

IP attorney Mark Stallion on strength of arguments leading to Jack Daniel's ruling

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Mark Stallion, intellectual property lawyer with Greensfelder, Hemker and Gale PC, spoke with Westlaw Today about the arguments given in the U.S. Supreme Court's recent Jack Daniel's trademark case and the possible effects of the ruling.

This June the U.S. Supreme Court ruled that Bad Spaniels, a dog toy imitating Jack Daniels' trade dress, could not beat claims of trademark infringement by relying on free-speech exceptions for parodic works. The opinion, authored by Justice Elena Kagan, held that, because manufacturer VIP Products LLC used the whiskey maker's distinctive trade dress as a source designation, there was no need to apply the legal test for excepting parodies from infringement liability. *Jack Daniels Props. Inc. v. VIP Prods. LLC*, 143 S. Ct. 1578 (2023). Read more: 2023 IPDBRF 0077

Westlaw Today: Why do you think Jack Daniel's decided to push this issue all the way to the Supreme Court?

Mark Stallion: Primarily because some of the, if you want to call it, parody that was being used was pretty aggressive, although it may appear funny to some. When you start using terms like "poo" and "smelly," that can be somewhat damaging to your mark if it ever caught hold. I think they saw it as a line in the sand. This was a bit far, particularly when it comes to a spirit of the nature of Jack Daniel's, the aroma and the taste are important.

WT: After a multifaceted 90-minute oral argument, were you surprised that all the justices were able to agree on a straightforward ruling?

MS: The opinion came out slightly different from what I anticipated. One of the challenges with the case is that neither side really presented a case that was very narrow and specific in order for the Supreme Court to come down with a ruling that was going to be game-changing in any way or that was going to allow the court to decide for one side or another.

The justices reached somewhat of a middle ground in their decision. On the Jack Daniel's side of the ledger, they were making arguments that suggest that parody didn't exist in this case, and also that there is likelihood of confusion from an infringement standpoint. Both of those arguments were losing arguments in my opinion.

On the flip side, from [VIP]'s standpoint, they argued that *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989), is a threshold test to be examined before anything related to likelihood of confusion, which I think was a losing argument.

The records were filled with those opposing arguments, and I don't think it was possible for the Supreme Court to decide on either because both would have resulted in some pretty significant ripples in law that the court was not willing to make.

WT: Did you agree with the opinion? Why or why not?

MS: I did, because it would have been difficult for the Supreme Court to make a decision about likelihood of confusion in the case of infringement. The court couldn't just bypass likelihood of confusion because parody exists and the reason you don't in this particular case is because the parody mark that was being used by VIP was really being associated with a very specific product that was being sold. And that mark was being used as a mark. In a sense they were leveraging the goodwill of Jack Daniel's for the purposes of selling their own product. The court rightly decided that is not the intent of the parody defense.

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A better example of how the parody argument should be asserted is — a late-night show has a scene with two seedy characters sitting at a table drinking spirits and the cameras zoom in on this label that VIP is using on the bottle. It is in no way associating this use of parody for identifying the show or suggesting that Jack Daniel's is backing the show. It's just for comical purposes and it's a one-off situation and not actually selling a dog toy and using the label as its brand.

WT: What is the impact of this ruling?

MS: On remand, if the court ultimately lands on a finding of dilution and if the records shows that Jack Daniel's adequately proves that there's sufficient similarity of the marks, it's clearly associated with its famous mark, that there's some blurring or potential weakening of its mark. I think everything will stay status quo.

It's very difficult for me to imagine, however, the court [on remand] coming down with a likelihood-of-confusion ruling with so many

differentiations on the Bad Spaniels side. Justice [Sonia] Sotomayor, in her concurrence, was cautioning that you can't just look at marketing research because any marketing researcher who's worth their weight in salt will be able to fashion questions in order to get the responses they want to get. You have to examine all the probative evidence to see if in fact you can show likelihood of confusion in the case of infringement.

However, if the court decides there is infringement based on likelihood of confusion, despite the differentiations in the Bad Spaniels mark, the trademark universe will feel a significant ripple because, I don't think the average consumer would assume that Jack Daniel's had some connection with the toy and that any showing of likelihood of confusion would be fabricated, in my opinion.

If you want things to stay balanced as to the current state of the law, if the court comes down with a finding of dilution, the question is

what probative evidence does Jack Daniel's have to show to say that their famous mark has been diluted. If they can show there is some blurring or tarnishment or disparagement of their mark in some manner other than looking at market research data, I believe the trademark universe is stable.

WT: Did the court miss any opportunities in the opinion?

MS: What I would have liked to have seen is if Justice Sotomayor's concurring opinion had been expounded on to give further guidance as to what type of information would need to be presented to show dilution or to show likelihood of confusion.

This interview has been edited for brevity and clarity. The article provides information only, does not constitute legal advice and is not meant to create any attorney-client relationship.

About the author



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