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Dog Toy Maker Has Its Day with Ninth Circuit Trademark Decision

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Every dog has its day. March 31, 2020 was that day for dog toy maker, VIP Products, LLC ("VIP Products"), in a case that pitted Bad Spaniels against Jack Daniel's. The U.S. Court of Appeals for the Ninth Circuit vacated a permanent injunction and judgment of trademark infringement that the United States District Court for the District of Arizona had entered against VIP Products, and reversed a judgment that VIP Products was liable for trademark dilution by tarnishment. *VIP Products LLC v. Jack Daniel's Properties, Inc.*, 953 F.3d 1170 (9th Cir. 2020). The basis: The First Amendment.

The case involved VIP Products' "Bad Spaniels Silly Squeaker" dog toy, which resembles a bottle of Jack Daniel's Old No. 7 Black Label Tennessee Whiskey—with dog-related alterations. *Id.* at 1172. The Ninth Circuit described the alterations as "light-hearted," *id.*, but Jack Daniel's Properties, Inc. ("JDPI") did not find them funny. In addition to replacing "Jack Daniel's" with "Bad Spaniels," the toy replaces "Old No. 7 Brand Tennessee Sour Mash Whiskey" with "the Old No. 2, on your Tennessee Carpet" and alcohol content descriptions with "43% POO BY VOL." and "100% SMELLY." *Id.*

After JDPI demanded that VIP Products cease and desist, VIP Products filed suit seeking declarations that the Bad Spaniels toy does not infringe or dilute JDPI's trademark rights, or in the alternative, that Jack Daniel's trade dress and bottle design are not entitled to trademark protection. *Id.* at 1172–73. VIP Products also sought cancellation of the trademark registration for Jack Daniel's bottle design. *Id.* at 1173. JDPI counterclaimed, alleging federal and state law claims for trademark and trade dress infringement, and dilution by tarnishment. *Id.*

On cross-motions for summary judgment, the district court found in favor of JDPI on protectability and declined to cancel its trademark registration. The district court also rejected VIP Products' nominative fair use defense because VIP Products did not use JDPI's identical marks or trade dress. *Id.* The Ninth Circuit affirmed these aspects of the district court's decision. *Id.* at 1173–74.

The district court also rejected VIP Products' First Amendment fair use defense. *Id.* at 1173. And after a four-day bench trial, the district court held that VIP Products had infringed and diluted JDPI's trademarks and trade dress. It also permanently enjoined VIP Products from offering the Bad Spaniels toy. *Id.* On appeal, the Ninth Circuit disagreed.

The crux of the disagreement is whether the Bad Spaniels toy is an expressive work entitled to First Amendment protection. The district court held it was not, because VIP Products used the

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trade dress and bottle design "to promote a somewhat non-expressive, commercial product." *Id.* But the Ninth Circuit explained that a product is not rendered non-expressive simply because it is sold commercially. Rather, a work is expressive if it communicates ideas or expresses points of view. *Id.* at 1174. Here, "although surely not the equivalent of the *Mona Lisa*," the dog toy communicates a "humorous message," by "using word play to alter the serious phrase that appears on a Jack Daniel's bottle—'Old No. 7 Brand'—with a silly message—'The Old No. 2.'" *Id* at 1175.

In reaching this conclusion, the Ninth Circuit drew on its holding in *Gordon v. Drape Creative, Inc.*, 909 F.3d 257, 268–69 (9th Cir. 2018), and the Fourth Circuit's decision in *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 260 (4th Cir. 2007). In *Gordon*, the Ninth Circuit held that greeting cards that combined trademarked "Honey Badger" phrases were expressive works entitled to First Amendment protection. 909 F.3d at 268. Despite the arguable lack of great "creative artistry," First Amendment protection applied because conveying a humorous message is expressive. *Id.* at 269. In *Gordon*, the cards "convey[ed] a humorous message through the juxtaposition of an event of some significance—a birthday, Halloween, an election—with the honey badger's aggressive assertion of apathy." *Id.* at 268–69. In *Haute Diggity Dog*, the Fourth Circuit similarly found that the defendant's "Chewy Vuiton" dog toys, which loosely resembled Louis Vuitton handbags, were successful parodies that did not infringe Louis Vuitton Malletier's trademark rights. 507 F.3d at 260. The Ninth Circuit noted that the decision in *Haute Diggity Dog* was based on the traditional likelihood of confusion test rather than the First Amendment, because the Fourth Circuit had not yet adopted the test for expressive works articulated in *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989). *VIP Prods. LLC*, 953 F.3d at 1175 n.1. But on the successful parody factors discussed, the Ninth Circuit determined that "[n]o different conclusion is possible here." *Id.* at 1175. That is, the effect of the Bad Spaniels Silly Squeaker is "'a simple' message conveyed by 'juxtaposing the irreverent representation of the trademark with the idealized image created by the mark's owner.'" *Id.*

The Ninth Circuit's conclusion that the Bad Spaniels toy is an expressive work entitled to First Amendment impacted the two key sets of claims differently. First, with regard to trademark infringement, First Amendment protection meant that the district court should have but did not determine whether JDPI can satisfy one of two prongs of the *Rogers* test. As a result, the Ninth Circuit vacated the district court's judgment on infringement. *Id.* at 1175–76. On remand, the district court will have to determine whether JDPI can satisfy one of two prongs of the *Rogers* test, which will require JDPI to prove that VIP Products' use of Jack Daniel's marks either (1) is "not artistically relevant to the underlying work" or (2) "explicitly misleads consumers as to the source or content of the work." *Id.* at 1174, 1176. If JDPI satisfies one of the *Rogers* prongs, it still must prove that its trademarks have been infringed by showing that VIP Products' use of the mark is likely to cause confusion. *Id.* 1176 n.2.

Second, the Ninth Circuit reversed the district court's judgment on dilution because where the use of a mark is "noncommercial" there can be no dilution by tarnishment. *Id.* at 1176. Speech can qualify as "noncommercial" even if it proposes a commercial transaction as long as it does something more. The panel held that although VIP Products used JDPI's trade dress and bottle design to sell the Bad Spaniels Silly Squeaker, it also used them to do something more: convey a humorous message. *Id.* Because the First Amendment protects that humorous message, VIP Products was entitled to judgment in its favor on the federal and state law dilution claims. *Id.*

Will all products that use (or attempt) humor receive First Amendment protection as expressive works in the wake of *VIP Products*? Time will tell. At this point, however, it is difficult to dismiss the case as an outlier. The holding appears to be part of a trend. In *Rogers* the Second Circuit recognized that movies, plays, books, and songs are all indisputably works of artistic expression. 875 F.2d at 997.

The Ninth Circuit has since applied the *Rogers* test to photographs (*Mattel, Inc. v. Walking Mountain Productions*, 353 F.3d 792, 807 (9th Cir. 2003)), video games (*Brown v. Electronic Arts, Inc.*, 724 F.3d 1235, 1241–42 (9th Cir. 2013)), promotional activities auxiliary to an expressive work (*Twentieth Century Fox Television, a division of Twentieth Century Fox Film Corp. v. Empire Distribution, Inc.*, 875 F.3d 1192, 1196–97 (9th Cir. 2017)), greeting cards (*Gordon*, 909 F.3d at 268–69), and now dog toys.

A guiding Supreme Court decision is *Brown v. Entertainment Merchants Ass'n,* 564 U.S. 786, 790 (2011). There, the Court held that video games are entitled to First Amendment protection because they communicate ideas, and even social messages, through familiar literary devices. Thereafter, the Ninth Circuit recognized that there is some limit to what constitutes an expressive work. *Brown v. Elec. Arts, Inc.*, 724 F.3d at 1241. Specifically, the Ninth Circuit explained, "there may be some work referred to as a 'video game' (or referred to as a 'book,' 'play,' or 'movie' for that matter) that does not contain enough of the elements contemplated by the Supreme Court," such as characters, dialogue, plot, and music, "to warrant First Amendment protection as an expressive work." *Id.*

There is thus potentially still some limit on whether parody or attempted parody will receive First Amendment protection. Until other cases address this issue, it promises to be challenging to tell whether a given allegedly infringing trademark or trade dress use will ultimately be considered expressive. As a practical matter, the district court's assessment of whether the Bad Spaniels Silly Squeaker passes the *Rogers* test on remand, and if so, whether JDPI can make the showing required for infringement may also be instructive. Despite First Amendment protection, VIP Products may yet be found liable for trademark infringement.

This much is clear: those designing products intended to parody known marks or trade dress should not assume automatic First Amendment protection or full insulation against a finding of infringement. Poke fun with caution.

