, 28 F.3d 769, 774, 777-78 (8th Cir. 1994) (finding tarnishment as a matter of law under Missouri law, where defendant used parody “Michelob Oily” as comment on water pollution).

2. The Ninth Circuit’s decision also diverges from other circuit authority construing the statutory exclusions from dilution liability. *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)(ii); *see supra* p.8. The Second and Fourth Circuits, as well as the TTAB, accordingly have held the parody exclusion inapplicable where, as here, the defendant uses a parody as its own trademark. *Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.*, 588 F.3d 97, 112 (2d Cir. 2009); *Louis Vuitton*, 507

F.3d at 266; *N.Y. Yankees P'ship v. IET Prods. & Servs., Inc.*, 114 U.S.P.Q.2d 1497, 1508-09 (T.T.A.B. 2015).

In contrast, the Ninth Circuit held that humorous use of a trademark—even to sell a product like a dog toy—brings that use within the separate statutory exclusion for “noncommercial use.” *See* Pet. App. 13a (holding it irrelevant to dilution defense that “VIP used [Jack Daniel’s] trade dress and bottle design to sell Bad Spaniels”). That counterintuitive reading of the statute nullifies the limits on the parody exclusion created by Congress and applied by the Second and Fourth Circuits.

## **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, e.g., Louis Vuitton*, 507 F.3d at 261; *Anheuser-Busch*, 666 F. Supp. 2d at 986; *Tommy Hilfiger Licensing, Inc. v. Nature Labs, LLC*, 221 F. Supp. 2d 410, 415-16 (S.D.N.Y. 2002). For example, in the oft-cited *Tommy Hilfiger* case, then-Judge Mukasey rejected special First Amendment protection for “Timmy Holedigger” dog perfume, 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.” 221 F. Supp. 2d at 415-16 (footnote omitted). Nonetheless, conducting the same balancing test undertaken by the district court in this case, Judge Mukasey

found confusion unlikely on the specific facts of that case. *See id.* at 416-21.

More generally, these questions have arisen, and will continue to arise, across a broad spectrum of commercial uses of trademarks and trade dress. As Judge Leval recognized fifteen years ago, “[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, as the case law discussed above makes clear.

Although the decision below stands alone on both questions presented, its impact will be felt nationally. Absent correction by this Court, the decision below will permit infringers to forum shop in attempts to protect their commercial exploitation and dilution of others’ trademarks. Because a mark holder must satisfy the Ninth Circuit’s two-pronged test to prove trademark infringement in cases involving humorous use of trademarks on commercial products, and because humorous use of trademarks will render such use “noncommercial,” infringers will have every incentive to funnel trademark litigation into the Ninth Circuit by filing declaratory-judgment actions there.

VIP Products, 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. 2:20-cv-319 (D. Ariz. Feb. 11, 2020), ECF No. 1 (“Jose Perro” product copying Jose Cuervo tequila);

Compl., *VIP Prods., LLC v. Pabst Brewing Co.*, No. 2:14-cv-2084 (D. Ariz. Sept. 19, 2014), ECF No. 1 (“Blue Cats Trippin” product copying Pabst Blue Ribbon beer); Compl., *VIP Prods., LLC v. Champagne Louis Roederer S.A.*, No. 2:13-cv-2365 (D. Ariz. Nov. 18, 2013), ECF No. 1 (“Crispaw” product copying Cristal champagne); Compl., *VIP Prods., LLC v. Champagne Louis Roederer S.A.*, No. 2:13-cv-823 (D. Ariz. April 23, 2013), ECF No. 1 (“Crispaw”); Compl., *VIP Prods., LLC v. Heineken USA Inc.*, No. 2:13-cv-319 (D. Ariz. Feb. 13, 2013), ECF No. 1 (“HeinieSniff’n” product copying Heineken beer); Compl., *VIP Prods., LLC v. Coca-Cola Co.*, No. 2:09-cv-1985 (D. Ariz. Sept. 22, 2009), ECF No. 1 (“Bark’s” product copying Barq’s root beer); Compl., *VIP Prods., LLC v. Heineken USA Inc.*, No. 2:09-cv-842 (D. Ariz. Apr. 21, 2009), ECF No. 1 (“HeinieSniff’n”); Compl., *VIP Prods., LLC v. Jackson Family Wines, Inc.*, No. 2:09-cv-281 (D. Ariz. Feb. 12, 2009), ECF No. 1 (“Kennel Relax’n” product copying Kendall-Jackson wine).<sup>5</sup> The inevitability of such forum shopping is a 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 trademark owners alike.

Absent correction by this Court, the decision will subvert the Lanham Act’s purpose of protecting mark owners’ investment in goodwill and preventing consumer confusion, *see U.S. Pat. & Trademark Off. v. Booking.com B.V.*, 140 S. Ct. 2298, 2302 (2020)—the latter being an objective nobody doubts is consistent with the First Amendment, *see Cent. Hudson Gas & Elec. Corp. v. Pub. Serv.*

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<sup>5</sup> Except for the Jose Perro action, which remains pending, the court dismissed all of these actions for lack of service.

*Comm'n*, 447 U.S. 557, 563 (1980). The district court here found VIP Products' use of Jack Daniel's trademark and trade dress likely to confuse consumers, Pet. App. 55a, a finding undisturbed by the Ninth Circuit on appeal. The decision below inexplicably elevates VIP Products' interest in copying Jack Daniel's trademark and trade dress to make funny dog toys over the Lanham Act's central goal of protecting consumers.

The Act already protects the First Amendment rights of entities like VIP Products without the Ninth Circuit's extratextual test. In other cases involving humorous, commercial use of trademarks, courts have found that consumers are unlikely to be confused on the specific facts of those cases. *See, e.g., Tommy Hilfiger*, 221 F. Supp. 2d at 416-21 (finding confusion unlikely in part because, unlike in this case, the companies did not compete in the same market, and Hilfiger offered no survey evidence of actual confusion). The Lanham Act's likelihood-of-confusion standard thus already gives courts and juries the tools they need to determine whether a humorous product is likely to confuse consumers. Engrafting a special test on top of that standard, as the Ninth Circuit did here, improperly undermines the consumer-protecting goal of the Lanham Act.

The decision below also undercuts mark holders' investments in the goodwill associated with their marks. Jack Daniel's has invested hundreds of millions of dollars into advertising to promote its trademark-protected brand. Pet. App. 32a. The decision below allows VIP Products to capitalize on Jack Daniel's investments in its goodwill, by usurping Jack Daniel's trademark and trade dress to sell its own commercial products—all the while diluting the value of the Jack Daniel's mark by associating it with dog excrement. And it diminishes Jack Daniel's

own First Amendment right to engage in commercial trademark speech free from infringement and dilution. Those results are antithetical to the policy considerations underlying the Lanham Act.

3. This case is an excellent vehicle for deciding the questions presented, both of which are outcome-determinative. The case reached the Ninth Circuit following a final judgment in Jack Daniel’s favor. On the trademark-infringement claims, the district court ruled for Jack Daniel’s under the traditional likelihood-of-confusion test that would have governed the analysis in other circuits. Pet. App. 55a. And on the trademark-dilution claims, the district court found that VIP Products’ use of Jack Daniel’s trademarks was likely to tarnish them and that the parody exclusion did not apply. Pet. App. 42a, 84a-85a. The Ninth Circuit’s holdings regarding (1) application of the First Amendment to the trademark-infringement claims and (2) application of the noncommercial exclusion to the trademark-dilution claims dispose of this case.

### **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 that 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[.]

15 U.S.C. § 1125(a)(1)(A); *see also id.* § 1114(1)(a) (liability for use of registered marks in a way that is “likely to cause

confusion, or to cause mistake, or to deceive”). Put simply, liability follows from a likelihood of 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. 10a, 12a. No language in the statute permits a court to require that showing in every case of infringement involving humor.

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 (subject to important limitations, as discussed below). 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).<sup>6</sup> 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 traditional infringement like this one, where the infringer uses the trademark to identify the origin of its own product. *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).

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<sup>6</sup> VIP raised the defense of nominative fair use, but the Ninth Circuit affirmed the district court’s rejection of that defense. Pet. App. 9a.



2. Nothing in established trademark doctrine supports the Ninth Circuit’s approach to “humorous” commercial products under the Lanham Act. 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, requiring the mark owner to prove “no artistic relevance” or explicit deception to prevail. Pet. App. 10a, 12a. Overlaying that rigid standard on the Lanham Act could thus exclude “many of the most culpable offenders” from liability. *See Halo Elecs., Inc. v. Pulse Elecs., Inc.*, 136 S. Ct. 1923, 1932-33 (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 instead of a threshold barrier to relief. *See supra* Part I.A; *accord* J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 31:153 (5th ed. 2020). This view recognizes that a parody still can confuse consumers and thereby run afoul of 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 just several months ago in *Booking.com*, which was decided after the Ninth Circuit denied rehearing in this case. *Booking.com* 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 found “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 that governs infringement claims 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 many cases involving humorous imitations of trademarks. And, like the PTO in *Booking.com*, the Ninth Circuit failed to appreciate that the flexible likeli-

hood-of-confusion test, as applied in the majority of 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 rather than engrafting made-up constitutional rules onto the statutory scheme. *See Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 560 (1985) (so holding in copyright fair-use context).

The Court already has rejected the notion that parody is presumptively exempt from copyright-infringement claims, recognizing instead that parody *may* be protected as fair use, in light of all the circumstances. *See Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 581 (1994). “[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 particular commercial product creates an unduly great risk of confusion in light of all the circumstances. 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 district court found that Bad Spaniels was likely to create negative associations in the minds of would-be Jack Daniel’s consumers, in part by associating Jack Daniel’s whiskey with “canine excrement.” Pet. App. 41a. Without overturning that factual finding, the Ninth Circuit reversed. Because Bad Spaniels conveys a “humor-

ous message,” the court held that it was protected expression. Accordingly, it qualified, as a matter of law, for the “noncommercial use” dilution defense. Pet. App. 13a. The Ninth Circuit’s interpretation renders the Lanham Act’s dilution provision incoherent and should be reversed.

The Lanham Act provides that certain categories of use “shall not be actionable” as dilution. One excluded category is “[a]ny fair use . . . *other than as a designation of source* for the person’s own goods or services.” 15 U.S.C. § 1125(c)(3)(A) (emphasis added). The Act identifies parody as a permitted fair use, but it excludes the parodist from liability only so long as the parodist does not use a trademark as its own designation of source. *Id.* § 1125(c)(3)(A)(ii). The Ninth Circuit did not apply that exclusion here, presumably because it had no basis to reverse the district court’s conclusion that VIP Products used Jack Daniel’s trademarks as a designation of source. Pet. App. 84a-85a.

The Act separately excludes “[a]ny noncommercial use of a mark.” 15 U.S.C. § 1125(c)(3)(C). Under the Ninth Circuit’s decision, humorous use of a mark, including (but not limited to) use of a mark in a parody, qualifies as a “noncommercial use” excluded from dilution liability. *See* Pet. App. 13a. That interpretation renders superfluous section 1125(c)(3)(A)(ii)’s express parody exclusion. *See Corley v. United States*, 556 U.S. 303, 314 (2009) (“[A] statute should be construed so that effect is given to all its provisions, so that no part will be inoperative or superfluous, void or insignificant.” (citation omitted)). It also nullifies Congress’s decision to limit the parody exclusion to cases where the defendant has not used the plaintiff’s mark as a designation of source. By shoehorning Bad Spaniels into the noncommercial use exclusion, the Ninth

Circuit performed an end-run around the limitations Congress imposed on the statutory parody exclusion. That decision should be reversed.

\* \* \*

The Ninth Circuit's decision cannot be squared with the text of the Lanham Act, with respect to both infringement and dilution. The decision represents an extreme departure from the decisions of other courts of appeals. And, with respect to trademark infringement in particular, the Ninth Circuit overlooked that the likelihood-of-confusion test already reconciles the various interests at issue in this case, as this Court recently explained in a similar context in *Booking.com*. The Court thus may wish summarily to reverse the Ninth Circuit's egregiously wrong decision or, at a minimum, grant, vacate, and remand in light of *Booking.com*. In all events, this Court should grant the petition.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

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