Unanimous Supreme Court Finds Rogers Test Does Not Apply When Trademark Is Used As Source Identifier

June 8, 2023 David Bell, Joseph Lawlor

PRACTICES Intellectual Property, Trademark and Advertising

On June 8, 2023, the U.S. Supreme Court issued a unanimous opinion in *Jack Daniel's Properties, Inc. v. VIP Products LLC*[1], holding that where an alleged infringer uses a trademark to designate the source of its goods—even in part—the *Rogers* test does not apply. The *Rogers* test is intended to protect First Amendment rights and shields works of artistic expression from claims of trademark infringement unless certain exceptions are met. While the Court declined to weigh in on the merits of the *Rogers* test, this decision will serve to limit the application of the test to only those cases where a trademark is used *solely* in an artistic and expressive manner rather than to identify the source of the alleged infringer's product.

At issue was the appropriate test to govern trademark infringement claims where the defendant's products constitute expressive works. Typically, courts evaluate trademark infringement claims under the Lanham Act's "likelihood of confusion" framework. The multi-factor test considers the similarity of the marks, relatedness of the products, and evidence of actual confusion, among other factors. This standard test does not include a factor focusing on expressive intent of a mark's use, such as humor, parody, or criticism.

In the 1989 case *Rogers v. Grimaldi*[2], the Second Circuit established a separate test to evaluate trademark infringement where such artistic expression is involved. The test serves as a substitute to the traditional likelihood of confusion test. The *Rogers* test aims to balance freedom of expression (protected under the First Amendment) with freedom from consumer confusion (protected by the Lanham Act). Several circuits have since adopted and applied the test.[3] Under the *Rogers* test, an infringement complaint against an "expressive work" must be dismissed, unless the complainant can show that the use of the mark (i) "has no artistic relevance to the underlying work" or (ii) "explicitly misleads as to the source or the content of the work," often an unsurmountable hurdle for the trademark owner.

While courts have commonly applied the *Rogers* test to traditional artistic works such as movies, books, and visual wall art, some courts have expanded the reach of expressive works to apply to physical products including consumer goods. More recently, the Ninth Circuit applied the *Rogers* test to cases involving shirts and champagne glasses bearing the title of an artistic work[4] and to greeting cards.[5] Trademark owners have voiced concern over the application of the *Rogers* test in the context of ordinary consumer products, arguing that it can significantly impact the value and strength of their brands and trademarks, as well as open the floodgates to third parties that stand to profit off of the unauthorized use of their marks under the guise of an expressive work. Conversely, artists and parodists have expressed concerns over doing away with the *Rogers* test and contend that humorous or expressive products should be differentiated from standard commercial products, and accordingly governed by the *Rogers* test, or a variation thereof.

Until now, the Supreme Court had never weighed in on the *Rogers* test or whether use of a mark in connection with parody or humor deserves a different analysis than the standard Lanham Act test

for infringement. In this case, the work in question was VIP Products' "Bad Spaniels" dog toy that played off of the trademarks and trade dress of Jack Daniel's Tennessee Whiskey with humorous dog references. Jack Daniel's sued the toymaker for trademark infringement and dilution in violation of the Lanham Act, after VIP Products had initially filed suit seeking a declaratory judgment to the contrary. VIP Products' DJ suit contended that its product is a parody of Jack Daniel's whiskey, and as such, it is not subject to the traditional trademark infringement and dilution analysis under the Lanham Act. Instead, VIP Products asserted that the dog toy should be protected as an expressive work under the First Amendment.

The Supreme Court's unanimous opinion, written by Justice Kagan, holds that the *Rogers* test applies—if at all—to "non-trademark uses," where a defendant uses a mark in a "non-source-identifying way." The *Rogers* test may only "kick[] in when a suit involves solely *nontrademark* uses of [a] mark." If the use of a mark acts even in part as a source identifier, then the *Rogers* test serves "no proper role." Thus, in a case involving a parody of another product or brand, *Rogers* will not protect "expressive comment" from the "usual battleground of 'likelihood of confusion'" if the defendant is making trademark use of a mark. According to the Court, this holding properly fits the "primary mission" of trademark law, which is to prevent infringers from "undermin[ing] the function" of marks as source identifiers.

The Court provided the following illustration: "Suppose a filmmaker uses a Louis Vuitton suitcase to convey something about a character (he is the kind of person who wants to be seen with the product but doesn't know how to pronounce its name). Now think about a different scenario: A luggage manufacturer uses an ever-so-slightly modified LV logo to make inroads in the suitcase market. The greater likelihood of confusion inheres in the latter use, because it is the one conveying information (or misinformation) about who is responsible for a product. That kind of use 'implicate[s] the core concerns of trademark law' and creates the paradigmatic infringement case.'" In the instant case, the Court pointed to the use of the Bad Spaniels logo on hangtags and VIP Products' trademark registrations of other similar names (Jose Perro for Jose Cuervo and Hein-ieSniff'n for Heineken) as evidence that "Bad Spaniels" acts, at least in part, as a source identifier.

The Court's decision departs from the Ninth Circuit's decision in this case as the Court found that VIP Products' use of humor does not shield it from the usual likelihood of confusion analysis. The Court reasoned that if simply invoking alleged humor or other artistic expression could shield a brand from the Lanham Act analysis, then "*Rogers* might take over much of the world," since so much of trademark use has elements of humor or other artistic expression. The Court easily disregarded the Ninth Circuit's First Amendment concerns and held that: "trademark law generally prevails over the First Amendment when another's trademark (or a confusingly similar mark) is used without permission as a means of source identification."

In reversing the Ninth Circuit's decision, the Court remanded the matter for consideration of the trademark infringement claim under the usual Lanham Act likelihood of confusion test. The Court did, however, hold that an expressive or parodic message "may properly figure in assessing the likelihood of confusion," because "a parody is not often likely to create confusion." Thus, the Court makes clear that expression and parody should be a factor considered in connection with the likelihood of confusion analysis.

The Court also reversed the Ninth Circuit's holding that VIP Products was protected from dilution liability based on the Ninth Circuit's finding that the use of the mark was noncommercial parody. The Court held that a use cannot be "noncommercial" where a mark is used as a source identifier.

The Supreme Court's decision makes clear that the *Rogers* test should only be applied—if at all—in the narrow circumstances where a work is solely expressive. However, the Court also offered some comfort to parodists in holding that parody and expression should be considered in the likelihood of confusion analysis and that parody will infrequently cause consumer confusion. Because the Court expressly declined to consider the merits of the *Rogers* test, whether that test (or another test) should apply to purely expressive works to protect First Amendment issues is a question that will have to wait for another day.

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[1] *Jack Daniel's Properties Inc. v. VIP Products LLC*, U.S., No. 22-148.

[2] *See Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989).

[3] The Third, Fifth, Sixth, Ninth, and Eleventh Circuits, and federal district courts within the Seventh and Tenth Circuits, have adopted the *Rogers* test.

[4] *See Twentieth Century Fox Television v Empire Distribution, Inc*., 875 F.3d 1192 (9th Cir. 2017).

[5] *See Gordon v. Drape Creative*, 909 F.3d 257 (9th Cir. 2018).