

No. 22-148

IN THE
Supreme Court of the United States

JACK DANIEL'S PROPERTIES, INC.,
Petitioner,

v.

VIP PRODUCTS LLC,
Respondent.

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

**BRIEF OF CAMPARI AMERICA LLC
AS AMICUS CURIAE
IN SUPPORT OF PETITIONER**

MARK G. MATUSCHAK
VINITA FERRERA
HANNAH E. GELBORT
ETHAN A. SACHS
WILMER CUTLER PICKERING
HALE AND DORR LLP
60 State Street
Boston, MA 02109

SETH P. WAXMAN
Counsel of Record
THOMAS G. SAUNDERS
WILMER CUTLER PICKERING
HALE AND DORR LLP
1875 Pennsylvania Ave., NW
Washington, DC 20006
(202) 663-6000
seth.waxman@wilmerhale.com

JOSHUA H. LERNER
WILMER CUTLER PICKERING
HALE AND DORR LLP
One Front Street, Suite 3500
San Francisco, CA 94111

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INTEREST OF AMICUS CURIAE¹

Campari America LLC is a wholly owned subsidiary of Davide Campari-Milano N.V., which, together with its affiliates in the Campari Group, serve as leaders in the international beverage market and one of the largest players in the premium spirits industry. The Campari portfolio includes over fifty of the world's most recognizable spirit brands, including Campari, Aperol, Grand Marnier, SKYY Vodka, and Wild Turkey Bourbon.

Like Petitioner, Campari has invested an enormous amount in developing and protecting the trademarks, trade dress, and reputation of its famous brands. Campari is also among the many brands beyond Jack Daniel's whose trademarks Respondent has exploited to sell crude dog toys. Respondent's infringing sales come at the expense of confused consumers and unlawfully diluted brands.

SUMMARY OF ARGUMENT

Congress enacted the Lanham Act to codify long-standing common law unfair competition principles that pre-date this nation's founding. Those principles balance the facilitation of free speech with protections for the time, energy, and creative expression invested by brand owners in their trademarks. Under this regime, the Lanham Act and First Amendment have peacefully

¹ Pursuant to Rule 37.6, counsel for amicus curiae state that no counsel for a party authored this brief in whole or in part, and no entity or person, other than amicus curiae, its members, and its counsel, made a monetary contribution intended to fund the preparation or submission of this brief.

coexisted for decades, and trademark law has promoted speech by encouraging investment in innovative new designs, including works by famous artists like Salvador Dalí and Fortunato Depero. But the Ninth Circuit's decision upends the balance enshrined in traditional trademark law and invites abuse, welcoming even blatant infringement so long as it purports to involve humor.

The Lanham Act, as traditionally interpreted before the decision below, already includes tools to avoid First Amendment conflicts, including the traditional likelihood-of-confusion test, the doctrine of nominative fair use, and accommodations for inherently expressive works of art. At the same time, this Court has long made clear that profit-motivated, commercial speech that misleads consumers receives minimal, if any, First Amendment protection, and regulation of such speech is well within the government's power.

Because Silly Squeaker dog toys are profit-driven commercial products that irrefutably confuse consumers, they clearly infringe marks like those owned by Jack Daniel's under a straightforward trademark analysis. The Ninth Circuit's contrary ruling will leave brand owners powerless to protect themselves whenever an infringer adds even a thin veneer of humor. In addition, because it overlooks the important role that humor plays in marketing by brands, the Ninth Circuit's approach creates an unworkable rule under which courts and consumers will be unable to reliably differentiate between genuine products (or authorized licensees) and their knock-offs.

The Ninth Circuit also went astray in ruling that VIP's use was noncommercial for purposes of trademark dilution. The dilution claim should have been

analyzed under the specific exception to the dilution statute Congress enacted to address parody.

ARGUMENT

I. THE LANHAM ACT ALREADY ACCOUNTS FOR FIRST AMENDMENT INTERESTS

The Ninth Circuit extended and misapplied the Second Circuit test announced in *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989), based on its misplaced concern that applying the law as drafted by Congress and interpreted by other courts of appeals would not adequately protect VIP's purported First Amendment interest in selling products found to cause a likelihood of confusion. But the Ninth Circuit's approach upsets the balance between trademark law and the First Amendment. Protection of trademarks has existed since before the nation's founding, and trademark law has long accommodated First Amendment interests. The Lanham Act codified well-established common law trademark principles, and as interpreted by other courts, leaves ample room for free expression, including parody, without inviting abuse.

A. Trademark Law Has Existed Since Before The Nation's Founding

This Court has often observed that “a page of history is worth a volume of logic.” *New York Tr. Co. v. Eisner*, 256 U.S. 345, 349 (1921). Here, robust protection of trademarks has existed alongside the First Amendment from the beginning of our democracy, protecting important property interests while leaving ample channels for free expression.

People have been using trademarks to identify their goods since ancient times. *Matal v. Tam*, 137 S.

Ct. 1744, 1751 (2017). For centuries, trademarks have been used across Europe, North America, and elsewhere “exactly as [they] are today, to indicate the origin of the article.” See Rogers, *Some Historical Matter Concerning Trade-Marks*, 9 Mich. L. Rev. 29, 29-30 (1910). The earliest known English reference to a trademark case dates to 1656, and early “controversies usually sounded in deceit, or the likelihood of deceit, arising out of a latecomer’s use of a name or mark.” Pattishall, *The Constitutional Foundations of American Trademark Law*, 78 Trademark Rep. 456, 457-458 (1988).

“[T]rademarks were protected at common law and in equity at the time of the founding of our country.” *Matal*, 137 S. Ct. at 1751. In the United States, registration has never been required to grant trademark rights. See *Application of Deister Concentrator Co.*, 289 F.2d 496, 501 (CCPA 1961) (“unless the trademarks pre-exist, there is nothing to be registered”). Rather, “it is [the] use of a mark in the marketplace that creates a trademark.” 3 *McCarthy on Trademarks and Unfair Competition* § 19:8 (5th ed. 2022). As this Court recognized in the 1879 *In re Trade-Mark Cases*, “[t]he right to adopt and use a symbol or a device to distinguish the goods or property made or sold by the person whose mark it is, to the exclusion of use by all other persons, has been long recognized by the common law and the chancery courts of England and of this country, and by the statutes of some of the States.” 100 U.S. 82, 92 (1879); see also, e.g., *Commercial Sav. Bank v. Hawkeye Fed. Sav. Bank*, 592 N.W. 2d 321, 327 (Iowa 1999) (“We recognized long ago that trademarks are a form of common-law property right.”).

The Founding Fathers themselves benefitted from and advocated for trademark protection. Court records

reflect that in 1772, George Washington—at that time a farmer and businessman in Virginia—successfully trademarked his flour with the trade name “G. Washington.” Pattishall, *Constitutional Foundations*, 78 Trademark Rep. at 458 (citing Grubisich, *Washington’s Flour*, Chi. Sun-Times, at 46 col. 1 (Apr. 23, 1976)).

In 1791, Samuel Breck, a Boston sailcloth maker, petitioned Congress to register his trademark, and the matter was referred to Thomas Jefferson, then secretary of state. Rogers, *Some Historical Matter Concerning Trade-Marks*, 9 Mich. L. Rev. at 41. In the same year that the First Amendment took effect, Jefferson recommended “permitting the owner of every manufactory to enter in the record of the court ... the [n]ame with which he ch[oo]ses to mark or designate his [w]ares, and rendering it penal to others to put the same [m]ark on any other [w]ares.” *Report on the Petition of Samuel Breck and Others*, Founders Online (Dec. 9, 1791) (Jefferson Papers), <https://tinyurl.com/23ze47uk>.

Although no such federal law was immediately enacted, common law trademark protection endured, and courts decided numerous trademark cases. By 1844, such cases were sufficiently commonplace that Judge Story commented in *Taylor v. Carpenter*, that he need “not quote cases, to establish the [trademark] principles” discussed because they “are very familiar to the profession and are not now susceptible of any doubt.” 23 F. Cas. 742, 744 (C.C.D. Mass. 1844) (No. 13,784).

In the second half of the nineteenth century, numerous states passed laws “looking toward the protection of the public by means of the regulation of marks on goods.” Rogers, *Some Historical Matter Concerning Trade-Marks*, 9 Mich. L. Rev. at 42. By 1870,

twelve states, beginning with New York in 1845, had passed trademark statutes. Pattishall, *Constitutional Foundations*, 78 Trademark Rep. at 461.

The use and importance of trademarks only increased with the advent of modern advertising and the expansion of interstate and international trade. Rogers, *Some Historical Matter Concerning Trade-Marks*, 9 Mich. L. Rev. at 43. Several federal statutes established trademark protections decades before the Lanham Act. The first federal trademark act was passed in 1870, and subsequent acts were passed in 1881, 1905, and 1920. See Act of July 8, 1870, Pub. L. No. 41-230, §§ 77–84, 16 Stat. 198, 210–212; Act of March 3, 1881, Pub. L. No. 46-138, ch. 138, 21 Stat. 502; Act of August 5, 1882; Pub. L. No. 47-393, ch. 393, 22 Stat. 298; Act of February 20, 1905, Pub. L. No. 58-84, ch. 592, 33 Stat. 724; Act of March 19, 1920, Pub. L. No. 66-163, ch. 104, 41 Stat. 533. That federal legislation was based on rights established through common law. Diggins, *Lanham Trade-Mark Act*, 35 Geo. L.J. 147, 148 (1947). In 1879, this Court explained that the trademark right “was not created by the act of Congress, and does not now depend upon it for its enforcement. The whole system of trade-mark property and the civil remedies for its protection existed long anterior to [Congress’s first trademark] act, and have remained in full force since its passage.” *Trade-Mark Cases*, 100 U.S. at 92.

The 1946 Lanham Act built on this longstanding common law tradition, as well as earlier state and federal statutes relating to the identification of goods and unfair competition. Congress sought to consolidate all federal trademark law into a single statute, streamline and improve trademark law and process, and recognize the United States’ membership in international conventions dealing with trademarks. S. Rep. No. 79-1333, at

3-4 (Comm. Print 1946); H.R. Rep. No. 79-219, at 2-4 (Comm. Print 1945). Congress explained that “[t]he theory once prevailed that protection of trade-marks was entirely a State matter and that the right to a mark was a common-law right.” H.R. Rep. No. 79-219, at 4. In the wake of the Supreme Court’s curtailment of federal common law in *Erie Railroad Co. v. Tomkins*, 304 U.S. 64 (1938), the Lanham Act sought to codify federal trademark protections in what had become a national economy. S. Rep. No. 79-1333, at 5.

Even after passage of the Lanham Act, however, state statutory and common law trademark protections endure and coexist with the federal framework. 3 *McCarthy on Trademarks and Unfair Competition* § 19:8; see, e.g., Tennessee Trademark Act of 2000, Tenn. Code Ann. § 47-25-501-518; N.Y. Gen. Bus. L. § 360-k.

B. Trademark Law Has Long Balanced Expressive Interests And Promoted Creative Expression

Trademark protections strike a balance between facilitating creative speech by promoting investment in the creation and dissemination of brands, while ensuring that only unfair uses of that speech are prohibited.

This Court’s early trademark cases established rules balancing the interests of those seeking trademarks against those of the public. These rules reflected First Amendment interests by permitting trademark seekers rights over only sufficiently distinct marks, thereby preserving the use of generic words, symbols, etc. for the public. For example, in *Canal Co. v. Clark*, 80 U.S. (13 Wall.) 311 (1872), this Court explained that though it is “not necessary that the word adopted as a trade-name should be a new creation, never before

known or used, there are some limits to the right of selection.” *Id.* at 322. The owner of a trademark “has no right to the exclusive use of any words, letters, figures, or symbols, which have no relation to the origin or ownership of the goods, but are only meant to indicate their names or quality. He has no right to appropriate a sign or a symbol, which, from the nature of the fact it is used to signify, others may employ with equal truth, and therefore have an equal right to employ for the same purpose.” *Id.* at 324; *see also New Kids on the Block v. News Am. Publ’g, Inc.*, 971 F.2d 302, 306 (9th Cir. 1992) (denial of trademark protection for “generic” marks that do “not relate exclusively to the trademark owner’s product” “allays fears that producers will deplete the stock of useful words by asserting exclusive rights in them”). The Court also “forb[ade] the exclusive appropriation ... of geographical names, designating districts of country.” *Canal Co.*, 80 U.S. at 324.

Years later, in enacting the modern Lanham Act, Congress similarly recognized that “where the owner of a trade-mark has spent energy, time, and money in presenting to the public the product, he is protected in his investment from misappropriation by pirates and cheats.” H.R. Rep. No. 79-219, at 2. The Senate Committee Report accompanying the Lanham Act commented on the careful balance struck by trademark law, explaining that trademarks “do[] not confer a right to prohibit the use of the word or words. It is not a copyright.... A trademark only gives the right to prohibit the use of it so far as to protect the owner’s good will against the sale of another’s product as his.” S. Rep. No. 79-1333, at 3 (quoting *Prestonettes, Inc. v. Coty*, 264 U.S. 359 (1924)). Accordingly, the Lanham Act sought to ward against “unfair competition” without “con-

fer[ring] [any] monopoly” on the trademark owner. *Id.* at 4.

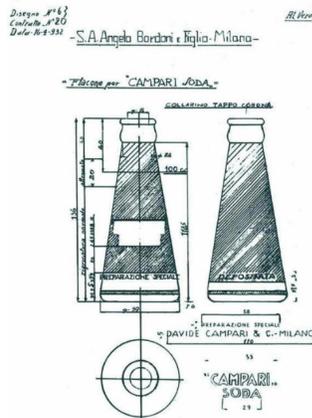
The trademark regime’s balance of interests encourages the flow of useful information in markets and “reduce[s] consumer search costs” by enabling the consumer to “know[] at a glance whose brand he is being asked to buy,” “whom to hold responsible if the brand disappoints[,] and whose product to buy in the future if the brand pleases.” *Ty Inc. v. Perryman*, 306 F.3d 509, 510 (7th Cir. 2002) (Posner, J.). Trademark’s prohibition of deceptive uses of trade symbols in commerce therefore leads to better-informed consumers and more competitive markets. *See Park ’N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 198 (1985) (“National protection of trademarks is desirable, Congress concluded, because trademarks foster competition.”).

Indeed, trademark law promotes speech by encouraging valuable investment in the creation and dissemination of new brands and the continued innovation of existing brands. *See New Kids on the Block*, 971 F.2d at 305 (“[T]his area of the law is generally referred to as ‘unfair competition’—unfair because, by using a rival’s mark, the infringer capitalizes on the investment of time, money and resources of his competitor.”).

For example, in 1969, Eric Bernat, the founder of lollipop brand Chupa Chups, enlisted the famous Spanish Surrealist Salvador Dalí to design a more eye-catching logo. Dalí sketched the iconic daisy-shaped logo and reportedly insisted that it always sit at the top of the lollipop wrapper so the design would not be distorted when wrapped around the candy. Lanks, *Salvador Dalí’s Real Masterpiece: The Logo For Chupa Chups Lollipops*, Fast Company (Mar. 8, 2012), <https://tinyurl.com/559ummay>.



Similarly, Italian Futurist Fortunato Depero, who designed art and advertisements for Campari over the years and was featured several years ago in an exhibit at the Guggenheim, contributed the signature cone-shaped design for the Campari Soda bottle. Ever since its creation in 1932, the distinctive conical “flacon,” a classic example of industrial design, has been synonymous with Campari Soda. See Annicchlarico, *The Story of Depero’s Campari Soda Bottle, Launched in 1932*, Domus (Feb. 25, 2022), <https://tinyurl.com/bdzz4xec>; see also *Italian Futurism 1909-1944*, Guggenheim, <https://tinyurl.com/yc3hv3e8>; *Fortunato Depero Museum*, designboom, <https://tinyurl.com/yetb4wuw>.



Other examples of creative expression by brands abound. Campari's Aperol bottle, designed in the 1920s, features lettering and colors that playfully evoke Italian aperitivo culture of that era and carefree summer days. Tucker, *From Spritzes to Sprites: Campari's Advertising Legacy*, Creative Review (Jun. 29, 2018), <https://tinyurl.com/ttzh633r>. Campari's sleek, cobalt blue SKYY Vodka bottle expresses quality and refinement. The bottle's color and subtle wave-like ridges are meant to evoke the San Francisco Bay area, where the mineral-rich water used to distill SKYY Vodka is sourced. Kiely, *Skyy Vodka Relaunches with New Recipe and Design*, The Spirits Business (May 5, 2021), <https://tinyurl.com/4e68zbfh>. Its extremely unique Frangelico bottle—designed in the shape of a robed friar, complete with a cord to cinch his waist—conveys the origin story of the liqueur.



Trademark protection supports this investment in design and expression.

C. The Lanham Act Protects Serious First Amendment Concerns

“The Lanham Act and First Amendment ... are not in conflict so long as the Act hews faithfully to the purposes for which it was enacted.” *Radiance Found., Inc. v. NAACP*, 786 F.3d 316, 321-322 (4th Cir. 2015). To that end, “[t]rademark” law has “built-in mechanisms that serve to avoid First Amendment concerns.” *Cardtoons, L.C. v. Major League Baseball Players Ass’n*, 95 F.3d 959, 970 (10th Cir. 1996).

1. Likelihood-of-Confusion Test

Chief among the Lanham Act’s tools for preventing First Amendment encroachment is the “require[ment] that the infringer’s use be ‘in connection with’ goods or services in a manner that is ‘likely to cause confusion’ among consumers as to the goods’ or services’ source or sponsorship.” *Radiance Found.*, 786 F.3d at 319, 322 (quoting 15 U.S.C. §§ 1114(1)(a), 1125(a)(1)); *see also Facenda v. N.F.L. Films, Inc.*, 542 F.3d 1007, 1018 (3d Cir. 2008) (“[T]he 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.” (citing *Central Hudson Gas & Elec. Corp. v. Public Serv. Comm’n of N.Y.*, 447 U.S. 557, 563 (1980)); Kozinski, *Trademarks Unplugged*, 68 N.Y.U. L. Rev. 960, 973 (1993) (“So long as trademark law limits itself to its traditional role of avoiding confusion in the marketplace, there’s little likelihood that free expression will be hindered.”).

The likelihood-of-confusion test serves to protect “the democratic value of expressive freedom,” *Radiance Foundation*, 786 F.3d at 319, 322, and is applied regularly by the courts of appeals. The traditional test, an early iteration of which was introduced by Judge

Friendly in *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961), analyzes whether a potential infringer’s use of a trademark is likely to confuse consumers by balancing various factors, including, among other things: the similarity of the products, their competitiveness with one another, the respective quality of the products, and the defendant’s intent or bad faith in adopting the mark. See, e.g., *The Shell Co. (Puerto Rico) v. Los Frailes Serv. Station, Inc.*, 605 F.3d 10, 21-22 n.9 (1st Cir. 2010).

Courts routinely consider whether the use of a trademark is a “[p]arody” as its own “factor” in the “likelihood-of-confusion analysis,” *Elvis Presley Enterprises, Inc. v. Capece*, 141 F.3d 188, 194 (5th Cir. 1998), or as bearing on one of the other traditional factors. See, e.g., *Nike v. “Just Did It” Enters.*, 6 F.3d 1225, 1231 (7th Cir. 1993) (noting that an “intent to parody” “raises the opposite inference” of the defendant having a bad-faith intent); *Utah Lighthouse Ministry v. Foundation for Apologetic Info. & Rsch.*, 527 F.3d 1045, 1055 (10th Cir. 2008) (“Parody ... casts several of the [likelihood-of-confusion] factors in a different light”). As one court commented, “[a] true parody actually decreases the likelihood of confusion because the effect of the parody is to create a distinction in the viewer’s mind between the actual product and the joke.” *Mutual of Omaha Ins. Co. v. Novak*, 648 F. Supp. 905, 910 (D. Neb. 1986), *aff’d* 836 F.2d 397 (8th Cir. 1987). In this sense, the traditional likelihood-of-confusion test, which courts nationwide have applied for decades, and which the Ninth Circuit decision below essentially ignored, already accounts for many First Amendment interests implicated by parody.

Courts’ application of the likelihood of confusion test to purported parodies and humorous works

throughout the years shows its flexibility and effectiveness in permitting parody that effectively distinguishes itself from the underlying trademark while protecting brands and consumers from confusion. For example, in *Tetley, Inc. v. Topps Chewing Gum, Inc.*, 556 F. Supp. 785, 786-788 (E.D.N.Y. 1983), a seller of a variety of tea products under the trademarks “Tetley” and “The Tiny Little Tea Leaf Tea” sued the producer of “Wacky Packages” stickers displaying a rendering of plaintiff’s tea product in its distinctive color scheme and featuring a dog “furiously scratching fleas” along with the text: “Petley Flea Bags” and “Tiny Little Dog Fleas.” The district court found that the defendant’s product was not likely to confuse because it was a “satirical adaptation [that] draws a heavy line between itself and the object of satire” and, critically, Tetley had “presented no evidence at all of actual confusion as to either the source or sponsorship of the ‘Petley’ sticker.” *Id.* at 790-791.

The same district court arrived at the opposite result in *Coca-Cola Co. v. Gemini Rising, Inc.*, 346 F. Supp. 1183 (E.D.N.Y. 1972). There, Coca-Cola sued a commercial poster producer that sold allegedly “humorous” posters featuring “an exact blown-up reproduction of plaintiff’s familiar ‘Coca-Cola’ trademark and distinctive format except ... that the poster read[] ‘Enjoy Cocaine.’” *Id.* at 1186-1187. Coca-Cola submitted uncontroverted evidence that “some persons of apparently average intelligence did attribute *sponsorship* [of the ‘Enjoy Cocaine’ poster] to [Coca-Cola]” and made a “clear showing of a high probability of confusion.” *Id.* at 1189-1190. The Court observed that confusion was more likely due to Coca-Cola’s “recent so-called ‘pop art’ novelty advertising,” which “may have served to further the impression that defendant’s poster was just

another effort of that kind by [Coca-Cola] to publicize its product.” *Id.* at 1190. The court therefore enjoined the defendant’s “Enjoy Cocaine” posters over its protests that “the poster was intended to be a spoof, satirical, [and] funny,” and an injunction would violate its First Amendment rights. *Id.* at 1186-1187.

2. Rogers Test For Inherently Expressive Works

In *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989), the Second Circuit created a special, two-part test that provides additional protection for inherently creative works of artistic expression, such as movies, plays, books and songs. The *Rogers* test “accord[s] considerable leeway to parodists whose expressive works aim their parodic commentary at a trademark or trade-marked product.” *Harley Davidson, Inc. v. Grottanelli*, 164 F.3d 806, 812 (2d Cir. 1999).

Until the Ninth Circuit’s decision in this case, courts following *Rogers* recognized that the freedom provided to expressive artists cannot cause courts to “hesitate[] to prevent a manufacturer from using an alleged parody of a competitor’s mark to sell a competing product.” *Harley Davidson*, 164 F.3d at 812. The Second Circuit, for example, has distinguished “us[ing a trademark] somewhat humorously to promote [one’s] own products and services” from an “expressive work” or parody, which “makes [a] comment on [the] mark.” *Id.* at 813.

3. Nominative Fair Use

Courts also apply the Lanham Act to protect First Amendment concerns by allowing entities to “use a trademark to identify the plaintiff’s goods so long as there is no likelihood of confusion about the source of

the defendant’s product or the mark-holder’s sponsorship or affiliation.” *Tiffany (NJ) Inc. v. eBay Inc.*, 600 F.3d 93, 102 (2d Cir. 2010). Under this “nominative fair use” doctrine, a defendant’s use of a trademark is permissible if it can show “(1) that the use of plaintiff’s mark is necessary to describe both the plaintiff’s product or service and the defendant’s product or service; (2) that the defendant uses only so much of the plaintiff’s mark as is necessary to describe plaintiff’s product; and (3) that the defendant’s conduct or language reflect the true and accurate relationship between plaintiff and defendant’s products or services.” *Century 21 Real Est. Corp. v. Lendingtree, Inc.*, 425 F.3d 211, 222 (3d Cir. 2005).

Courts permit such uses because “[w]hen the mark is used in a way that does not deceive the public [there is] no such sanctity in the word as to prevent its being used to tell the truth.” *Prestonettes, Inc.*, 264 U.S. at 368 (Holmes, J.). For example, in *New Kids on the Block*, the Ninth Circuit held that newspapers did not infringe the boy band New Kids on the Block’s trademark in their name by publishing reader polls asking, among other things, “Which of the New Kids on the Block would you most like to move in next door?” 971 F.2d at 304; *see also WCVB-TV v. Boston Athletic Ass’n*, 926 F.2d 42, 46 (1st Cir. 1991) (Breyer, J.) (unlicensed broadcast of Boston Marathon can use “Boston Marathon” mark because it “do[es] more than call attention to Channel 5’s program” and, in fact, “describe[s] the event that Channel 5 will broadcast”).

All of these existing doctrines protect free expression and, contrary to the Ninth Circuit’s improper extension of *Rogers*, align with the historic balance between free speech and protecting the investment and creativity that drives the creation of protected marks.

II. PROFIT-MOTIVATED, COMMERCIAL SPEECH THAT CONFUSES CONSUMERS HOLDS MINIMAL, IF ANY, FIRST AMENDMENT VALUE

Trademark law fits into a broader constellation of permissible restrictions on misleading communications. This Court has clarified time and again that the government may regulate misleading communications without raising First Amendment implications.

In the non-commercial sphere, various “forms of public deception” are well understood as “unprotected speech.” *Illinois ex rel. Madigan v. Telemarketing Assocs., Inc.*, 538 U.S. 600, 612 (2003). Based on its ability “to protect people against fraud”—a “governmental power” that “[t]his country” “has always ... recognized,” *Donaldson v. Read Magazine*, 333 U.S. 178, 190 (1948)—legislatures may, and in fact do, prohibit a range of deceptive, non-commercial conduct. For example, they can prohibit “mak[ing]” “fraudulent appeals” “in the name of charity and religion,” *Schneider v. State of New Jersey (Town of Irvington)*, 308 U.S. 147, 164 (1939), or “pretend[ing] to be an officer or employee acting under the authority of the United States” in order to obtain a “thing of value,” 18 U.S.C. § 912; see *United States v. Lepowitch*, 318 U.S. 702 (1943) (upholding conviction under statute now codified at § 912). This authority arises from the basic principle that “[t]he First Amendment does not shield fraud.” *Madigan*, 538 U.S. at 612.

In the commercial speech context, such as here, the government’s power to regulate public deception is even greater. As this Court has recognized, “speech proposing a commercial transaction ... occurs in an area traditionally subject to government regulation,” *Ohralik v. Ohio State Bar Ass’n*, 436 U.S. 447, 455-456

(1978), and “[t]he First Amendment” cannot be construed to “prohibit the [government] from insuring that the stream of commercial information flow[s] cleanly as well as freely,” *Virginia State Board of Pharmacy v. Virginia Citizens Consumer Council, Inc.*, 425 U.S. 748, 771-772 (1976). There can thus “be no constitutional objection to the suppression of commercial messages that do not accurately inform the public about lawful activity,” and “[t]he government may ban forms of communication more likely to deceive the public than to inform it.” *Central Hudson Gas & Elec. Corp.*, 447 U.S. at 563. Put differently, there is simply “no [constitutional] obstacle” to the government’s regulation of “deceptive or misleading” commercial speech. *Virginia State Bd. of Pharmacy*, 425 U.S. at 771; *see also Friedman v. Rogers*, 440 U.S. 1, 9 (1979) (“restrictions on ... deceptive[] and misleading commercial speech” “are “permissible”).

As *Ohralik* explained nearly a half-century ago, “[n]umerous examples could be cited of communications that are regulated without offending the First Amendment, such as the exchange of information about securities, corporate proxy statements, the exchange of price and production information among competitors, and employers’ threats of retaliation for the labor activities of employees.” 436 U.S. at 456 (citations omitted); *see also Paris Adult Theatre I v. Slaton*, 413 U.S. 49, 61-62 (1973) (“Congress and state legislatures ... have strictly regulated public expression by issuers of and dealers in securities, profit sharing ‘coupons,’ and ‘trading stamps,’ commanding what they must and must not publish and announce.”). The government may also constitutionally prohibit optometrists from operating under a “deceptive or misleading” tradename, *Friedman*, 440 U.S. at 16 n.17, and attorneys from advising

clients in bankruptcy to incur additional debt, *Milavetz, Gallop & Milavetz, P.A. v. United States*, 559 U.S. 229, 239-240 (2010).

Underlying all of these examples is the bedrock principle that “the [government] does not lose its power to regulate commercial activity deemed harmful to the public whenever speech is a component of that activity.” *Ohralik*, 436 U.S. at 456. Indeed, controlling such speech is not just permissible, but necessary to protecting “the individual and societal interest,” *Tennessee Secondary School Athletic Ass’n v. Brentwood Academy*, 551 U.S. 291, 299 (2007) (quoting *Ohralik*, 436 U.S. at 458), by “dissipat[ing] the possibility of consumer confusion or deception,” *Zauderer v. Office of Disciplinary Counsel of Sup. Ct. of Ohio*, 471 U.S. 626, 651 (1985) (quoting *In re R.M.J.*, 455 U.S. 191, 201 (1982)).

Trademark law fits this mold precisely. “[T]he purpose of the ... ‘Lanham Act’ ... is to prevent consumer confusion or deception about the origin or make of a product.” *Parfums Givenchy, Inc. v. Drug Emporium, Inc.*, 38 F.3d 477, 484 (9th Cir. 1994); see also *Boston Duck Tours, LP v. Super Duck Tours, LLC*, 531 F.3d 1, 12 (1st Cir. 2008) (“Trademark infringement law is specifically targeted to address [the] concern” of “consumer confusion[.]”); *Next Invs., LLC v. Bank of China*, 12 F.4th 119, 132 (2d Cir. 2021) (“[T]he Lanham Act” is “designed to ... prevent consumer confusion.”) (quotation marks omitted). Thus, just as it is beyond question that the First Amendment allows the government to prevent a company from misleading investors through material omissions, see *Omnicare, Inc. v. Laborers District Council Construction Industry Pension Fund*, 575 U.S. 175, 178 (2015), and to prohibit corporate mergers performed through the use of mis-

leading proxy statements, *Mills v. Electric Auto-Lite Co.*, 396 U.S. 375, 377 (1970), so too “it is well settled” that the government, in order to “protect consumers and trademark owners,” may prohibit a company from using another’s trademark “to the extent” such use of the “trademark is confusing or misleading.” *Matal*, 137 S. Ct. at 1768 (Kennedy, J., concurring).

III. THE DECISION BELOW UPSETS THE TRADITIONAL BALANCE OF TRADEMARK LAW, RISKING CONSUMER CONFUSION AND DEFEATING TRADEMARK’S PURPOSE

A. Silly Squeaker Dog Toys Are Paradigmatic Examples Of Commercial Products That Confuse Consumers

1. Silly Squeakers Are Commercial Products, Not Works of Artistic Expression or Social Commentary

Respondent VIP is, by its own description, primarily engaged in the business of designing, manufacturing, and marketing dog toys. JA3. VIP sells three lines of dog toys, including Silly Squeakers, which are rubber squeaky toys that frequently mimic the bottles of different popular beer, wine, soda, and liquor brands. Pet.App.47a. VIP markets Silly Squeakers through a variety of forums and media, including trade shows, e-mail marketing campaigns and bi-annual print catalogs directed to retailers. JA281. Indeed, VIP’s catalogs advertise the specific Silly Squeaker at issue in this case—the “Bad Spaniels” toy meant to look like a bottle of Jack Daniel’s whiskey—by portraying it in front of an image of a drink-filled bar. JA187, 192. Silly Squeakers are available at some of the nation’s largest retailers, such as Walmart and Amazon.com, Pet.App.73a, and “cost more than most, if not all, other

dog squeeze toys on the market.” *Anheuser-Busch, Inc. v. VIP Prods., LLC*, 666 F. Supp. 2d 974, 980 (E.D. Mo. 2008). VIP sold more than a million Silly Squeakers during their first decade on the market (2007 to 2017). Pet.App.26a.

Even if their names—like “Bad Spaniels” or “Buttwiper”—qualify as “alleged parod[ies],” Silly Squeakers are nonetheless “primarily non-expressive products,” *Harley Davidson*, 164 F.3d at 812-813, meant to earn VIP profits, rather than “works of artistic expression,” *Rogers*, 875 F.2d at 997. Nor are Silly Squeakers core First Amendment works that convey “criticism” or similar forms of “commentary” on “social issues.” *Radiance Found.*, 786 F.3d at 322-324. The Ninth Circuit below attributed to Silly Squeakers the purported message that “corporations ... take themselves very seriously.” Pet.App.26a. But this supposed message is little more than a post-hoc rationalization, offered by VIP’s owner during his deposition, and not even hinted at in VIP’s initial complaint. JA31. In any event, VIP’s message is at best a general comment on consumerism that is in no way tied to any specific brand, and could apply to essentially *any* trademark of *any* corporation. Put differently, “Bad Spaniels” offers no criticism or commentary on anything relating to *Jack Daniel’s* trademark, but rather simply the general concept of consumerism. *See Harley Davidson*, 164 F.3d at 812 (recognizing that “expressive works aim their parodic commentary *at a trademark or a trade-marked product*” (emphasis added)).

In sum, because VIP’s Bad Spaniels toy is far from an inherently expressive work, there was no reason for the Ninth Circuit to apply anything other than the traditional likelihood-of-confusion-test to determine

whether the straightforwardly commercial product infringes Jack Daniel's trademark.

2. The Bad Spaniels Squeaker Toy Irrefutably Confuses Consumers

Applying the traditional likelihood-of-confusion test to this case, as the district court did, presents an easy call: the Bad Spaniels toy without question confuses consumers and thus infringes Jack Daniel's trademark.

Notably, it is uncontested that the Bad Spaniels toy actually confused consumers. Relying on the results of an industry-standard, double-blind survey designed and conducted by a leading expert in marketing research for over 40 years, the district court found as a matter of fact that approximately 29% of potential purchasers were likely to be confused or deceived into believing that Bad Spaniels was associated with Jack Daniel's based on its use of the company's indicia or trade dress. Pet.App.65a-68a.

For decades, district courts from Boston to San Diego (and many places in between) have treated survey results showing confusion rates between 10% and 20% as indicating a likelihood of confusion. *See, e.g., Copy Cop, Inc. v. Task Printing, Inc.*, 908 F. Supp. 37, 42 (D. Mass. 1995) (confusion rate of 16.5% supported finding of likelihood of confusion); *Jockey Int'l, Inc. v. Burkard*, 1975 WL 21128, at *6 (S.D. Cal. Feb. 21, 1975) (same for 11.4% confusion rate); *AWGI, L.L.C. v. Atlas Trucking Co.*, 2020 WL 3546100, at *35 (E.D. Mich. June 30, 2020) (same for 19% confusion rate); *National Football League v. Governor of Delaware*, 435 F. Supp. 1372, 1381 (D. Del. 1977) (same for 19% confusion rate). *See generally 6 McCarthy on Trademarks and Unfair Competition* § 32:188 (5th ed. 2022) (collecting cases).

The courts of appeals are much the same: the Second Circuit has concluded that a 15-20% “rate of product confusion” contributes to “substantial evidence” of a likelihood of confusion, *RJR Foods, Inc. v. White Rock Corp.*, 603 F.2d 1058, 1061 (2d Cir. 1979); the Third Circuit has held that “15% confusion is sufficient to demonstrate actual confusion,” *Novartis Consumer Health, Inc. v. Johnson & Johnson Merck Consumer Pharmaceuticals Co.*, 290 F.3d 578, 594 (3d Cir. 2002); the Fourth Circuit has suggested that confusion rates of 15-20% would show “actual confusion” as “exist[ing] to a significant degree,” *Sara Lee Corp. v. Kayser-Roth Corp.*, 81 F.3d 455, 466-467 (4th Cir. 1996); the Fifth Circuit has declared that a “survey” showing confusion of “[a]pproximately 15 percent of the individuals surveyed” “constitute[d] strong evidence indicating a likelihood of confusion,” *Exxon Corp. v. Texas Motor Exchange of Houston, Inc.*, 628 F.2d 500, 507 (5th Cir. 1980), and the Seventh Circuit has clarified that a 15% confusion rate is not “small” but rather “evidences a likelihood of confusion,” *James Burrough Ltd. v. Sign of Beefeater, Inc.*, 540 F.2d 266, 279 (7th Cir. 1975).

As the district court thus correctly concluded, the 29% confusion rate present here is “nearly double the threshold to show infringement.” Pet.App.68a.

B. The Decision Below Protects Blatant Infringement And Invites Abuse

1. The Ninth Circuit opened the door to infringement with a thin veneer of humor

By casting aside the uncontested record of actual confusion simply because the Bad Spaniels toy involves a sophomoric joke, the Ninth Circuit’s decision below “stretched way too far the concept of what qualifies as

an expressive work entitled to free speech treatment under the *Rogers* analysis.” Welch, *Jack Daniel’s Seeks Supreme Court Review of Ninth Circuit’s “Bad Spaniels” Ruling*, The TTABlog (Sept. 7, 2022, 3:08 PM) (J. Thomas McCarthy Comment), <https://tinyurl.com/3zaey6ed>.

At bottom, the Ninth Circuit ignores the crucial distinction between creating a truly artistic and expressive parody and making a competing product that blatantly rips off a trademark even though it may involve humorous elements. *Harley Davidson*, 164 F.3d at 812-813 (explaining that “parodic use” of a trademark “to sell a competing product” by including the trademark in business “signage” and company “newsletter[s]” is “sharply limited” as compared to the “leeway” “accorded” to “parodists whose expressive works aim their parodic commentary at a trademark or a trademarked product.”); see also *United We Stand Am., Inc. v. United We Stand, Am. N.Y., Inc.*, 128 F.3d 86, 91 (2d Cir. 1997) (rejecting the proposition that “the use of a mark in connection with humorous publication cannot be an infringement.”).

The Ninth Circuit’s decision greenlights trademark infringement likely to confuse consumers or harm the mark owner, so long as it involves even the slightest bit of humor. The decision not only invites infringement, but it provides the perfect recipe to achieve it: blatantly infringe, add the weakest dash of humor (serve neat), and drink to your new fortune.

It is not hard to imagine any number of scenarios in which an alleged parodist could abuse the Ninth Circuit’s decision to confuse consumers and intrude on the market for a branded product. For example, the Campari Group owns one of the country’s most famous

whisky brands, Wild Turkey, which has held its name since a distillery executive shared it with friends on a hunting trip in 1940. Kollwe, *The History of Wild Turkey*, The Guardian (Apr. 8, 2009), <https://tinyurl.com/mmexp9ww>. Could a rival drink-maker now sell whiskey by changing “Wild Turkey” (Registration No. 2263231) to “Really Wild Turkey” and replacing the brand’s iconic turkey logo (Registration No. 4440358) with an image of an inebriated bird? Similarly, could Pernod Ricard have its brand, “Jameson Irish Whiskey,” (Registration No. 3936179), ripped off by a competitor who makes “Shameson Irish Whiskey,” targeting college students with a nod to the phrase “walk of shame”? See Marcotte, *Why We Need to Stop Using the Phrase ‘Walk of Shame,’* The Daily Beast (July 12, 2017), <https://tinyurl.com/2ksu4974>.

Or, as recently spotted on the streets of New York by a co-author of this brief, can a marijuana delivery service brand itself as Starbuds using a blatant imitation of the Starbucks logo merely because some may find it humorous?



The Ninth Circuit’s decision invites abusive practices and will make it extremely difficult, if not impossible, to protect the investment and goodwill protected by trademarks.

2. The Ninth Circuit failed to consider brands’ own use of humor

The decision below also overlooks the ways in which brands themselves rely upon humor in marketing their products or allow authorized licensees to do so. Specifically, the Ninth Circuit found the Bad Spaniels toy to be “expressive” because its “humorous message” “alter[s] the serious phrase that appears on Jack Daniel’s bottle.” Pet.App.31a. But that analysis relies on a false dichotomy: the world is not filled with humorous expression on one end and serious brands on the other.

Jack Daniel’s has already “licensed various dog products.” Pet. Br. 12. Moreover, using humor—especially self-deprecating humor—is a tried-and-true marketing strategy. Perhaps most famously, in April 1960, in what *Advertising Age* would later crown the No. 1 ad campaign of all time, Volkswagen placed an ad in *Life* magazine. By presenting a simple black-and-white image of its Beetle car above the bolded word “**Lemon,**” Volkswagen “revolutioni[z]ed car marketing” and “forever changed the relationship between the public and creative advertising” by spoofing customers into thinking Volkswagen was advertising their cars as duds (or “Lemons”), when in reality the finer print that followed explained that “VW inspectors run each car off the line and say ‘no’ to one VW out of 50,” so that the company “pick[s] the lemons,” and you, the consumer, “get the plums.” Dean, *VW’s Lemons Not What They Used To Be*, Financial Review (June 17, 2013), <https://tinyurl.com/55d75het>.



Lemon.

This Volkswagen missed the boot. The chrome strip on the glove compartment is blighted and must be replaced. Chances are you wouldn't have noticed it; Inspector Kurt Kröner did.

There are 3,399 men at our Wolfsburg factory with only one job: to inspect Volkswagens at each stage of production. 3,000 Volkswagens are produced daily; there are more inspectors

(than cars)! Every shock absorber is tested (spat checking won't do), every windshield is scanned. VWs have been rejected for surface scratches barely visible to the eye.

Final inspection is really something! VW inspectors run each car off the line onto the Funktionsprüfstand (car test stand), rate up 189 check points, gun ahead to the automatic

brake stand, and say "no" to one VW out of fifty.

This preoccupation with detail means the VW lasts longer and requires less maintenance, by and large, than other cars. It also means a used VW depreciates less than any other car!

We pluck the lemons; you get the plums.



Other examples abound. In 1970, following extensive public criticism levied against it by the state's Public Utilities Commission, General Telephone of California ran a television ad campaign featuring commercials in which an executive introduced himself as being "from General Telephone" and was promptly met with a series of boos and pelted with tomatoes, eggs, and a cream-filled pie. *See Advertising: The Mea Culpa Campaign*, Time (July 27, 1970), <https://tinyurl.com/b8j6dkmt>. The car maker Hyundai ran a series of advertisements in the 1990s mocking its past reputation for making poor quality cars with the slogan "Hyundai. Yes, Hyundai." *Self Deprecating/Advertising*, TV Tropes, <https://tinyurl.com/3ryr5hyt>; see also 1992 *Hyundai Elantra "Yes Hyundai" TV Commercial*, YouTube, <https://tinyurl.com/bde9h44r>.

Campari Group's "Wild Turkey" brand is famous for humorous advertisements, for example:



In addition to its other flaws, by treating the inclusion of a whit of humor as the equivalent of serious artistic expression, the decision below obliterates the protection of genuine creative contributions against infringement by their commercial knock-offs. Further, by treating humor as a barometer for permissible trademark use, the Ninth Circuit's new standard will yield highly unpredictable results. It is hard to think of something more antithetical to trademark's longstanding purposes.

IV. VIP'S SALES WERE NOT NONCOMMERCIAL USE

Finally, little needs to be said about the Ninth Circuit's conclusion that VIP's actions fell under the noncommercial use exception to trademark dilution. VIP's extensive sales—over 1 million Silly Squeakers between in their first decade of existence—were hardly noncommercial. Those sales, at well above-market cost, *see Anheuser-Busch, Inc.*, 666 F. Supp. 2d at 980, reflect VIP's irrefutable profit motive.

The Trademark Dilution Revision Act created a specific exception for parody, which carefully balances First Amendment concerns. *See* 15 U.S.C. § 1125(c)(3)(A)(ii). The Ninth Circuit should have analyzed dilution under the statute drafted by Congress, not rewritten that statute to stretch the concept of noncommercial use.

CONCLUSION

The Ninth Circuit's ruling should be reversed.

Respectfully submitted.

MARK G. MATUSCHAK

VINITA FERRERA

HANNAH E. GELBORT

ETHAN A. SACHS

WILMER CUTLER PICKERING

HALE AND DORR LLP

60 State Street

Boston, MA 02109

SETH P. WAXMAN

Counsel of Record

THOMAS G. SAUNDERS

WILMER CUTLER PICKERING

HALE AND DORR LLP

1875 Pennsylvania Ave., NW

Washington, DC 20006

(202) 663-6000

seth.waxman@wilmerhale.com

JOSHUA H. LERNER

WILMER CUTLER PICKERING

HALE AND DORR LLP

One Front Street, Suite 3500

San Francisco, CA 94111

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