

No. 22-148

In the Supreme Court of the United States

JACK DANIEL'S PROPERTIES, INC.,
PETITIONER,

v.

VIP PRODUCTS LLC,
RESPONDENT.

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

REPLY BRIEF OF PETITIONER

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This case creates two outcome-determinative circuit conflicts. On the first question presented, six circuits apply the traditional likelihood-of-confusion test to parodic or humorous uses of marks to designate the source of commercial products, and three of those circuits—the Second, Seventh, and Eighth Circuits—specifically reject the notion that the First Amendment provides special protection to such use. Under the traditional likelihood-of-confusion test, Jack Daniel's prevailed before the district court because respondent's use of Jack Daniel's marks was likely to confuse consumers about the source of Bad Spaniels. Pet.App.62a-74a. The Ninth Circuit reversed, requiring mark holders to prove that an

infringer's humorous use of a mark is "not artistically relevant" or "explicitly mislead[ing]." Pet.App.30a, 32a-33a. The district court begrudgingly applied that test on remand, lamenting that the Ninth Circuit's ruling made it "nearly impossible for any trademark holder to prevail" and urging Jack Daniel's to "seek relief before the United States Supreme Court." Pet.App.18a-19a. The country's leading trademark expert, Professor J. Thomas McCarthy, recently wrote that "the Ninth Circuit stretched way too far the concept of what qualifies as an expressive work entitled to free speech treatment under the Rogers analysis." *Infra* p.6.

On the second question presented, the Second and Fourth Circuits recognize that the Trademark Dilution Revision Act excludes parodies from dilution liability only if the defendant does not use the mark to designate its product's source. The Ninth Circuit, in contrast, ignored the limits of the parody exclusion and held that humorous use of marks falls within the separate exclusion for "non-commercial" use.

The questions presented are recurring and significant. The decision below invites humorists to infringe the marks of alcohol beverages and other famous brands under the umbrella of the First Amendment. Although respondent revels in that result, BIO 3, 10, 24-25, this Court should not, and at a minimum should decide if respondent's constitutional revision of the Lanham Act is correct. The Nation's alcohol industry—wine, beer, and spirits—advises in amicus briefs that this decision guts its ability to responsibly market its products. Other brands are worried children will consume marijuana-infused cookies in packaging that parodies well-known marks. Because the decision below invites purported humorists to forum shop by striking first in the Ninth Circuit, as respondent did here, the Court should grant the petition to

correct the mischief created by the decision below and restore uniformity to the Act.

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

1. The first question presented is whether humorous use of another's mark to designate the source of one's own commercial product warrants heightened First Amendment protection from infringement claims. Unlike every other circuit to consider the issue, the Ninth Circuit answered that question affirmatively.

a. Respondent identifies no case in any other circuit granting First Amendment protection to humorous use of marks to identify the source of commercial products like dog toys. Six other circuits and the Trademark Trial and Appeal Board (TTAB) have endorsed a fundamentally different approach to such cases, applying the standard likelihood-of-confusion test. And the Second, Seventh, and Eighth Circuits have expressly rejected the argument, adopted by the Ninth Circuit, that commercial parody products deserve heightened First Amendment protection. Pet. 18-24; *see* INTA Br. 11-12.

Respondent (at 19) frames *Harley-Davidson, Inc. v. Grottanelli*, 164 F.3d 806 (2d Cir. 1999), as a case where the defendant engaged in humor but not parody. That is a distinction without a difference and factually wrong. The Second Circuit observed that the defendant engaged in “trademark parody that endeavors to promote primarily non-expressive products such as a competing motorcycle repair service.” *Id.* at 813. The court nevertheless held that the defendant violated the Lanham Act. *Id.* at 812-14.

Respondent invokes (at 20) *Louis Vuitton Malletier, S.A. v. My Other Bag, Inc.*, 674 F. App'x 16 (2d Cir. 2016), for the proposition that the Second Circuit distinguishes

between parody (*Louis Vuitton*) and use of marks to promote or sell products (*Harley-Davidson*). But the Second Circuit did not apply *Rogers* in *either* case. Rather, in *Louis Vuitton*, it applied the standard likelihood-of-confusion test to hold that the defendant’s parodic use was not infringing. *Id.* at 17-18.

Both cases prove that courts do not need a special First Amendment test to distinguish between confusing and non-confusing humor. The Lanham Act already does that work. *See Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 258-63 (4th Cir. 2007) (applying likelihood-of-confusion analysis to hold that dog toy was unlikely to confuse consumers). As the Third Circuit put it, “the Lanham Act customarily avoids violating the First Amendment, in part by enforcing a trademark only when consumers are likely to be misled or confused by the alleged infringer’s use.” *Facenda v. N.F.L. Films, Inc.*, 542 F.3d 1007, 1018 (3d Cir. 2008). The Act thus provides 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). The Act protects mark holders in cases like this one where the defendant has no First Amendment interest in confusing consumers.

Respondent (at 20) dismisses the Seventh and Eighth Circuit cases because they did not cite *Rogers*. True but irrelevant. Both cases rejected the argument that humorous use of marks as source identifiers warrants heightened First Amendment protection. The Seventh Circuit held that “[p]arodies do not enjoy a dispensation from [the likelihood-of-confusion] standard.” *Nike, Inc. v. “Just Did It” Enters.*, 6 F.3d 1225, 1228 (7th Cir. 1993). And the Eighth Circuit held that the First Amendment does not create a “license to infringe the rights of” trademark holders. *Mut. of Omaha Ins. Co. v. Novak*, 836 F.2d

397, 402 (8th Cir. 1987).¹ The decision below holds the opposite.

b. Respondent responds (at 13-18) with a laundry list of courts applying *Rogers* in a different context. None of respondent's cases involves a commercial product using another's mark to identify its source. Rather, each involves use of marks in classic expressive works such as paintings, songs, films, or articles. *See, e.g., Westchester Media v. PRL USA Holdings, Inc.*, 214 F.3d 658 (5th Cir. 2000) (magazine title); *Mattel, Inc. v. MCA Recs., Inc.*, 296 F.3d 894 (9th Cir. 2002) (song and title); *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792 (9th Cir. 2003) (photographic prints); *Parks v. LaFace Recs.*, 329 F.3d 437 (6th Cir. 2003) (song title); *ETW Corp. v. Jireh Publ'g, Inc.*, 332 F.3d 915 (6th Cir. 2003) (paintings and prints); *Univ. of Ala. Bd. of Trs. v. New Life Art, Inc.*, 683 F.3d 1266 (11th Cir. 2012) (paintings and prints); *Radiance Found., Inc. v. NAACP*, 786 F.3d 316 (4th Cir. 2015) (article).

Respondent (at 2) proclaims that no one questions that Bad Spaniels "is an expressive work." But the district court held that "VIP's dog toy is not entitled to protection under the First Amendment because it is not an expressive work." Pet.App.88a. More fundamentally, if Bad Spaniels *is* an expressive work entitled to First Amendment protection outside the parameters of the Lanham Act, then so is every other commercial product, humorous or not. Thus, the question presented (on which the Ninth Circuit has departed from other circuits) is

¹ Respondent urges the Court (at 21) to ignore *Mutual of Omaha* because "the so-called 'alternative means' test employed by *Mutual of Omaha* has been discredited in favor of the *Rogers* approach." That argument simply begs the question of whether *Rogers* applies.

whether the Lanham Act’s likelihood-of-confusion test applies to ordinary commercial products using marks in ways that confuse consumers. Other than in the Ninth Circuit, the law is that using “another’s trademark ... for source identification in a way likely to cause consumer confusion” does not warrant First Amendment protection. Pet.App.89a-90a (district court); *supra* pp.3-5. Thus, the Second Circuit—the Circuit that originated *Rogers*—does not accord First Amendment protection to ordinary consumer products. Pet. 19-20; *supra* pp.3-4.

Respondent (at 19) suggests that review is unwarranted because the Ninth Circuit did not “perceive a conflict.” But we know of no principle that appellate courts must expressly acknowledge an outcome-determinative split before this Court can review. That approach would allow courts to escape review by failing to announce their departure from other circuits.

c. Respondent (at 2, 18) belittles the credentials of the authors of the commentary cited in the petition. But Professor J. Thomas McCarthy—author of *McCarthy on Trademarks and Unfair Competition*, which respondent cites seven times—recently recognized just how far the Ninth Circuit has strayed from the law of other circuits:

[T]he Ninth Circuit stretched way too far the concept of what qualifies as an expressive work entitled to free speech treatment under the Rogers analysis. Stretching “expressive works” to include ordinary consumer products potentially encompasses just about everything. If a dog toy qualifies as an “expressive” work immune from trademark infringement, then why not a box of breakfast cereal containing “expressive” images of a brand mascot, graphics or slogans? Applying the Ninth

Circuit’s view, the label on almost any ordinary consumer product could be argued to contain some “expressive” message. What kinds of products remain subject to traditional trademark liability? I think the Ninth Circuit improperly cut adrift the Rogers’ rule from its basic rationale and purpose.

J. Thomas McCarthy, Comment on *The TTABlog*[®], <http://thettablog.blogspot.com/2022/09/jack-daniels-seeks-supreme-court-review.html>.

2. Regarding the second question presented, respondent does not dispute that the Second and Fourth Circuits and the TTAB have analyzed whether parodic uses of famous marks are excluded from dilution liability under the statute’s parody exclusion, not under the more general exclusion for noncommercial use. Pet. 25-26. Respondent claims (at 33) that the Second and Fourth Circuits did not consider whether to apply the noncommercial-use exclusion. The Second Circuit, however, observed that the cases the defendant had cited predated the 2006 enactment of the parody exclusion and were inconsistent with its limitations. *Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.*, 588 F.3d 97, 112 (2d Cir. 2009). Accordingly, it held that it could not rely on those cases. The Ninth Circuit made that mistake here, relying on pre-2006 cases applying the noncommercial-use exception to parody. See Pet.App.33a. Jack Daniel’s would have prevailed had this case arisen in the Second or Fourth Circuit.

Even assuming the general exclusion for noncommercial use could trump the specific parody exclusion, the Ninth Circuit’s analysis of the noncommercial-use exception also conflicts with other courts’ decisions. Respondent concedes (at 26) that other courts apply this

Court's commercial-speech precedent² to determine whether a defendant's use satisfies the noncommercial-use exception. But the Ninth Circuit did nothing of the sort. In two sentences, the Ninth Circuit reasoned that, because respondent used Jack Daniel's marks "to convey a humorous message," it satisfied the noncommercial-use exclusion. Pet.App.33a.

II. The Questions Presented Are Recurring, Important, and Squarely Presented

1. The wide array of six amici supporting the petition confirms the importance of the questions presented. Respondent smugly responds (at 11-12) that "the world did not end" from the sale of Wacky Packages cards and stickers. But the test for this Court's review is not Armageddon. Congress passed the Lanham Act to protect consumers and mark holders' investments in goodwill. Providing near-blanket protection to humorous infringers in the Ninth Circuit undermines Congress' goals, creates dis-uniformity, and rewards forum shopping. Those are precisely the kinds of harms this Court's review is intended to prevent.

As amici explain, the decision below also will hinder alcohol manufacturers' ability to control commercial use of their marks. "If 'humorous' infringing uses of famous marks associated with alcohol beverages become exempt from the Lanham Act, infringement will . . . allow[] parties outside of the industry's self-regulatory system to use those marks to promote irresponsible drinking," including

² Respondent states (at 28) that *Bolger v. Youngs Drug Prods. Corp.*, 463 U.S. 60 (1983), held that "[p]arody is a form of noncommercial expression if it does more than propose a commercial transaction." That language appears nowhere in *Bolger*.

underage drinking. Am. Craft Spirits Ass'n Br. 4. Respondent (at 3) states that "the only people who would understand what was being parodied are people already familiar with whiskey." But children need not drink whiskey to know that they enjoy playing with dog toys using Jack Daniel's marks. When they see a real Jack Daniel's bottle, they might be more inclined to consume its contents. Reports of children being hospitalized after eating marijuana-infused cookies and candies substantiate this concern. Pet. 28; *see also* Campbell Soup Br. 10.

Respondent (at 3) insists that "[n]o one—not a child, not a dog—is going to be harmed by VIP's parody." That flippant assertion ignores the district court's finding that Bad Spaniels is likely to confuse consumers and harms Jack Daniel's brand, including by associating whiskey with excrement and toys that appeal to children. Pet.App.59a-62a, 75a. It also ignores the broad and dangerous consequences of the Ninth Circuit's decision.

Respondent (at 3) suggests the solution to these dangers is to sue the parties marketing alcohol beverages or marijuana-laced cookies to children. But Jack Daniel's did exactly that by suing respondent. Juvenile toys using alcohol beverage marks market alcohol beverages to children. And respondent identifies no legal principle that could distinguish between dog toys and even more child-focused products. If respondent has a First Amendment interest in confusing consumers with dog toys, other funny infringers can do the same with juice boxes or marijuana-infused candy.

The ramifications of the decision below for mark owners, such as amici Levi Strauss and Patagonia, that "use their brands to speak to consumers," are especially pernicious. Levi Strauss & Patagonia Br. 1. Absent this Court's intervention, infringers can use those brands' marks to communicate whatever humorous message they

want, even if consumers are certain to believe that message comes from the brands themselves. Rampant forum shopping will ensue. *See* Constellation Brands Br. 9-11; AIPLA Br. 18-21.

The questions presented arise frequently. *Contra* BIO 2. Respondent acknowledges (at 10) that “parody products are ubiquitous in the dog-merchandise industry.” The *McCarthy* treatise devotes an entire section to “Parody Used in a Commercial Setting as Defendant’s Mark.” 6 *McCarthy on Trademarks* § 31:154. And the petition cites cases in eight circuits and the TTAB presenting these questions.

2. This case cleanly presents the questions presented. *Supra* pp.1-2. Respondent’s claim (at 1-2) that “what this Court has now before it is *exactly* the same as what it had before” is demonstrably wrong. The case now stands in a final-judgment posture, and the district court’s application of the “nearly impossible” *Rogers* test on remand confirms that the Ninth Circuit’s application of *Rogers* to a commercial product using Jack Daniel’s marks as source designations was case-dispositive. Pet.App.18a. This Court should now review the case-dispositive, threshold legal question that respondent agrees (at 8) is before the Court.

III. The Decision Below Is Wrong

1. The First Amendment does not protect speech that *confuses and misleads* consumers. *Matal v. Tam*, 137 S. Ct. 1744, 1768 (2017) (Kennedy, J., concurring in part) (“It is well settled, for instance, that to the extent a trademark is confusing or misleading the law can protect consumers and trademark owners.”); *see Va. State Bd. of Pharmacy v. Va. Citizens Consumer Council, Inc.*, 425 U.S. 748, 771 (1976). It’s thus hard to see how the Ninth Circuit “struck the proper balance between trademark rights and First

Amendment rights.” BIO 25. Respondent’s description of the Ninth Circuit’s test belies that claim. As long as infringers invoke “parody,” the First Amendment presumptively protects their use regardless of consumer confusion, eschews “discretionary weighing of factors fostered by the traditional approach,” and “give[s] [the infringer] the benefit of any doubt.” BIO 24 (citations omitted).

Respondent erroneously claims (at 14, 23) that the Ninth Circuit’s test simply reflects “when the use of a mark in an expressive work is ‘likely to cause confusion.’” But the Ninth Circuit held that the “likelihood-of-confusion test fails to account for the full weight of the public’s interest in free expression,” and thus required Jack Daniel’s to prove either that respondent explicitly misled consumers or that its use of Jack Daniel’s marks was not artistically relevant. Pet.App.30a. Other circuits have no difficulty applying the traditional likelihood-of-confusion analysis to parody, without engrafting a special test that favors the infringer’s purported First Amendment interests over the mark holder’s competing First Amendment interest in using its mark to communicate its own message. *See* Am. Craft Spirits Ass’n Br. 6, 18-25.

Respondent ironically invokes (at 10) the copyright proposition of *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569 (1994), that parody needs to copy the original to make its point. But parody is not a constitutional right even in copyright law; market harm to the creator may tip the balance to *bar* fair use. *Id.* at 590-94. Similarly, *trademark* law contains no constitutional right permitting parodists to confuse consumers into thinking original creators are the source of the parody and to destroy creators’ investment in their brands. 2 Live Crew can’t pass off its tawdry Pretty Woman song such that listeners believe the song was written and performed *by Roy Orbison*.

2. Respondent's defense of the Ninth Circuit's dilution ruling improperly writes the parody exclusion and its limitations out of the Act. Respondent offers nothing resembling statutory construction. Instead, respondent cites (at 27, 31-32) *MCA Recs.*, 296 F.3d 894, for the proposition that a defendant claiming parody may prevail under the noncommercial-use exception even if it cannot satisfy the parody exception's limitations. But *MCA Records* held no such thing, for an obvious reason: Congress added the parody exclusion in 2006, after *MCA Records* was decided. Pet. 8-9; *supra* p.7.

Nor does the *McCarthy* treatise help respondent. *Contra* BIO 32-33. The decision below is the only post-2006 circuit case cited in the treatise excluding commercial parody under the noncommercial-use exclusion. 4 *McCarthy on Trademarks* §§ 24:90, 24:128. The other cited post-2006 circuit cases involving parody are the Second and Fourth Circuit decisions discussed above—both of which rejected application of the parody exclusion on similar facts. *Supra* p.7.

CONCLUSION

The Court should grant the petition.

Respectfully submitted,

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