BAD SPANIELS SENT BACK TO LOWER COURT

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By: Heidi Howard Tandy

On June 8, 2023, in a unanimous but narrow opinion with two concurrences, the Supreme Court held that the longstanding “Rogers test” was not applicable or relevant where Bad Daniels Silly Squeakers, the creator of parodic dog toys resembling the iconic Jack Daniel’s whiskey bottle used a parodic mark as a mark, and not as ornamentation or a title.

Trademark cases typically focus on whether consumers or the general public is likely to be confused about a product’s source. The Court found that VIP, creator of the Bad Spaniels toys, did intend to parody Jack Daniel’s liquor bottles, and that on remand, Jack Daniel’s cannot succeed unless they prove a likelihood of confusion by consumers – in other words, a meaningful number of survey respondents will have to believe that the Bad Spaniels toys were authorized or created by Jack Daniel’s.

In 1989, the Second Circuit ruled in Rogers v. Grimaldi that the First Amendment applies when analyzing infringement where a title, term or ornamental usage is not used for the purpose of telling the public who the source of a product is.

However, a few years ago, the Ninth Circuit expanded the “Rogers test” when determining that the Bad Spaniels toys did not infringe on, or dilute, the Jack Daniel’s trademarks. In today’s ruling, the Court said that because VIP said in its initial court filings that it owned and used “Bad Spaniels” as a trademark, and the design of the toy as trade dress (Slip Op. at 17), it was using the trademark as a trademark, not as a title or ornament or line from a script or song.

The Court did not decide whether the Bad Spaniels toys infringe on Jack Daniel’s’ rights; instead, the Court remanded the case for the lower court to determine whether the “expressive message” which VIP claims is parodic “may properly figure in assessing the likelihood of confusion.” Since the Court also said that “VIP uses the [BAD SPANIELS] marks ... to ‘parody’ or ‘make fun’ of Jack Daniel’s[,] … that kind of message matters in assessing confusion because consumers are not so likely to think the maker of a mocked product is itself doing the mocking.

The Court’s ruling and concurrences left open questions for trademark practitioners, and businesses, to ponder and debate. One notes that there may be some rare situations where a mark is used as a mark, but there may still be “free expression” analysis separate from the likelihood of confusion analysis; however, the Court does not explain what those rare situations may be.

The Court noted that the Bad Spaniels opinion is narrow; they did not “decide whether Rogers is ever appropriate, or how far the 'noncommercial use' exclusion goes. On infringement, we hold only that Rogers does not apply when the challenged use of a mark is as a mark.”

In addition, Justices Sotomayor and Alito noted in their joint concurrence that surveys, which have long been used by judges and juries in assessing likelihood of confusion, may reflect the “mistaken belief that all parodies require permission from the owner of the parodied mark” which they, of course, do not. In a separate concurrence, Justices Gorsuch, Thomas and Barrett question why the Rogers test exists at all, and implied

that they might be open to deeming it invalid, which could open decades of content created by individual artists and major multinationals to allegations of trademark infringement.

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