

An Evil Bear May Provide High Court TM Ruling Clarification

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It may be punny or even funny, but a unanimous Supreme Court has decided that the “Bad Spaniels” dog-toy brand may infringe and dilute the “Jack Daniel’s” trademark. The dog-toy maker had asserted the decade’s old *Rogers* test precluded the distiller’s infringement claims. But the Supreme Court held otherwise.^[1]

Until now, the *Rogers* test went unaddressed by the Supreme Court. Going forward, if some creative expression is involved in a mark, “when trademarks are used as trademarks — i.e., to designate source,” a likelihood-of-confusion analysis is the test for trademark infringement. This case even brought a reconsideration for a previously dismissed case involving Disney and the Lotso bear from *Toy Story* 3.

For context, in 1989, the Second Circuit Court of Appeals established the *Rogers* test to address a very specific and narrow situation, whether actress Ginger Rogers could sue a movie producer under the Lanham Act for using her name in the title of the film “Ginger and Fred.”^[2] Rogers claimed that the film’s title misled viewers into thinking that Rogers and her frequent costar Fred Astaire endorsed the film. And there may have been some validity to her thinking, but the Second Circuit disagreed. It held that the film’s use of her name only posed a “slight risk” of confusing consumers and that “artistic works,” such as the film, have an “expressive element” implicating “First Amendment values.”^[3]

Rogers was applied by the Ninth Circuit when Barbie Doll maker Mattel sued the band Aqua for releasing the (unfortunately) hit song “Barbie Girl” because the band was not using the doll’s name as “a source identifier.” (holding that “the use of Barbie in the song title clearly is relevant to the underlying work, namely, the song itself” and “[t]he song title does not explicitly mislead as to the

Related People

Jonathon K. Hance

Partner

HOUSTON

+1.713.221.1125

jonathon.hance@bracewell.com

Drew Taggart

Partner

HOUSTON

+1.713.221.1146

drew.taggart@bracewell.com

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source of the work [and] it does not, explicitly or otherwise, suggest that it was produced by Mattel”).^[4] There are other examples of similar analyses.^[5]

Perhaps due to the silence of the *Rogers* test until now, some lower courts — like the Ninth Circuit in *Jack Daniel’s*, applied the test in a more expansive way. Indeed, below, the Ninth Circuit gave dog-toy maker VIP Products LLC (VIP) a pass on trademark infringement because the Bad Spaniels toy is an “expressive work.”^[6]

The Supreme Court has now tightened the leash on lower courts. That a mark might be part of an expressive work (or indeed be an expressive work itself) is no longer a free pass from trademark infringement. The question is not whether a mark’s use is “expressive” in the First Amendment sense. Rather, courts should ask: (1) is a mark used “to identify or brand [a defendant’s] goods or services”? And, if “yes,” (2) is the use of that mark likely to confuse consumers?^[7] For Bad Spaniels, the answer to both is probably a resounding yes.

By way of background, VIP sells squeaky dog toys called “Silly Squeakers” that look like the products of alcoholic beverage brands under names that parody those brands: “Dos Perros” instead of “Dos Equis”; “Smella Arpaw” instead of “Stella Artois,” among others.^[8]

After VIP began selling the Bad Spaniels toy, Jack Daniel’s sent VIP a cease-and-desist letter. VIP responded by filing a lawsuit, seeking a declaration that the Bad Spaniels name did not infringe or dilute the Jack Daniel’s mark, and Jack Daniel’s countersued for trademark infringement and dilution.^[9] On summary judgment, VIP argued that the First Amendment protected its use of “expressive works” such as the Bad Spaniels toy. That is, VIP contended that the “*Rogers* test requires dismissal of an infringement claim at the outset unless the complainant can show one of two things: that the challenged use of a mark ‘has no artistic relevance to the underlying work’ or that it ‘explicitly misleads as to the source or the content of the work.’”^[10] The trial court disagreed and Jack Daniel’s won its bench trial against VIP by showing that consumers were likely to be confused about the source of the Bad Spaniels toy. But the Ninth Circuit reversed, holding that the trial court erred by not applying the *Rogers* test, and on remand, the trial court reversed its judgment.^[11]

The Supreme Court disagreed with the Ninth Circuit, 9–0. In what it calls a “narrower path,” the Court ruled that the *Rogers* test is all bark and no bite where an allegedly infringing name is used as a source identifier. That is, the *Rogers* test has no merit and does not apply “when an alleged infringer uses a trademark in the way the Lanham Act most cares about: as a designation of source for the infringer’s own goods.” The First Amendment does not override the Lanham Act when the infringing mark is meant to — at least in part — help consumers decide to pick the infringing good versus another one in the market. In colorful terms: “Whatever first amendment rights you may have in calling the

brew you make in your bathtub ‘Pepsi’ are outweighed by the buyer’s interest in not being fooled into buying it.”^[12]

Justice Kagan’s opinion in *Jack Daniel’s* limits the application of the *Rogers* test to evaluating only “non-trademark uses” of a brand, such as references in works of art where the name is used in a “non-source-identifying way.”^[13]

In contrast to a Warhol Soup Can or the use of a celebrity name in the title of a film, VIP Products used the Bad Spaniels mark not just on the “expressive” squeaky toy itself but on the label for the product. Hello, source identification. Even if the name was an artistic dig at Jack Daniel’s, because the Bad Spaniels name was a source identifier for the toy, the traditional likelihood-of-confusion test is the one that applies. There is no free pass just because the toy is cute and cuddly and funny.^[14]

That is not to say, however, that the artistic expression of an allegedly infringing mark is unimportant or that there is not room for the First Amendment in the marketplace. That aspect still must be considered in a likelihood of confusion analysis.^[15] (“[A] trademark’s expressive message ... may properly figure in assessing the likelihood of confusion.”) But that is where the Court’s direction in *Jack Daniel’s* ends. How exactly one considers artistic expression — particularly parodic expression — is a great guess. And the analysis will be all the more complicated if and when the “artistic expression” wanders into a retail store.

Take, for example, the curious case of Lotso, the once love-filled “huggin” bear turned evil mastermind in Disney’s *Toy Story 3*. He may look cute, but after years of neglect, his heart grew cold and he now runs a prison camp for toys as a ruthless dictator. But that is not all. He has stepped outside the silver screen and into retail shelves where he waits for a child to take him home (really?) with his trademarked name scrolled across the front along with Disney’s logo as part of the “Toy Story Collection.”

The problem? Another company owns his trademarked name, not Disney. Before the *Jack Daniel’s* decision, the 9th Circuit applied the *Rogers* test and dismissed the trademark owner’s infringement and unfair competition claims.^[16] But in light of *Jack Daniel’s*, the Supreme Court granted certiorari, vacated the judgment of the Ninth Circuit, and remanded the case for reconsideration. Lotso the *movie character* probably falls within the *Rogers* test, as did the fictional cabaret dancer who mimicked Ginger Rogers. But Lotso *the toy bear on the shelf in the labeled box* is along the lines of the Bad Spaniels toy. Does the toy get to enjoy the protection of the *Rogers* test, or must it endure a likelihood of confusion analysis?

The Supreme Court has yet to provide that level of guidance. As Justice Gorsuch notes in his concurring opinion (joined by Justices Thomas and Barrett), the Court has left “much about *Rogers* unaddressed.”^[17] He goes on to caution lower courts that *Rogers* may not be “correct in all its particulars.”^[18] Given that the 9th Circuit has been on the side of broadening *Rogers* over the

past several decades, one should not expect that court to suddenly do away with the test altogether. But it will have to articulate a line between permitted expressive use of mark in a movie (a core *Rogers* use) and prohibited use of a mark to designate source (a core trademark use).

Perhaps it is fitting that an evil bear may be that catalyst for clarifying the intersection of the First Amendment and trademark rights. The devil, of course, is in the details.

[1] *Jack Daniel's Properties, Inc. v. VIP Products LLC*, No. 22-148, 599 U.S. ___, ___ S.Ct. ___, ___ L.Ed.2d ___, 2023 WL 3872519 (June 8, 2023). Click [here](#) to read the opinion.

[2] See *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989). The *Rogers* test has since been adopted by the Third, Fifth, Sixth, Ninth, and Eleventh Circuits as well as by district courts in the Seventh and Tenth Circuits. See Lynn M. Jordan and David M. Kelly, *Another Decade of Rogers v. Grimaldi: Continuing to Balance the Lanham Act with the First Amendment Rights of Creators of Artistic Works*, 109 T.M.R. 833, 834–35 (2019).

[3] *Id.* at 998.

[4] *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 901 (2002)

[5] See, e.g., *University of Ala. Bd. of Trustees v. New Life Art, Inc.*, 683 F.3d 1266, 1279 (2012) (dismissing trademark suit against an artist who depicted the University of Alabama's trademarked football uniforms because the art memorialized an event in "football history"); *Louis Vuitton Malletier S. A. v. Warner Bros. Entertainment Inc.*, 868 F.Supp.2d 172 (S.D.N.Y. 2012) (determining that *The Hangover: Part II*'s use of the Louis Vuitton brand by a character was not trademark infringement where the film's character was not using the brand as a source identifier).

[6] *VIP Products LLC v. Jack Daniel's Properties, Inc.*, 953 F.3d 1170, 1175 (9th Cir. 2020) ("[T]he Bad Spaniels dog toy, although surely not the equivalent of the *Mona Lisa*, is an expressive work.").

[7] *Jack Daniel's*, 2023 WL 3872519, at *6

[8] *Id.* at *5.

[9] *Id.*

[10] *Id.* at *6 (citing *Rogers*, 875 F.2d at 999)

[11] *Id.*

[12] *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 900 (9th Cir. 2002).

[13] Though the Court does not refer to its opinion in the Andy Warhol copyright infringement case from a few weeks ago, Warhol's use of the Campbell's Soup trademark in his paintings of soup cans seems to be a fitting (and timely)

example. See *Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith*, 143 S.Ct. 1258, 1281 (2023) (“The purpose of Campbell’s logo is to advertise soup. Warhol’s canvases do not share that purpose. Rather, the Soup Cans series uses Campbell’s copyrighted work for an artistic commentary on consumerism, a purpose that is orthogonal to advertising soup.”); see also Jonathon K. Hance and Drew Taggart, *Warhol Decision May Lead to Copyright Licensing Spike*.

[14] *Jack Daniel’s*, 2023 WL 3872519, at *10.

[15] *Id.*

[16] *Diece-Lisa Indus., Inc., v. Disney Enters, Inc.*, 2021 WL 3355284, at *3 (9th Cir. 2021).

[17] *Jack Daniel’s*, 2023 WL 3872519, at *12

[18] *Id.*

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