

Legal Boundaries and Freedom of Speech in Trademark Parody: Jack Daniel's v. VIP Products, LLC

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Abstract: In the context of evolving trade mark law, the boundary between trade mark parody and creative freedom has become a critical but under-explored area. This paper examines the legal case of Jack Daniels v. VIP Products LLC, thoughtfully assessing the legal parameters surrounding trademark parody and the equilibrium between creative expression and brand safeguarding. It explores the circumstances that have led to the emergence of trademark parody, emphasizing the constraints of trademarks as a means of expression within the realm of parody. This study focuses on clarifying the legal boundaries of trade mark parody and the need for freedom of expression. The paper adopts a case study approach and provides an in-depth analysis of the case of Jack Daniels v. VIP Products, LLC. It advocates for an adaptable legal framework that honors the sanctity of trademarks while also valuing the artistic liberty of creators and commentators. The paper argues in favour of more robust legal standards to accommodate the evolving nature of slapstick parody in the digital age, ensuring that the essence of creativity is preserved while protecting trademarks from dilution and infringement.

Keywords: Trademark parody, Freedom of speech, Fair use, Dilution theory, Confusion theory

1. Introduction

Trademark spoofing serves as a key part of the complex field of trademark law. The distinction between trademark infringement and creative expression is often ambiguous within this context.[1] The purpose of this paper is to explore the legal framework governing trade mark spoofing, with a particular focus on the representative case of Jack Daniel's v. VIP Products, Inc. This paper is to clarify the legal context of trade mark spoofing and reveal how the law seeks to balance trade mark rights with the freedom of artistic expression and spoofing. The phenomenon of trademark spoofing, in which a widely recognized trademark is comically altered or parodied to produce a new work that critiques or satirizes the original, serves not only as a testament to the artist's ingenuity but also poses a challenge to the legitimate rights associated with the trademark. As digital platforms have expanded the scope and influence of spoofing, the slight absence of relevant regulations has led to a lack of consistency and certainty in the handling of such cases.

By delving into the legal doctrines of fair use, consumer confusion and freedom of speech, this thesis aims to provide a nuanced understanding of trade mark spoofing. The analysis of Jack Daniel's v VIP Products will serve as a key example of the legal principles in the case and the impact of judicial decisions on the wider landscape of trade mark law. This research is not only indicative

but also contributes to the discourse on the refinement of trademark legislation. It delves into the limits of acceptable trademark parody, aiming to establish a balance where legal safeguards do not obstruct creative expression and humor. In refining the content of this structure, people first need to understand the basics of the case of *Jack Daniel v. VIP Products, Inc.* This case involved Jack Daniel's, a famous whiskey brand, which sued VIP Products LLC for making and selling a chew toy called "Bad Spaniels" that parodied Jack Daniel's trademark but presented it in a spoof fashion.

2. Case Studies

In 2014, a Confirmation Complaint was filed by VIP PRODUCTS LLC, Counterclaim: JACK DANIEL'S PROPERTIES. In this instance, VIP developed a canine plaything that emulated the aesthetic of Jack Daniel's iconic whiskey container while whimsically altering certain text elements on the bottle. This included substituting "Jack Daniel's" with "Bad Spaniels" and transforming "Old No. 7 Brand Tennessee" into a clever reinterpretation while maintaining its overall essence. "Jack Daniel's" to "Bad Spaniels", "Old No. 7 Brand Tennessee Sour Mash Whiskey" to "The Old No. 2 On Your Tennessee Carpet". Jack Daniel's argued that this infringed its "Jack Daniel's" trademark, misled consumers about the origin of the dog toys, and associated its products with a disparaging image, and sent an attorney's warning letter. VIP asserted its position to demonstrate that its products neither infringed upon nor diluted the trademark of Jack Daniel's. The court affirmed the ruling.[2]

At the district court trial, the court upheld Jack Daniel's counterclaims, finding that VIP's use of its "Bad Spaniels" toys constituted trademark infringement and dilution, and VIP appealed. The Ninth Circuit vacated and remanded the decision, emphasizing the need to apply the Rogers Test before assessing trademark infringement concerning Bad Spaniels toys. This test, originating from the Rogers case, evaluates whether a specific use dilutes a trademark's distinctiveness and reputation, potentially harming its goodwill. This test involves not only legal considerations, but also an assessment of consumer perception and psychological impact.

The Court of Appeals determined that the "Bad Spaniels" toy constituted an "expressive" creation and that its use as "Bad Spaniels" did not qualify as commercial exploitation; thus, trademark dilution was not applicable.[3] The Ninth Circuit remanded the case, holding that the district court should have focused on "Bad Spaniels". The analysis of the Spaniels' mimicry of Jack Daniel's branding, rather than the specific category of goods offered, should be the focal point when deciding the application of the Rogers test to assess an infringement allegation.[4] The court determined that Rogers' claim lacked validity, emphasizing that the purported infringer is utilizing the mark in the most Lanham Act-oriented way: as an indicator of the origin of the infringer's own merchandise.[5] Jack Daniel's trademark infringement claim therefore failed. Jack Daniel's then filed a motion for rehearing.

The case went through the district court, the Ninth Circuit Court of Appeals, and the U.S. Supreme Court. The Supreme Court ultimately concentrated on determining whether the contested application fulfilled the purpose of identifying the origin of the products.[6] The principal federal legislation regulating trademark law is the Lanham Act, which is codified at 15 U.S.C. §§ 1051–1127.[7] The favourable decision did not address the character of the Rogers test or its applicability in a case where the defendant had used the mark on ordinary commercial products. When a symbol serves as an identifier for the origin of products and operates as a trademark, the exception for infringement under the First Amendment is not applicable.[8] This means that parodies or other expressive uses are not protected by the First Amendment if they are used to identify the source of a trademark, and therefore VIP's "Bad Spaniels" constitutes an infringement of Jack Daniel's trademark rights. The Supreme Court's ruling clarifies the First Amendment's exceptions and highlights trademark law's role in consumer protection and trademark owners' rights. It noted that a trademark's descriptive aspects,

particularly in comic parody, are relevant for assessing potential consumer confusion. The case was remanded to the lower court for further action.

This case focuses on the boundaries of what constitutes fair trade mark parody under the law, particularly the delicate balance between freedom of expression and trade mark protection. The design of VIP's "Bad Spaniels" products, serving as a prime example of parody art, directly contested the parameters of conventional trademark protection and urged the legal field to delve into the intricate interplay between freedom of expression and commercial identity rights. The design of VIP's "Bad Spaniels" products, as an expression of parody art, directly challenges the traditional scope of trademark protection, prompting the legal community to delve deeper into the boundaries between freedom of expression and commercial signage rights. The concept and characteristics of parody.

3. The Concept and Specificity of Parody

Trademark parody mainly refers to the fact that the parodist adopts comical, humorous, exaggerated or funny forms to imitate the idea or plot of another person's trademark or advertisement, in order to highlight its flaws, satirize its cliché and produce comedic effects.[13] Since trademark parody is a form of humorous expression, based on the value of freedom of speech or expression, this kind of parody is usually regarded as a reasonable use of the parodied trademark, and does not constitute trademark infringement. However, if a parodist's parody of another trade mark exceeds the legal limit, it may constitute trade mark infringement or unfair competition if the parody is derogatory, scandalous or damaging to the goodwill of another trade mark or the goods or services using the trade mark. According to the above definition, the author believes that the trademark parody has three characteristics: First, the subsidiary, the characteristics mainly refers to: the parodist in the others on the basis of the trademark parody, the parody of the trademark is both the trademark of others and is not the trademark of others. If the imitator's trademark is affiliated with the trademark, the imitator's behaviour may constitute trademark infringement; If the imitator's trademark and other trademarks are not the same or similar, then the imitator has lost the significance of the imitation. Secondly, originality, the trademark parody must make use of the elements or style of the trademark being parodied, but also to reflect their own originality of new expressions, so that the public can see the parody of the trademark can be reminiscent of the original trademark, but also to distinguish the two, aware of this is a parody of the original trademark.[9] Thirdly, hyperbole, the characteristics of this feature is mainly refers to the imitator to follow the trademark of another person for the purpose of parody, in fact, it is the personality characteristics of the trademark of another person. It is to exaggerate the personality characteristics of others' trademarks and magnify them to a comical degree to make people laugh or stimulate people's excitement so as to attract consumers' attention.[10] Fourthly, the imitated trademark has a high degree of well-known. This feature mainly refers to the fact that the imitated trademark usually has high distinctiveness and market reputation in the market. When the imitated trade mark has a higher degree of popularity, consumers can only experience that the defendant is satirizing or laughing at its trade mark when they come into contact with the imitated trade mark, and if the imitated trade mark has a lower degree of popularity, the effect of parody cannot be achieved.

4. Challenges and Underlying Factors

The main problems reflected in the trademark infringement cases between Jack Daniel's and VIP are trademark infringement and trademark dilution, which are caused by misunderstanding and abuse of trademark rights, as well as the unclear scope of protection of parodies under the law.

First, the trademark infringement case between Jack Daniel's and VIP involved the boundary between the protection of trademark rights and freedom of expression. VIP introduced "Bad

Spaniels," a product crafted to replicate the visual aesthetics of Jack Daniel's whisky alongside the label's textual elements, reimagined in a playful and canine - centric manner. The intention behind this design is to underscore the trend of humanizing dogs within the context of human society. While creative and humorous, the design was considered by Jack Daniel's to be an infringement of its trade mark rights, misleading to consumers and disparaging to its brand image, constituting trade mark dilution. This issue arose because of a misunderstanding of the scope of protection of trademark rights, as well as a lack of clarity regarding the boundaries of legal protection for parody. The First Amendment of the United States Constitution safeguards the freedom of speech, which encompasses artistic expressions like parody; however, this safeguarding is not without its boundaries. When parody is used for commercial purposes, particularly to imitate the look and logo of a well-known brand, it can lead to disputes over trademark infringement and dilution. The central conflict in this case focuses on the inherent incompatibility between trademark law and the First Amendment. Trademark law aims to mitigate consumer confusion and protect brands from unwarranted harm resulting from unauthorized usage. Conversely, the First Amendment provides individuals and legal entities with substantial freedom of expression, facilitating social critique and cultural commentary through mechanisms such as parody, satire, and various forms of expression.

Secondly, the application and interpretation of the fair use doctrine. Jack Daniel's contended that VIP's product design had the potential to create consumer confusion, which could adversely affect its commercial interests and compromise inter-brand artistic expression.[11] This goes directly to the heart of the theory of consumer confusion, i.e., the conditions under which a similar trade mark design may be reasonably permitted without being deemed to infringe on the original trade mark rights. When dealing with disputes in the category of trade mark parody, the doctrine of fair use becomes the key criterion for determination. The doctrine allows trademark use without the owner's consent under certain conditions; however, assessing the reasonableness of such use involves complex and varied standards. These standards evaluate factors like the nature of the parody, intent, potential marketplace confusion, and the impact on the original trademark's distinctiveness and reputation. This ambiguity necessitates a case-by-case analysis for adjudication. Applying fair use, consumer confusion, and freedom of expression principles in trademark law often requires flexible interpretation based on specific case circumstances, leading to inconsistency between legal principles and practical application, thereby increasing legal decision complexity and uncertainty.

Third, the distinction between commercial and non-commercial parody. U.S. law has traditionally distinguished between commercial and non-commercial speech, with the former enjoying weaker First Amendment protection due to its direct association with the promotion of goods or services. The latter usually refers to editorial or artistic use of the original trademark, without the purpose of attracting consumers and thus making a profit. Although non-commercial trademark parody may generate friction with the goodwill of the trademark proprietor, it fundamentally conveys the notion that "trademarks and their associated imagery should not be regarded with the utmost seriousness" and cannot be diminished or left unprotected; hence, the trademark owner must acquiesce to this reality.[12] In this context, the attributes of "Bad Spaniels. In this context, the attributes of "Bad Spaniels" toys are characterized as either a mere vehicle for the sale of merchandise or a work of art containing a deeper expressive intent.

5. Professional Countermeasures and Suggestions

First, Clarification of Legislative and Judicial Guidelines: The legislative branch of the U.S. Congress can through legislative means, the scope and standard of fair use of trademark parody should be further clarified, and a more consistent jurisprudence should be developed in judicial practice, which will The Trademark Dilution Revision Act (1) ought to refine the parameters of trademark parody by introducing an additional § 1125(2)(D) clause. This would offer a more definitive legal direction

regarding the distinction between parody and infringement.[13]. The definition of parody should be clarified through the addition of new § 1125(2)(D) provisions. Inconsistent and ambiguous methodologies regarding trademark disputes may result in erroneous legal interpretations.[14] Avoid considering coincidentally similar marks to be parodied. To ensure the accuracy of the application of the law, a special review mechanism should be established to assess the legality of parodies and ensure the fair application of legal principles in specific cases. Legal authorities and industry regulators should further refine the legislative interpretation of the boundaries between trademark protection and freedom of expression, in particular the definition of parody, the scope of fair use, and the criteria for assessing the likelihood of consumer confusion, in order to provide more operational guidelines and reduce uncertainty in judicial practice.

Second, balancing the relationship between trademark rights and freedom of expression. In the US, the Trademark Dilution Amendment Act was passed to provide for the scope of the rights of trademark owners and to provide a clear definition of trademark dilution, ensuring the right to use trademarks in non-commercial use, news reporting and commentary. Concurrently, the recent EU Trademark Directive highlights the imperative that trademark law be applied in a manner that upholds all fundamental rights and freedoms, with particular emphasis on the freedom of artistic expression. This underscores the limitations inherent in the absolute nature of trademark registrations. In some cases, a certain degree of flexibility in trade mark registration requirements is required to prevent undue limitations on freedom of expression.[15]

Third, the definition of the reasonableness of the use of a trade mark: the fair use regime in the TDRA imposes a clear restriction on trade mark parody, i.e., the parody trade mark cannot be used to indicate the source of goods or services. This regulation is designed to safeguard consumers against deceptive parodies and to promote equitable competition within the market.[16] In the case of parody using another trade mark in commercial activities, it is necessary to assess whether such use is reasonable and whether it constitutes an infringement or dilution of the original trade mark right. This includes considering whether the parody misleads consumers and whether it has a negative impact on the reputation and image of the original brand. The judiciary may take into account the presence and prevalence of unapproved parodies, satires, and other expressive or referential applications within the public sphere as a benchmark for assessing the inclination of a trademark to rise in popularity as a result of dilution or ambiguity.[17] Constructing a scientific assessment system for measuring whether a parody meets the requirements of fair use, including, but not limited to, the originality of the work, its similarity to the original trade mark, the likelihood of confusion among consumers, the impact on the value of the original brand, and the impact of the parody on the reputation of the original brand. The possibility of consumer confusion, the impact on the value of the original brand, and other aspects, are the main reference basis for the court's decision.

Fourth, differentiate protection levels between commercial and non-commercial parody. In common-law systems a judge may assess if the allegedly infringing speech is commercial or non-commercial based on content, purpose, dissemination mode, and its relation to promoting goods or services. Commercial speech gets weaker First Amendment protection due to its promotional nature. When evaluating trademark infringement, prioritize freedom of expression. A parody that damages a well-established trademark in a commercial context is impermissible. However, if non-commercial elements outweigh commercial ones in a trademark parody, it may gain greater protection under freedom of expression laws.

6. Conclusion

In summary, the trademark infringement cases of Jack Daniel's and VIP reveal how the boundaries of trademark use can be reasonably defined while protecting creativity and freedom of expression. Trade mark owners aim to safeguard their marks from unauthorized usage to maintain brand integrity

and consumer confidence, while the right to freedom of expression permits critique and satire of cultural symbols, including trade marks. In this case, the court ultimately favoured the protection of trade mark rights, emphasizing the importance of the core function of trade marks - to distinguish the source of goods.

The conclusion of the case suggests that even parody, if it is used as a trade mark and is likely to lead to consumer confusion, may go beyond the protection of freedom of expression. The complexities of trademark law are highlighted as it evolves with new cultural expressions, necessitating a balance between trademark protection and freedom of expression. This demands collaborative efforts from the legal field, business entities, and society to safeguard innovation and expression while ensuring the legitimate rights of trademark owners through precise legal interpretation and practices.

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