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 THE CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA AND THE NATIONAL ASSOCIATION OF MANUFACTURERS AS AMICI CURIAE IN SUPPORT OF PETITIONER

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INTEREST OF AMICI CURIAE[1]

The Chamber of Commerce of the United States of America is the world's largest business federation. It represents 300,000 direct members and indirectly represents the interests of more than three million companies and professional organizations of every size, in every industry, from every region of the country. An important function of the Chamber is to represent the interests of its members in matters before Congress, the Executive Branch, and the courts. To that end, the Chamber regularly files amicus curiae briefs in cases raising issues of concern to the Nation's business community.

The National Association of Manufacturers (NAM) is the largest manufacturing association in the United States, representing small and large manufacturers in every industrial sector and in all 50 states. Manufacturing employs more than 12.9 million men and women, contributes over $2.8 trillion to the U.S. economy annually, has the largest economic impact of any major sector, and accounts for more than half of all private sector research and development in the Nation. The NAM is the voice of the manufacturing community and the leading advocate for a policy agenda that helps manufacturers compete in the global economy and create jobs across the United States.

Many of amici's members are trademark owners who have devoted substantial resources to building—

[1] No counsel for a party authored this brief in whole or in part. No party, counsel for a party, or person or entity other than amici curiae, their members, and their counsel made a monetary contribution intended to fund the preparation or submission of this brief.

and protecting—the goodwill and reputation associated with their products and trademarks. In doing so, they have long relied on the strong federal protections for those marks, which have historically secured to these owners, and not their imitating competitors, the ability to reap the rewards of their investment in high-quality, desirable products and services. Amici file this brief to highlight the destabilizing effect of the Ninth Circuit's refusal to apply the Lanham Act's statutory text to ordinary commercial trademark infringement in these circumstances, and to explain why the Ninth Circuit's First Amendment concerns do not justify rewriting the Act to create the pro-infringer rule that the court adopted.

The destabilizing effects of the Ninth Circuit's decision are no laughing matter.

INTRODUCTION AND SUMMARY OF ARGUMENT

The Ninth Circuit's decision in this case distorts two separate statutory schemes—the Lanham Act and the Federal Trademark Dilution Act (FTDA)—that are critical to protecting both trademark owners and consumers from abusive and misleading market conduct, and to promoting economic stability and growth. The court did so, moreover, based on an atextual analysis that rests on a severe misunderstanding of the First Amendment interests and doctrine the court purported to advance. This Court should reverse.

Trademark owners and customers alike depend on the ability of trustworthy trademarks to identify the source of products and services in the market. Owners invest vast resources in developing and protecting their trademarks, so that consumers can identify and buy their products or services—confident that they are getting what they want, and not the work of an imitating competitor. Federal trademark law has long recognized and supported these important functions, giving trademark owners tools to protect against the infringement and dilution of the marks on which they and their customers rely.

The Ninth Circuit's decision in this case upends those critical protections. The Lanham Act's infringement prohibitions are explicitly confined to confusing, misleading, and deceptive commercial uses—a rule that steers the Act clear of any First Amendment concerns. But the Ninth Circuit disregarded those textual limits and held that the First Amendment establishes an effectively insurmountable privilege for ordinary commercial infringement, so long as the infringing use is "humorous" or contains some bit of "expression." This rule has no basis in the Lanham Act or First Amendment, and would destabilize the trademark system critical to the nation's economic fabric.

The Ninth Circuit's analysis of the dilution claim in this case is equally flawed. To protect First Amendment freedoms, the FTDA, as modified by the Trademark Dilution Revision Act (TDRA), contains several express exemptions for dilutive uses. *See, e.g.*, 15 U.S.C. § 1125(c)(3)(A), (C) (protecting "fair use" and "noncommercial use" from liability). But the Ninth Circuit made a hash of these express provisions by holding that *any* "humorous" use automatically qualifies as "noncommercial," and is therefore immune from federal trademark dilution claims. Because that reading of the statute departs from the statutory text without any basis in the First Amendment, the Court should reject it as well.

Federal trademark law's existing protections leave ample room for whimsical products, humor, and creativity. But "[p]oetic license is not without limits." *Rogers v. Grimaldi*, 875 F.2d 994, 997 (2d Cir. 1989). When whimsy is weaponized through imitation to exploit the goodwill and reputation associated with another's trademark—here, by VIP's supposedly "humorous" imitation of Jack Daniel's iconic, century-old mark to market poop-themed dog toys—neither federal law nor the Constitution requires a thumb on the scale favoring those abusive tactics.

Americans are known for their sense of humor.[2] And businesses, like individuals, would do well to take a joke. But giving businesses a free pass to capitalize on hard-earned trademarks—at the expense of both the marks' owners and the customers who trust those marks and related products—merely by introducing some element of humor into spinoff goods not only would contravene the express terms of the statutes at issue, but would deeply destabilize an economic system that is rightly the envy of the world.

ARGUMENT

I. TRADEMARK PROTECTIONS SERVE VITAL INTERESTS IN THE MARKETPLACE

Trademark protections have long served two complementary and important aims: They foster

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[2] *See, e.g.*, Franklin D. Roosevelt, Address Delivered at Savannah, Georgia: "The American March of Progress" (Nov. 18, 1933), *in* 2 *The Public Papers and Addresses of Franklin D. Roosevelt* 489, 491 (Samuel I. Rosenman ed., 1938) ("[T]he overwhelming majority of Americans are possessed of two great qualities—a sense of humor and a sense of proportion.").

competition by "secur[ing] to the owner of the mark the goodwill of his business," and they "protect the ability of consumers to distinguish among competing producers." *Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 198 (1985). Trademark law has long furthered these "dual goals" through its focus on conduct that is likely to confuse, mislead, or deceive consumers. *See, e.g.*, 1 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 2:2 (5th ed. Dec. 2022 update) (McCarthy). And trademark owners, in turn, have relied on that law by devoting increasingly vast resources to developing, strengthening, and protecting the marks that have come to define their businesses.

A. Trademarks Have Become A Cornerstone Of The Modern Economy, For Both Trademark Owners And Consumers

Originally, trademarks served as a "very personal symbol of a single workman," the main function of which was to "trace defective merchandise back to the workman." 1 McCarthy § 5:1; *see* Restatement (Third) of Unfair Competition § 9 cmt. b (1995) (Restatement) (discussing first widespread use of trademarks in medieval guild systems).

But as geographic markets expanded and economies grew larger and more complex, "a new function" for trademarks emerged: they "came to function as an important instrument of advertising." Restatement § 9 cmts. b, c. With face-to-face dealings between artisans and their customers waning and distant transactions between faraway producers and buyers rising, trademarks became a primary "means of communication between otherwise unknown or anonymous producers and their prospective customers." *Id.* cmt. c; *see* Robert N. Klieger, *Trademark Dilution: The Whittling Away of the Rational Basis for Trademark Protection*, 58 U. Pitt. L. Rev. 789, 790 (1997) ("Where . . . consumers do not know or even care to know the exact origin of goods or services bearing a particular trademark, trademarks serve as markers of consistent source and quality."). Trustworthy trademarks allow such customers to make informed purchasing decisions based not only on the reputation of the "immediate vendor," but also of the original producer whose product bears that mark. Restatement § 9 cmt. b.

Trademarks have thus become "indispensable," "essential business assets" in the modern economy. Klieger, *supra*, at 790. They help consumers "distinguish a particular [producer's] goods from those of others." *Matal v. Tam*, 137 S. Ct. 1744, 1751 (2017) (citation omitted). They "'designate[] the goods as the product of a particular trader' and 'protect[] his good will against the sale of another's products as his.'" *Id.* (citation omitted). And they "help[] consumers identify goods and services that they wish to purchase, as well as those they want to avoid." *Id.*; *see also* 1 McCarthy § 3:2 (summarizing functions that trademarks serve, including source designation, advertising, and visually representing the "good will and reputation that a business has built up in a product or service").

As a result, for many of America's most well-known businesses, trademarks are among the most—if not *the* most—valuable assets they own, frequently more valuable than "physical assets and other forms of intellectual property." Klieger, *supra*, at 790-91 & n.6. As this Court said of the Coca-Cola mark a century ago, "[i]t hardly would be too much to say that the drink characterizes the name as much as the name the drink." *Coca-Cola Co. v. Koke Co. of Am.*, 254 U.S. 143, 146 (1920). Indeed, the numbers bear all this out: A leading source recently estimated that the value of Apple's brand alone was nearly half a trillion dollars ($482 billion), followed by Microsoft's (at $278 billion) and Amazon's (at almost $275 billion). *See* Press Release, *Interbrand Launches Best Global Brands 2022*, Interbrand (Nov. 3, 2022), https://interbrand.com/newsroom/interbrand-launches-best-global-brands-2022/. The Jack Daniel's brand is worth more than $7 billion. *See id.* And even for lesser-known brands, trademarks are often among the most valuable company assets. For big and small owners alike, trademarks are core to doing business in modern commerce.

Given the importance of trademarks, it is no surprise that companies typically devote extensive resources to protecting them. Indeed, "some companies spend billions of dollars a year promoting and protecting their brand names." Neal A. Hoopes, *Reclaiming the Primary Significance Test: Dictionaries, Corpus Linguistics, and Trademark Genericide*, 54 Tulsa L. Rev. 407, 408 (2019). Total U.S. ad spending reached $285 billion in 2021, and likely continued to rise after that. *See* Brad Adgate, *Agencies Agree; 2021 Was a Record Year for Ad Spending, With More Growth Expected in 2022*, Forbes (Dec. 8, 2021), https://www.forbes.com/sites/bradadgate/2021/12/08/agencies-agree-2021-was-a-record-year-for-ad-spending-with-more-growth-expected-in-2022. Individual companies alone spent billions building the strength of the trademarks that have come to define their products. *See Leading Advertisers Worldwide in 2021, By Ad Spending*, Statista (Sept. 29, 2022), https://www.statista.com/statistics/275446/ad-spending-of-leading-advertisers-in-the-us/ (showing $4.8 billion in ad spending by Amazon, $3 billion by Disney, and $2.7 billion by Apple). Both in theory and in practice, therefore, strong trademarks—resulting from hard work, skill, and substantial resources—are a critical feature of modern American enterprise.

B. Trademark Law Has Long Recognized And Protected These Interests

For centuries, trademark law has ensured that the mark owners investing these resources—rather than imitating competitors—receive the fruits of their labor. *See Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 34 (2003); 1 McCarthy § 5:2. But it is not only trademark owners who benefit from these protections; trademark law also rests "on a policy of protection of customers from mistake and deception." 4 McCarthy § 24:72. Indeed, these aims are both related and complementary: Trademark law protects customers *as well as* trademark owners by ensuring that products bearing a given mark, in fact, come from the owner of that mark—not someone else seeking to turn a profit based on the owner's goodwill and reputation. By focusing on commercial conduct that is likely to confuse, mislead, or deceive, trademark law ensures both that consumers know what they are getting, and that trademark owners—not infringers—get what they deserve.

For much of its history, trademark law was the province of state and common law. *See Matal*, 137 S. Ct. at 1751. Early common law courts described trademark actions as sounding in fraud against the trademark owner, whose potential customers were diverted by misuse of its mark. "By 1783, Lord Mansfield could state that 'if the defendant had sold a medicine of his own under the plaintiff's name or mark, that would be a fraud for which an action would lie.'" 1 McCarthy § 5:2 (quoting *Singleton v. Bolton*, 99 Eng. Rep. 661 (K.B. 1783)).

By the late-nineteenth and early-twentieth centuries, "'fraud' in the strict sense was no longer required," and the focus became "the likely confusion of buyers." *Id.* Even then, courts emphasized the dual function of these legal protections:

> The object or purpose of the law in protecting trade-marks as property, is two fold: first, to secure to him who has been instrumental in bringing into market a superior article of merchandise, the fruit of his industry and skill; second, to protect the community from imposition, and furnish some guaranty that an article, purchased as the manufacture of one who has appropriated to his own use a certain name, symbol or device as a trademark is genuine.

Boardman v. Meriden Brittania Co., 35 Conn. 402, 413-14 (1868).

With the Lanham Act—passed in 1946—Congress codified these aims based on its judgment that "a sound public policy requires that trademarks should receive nationally the greatest protection that can be given them." *Park 'N Fly*, 469 U.S. at 193 (quoting S. Rep. No. 79-1333, at 6 (1946)). Since then, the Act has done so "by making actionable the *deceptive and misleading* use of marks" and "prevent[ing] *fraud and deception*" in "commerce." Lanham Act, Pub. L. No. 79-489, § 45, 60 Stat. 427, 444 (1946) (codified at 15

U.S.C. § 1127) (emphasis added). To that end, the Act prohibits any (1) use of a registered trademark; (2) "in commerce"; (3) that is "likely to cause confusion, or to cause mistake, or to deceive." 15 U.S.C. § 1114(1)(a); *see id.* § 1125(a)(1) (similar for unregistered marks). As a result, liability under the Act is always limited to commercial uses of a mark that are likely to confuse, mislead, or deceive.

Consistent with the background principles of trademark law described above, the Act was designed with the "twofold" nature of trademark protection in mind: "One is to protect the public so it may be confident that, in purchasing a product bearing a particular trade-mark which it favorably knows, it will get the product which it asks for and wants to get." S. Rep. No. 79-1333, at 3. "Secondly, 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 its misappropriation by pirates and cheats." *Id.* Together, these purposes embody "the well-established rule of law protecting both the public and the trade-mark owner." *Id.*; *see Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 781-84 & n.15 (1992) (Stevens, J., concurring in the judgment).

Further recognizing trademarks' immense value to their owners, Congress has separately enacted distinct protections against trademark "dilution." 15 U.S.C. § 1125(c). These protections, codified by the FTDA and TDRA, respond to the problem that, even without likely consumer confusion, the unauthorized use of a famous trademark still risks "whittling away" the mark's "commercial value." Restatement § 25 cmt. b (citation omitted); *see* H.R. Rep. No. 104-374, at 3 (1995) (dilution "reduces the public's perception that the mark signifies something unique, singular or particular").

Protections against dilution thus "recognize[] the substantial investment the owner has made in the mark and the commercial value and aura of the mark itself," and therefore protect "both from those who would appropriate the mark for their own gain." H.R. Rep. No. 104-374, at 3. As relevant here, trademark dilution can occur by "tarnishment," which involves a use that "harms the reputation of the famous mark," 15 U.S.C. § 1125(c)(2)(C), usually by "improperly associat[ing it] with an inferior or offensive product or service," *Panavision Int'l, L.P. v. Toeppen*, 141 F.3d 1316, 1326 n.7 (9th Cir. 1998).[3]

In sum, Congress has carefully crafted a trademark regime that simultaneously protects consumers' interests in truthful commercial information, on one hand, and trademark owners' interest in securing the benefits of their hard-earned goodwill, on the other. *See Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 163-64 (1995). The Lanham Act does so by prohibiting the commercial use of confusing, misleading, and deceptive marks. And anti-dilution law more broadly protects mark owners' investment in their products, services, and reputation against erosion by imitators seeking to free-ride on those efforts. In all cases, "[t]o protect trade-marks . . . is to protect the public from deceit, to foster

[3] Dilution can also occur through "blurring," which involves a use that "impairs the distinctiveness of the famous mark." 15 U.S.C. § 1125(c)(2)(B). For instance, "Tylenol snowboards" or "Harry Potter" dry cleaners would "weaken the 'commercial magnetism' of these marks and diminish their ability to evoke their original associations." *Mattel, Inc. v. MCA Recs., Inc.*, 296 F.3d 894, 903 (9th Cir. 2002) (citation omitted).

fair competition, and to secure to the business community the advantages of reputation and good will by preventing their diversion from those who have created them to those who have not." S. Rep. No. 79-1333, at 4.

II. THE NINTH CIRCUIT'S REFUSAL TO APPLY THE LANHAM ACT TO ORDINARY COMMERCIAL INFRINGEMENT BASED ON FIRST AMENDMENT CONCERNS IS MISGUIDED

The Ninth Circuit's decision in this case bulldozes Congress's reticulated statutory regime for trademarks, starting with the Lanham Act. The Lanham Act imposes liability for conduct that infringes a trademark by using that mark in a way that is "likely to cause confusion, or to cause mistake, or to deceive." 15 U.S.C. §§ 1114(1)(a), 1125(a)(1)(A). The Ninth Circuit, however, departed from that unambiguous text and created its own, narrower test for liability—which insulates infringers from liability even in cases of *certain* customer confusion involving ordinary consumer products—after vaguely gesturing at the First Amendment. Pet. App. 29a-33a.

Of course, a major flaw in that approach is that the Ninth Circuit "made no attempt to ground its analysis in the [statutory] language." *Ross v. Blake*, 578 U.S. 632, 638 (2016); *see* Pet. Br. 22-28. But its analysis also lacks any firm grounding in the First Amendment. And it provides would-be infringers with a roadmap for infringing trademarks with impunity simply by claiming that their infringing uses are designed to be humorous takes on existing marks. The Ninth Circuit's erroneous analysis risks destabilizing the trademark system on which owners have come to rely and, for trademark owners at least, epitomizes Will Rogers's saying: "Everything is funny, as long as it's happening to someone else."

A. The First Amendment Does Not Protect Speech That Confuses And Misleads Consumers

As discussed, the Lanham Act's dual goals—protecting consumers and mark owners—come together in its focus on prohibiting confusing and misleading marketplace conduct. This core limitation operates as a "built-in mechanism[]" for ensuring that the enforcement of trademark rights under the Act remains consistent with the First Amendment. *Cardtoons, L.C. v. Major League Baseball Players Ass'n*, 95 F.3d 959, 970 (10th Cir. 1996).

This Court has long made clear that the First Amendment does not insulate "[f]alse, deceptive, or misleading advertising" from regulation. *In re R.M.J.*, 455 U.S. 191, 200 (1982). Indeed, "[m]isleading advertising may be prohibited entirely" without running afoul of the First Amendment. *Id.* at 203. Like the prohibitions on fraud from which trademark law emerged, *see* 1 McCarthy § 5:2, "[t]his governmental power" to regulate misleading commercial speech has "always been recognized in this country and is firmly established," *Donaldson v. Read Magazine*, 333 U.S. 178, 190 (1948); *see United States v. Alvarez*, 567 U.S. 709, 717 (2012) (plurality opinion) (noting that the First Amendment has long permitted the regulation of "fraud").

And, indeed, the Court has applied these principles directly to trademark-like protections. In *San Francisco Arts & Athletics, Inc. v. United States Olympic Commission*, 483 U.S. 522 (1987) (*SFAA*), for example, the plaintiff challenged, under the First Amendment, certain restrictions on its ability to use the word "Olympic" in its corporate title, mailings, and advertisements. *Id.* at 525-26. The Court explained that "[t]o the extent that [the law at issue] regulates confusing uses, it is within normal trademark bounds. The government constitutionally may regulate 'deceptive or misleading' commercial speech." *Id.* at 535 n.12 (quoting *Virginia State Bd. of Pharmacy v. Virginia Citizens Consumer Council, Inc.*, 425 U.S. 748, 771 (1976)).[4] Similarly, the Court has roundly rejected a First Amendment challenge to *state* laws protecting trade names—precisely because "there [wa]s a significant possibility that trade names w[ould] be used to mislead the public." *Friedman v. Rogers*, 440 U.S. 1, 12-15 (1979).

Members of the Court have returned to these core principles in later cases. In *Matal*, for example, the Court held that a Lanham Act provision prohibiting the registration of any "disparag[ing]" marks

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[4] In fact, the law at issue was *not* limited to "confusing uses." *See SFAA*, 483 U.S. at 535. As a result, unlike in this case, the Court's analysis could not end there. Instead, it went on to hold that, even though the law also applied to non-confusing uses, it restricted only "[c]ommercial speech," which "receives a limited form of First Amendment protection." *Id.* (citation omitted). And because the law, "as with other trademarks," ensured that the U.S. Olympic Committee "receive[d] the benefit of its own efforts so that [it] will have an incentive to continue to produce a 'quality product,' that, in turn, benefits the public," *id.* at 537, it satisfied the "limited" First Amendment protections at issue, *id.* at 536 (citation omitted). Here, of course, the Court need not rely solely on the commercial nature of VIP's conduct to allay any First Amendment concerns, as this case involves a commercial use of Jack Daniel's trademark that has already been found confusing to the public. *See* Pet. App. 69a, 74a.

impermissibly discriminated based on viewpoint. *See* 137 S. Ct. at 1763-65. Four Justices emphasized the narrowness of that holding, explaining that it remained "well settled, for instance, that *to the extent a trademark is confusing or misleading* the law can protect consumers and trademark owners." *Id.* at 1768 (Kennedy, J., joined by Ginsburg, Sotomayor & Kagan, JJ., concurring in part and concurring in the judgment) (emphasis added). Several Justices expressed a similar view in *Alvarez*, which held that the Stolen Valor Act violated the First Amendment. Both the concurrence and the dissent in that case emphasized (as a point of comparison) the easy fit between the First Amendment and trademark laws, which "are focused upon commercial and promotional activities" and "typically require a showing of likely confusion." 567 U.S. at 735-36 (Breyer, J., joined by Kagan, J., concurring in the judgment); *see id.* at 743-44 (Alito, J., joined by Scalia & Thomas, JJ., dissenting).

Scholars, too, have concluded that "[t]he strongest constitutional justification for trademark laws is that, properly construed, they prevent only commercial speech that is likely to cause consumer confusion, and that false or misleading commercial speech can be restricted." Mark A. Lemley & Eugene Volokh, *Freedom of Speech and Injunctions in Intellectual Property Cases*, 48 Duke L.J. 147, 221 & n.325 (1998). As noted above, they highlight, this Court already "took this view in *Friedman v. Rogers*." *Id.* at 221-22.

Because the Lanham Act's infringement provisions reach only misleading commercial speech, they are generally consistent, and fit comfortably, with the First Amendment's protections. In this way, the Lanham Act itself ensures that trademark protection steers clear of First Amendment concerns. Thus, in this case, the finding that VIP's ordinary commercial use of Jack Daniel's mark was likely to confuse consumers, *see* Pet. App. 62a-74a, should have been the beginning and the end of the matter.

B. The Ninth Circuit's Sweeping First Amendment Exception Is Misguided

Rather than heeding the Lanham Act's unambiguous text, the Ninth Circuit relied on an unnecessarily expansive application of the Second Circuit's decision in *Rogers v. Grimaldi*, 875 F.2d 994 (1989), to hold that the First Amendment insulates infringers from Lanham Act liability in all but the most extreme cases, so long as the use of the mark—however utilitarian or commercial—involves *some* bare modicum of expression or humor. *See* Pet. App. 29a-33a. That extreme application of *Rogers* ignores the Lanham Act's plain text, and it has no basis in the First Amendment.

1. *Rogers* involved a trademark action by the actress Ginger Rogers, regarding the use of her first name in the Federico Fellini film *Ginger and Fred*. *See* 875 F.2d at 996-97. As the decision below noted, *Rogers* addressed only cases where "artistic expression is at issue," Pet. App. 30a (citation omitted), and further limited its holding to actions involving the "titles of artistic works," *Rogers*, 875 F.2d at 998; *see also id.* (explaining that "the expressive element of titles requires more protection than the labeling of ordinary commercial products"). In such cases, the Second Circuit opined, "overextension of Lanham Act restrictions in the area of titles *might* intrude on First Amendment values." *Id.* (emphasis added). Based on that possibility, the

court believed it was necessary to "construe the Act narrowly to avoid such a conflict" and balance "the public interest in avoiding consumer confusion" with "the public interest in free expression." *Id.* at 998-99. To do so, the court created a two-prong test: The Lanham Act does not apply to "allegedly misleading titles using a celebrity's name" unless (1) "the title has *no artistic relevance* to the underlying work whatsoever"; or (2) "the title *explicitly misleads* as to the source or the content of the work." *Id.* at 999 (emphasis added).[5]

Since *Rogers*, the Second Circuit has limited its reach, holding that it does not provide special insulation from liability for "claimed parodic" speech that is deployed merely to "market competing services." *Harley Davidson, Inc. v. Grottanelli*, 164 F.3d 806, 812-13 (2d Cir. 1999). And while the Ninth Circuit has taken a more expansive view of *Rogers*, it had (until this case) generally limited its application to cases involving artistically expressive works. *See, e.g.*, *Gordon v. Drape Creative, Inc.*, 909 F.3d 257, 265-69 (9th Cir. 2018) (reviewing the Ninth Circuit's development of the *Rogers* test).

In this case, however, the Ninth Circuit extended *Rogers* beyond the context of artistic works, holding that commercial products containing *any* "expression" are immune from Lanham Act liability unless one of the two *Rogers* prongs is met. Pet. App. 30a-33a. This

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[5] *Rogers* suggested its rule was rooted in constitutional avoidance. *See* 875 F.2d at 998-99. But it did not identify any ambiguity in the Lanham Act that it interpreted to avoid the constitutional issue it identified. *Cf., e.g.*, *Iancu v. Brunetti*, 139 S. Ct. 2294, 2301 (2019) (constitutional-avoidance canon "applies only when ambiguity exists").

decision has no basis in the Lanham Act or the First Amendment principles the court purported to advance. In cases like this one—involving obviously misleading, ordinary commercial products—nothing like the *Rogers* rule has any role to play given the First Amendment guardrails built into the Lanham Act itself.

First, the Ninth Circuit's approach here flips the above First Amendment principles on their head. It *forbids* courts from asking whether an allegedly infringing use is likely to mislead consumers, except in the narrow cases in which the use does so either with *no* relevance to the product or does so *explicitly*. Pet. App. 30a-31a. That gets things exactly backwards: The degree of First Amendment protection to which speech is entitled turns precisely on the extent to which the speech confuses, misleads, or deceives. *See, e.g.*, *SFAA*, 483 U.S. at 535 n.12; *R.M.J.*, 455 U.S. at 203; *Friedman*, 440 U.S. at 12-15.[6]

Second, the Ninth Circuit's rule has little to do with the First Amendment concerns that animated *Rogers* itself. *Rogers* acknowledged that it would be inappropriate to extend its heightened protections for core artistic expression to "the labeling of ordinary commercial products." 875 F.2d at 998. As noted, the Second Circuit—like others that apply the likelihood-of-confusion test to such products—has abided by that distinction. *See, e.g.*, *Harley Davidson*, 164 F.3d at

[6] Although the second *Rogers* prong asks whether use of a mark is "explicitly misleading," 875 F.2d at 999, the court did not point to anything in the Lanham Act or in established First Amendment doctrine to support its distinction between "explicit" and "implicit" deceit. Rather, *Rogers* made it up, based on the court's own "balanc[ing]" of "consumer and artistic interests." *Id.* at 999-1000; *see* Pet. Br. 23-24.

812-13; *see also, e.g.*, *Louie Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 259-60 (4th Cir. 2007); *Anheuser-Busch, Inc. v. Balducci Publ'ns*, 28 F.3d 769, 773 (8th Cir. 1994).

The Ninth Circuit, by contrast, insulates from liability any misleading product that is in some sense "expressive," or that "communicates a 'humorous message.'" Pet. App. 31a (citation omitted). But none of that gives such a product's seller carte blanche to rip off another's product, mislead the public, or otherwise violate the law. To the contrary, the Constitution has never given infringers "a First Amendment right to 'appropriate[e] to [themselves] the harvest of those who have sown,'" or to mislead the public, just because they claim "an expressive, as opposed to purely commercial, purpose." *SFAA*, 483 U.S. at 541 (first alteration in original) (citation omitted).

2. In the case of core artistic works, like the Fellini film in *Rogers*, a mechanical application of the Lanham Act's likelihood-of-confusion test in theory might "fail[] to account for the full weight of the public's interest in free expression." *Gordon*, 909 F.3d at 264 (citation omitted). In such a case, an accused infringer could potentially raise as-applied First Amendment defenses to enforcement of the Act, and courts would carefully consider whether the alleged infringement involves constitutionally protected free expression beyond the bare appropriation of another's trademark. But here, the Court can simply hold that, where an ordinary consumer product like VIP's dog toy is likely to mislead consumers, the Lanham Act already accords it all the protection to which it is entitled. *See SFAA*, 483 U.S. at 535 n.12, 541.

To be sure, everyone likes a good joke. But capitalizing on another's hard-earned trademark is no laughing matter. The Ninth Circuit's new rule provides a blueprint for avoiding infringement liability for uses that courts have long held unlawful. *See, e.g.*, Pet. Br. 25-26, 44-46. But funny or not, such uses can have a dramatic effect on the buying public—confusing consumers as to whether a good is produced by the trademark holder and alienating consumers who may believe that certain uses are in poor taste.

The Ninth Circuit's new rule thus destabilizes the trademark system on which much of modern commerce relies. *See supra* at 5-8. If any infringer can exploit the First Amendment's fullest protections simply by invoking parody or humor, it is unclear what misconduct *could not* be justified with a bit of creative lawyering. The very act of infringement could be refashioned as a commentary on consumerism, or a critique of intellectual-property law itself. That approach, as the district court noted here, shields all but the worst—or at least clumsiest—infringers from liability. *See* Pet. App. 18a.

The Ninth Circuit's decision below places an unnecessary, leaden thumb on the scale favoring infringers whose consumer goods attempt to say something funny (or, perhaps, say anything at all) while copying an established trademark. Because nothing in the Lanham Act or First Amendment requires this privilege against trademark liability, the Court should reject the Ninth Circuit's rule. It should instead hold that, in cases like this one, courts should merely apply the Lanham Act as written.

III. THE NINTH CIRCUIT'S TRADEMARK-DILUTION ANALYSIS IS EQUALLY FLAWED

The Ninth Circuit also held VIP immune from liability for trademark dilution under Section 1125(c) because its product "convey[ed] a humorous message." *See* Pet. App. 33a-34a. The court invoked an exclusion from the trademark dilution statute for "[a]ny noncommercial use of a mark," 15 U.S.C. § 1125(c)(3)(C), which the court interpreted as incorporating this Court's "commercial speech" doctrine under the First Amendment, Pet. App. 33a. The court thus seemed to believe that *anything* "humorous" qualified as "noncommercial." *Id.*

That theory, however, makes a hash of both Section 1125(c) and the First Amendment law that the statute purportedly incorporates. As for the statute, the court's sweeping interpretation of the "noncommercial use" exclusion renders other statutory exclusions meaningless. *See* Pet. Br. 41-43. For example, the statute separately excludes from liability "[a]ny fair use" of a mark—including "parody[]"—as long as it is not a "designation of source for the person's own goods or services." 15 U.S.C. § 1125(c)(3)(A)(ii). Interpreting the exclusion for "noncommercial use" to encompass anything that conveys a "humorous message," Pet. App. 33a, would leave the separate fair-use parody exclusion with no work to do. This alone should have given the Ninth Circuit pause before adopting its expansive reading of the "noncommercial use" exclusion, as it "violat[es] the 'cardinal principle' of interpretation that courts 'must give effect, if possible, to every clause and word of a statute.'" *Parker Drilling Mgmt. Servs., Ltd. v. Newton*, 139 S. Ct. 1881, 1890 (2019) (citation omitted). Moreover, reading the "noncommercial" exclusion to encompass all humor also reads important limits on the fair-use defense out of the statute. While fair use in the form of parody loses its protection when used as a "designation of source for the person's own goods or services," *see* 15 U.S.C. § 1125(c)(3)(A)(ii),[7] there is no such limit on the "noncommercial" exclusion, *see id.* § 1125(c)(3)(C). Interpreting the latter to swallow the former effectively nullifies that limitation.

Even assuming that Section 1125(c)(3)(C) protects trademark dilution that is not "commercial speech" under the First Amendment, *see* Pet. App. 33a, it cannot be true as a First Amendment matter that anything humorous is automatically "noncommercial." Advertisements are quintessential commercial speech. *See Bolger v. Young Drug Prods. Corp.*, 463 U.S. 60, 66-67 (1983). Of course, they are often funny, too. *See, e.g.*, Marisa Dellatto, *The 13 Best and Funniest Superbowl Commercials of All Time*, N.Y. Post (Feb. 14, 2022), https://nypost.com/article/the-10-best-and-funniest-super-bowl-commercials-of-all-time/. But courts still routinely treat humorous speech as commercial. *See, e.g.*, *Bad Frog Brewery, Inc. v. New York State Liquor Auth.*, 134 F.3d 87, 94 (2d Cir. 1998) (rejecting claim that label was "[n]oncommercial" because it "communicate[d] only a 'joke'"); *United We Stand Am., Inc. v. United We Stand, Am. N.Y., Inc.*, 128 F.3d 86, 91 (2d Cir. 1997) (rejecting "that the use of a mark in connection with humorous publication cannot be an infringement," and that "'editorial or artistic' and

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[7] Indeed, the district court in this case rejected VIP's fair-use parody defense on just this ground. *See* Pet. App. 104a-05a.

'commercial' are mutually exclusive categories" (citation omitted)); *cf. Board of Trs. of the State Univ. of N.Y. v. Fox*, 492 U.S. 469, 475 (1989) (Scalia, J.) (explaining that speech can be "commercial speech notwithstanding the fact that [it] contain[s] discussions of important public issues," and that "advertising which 'links a product to a current public debate'" is not per se "entitled to the constitutional protection afforded noncommercial speech" (citation omitted)).

There is no reason to treat trademarks differently. To the extent the First Amendment affords lesser protection to speech that is deemed commercial rather than noncommercial, the Court should reject a dilution-specific rule, like the Ninth Circuit's, that would dramatically narrow what counts as "commercial" in this context. If government regulation of advertisements is lawful because that speech (however funny) remains commercial, the same rule should apply evenhandedly to trademarks, too: Slapping a joke on a dilutive consumer product does not, by definition, make it "noncommercial" for First Amendment purposes.

Ultimately, the Ninth Circuit's truncated analysis departs from both Section 1125(c)(3) and the First Amendment principles it incorporates. And if allowed to stand, the decision below will deal a significant blow to companies that have invested enormous resources in cultivating specific brand images. Indeed, by tethering its analysis to whether the use is "humorous," the decision below will encourage the worst forms of trademark tarnishment. Offensiveness and crude humor can be two sides of the same coin—the more offensive the use, the funnier it may be to some. Insulating dilutive uses because they are humorous will only encourage dilutors to make their uses as offensive as possible in hopes that someone will find them funny. *See, e.g.*, Pet. Br. 44-46. Nothing in the statute or the First Amendment supports that result. And, while Mark Twain may be right that humor is "mankind's greatest blessing," humor is no basis to vitiate trademark protections that have long been critical to the stability and growth of American enterprise.

CONCLUSION

The judgment of the court of appeals should be reversed.

Respectfully submitted,

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