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IP Frontiers: Jack Daniel's going to the dogs — balancing trademark rights and free speech

By STEPHEN P. SCUDERI

Jack Daniel's iconic bottle design is an example of a famous trade dress, which is registered as a trademark.

In order to maintain the value of its trademark, Jack Daniel's has aggressively and successfully policed its trade dress design against several competitive distilleries. However, Jack Daniel's may have bitten off more than it can chew when it tried to enforce its trademark rights against VIP Products, LLC, a toy manufacturer that sells the "Bad Spaniels Silly Squeaker" dog toy, which intentionally parodies the Jack Daniel's bottle.

Before we get into the particulars of this case, a short review of trademarks and trade dress is in order. A trademark is a type of intellectual property that includes a logo, symbol, phrase, word, name, or design that is used to identify products or services of a particular source from those of other sources. Trade dress is a type of trademark that protects all elements used to promote a specific service or product. Examples of trade dress may include packaging of a product, the shape and color of a product or the décor of a place of business.

For the trade dress of a product to be entitled to trademark protection, it must be both distinctive and non-functional. A trade dress must be non-functional in order to prevent a trademark monopoly on features that are necessary for the functionality of other similar products or services. For a trade dress to be distinctive, it must have acquired secondary meaning, which means that consumers have come to associate the design with the source of the product.

Now back to the facts of the case. VIP introduced the Bad Spaniels squeaker dog toy in 2013. The toy is generally shaped like the Jack Daniel's bottle with some notable differences. For example, the toy has an image of a spaniel over the words "Bad Spaniels." The

A bottle of Jack Daniel's.

Jack Daniel's label says, "Old No. 7 Brand Tennessee Sour Mash Whiskey," while the toy's label jokingly says "the Old No. 2, on your Tennessee Carpet." Further, the toy includes a tag which states that the "product is not affiliated with Jack Daniel's Distillery."

The 6-year-old legal battle started when the Jack Daniel's sent a cease-and-desist letter to VIP. VIP responded by filing a suit before the Arizona District Court seeking a Declaratory Injunction. The District court ruled against VIP on the basis that VIP diluted and infringed upon Jack Daniel's trademark. Additionally, the District court held that VIP made illegal use of the distinctive and non-functional trade dress of the 125-year-old whiskey brand and therefore, VIP was permanently prohibited from manufacturing and marketing infringing products, such as the Bad Spaniels squeaker dog toy.

However, VIP then appealed in March of this year to the U.S. Court of Appeals, which issued its decision in the case of VIP Products LLC v. Jack Daniel's Properties, Inc. 18-16012 (9th Circuit, 2020) in September. The Appeals court reversed the finding of infringement by the District court in favor of VIP. The basis of the Appeals court decision was that VIP's toy was an "expressive work" and therefore entitled to a First Amendment defense.

The Appeals court recognized that, "in general, claims of trademark infringement under the Lanham Act" (i.e., the law that governs trademarks in the U.S.) "are governed by a likelihood-of-confusion test — which seeks to strike the appropriate balance between the First Amendment and trademark rights." The Appeals court went on to say that normally the likelihood-of-confusion test requires that the plaintiff have a valid protectable trade-

A Bad Spaniels Silly Squeaker dog toy.

mark and the defendant's use of the mark is likely to cause confusion. However, when artistic expression is at issue, "the general likelihood-of-confusion test fails to account for the full weight of the public's interest in free expression."

In order to protect the public's First Amendment rights in free expression, the Ninth Circuit has adopted the "Rogers" test (Ginger Rogers v. Alberto Grimaldi 875 F.2d 994 (2nd Circuit, 1989)) to ensure that these competing interests are appropriately balanced. In essence, the Rogers test limits the Lanham Act to apply to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression. Under the Rogers test, a defendant accused of trademark infringement must first come forward and make a threshold legal showing that its allegedly infringing use is part of an expressive work protected by the First Amendment. If a defendant can make that showing, then the plaintiff claiming trademark infringement bears a heightened burden, wherein the plaintiff must satisfy not only the likelihood of confusion test but also at least one of the two prongs of the Rogers test. That is, the plaintiff must then show that his or her mark is "either not artistically relevant to the underlying work or explicitly misleads consumers as to the source or content of the work."

The Appeals court went on to say that "in determining whether a work is expressive, we analyze whether the work is communicating ideas or expressing points of view — a work need not be the expressive equal of 'Anna Karenina' or 'Citizen Kane' to satisfy this requirement — and is not rendered non-expressive simply because it is sold commercially."

The Appeals court stated that it had little

difficulty concluding that greeting cards, which combined the trademarked phrases "Honey Badger Don't Care" and "Honey Badgers Don't Give a S—" alongside announcements of events such as Halloween and a birthday, are expressive works entitled to First Amendment protection. The Appeals court observed that the facts of this case were similar.

The Appeals court concluded that the "toy communicates a humorous message — 'that business and product images need not always be taken too seriously'" and therefore was an expressive work. Because the Rogers test for such an expressive work had not been applied by the District court, the Appeals court remanded the case.

Jack Daniel's, however, did not see the humor in the ruling and has since appealed the case to the U.S. Supreme Court. The Supreme Court has not made a decision to grant certiorari yet. However, if the Supreme Court does, things may get a little *ruff*.

Stephen P. Scuderi is an associate with the law firm of Heslin Rothenberg Farley & Mesiti P.C. His practice involves all phases of intellectual property law, including the drafting of hundreds of patents in the electrical and mechanical arts. Stephen can be reached at (518) 452-5600 or at stephen.scuderi@hrfmlaw.com.