

No. 22-148

In the Supreme Court of the United States

JACK DANIEL'S PROPERTIES, INC.,
PETITIONER,

v.

VIP PRODUCTS LLC,
RESPONDENT.

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

REPLY BRIEF FOR PETITIONER

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The decision below puts some of the country's most storied brands at risk of losing a century's worth of brand identity. Affirmance would sidestep Congress' meticulous protections for trademarks, enabling profiteers to misappropriate marks to create their own brands, regardless of serious customer confusion or mistaken association with incompatible brands.

This case involves the serious subject of alcohol, intended for adult consumption, and the not-so-serious subjects of dog toys and poop. No one disputes that VIP is trying to be funny. But *alcohol* and toys don't mix well, and the same is true for beverages and excrement. The next case could involve more troubling combinations—food and poison, cartoon characters and pornography, children's toys and illegal drugs, and so on. Nothing in

the Lanham Act or the First Amendment requires turning a blind eye to confusion and dilution. VIP does not acknowledge the First Amendment interests at stake for mark owners. Without trademark protection, mark owners cannot effectively communicate with anyone.

When courts invent tests unmoored from statutory text, the result is chaos. VIP and amici cannot offer the Court any consistent, coherent line governing when *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989), applies. VIP distinguishes between parodic “pretend” trademarks on “pretend” products (protected) and pun-based trademarks on real products (apparently unprotected). That distinction has no basis in the Lanham Act, *Rogers*, or these facts. Bad Spaniels is a real trademark, and Bad Spaniels is very much a real product that real dogs carry in their mouths when playing with real children.

VIP offers the Court lofty paeans to expression but fails to acknowledge that Congress constitutionally may regulate confusing and misleading uses of trademarks. As to dilution, VIP does not dispute that the ordinary meaning of the noncommercial-*use* exclusion does not cover for-profit sales. VIP urges the Court to import its amorphous commercial-*speech* doctrine into the dilution exclusion. But VIP’s reading of “noncommercial use” would render superfluous other dilution exclusions. Nor does the dilution statute raise constitutional concerns. It falls squarely within Congress’ power to protect from harm the resources that mark owners invest in their marks.

I. The Ninth Circuit’s Infringement Ruling Is Wrong

A. *Rogers* Conflicts with the Lanham Act

1. The Act does not establish a heightened standard for “expressive” or “humorous” works. Rather, defendants, in connection with “*any*” goods, cannot use marks in ways “*likely to cause confusion*.” 15 U.S.C. §§ 1114(1)(a), 1125(a)(1)(A) (emphases added). That unqualified language does not distinguish between types of goods or uses. VIP ignores specific provisions showing that Congress knows how to treat certain uses of marks, including parodies, differently. Br. 22-23; U.S. Br. 16-17.

VIP (at 2, 10-11, 27) argues that *Rogers* merely applies the statutory likelihood-of-confusion standard to a subset of infringement claims. It (at 28) attempts to equate *Rogers* with the factors that courts typically consider when evaluating likely confusion, asserting that both standards are “judge-made.” But the likelihood-of-confusion factors “assess” when uses of trademarks meet the Act’s confusion standard. *B&B Hardware, Inc. v. Hargis Indus., Inc.*, 575 U.S. 138, 154-56 (2015) (noting similarity of TTAB and circuit factors). So too, the judge-made doctrine of nominative fair-use invoked by VIP (at 29)—which this Court has never endorsed—at least purports to construe the Act’s confusion standard. See 4 McCarthy on Trademarks and Unfair Competition § 23:11 (5th ed. 2023) (McCarthy).

Rogers, in contrast, does not apply the Act at all—its premise is that the Act insufficiently protects First Amendment interests. *Rogers*’ two prongs have no textual basis. The “artistic relevance” prong has nothing to do with confusion but rather evaluates the connection between the mark’s use and the underlying work. 875 F.2d at 999. The Ninth Circuit has exempted from liability “artistically relevant” uses despite evidence of confusion. See

Dr. Seuss Enters., L.P. v. ComicMix LLC, 983 F.3d 443, 462 (9th Cir. 2020).

Rogers' "explicitly misleading" prong does not measure likely confusion. "Explicitly mislead' ... requires more than simply creating a likelihood of confusion." 6 McCarthy § 31:144.50 (citation omitted). The existence of likely confusion "does not prove the answer to the legal question whether the use is *explicitly* misleading under *Rogers*." *Punchbowl, Inc. v. AJ Press, LLC*, 52 F.4th 1091, 1103 (9th Cir. 2022). Plenty of infringement cases involve *implicitly* misleading similarities. *See, e.g., Park 'n Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 191-92 (1985); *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 765-66 (1992).

Rogers itself acknowledges that its test governs the decision whether to "apply" the Act at all. 875 F.2d at 999; *see* Br. 23. The Ninth Circuit, too, holds that *Rogers* does not interpret the likelihood-of-confusion standard. Pet.App.30a, 33a n.2; *e.g., Dr. Seuss*, 983 F.3d at 461 ("expressive" infringement "raises the threshold question of whether the Lanham Act applies"); *Twentieth Century Fox Television v. Empire Distrib., Inc.*, 875 F.3d 1192, 1199 (9th Cir. 2017) (criticizing party for relying on statutory standard); *Brown v. Elec. Arts, Inc.*, 724 F.3d 1235, 1245-46 (9th Cir. 2013) (noting survey evidence showing confusion is irrelevant to "explicitly misleading" inquiry).

This case proves the point. The district court ruled *against* VIP applying the likelihood-of-confusion standard, Pet.App.62a-74a, rejecting VIP's alternative "First Amendment" test, Pet.App.87a-90a, 101a. On appeal, VIP complained that the district court applied the ordinary statutory standard instead of *Rogers*. VIP C.A. Br. 7, 17, 24, 27, 31. The Ninth Circuit agreed, eschewing the likelihood-of-confusion standard. Pet.App.30a, 33a n.2. On remand, VIP prevailed under *Rogers*, with the district

court lamenting that *Rogers* tied its hands and was case-dispositive. Pet.App.11a-19a. The upshot: under *Rogers*, VIP is not liable for trademark infringement *even though* its product is in fact likely to cause confusion.

2. *Rogers* is neither settled nor workable. The Seventh and Tenth Circuits have never adopted *Rogers*, and the rest of the circuits can't agree on when *Rogers* applies or what it means. Any version is arbitrary at best. Take VIP's rule (at 1, 47-48) that *Rogers* applies when consumers buy "artistic expression" on "fictional product[s]," as opposed to "nonparodic goods" using "pun-based trademarks." VIP (at 1, 13) argues that Bad Spaniels falls on the *Rogers* side of that line because it is a "*pretend* trademark for a *pretend* product."

Although VIP's distinction is itself head-scratching, Bad Spaniels is not a "pretend" trademark. Brand owners use trademarks "to identify and distinguish [their] goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods." 15 U.S.C. § 1127. As Jack Daniel's brief highlighted, VIP's complaint alleges that Bad Spaniels constitutes a "trademark and trade dress." Br. 38-39, 43; *see also* J.A.3 (referring to the "Bad Spaniels' label"), 13 (seeking declaration VIP can use "its 'Bad Spaniels' name and mark"). VIP offers no response. VIP also has filed multiple lawsuits alleging that it owns trademarks for products akin to Bad Spaniels. *See* Pet. 29-30. And the label speaks for itself. Silly Squeakers, a real trademark (#5,447,883) on the left, provides the same source-identifying function as the Bad Spaniels mark on the right:



VIP (at 14) irrelevantly observes that Bad Spaniels is not registered. “Registration of a mark is not mandatory.” *Iancu v. Brunetti*, 139 S. Ct. 2294, 2297 (2019). VIP’s actions speak volumes. Per the PTO’s website, VIP *has* registered or applied to register *nineteen* marks in the Silly Squeakers line that are indistinguishable in function from Bad Spaniels: Barkate; Barkparty; Bear in Danger; Blameson; Canine Cola; Doggie Walker; Dos Perros; Hairball; Hens R Messy; Kathula; Lucky Pup; Mr Slobber; Panta; Pawsifico; Purr Psycho; Smella Arpaw; Tailfleas; To Sit and Stay; Tweetos.

Bad Spaniels is not a pretend product. It is a real dog toy, sold by a real company in real stores, used by real dogs. VIP Br. 18; J.A.279. Bad Spaniels uses others’ marks and trade dress to brand real products, even if they are not actually alcohol. Similarly, VIP’s “Mr Poops” is a real trademark for a real product, even though it is not actually poop:



VIP's logic would extend to vases mimicking Coca-Cola bottles (pretend sodas), replica toy Mercedes (pretend cars), pillows resembling Goldfish crackers or Hershey Kisses (pretend snacks), or key chains consisting of miniature Lucchese cowboy boots (pretend shoes). This is nonsense.

For its part, the Ninth Circuit reserves *Rogers* for “expressive works,” which means anything that is “communicating ideas or expressing points of view.” Pet.App.30a (citation omitted). Thus, although this case involves humor, *Rogers* would presumably apply to products expressing messages of sympathy, romance, dystopia, erotica, etc.

Rogers also lacks any logical stopping point as to medium of expression. According to some amici, *Rogers* at most protects only book and movie titles, but not their contents. Am. Craft Spirits Ass'n (ACSA) Br. 18. But others say *Rogers* extends to the contents of movies and songs, NYIPLA Br. 16-17, greeting cards, IPO Br. 7, or

video games, MPA Br. 24. Perhaps calendars, but not “mundane” products like mini-prints, flags, T-shirts, towels, and mugs. *Univ. of Ala. Bd. of Trs. v. New Life Art, Inc.*, 683 F.3d 1266, 1279-80, 1282 n.42 (11th Cir. 2012).

Maybe *Rogers* extends to *any* good that conveys some speech. First Amend. Profs. Br. 7-8. Or maybe *Rogers* applies only when “expression is inextricably intertwined with the product itself such that the product cannot exist without expression, i.e., that the expression is conceptually inseparable from the product.” INTA Br. 5; *see also* MPA Br. 32. Or maybe the Court should mint a new multiple-step burden-shifting analysis, which includes a 66-word threshold inquiry. *See* IP Profs. Br. 27, 31-44.

Why are flags less expressive than video games, or mini-prints less worthy than ordinary prints? And what about commercial websites, political or entertaining commercials, movie posters and trailers, signs and billboards, dolls, wallpaper, board games, playing cards, stuffed animals, Halloween costumes, wrapping paper, LEGO sets, decorative pillows, and Christmas ornaments? The Ninth Circuit blessed champagne glasses promoting a TV series, *Empire*, 875 F.3d at 1195, whereas the Third Circuit denied *Rogers* protection to a 20-minute TV program promoting a video game, *see Facenda v. NFL Films, Inc.*, 542 F.3d 1007, 1030 (3d Cir. 2008). And it is not obvious how courts could apply *Rogers* to “expressive uses” of trademarked colors, scents, or sounds, including evaluating whether uses are “explicitly misleading.”

Courts also cannot agree on what *Rogers* requires. In the Ninth Circuit, the “explicitly misleading” inquiry is *not* a “likelihood-of-confusion test.” *Gordon v. Drape Creative Inc.*, 909 F.3d 257, 265 & n.7 (9th Cir. 2018); *supra* p. 4. After *Rogers*, however, the Second Circuit reframed that inquiry as a requirement that “likelihood of confusion

... be particularly compelling.” *Twin Peaks Prods. v. Publ’ns Int’l, Ltd.*, 996 F.2d 1366, 1379 (2d Cir. 1993); see also *Cliff Notes, Inc. v. Bantam Doubleday Dell Publ’g Grp., Inc.*, 886 F.2d 490, 495 (2d Cir. 1989). Amici also differ. Compare Michaels Br. 26 (second prong should be a “sufficiently compelling likelihood of confusion” test), with IP Profs. Br. 34 (that approach would “insufficiently protect[] ... First Amendment interests”).

3. The foregoing disposes of VIP’s reliance (at 32) on a passage expressing support for *Rogers* in a House report from the Trademark Modernization Act of 2020 discussing standards for injunctive relief (15 U.S.C. § 1116). H.R. Rep. No. 116-645, at 20 (2020). Although Congress may sometimes ratify lower courts’ “uniform interpretation” of a statutory “word or phrase” by reenacting the *relevant language*, *Tex. Dep’t of Hous. & Cmty. Affs. v. Inclusive Cmty. Project, Inc.*, 576 U.S. 519, 536 (2015) (cleaned up; emphasis added), Congress did not do so here. *Rogers* did not construe section 1116 or involve the standard for injunctive relief. As already discussed, *Rogers* construed no statutory text.

The lower courts’ understanding of *Rogers* also is anything but “uniform.” See *supra* p. 5, 8-9. The House report states that *Rogers* applies to “movies, television programs, songs, books, plays, video games, *and the like*.” H.R. Rep. No. 116-645, at 20 (emphasis added). What “the like” includes is anyone’s guess, as this case illustrates. A committee report cannot turn an undefined, atextual test into law.

B. The First Amendment Does Not Support *Rogers*

1. Citing common-law causes of action, VIP (at 33) suggests that courts can “adjust[] existing causes of action to accommodate free-speech concerns.” But this case involves a statute. The avoidance canon applies only when

adopting a plausible constitutional construction of statutory text. Br. 28.

Moreover, no constitutional question exists to trigger that canon. Br. 28-32; U.S. Br. 23-26. The First Amendment does not prohibit government regulation of “confusing uses” of trademarks. *S.F. Arts & Athletics, Inc. (SFAA) v. U.S. Olympic Comm.*, 483 U.S. 522, 535 n.12 (1987); *Matal v. Tam*, 582 U.S. 218, 252 (2017) (Kennedy, J., concurring); *United States v. Alvarez*, 567 U.S. 709, 719 (2012) (plurality op.); *Alvarez*, 567 U.S. at 735-36 (Breyer, J., concurring).

VIP inexplicably does not cite *SFAA*, which holds that Congress may protect mark owners’ limited property rights in trademarks even *without* a likelihood of confusion. 483 U.S. at 534-35. VIP likewise does not engage with the fact that for centuries courts have enjoined confusing uses of trademarks, including in “expressive” works like newspapers, movies, books, and comic strips, all without raising First Amendment concerns. Br. 30-31. Nor does VIP address the numerous laws prohibiting confusing uses of the U.S. government’s marks, even within plays and books. Br. 31-32.

2. No one disputes VIP’s mantra (at 14-23) that parodists need to mimic. But nothing in the nature of parody (or any expression) requires confusion. The landmark parody case, *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569 (1994), proves the point. 2 Live Crew could engage in parody without confusing listeners into thinking that Roy Orbison created, sponsored, or approved 2 Live Crew’s parody. VIP (at 13, 24-25) protests that the Constitution protects speech even when pasted “on plastic rather than canvas.” Again, true but irrelevant. Trademark-infringing speech lacks protection because it misleads consumers, not because of the medium of expression. T-

shirts, movies, flags, or paintings conveying true threats also receive no constitutional protection.

The Act’s flexible likelihood-of-confusion standard is a “built-in mechanism[] that serve[s] to avoid First Amendment concerns.” *Cardtoons, L.C. v. Major League Baseball Players Ass’n*, 95 F.3d 959, 970 (10th Cir. 1996); see Br. 24-25 (discussing how court rejected infringement claim for “Wacky Packages” using ordinary likelihood-of-confusion standard). VIP (at 35-40) argues that the likelihood-of-confusion standard chills speech, noting that *Rogers* facilitates case-dispositive rulings on motions to dismiss. But courts should not rewrite statutes that proscribe only unprotected speech to ensure early dismissals of cases. This Court has rejected a similar invitation to adopt rigid rules under the Lanham Act, favoring a flexible case-by-case approach. *U.S. Pat. & Trademark Off. v. Booking.com B.V.*, 140 S. Ct. 2298, 2306-07 (2020).

Mechanisms exist to protect against the possibility that frivolous lawsuits will embroil non-confusing parodies in burdensome litigation. Courts may dismiss infringement claims on motions to dismiss “when the allegations of a likelihood of confusion are implausible.” 6 McCarthy § 32:121.75; see, e.g., *Fortres Grand Corp. v. Warner Bros. Ent., Inc.*, 763 F.3d 696, 703-06 (7th Cir. 2014). And the availability of fee awards discourages frivolous suits. See 15 U.S.C. § 1117(a).

The movie industry claims a need to use trademarked products in movies. MPA Br. 4, 21. It warns that without *Rogers*, FedEx may have stopped “*Cast Away*’s depiction of a FedEx plane crashing onto a deserted island.” *Id.* at 17-18. But *Cast Away* obtained FedEx’s permission, and Wilson Sporting Goods gave the film 60 volleyballs for “Wilson” to befriend Tom Hanks. See John Lippman & Rick Brooks, *FedEx Has a Star Turn In New Film ‘Cast Away,’* Wall St. J. (Dec. 11, 2000), <http://bit.ly/3IGcAzR>.

Companies expend \$20 billion annually to feature their products in TV and film. See Sophie Haigney, *Anatomy of a Product Placement*, N.Y. Times (June 24, 2022), <http://bit.ly/3kEezg4>; Br. 12 & nn.4-6.

Regardless, isolated uses of trademarks in films are unlikely to confuse consumers, with or without *Rogers*. At some point, however, a movie’s use of trademarks may well confuse; consumers will surely think that Mattel created or sponsored the upcoming *Barbie* movie (it did). Applying *Rogers* in such situations would immunize blatant infringement and destruction of property rights.

3. *Rogers* creates rather than solves problems. Trademark owners have their own First Amendment rights. Br. 32-35. By VIP’s admission (at 35), *Rogers* is a “[c]ategorical speech-based rule[.]” *Rogers* categorically favors infringers’ speech over mark owners’ speech, even though both are expressive. Br. 34. *Rogers* invites courts to invent unconstitutional speaker- and content-based distinctions, exempting certain speakers and uses from the Lanham Act, while subjecting others to the likelihood-of-confusion standard. Br. 35.

VIP has not explained why its message is more deserving than Jack Daniel’s message, Jack Daniel’s goodwill, or the public’s interest in not being misled. As the district court bemoaned, *Rogers* replaces the likelihood-of-confusion standard with one “that excuses nearly any use less than slapping another’s trademark on your own work and calling it your own,” and leaves the mark owner with “no means to protect the viability of its trademark.” Pet.App.18a; Br. 36-38.

Under VIP’s test, confusing parodies that use alcohol beverage companies’ marks to promote underage or excessive drinking or drunk-driving would be fair game. See ACSA Br. 14-16. VIP’s response (at 55)—that children

playing with Bad Spaniels consume only a “joke”—misses the point. If infringers can circumvent the Lanham Act with funny dog toys that familiarize children with alcohol brands, what’s next? Dolls? Drinking funnels that encourage drinking to excess? Parodic products containing marijuana? *See* Campbell Soup Br. 15. The risk that consumers will associate alcohol with dangerous behavior or will confuse food and beverage brands with dangerous or even deadly substances is not funny.

C. VIP’s Remaining Arguments Lack Merit

1. VIP improperly seeks to relitigate the district court’s extensive findings of likely confusion, which the Ninth Circuit did not disturb, Pet.App.34a n.3, and are not before this Court. As VIP (at 36) concedes, the Ninth Circuit would review those findings only for clear error.

VIP’s claims also lack merit. VIP (at 6) claims that “[t]he differences between VIP’s soft vinyl squeak toy and a Jack Daniel’s bottle of amber liquid are greater than their similarities.” But the district court found that VIP used Jack Daniel’s marks and trade dress “virtually unchanged.” Pet.App.54a; *see* VIP Br. 4-5. VIP (at 9) asserts that it “operate[s] in different products and distribution markets.” But the court found that the companies’ products were related both because Jack Daniel’s (through its affiliates) sells licensed dog products and because “the consuming public observes Jack Daniel’s trademarks and trade dress on a wide variety of merchandise.” Pet.App.72a-73a. Jack Daniel’s and VIP’s products also were sold in “some of the same stores.” Pet.App.73a.

VIP (at 9) argues that no evidence of actual consumer confusion existed. But the Lanham Act requires proof of “likely” confusion, not actual confusion. 15 U.S.C. §§ 1114(1), 1125(a). Jack Daniel’s presented substantial evidence of the former. Jack Daniel’s survey expert, Dr.

Ford, concluded that 29% of potential consumers would likely be confused about whether Jack Daniel's made, authorized, approved, or was affiliated with Bad Spaniels. Pet.App.65a, 67a. VIP (at 42) concedes that this percentage well exceeds the range courts accept.

VIP's assault (at 42-43) on long-accepted consumer surveys applies to survey evidence for any use, not just parody. VIP (at 42) claims that confusion surveys are overbroad because the Lanham Act aims only to combat confusion "about a product purchase decision." Trademark infringement, however, is not limited to "point of sale confusion" but extends more broadly to other forms of confusion. 4 McCarthy § 23:5 (collecting cases); *see id.* §§ 23:6, 23:7.

VIP (at 43-44) argues that Dr. Ford's survey questions about Jack Daniel's "sponsorship or approval" were misguided, even though the Lanham Act protects against confusion regarding "sponsorship[] or approval." 15 U.S.C. § 1125(a)(1)(A). VIP's rebuttal expert made the same point, J.A.80-84, but the district court did "not credit" his objections, because he both lacked any trademark expertise and did not even present research or conduct his own survey, Pet.App.68a-69a.

VIP (at 44-45) argues courts should require higher percentages of confusion in parody cases. But VIP's view would preclude liability even if 100% of surveyed consumers were confused. Indeed, VIP's cited case shows that courts applying *Rogers* ignore evidence of confusion altogether if there was no "overt" (that is, explicitly misleading) claim. *MGFB Props., Inc. v. Viacom Inc.*, 54 F.4th 670, 682 (11th Cir. 2022). VIP's second case involved a nominative fair-use defense, a ground on which VIP lost below. *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 211, 232 (3d Cir. 2005); Pet.App.29a. In VIP's third case, the court *rejected* a parody defense even

though the defendant’s use (“People Eating Tasty Animals”) arguably was expressive. *See PETA v. Doughney*, 263 F.3d 359, 366 (4th Cir. 2001).

2. Joined by the government (at 21-22), VIP (at 41) argues that the district court improperly failed to consider VIP’s parodic intent. But the district court both *credited* VIP’s intent to parody Jack Daniel’s and specifically acknowledged that parody products “must conjure up the original ... for there to be a parody at all.” Pet.App.69a-70a (citations omitted). The court nonetheless found that the intent factor ultimately favored Jack Daniel’s because VIP also intended to capitalize on Jack Daniel’s goodwill, and survey evidence confirmed a high rate of confusion. Pet.App.69a-70a. The PTO likewise rejects claims of parodic intent in the face of survey or other evidence of confusion.¹ The district court thereafter separately rejected VIP’s *standalone* “parody” defense. Pet.App.69a-70a; Dkt. 242 at 19-21.

That finding was not error. After all, infringement turns on likely confusion, not how funny the joke is. The government (at 19) circularly defines a “successful parody” to mean a parody that does not cause confusion. The government (at 19) suggests that parody is unlikely to confuse because it is “risible” to think that mark owners would mock themselves. But many brands have senses of humor and make fun of themselves. *See, e.g.*, Campari Br. 26-29 (citing famous examples). Consumers may well be confused into thinking that the parodied company sponsored the parody—precisely as the district court found

¹ *DC Comics v. Gotham Cnty. Networking, Inc.*, 2015 WL 4464694 (T.T.A.B. July 17, 2015); *Califon Prods., Inc. v. Bob Stupak*, 2004 WL 390937 (T.T.A.B. Feb. 26, 2004); *Starbucks U.S. Brands, LLC v. Ruben*, 78 U.S.P.Q.2d 1741 (T.T.A.B. 2006); *Anheuser-Busch v. Florists Assocs. of Greater Cleveland Inc.*, 29 U.S.P.Q.2d 1146 (T.T.A.B. 1993).

here. Consumer confusion is the test, and the presence of humor may or may not influence consumer perception in any given case.

D. At a Minimum, *Rogers* Should Not Apply Here

Jack Daniel’s fallback position is that *Rogers* should not apply to uses of marks *as trademarks* on utilitarian products such as VIP’s dog toy. Br. 38-39. VIP (at 24-27) responds that even utilitarian products may carry artistic expression. But that proposition would simply prove why *Rogers* has no logical stopping point.

Jack Daniel’s acknowledges that its fallback position would essentially import into sections 1114(1)(a) and 1125(a) the “designation of source” carve out to the dilution provision’s fair-use exclusion. Thus, Jack Daniel’s primary position is that the Court should not add extra-textual tests—full stop. But, at a minimum, limiting *Rogers*’ application to non-trademark uses would suffice to reverse here, would prevent *Rogers* from gutting the Act, and would be more administrable than anything VIP or the amici have offered.

II. The Ninth Circuit’s Dilution Ruling Is Wrong

A. “Noncommercial Use” Does Not Encompass Using Marks to Sell Products

1. VIP does not dispute that the ordinary meaning of “noncommercial use of a mark” is a use unrelated to selling goods or services—which comports with this Court’s interpretation of “commercial” in the copyright fair-use context. Br. 40-41; U.S. Br. 30-31; Campari Br. 29.

VIP (at 56) instead asserts that giving the noncommercial-use exclusion its plain meaning would render it “redundant,” given the statute’s threshold requirement that diluting marks be used “in commerce.” 15 U.S.C.

§ 1125(c)(1). Not so. The statute defines “use in commerce” to include uses beyond selling—for example, placing marks on goods merely “transported in commerce.” *Id.* § 1127; Br. 41. The noncommercial-use exclusion thus excludes non-sale uses that would otherwise fall within the statute—for example, distributing political buttons at a rally.

VIP (at 56) argues that “noncommercial use” means “not commercial speech,” apparently referencing the 1995 legislative history to a superseded version of the dilution statute. *See* Br. 47 (citing H.R. Rep. No. 104-374, at 8 (1995)). But that history cannot overcome the text, which refers to *use*. Br. 47. Had Congress wanted to incorporate the commercial-speech doctrine, it would have said so. Br. 48; *see, e.g.*, 7 U.S.C. § 2156(c) (prohibiting certain distribution of “commercial speech” related to animal fighting).

VIP’s reading also would render superfluous the separate exclusion for “news reporting and news commentary” and the fair-use exclusion for parody, criticism, and commentary, both of which necessarily involve expression. 15 U.S.C. § 1125(c)(3); Br. 41-43; Campbell Soup Br. 13; Chamber Br. 21-22; Nike Br. 14-15; U.S. Br. 31-32. And it would nullify the fair-use exclusion’s limitation to uses “other than as a designation of source for the person’s own goods or services.” 15 U.S.C. § 1125(c)(3).

VIP does not dispute these points but asserts that an “overlap of exemptions represents a sort of overabundance of caution.” VIP Br. 59 (citation omitted). But VIP’s reading would not merely “overlap” with the more specific exclusions; it would swallow them whole. Br. 41-43; U.S. Br. 33. VIP (at 59) criticizes Jack Daniel’s reading of the noncommercial-use exclusion as “under- and

overinclusive.” But VIP is merely taking issue with Congress’ policy choice to make the exclusion turn on whether a use involves sales of goods or services.

2. VIP does not deny that, under the Ninth Circuit’s decision, the defendants in Jack Daniel’s examples would escape dilution liability. Br. 44-46. VIP (at 2) apparently applauds that outcome, noting that our “somber world needs more speech and more laughter.” But affirmance would permit companies to flood the market with diluting marks involving sex (*e.g.*, porn movies, porn websites, sex toys) and poison (*e.g.*, illegal drugs, excrement, urine, insecticides). One can easily conjure up expressive purposes for selling imitation Barbie and cartoon-character porn movies, porn magazines, or sex dolls. The result would destroy billions of dollars of investment in goodwill. Chamber Br. 23; Br. 43-44.

VIP’s position would immunize what the government (at 29) agrees is prototypical dilution. In the famous pornographic film *Debbie Does Dallas*, the film’s promotional materials referred to the Dallas Cowboys Cheerleaders, the title was an obvious reference to the team, and the film depicted Debbie “engage[d] in various sex acts while clad or partially clad in the [Dallas Cowboys Cheerleader] uniform.” *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 203 (2d Cir. 1979). The court there aptly explained that “it is hard to believe that anyone who had seen defendants’ sexually depraved film could ever thereafter disassociate it from plaintiff’s cheerleaders.” *Id.* at 205.

VIP (at 57) claims its interpretation leads to more “predictable results.” If VIP means mark owners almost always lose, then VIP has a point. But what counts as “commercial speech” is far from clear. *See Tam*, 582 U.S. at 247; Br. 48. VIP (at 57-58) invokes the three-factor test from *Bolger v. Youngs Drugs Products Corp.*, 463 U.S. 60

(1983). But VIP (at 36) elsewhere derides multi-factor tests as “indeterminate and unpredictable.” VIP also asserts that its speech “is the product.” VIP Br. 58 (citation omitted). But VIP offers no way to determine whether toys and pornography are primarily speech or primarily for consumption.

B. The First Amendment Does Not Support the Decision Below

1. VIP (at 51-55) resorts to constitutional avoidance, claiming that dilution “raises serious First Amendment concerns,” including newfound concerns about viewpoint discrimination. But the avoidance canon is inapplicable here because VIP’s reading of the noncommercial-use exclusion is implausible for the reasons above. *See* Br. 28.

Moreover, VIP’s reading of the noncommercial-use exclusion would not even avoid its viewpoint-discrimination concerns. VIP would limit the dilution statute to commercial speech. But commercial speech “is no exception” to the general rule forbidding viewpoint discrimination. *Sorrell v. IMS Health Inc.*, 564 U.S. 552, 566 (2011).²

2. *SFAA* forecloses VIP’s constitutional arguments. *SFAA* upheld a trademark law that lacked any confusion requirement, applied to speech expressing a political viewpoint, and lacked exclusions for fair use and news reporting, unlike the statute here. Br. 30, 50-51. The Court was not persuaded by the dissent’s charge that the statute discriminated based on content and viewpoint. *See SFAA*, 483 U.S. at 570 (Brennan, J. dissenting). The Court explained that “[b]y prohibiting the use of [‘Olympic’] for

² VIP waived any constitutional challenge to the dilution statute by failing to raise one in any court below or in its brief in opposition. S. Ct. R. 15.2.

particular purposes,” Congress had not prohibited the challenger “from conveying its message”; the statute “restrict[ed] only the manner in which” the challenger could “convey its message.” *Id.* at 536. Any impact on speech was “incidental to the primary congressional purpose of encouraging and rewarding” the Olympic Committee’s investment in creating a famous mark. *Id.*

So too here. Critics may dilute through parody, criticism, or commentary on famous brands as long as they don’t use famous marks as a “designation of source.” 15 U.S.C § 1125(c)(3)(A). The statute thus leaves open many alternative means of expression. Br. 51; *see also Bd. of Trs. v. Fox*, 492 U.S. 469, 474 (1989).

Citing *Tam* and *Brunetti*, VIP (at 53) faults the dilution statute as “inherently one-sided” and a “happy-talk clause.” But the provisions in those cases were unconstitutional because they barred registration of marks expressing disfavored viewpoints. The dilution provision, by contrast, protects all famous mark owners, regardless of their viewpoints, and applies to all diluters, regardless of their viewpoints. Poop-themed dog toys praising *or* criticizing Jack Daniel’s could be equally tarnishing, because both create associations between whiskey, toys, and poop. Similarly, pornography and sex toys that appropriate marks of celebrities or cartoon characters may be tarnishing, regardless of whether diluters convey positive *or* negative opinions about celebrities, cartoon characters, or sex. The dilution statute specifically targets *the harm* arising from incompatible associations. The statute is indifferent to VIP’s point of view, opinion, or message.

Even if the dilution provision were viewpoint discriminatory, it still would be constitutional. When an entire class of speech is proscribable, Congress may discriminate within that class if the basis for discrimination “consists entirely of the very reason the entire class of

speech at issue is proscribable.” *R.A.V. v. City of St. Paul*, 505 U.S. 377, 388 (1992). In such situations, “no significant danger of idea or viewpoint discrimination exists.” *Id.* That principle applies here. Under *SFAA*, Congress may categorically prohibit trademark uses of a mark to protect the owner’s investment of “time, effort, and expense” in the mark’s reputation. 483 U.S. at 534-35 (citation omitted). It follows that Congress may more narrowly prohibit only those trademark uses that are likely to dilute a famous mark’s reputation.

VIP argues that tarnishment lacks “a historical foundation in the Court’s free speech tradition.” VIP Br. 52 (quoting *Alvarez*, 567 U.S. at 717-18). But trademark protection has “ancient origins.” *Tam*, 582 U.S. at 224. The dilution statute follows in that historical tradition by prohibiting “the unauthorized use of another’s trademark in order to market incompatible products or services.” *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 33 (1st Cir. 1987). And just like copyright laws, and the right of publicity upheld in *Zacchini v. Scripps-Howard Broadcasting Co.*, 433 U.S. 562 (1977), the dilution statute protects mark owners’ “expression from unrestricted exploitation,” *Eldred v. Ashcroft*, 537 U.S. 186, 221 (2003). As Judge Hand observed in the infringement context, the evil is when the diluter “borrows the owner’s reputation.” *Yale Elec. Corp. v. Robertson*, 26 F.2d 972, 974 (2d Cir. 1928).

VIP (at 52-53) faults the dilution statute for lacking a confusion requirement and not mirroring the elements of trade defamation. But the law upheld in *SFAA* too lacked a likelihood-of-confusion requirement. 483 U.S. at 535. And *Zacchini* rejected reliance on defamation precedent in upholding liability for “appropriation by the press of a right of publicity.” 433 U.S. at 574. VIP’s own cited authority (at 61) makes clear there is “no indication” the

First Amendment limits application of a dilution statute where, as here, a defendant uses another's mark "as a trademark." Restatement (Third) of Unfair Competition § 25 cmt. i (1995).

C. VIP's Other Arguments Lack Merit

VIP throws a hodgepodge of other arguments at the wall, but none sticks.

1. VIP (at 60) argues the Court should affirm the dilution judgment on the alternative ground that Bad Spaniels satisfies the parody fair-use exclusion because Bad Spaniels is not a trademark, *i.e.*, a designation of source under 15 U.S.C. § 1125(c)(3)(A). But VIP failed to raise that argument in its brief in opposition and therefore waived it before this Court. S. Ct. R. 15.2. In any event, as already discussed, *supra* pp. 5-6, VIP's argument borders on frivolous given VIP's repeated references in its complaint, Bad Spaniels' labeling, VIP's own infringement suits, and its registration of marks indistinguishable from Bad Spaniels. The district court correctly held that VIP cannot invoke the fair-use exclusion. Pet.App.104a-105a.

VIP (at 60) contends that "source" in the fair-use provision corresponds to the term "origin" in the infringement provision. Even if so, it makes no difference. Origin refers to "the producer of the tangible product sold in the marketplace." *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 31-32 (2003). Here, VIP's use of the Bad Spaniels mark indicates that dog toys bearing the mark come from a common producer. It also makes no difference (*contra* VIP Br. 60) that VIP labels its dog toy a "Silly Squeaker." "[A] product or service can be identified by more than one protectable trademark." 1 McCarthy § 7:2.

2. VIP next asks this Court to address issues that VIP did not press below and that the Ninth Circuit did not pass upon. First, VIP (at 51-52) claims the dilution provision does not apply because Bad Spaniels is “not a real trademark.” As already discussed, *supra* pp. 5-7, Bad Spaniels is a real trademark designating the source of real dog toys.

Second, VIP (at 52) asserts that Bad Spaniels does not “use” Jack Daniel’s marks. But VIP cites inapposite testimony clarifying that Jack Daniel’s does not claim that Bad Spaniels infringes the trademark for the words “Jack Daniel’s” themselves, as opposed to Jack Daniel’s trademarks for its labels, logo, and trade dress. Dkt. 235 at 68-69. Moreover, the dilution statute does not require the defendant to use the famous mark itself. Instead, the statute applies when the defendant uses a similar “mark” (here, Bad Spaniels) that is likely to dilute “the famous mark” (here, Jack Daniel’s marks). 15 U.S.C. § 1125(c)(1). The definition of tarnishment reinforces this point: it refers to the association arising from the “similarity” between a “mark” and “a famous mark” that “harms the reputation of the famous mark.” *Id.* § 1125(c)(2)(C). Here, the district court found that VIP used its Bad Spaniels mark in a way that likely dilutes Jack Daniel’s famous marks. Pet.App.60a-62a.

3. Lastly, VIP (at 54-55) asserts that Jack Daniel’s dilution expert, Dr. Simonson, relied on “common sense’ hokum.” But Dr. Simonson applied a well-known principle of consumer psychology, the associative network memory model. J.A.92. VIP’s own expert *agreed* with that model and took issue only with the conclusions Dr. Simonson drew from it. J.A.309. VIP also touts its expert’s focus groups, but the district court refused to credit them because the moderator “tainted” them by coaching participants. Pet.App.59a-60a; *see, e.g.*, Dkt. 129-1 at *81,

*89. No reason exists to upset the district court's factual findings.

CONCLUSION

The court of appeals' judgment should be reversed.

Respectfully submitted,

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