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Post-SCOTUS District Court Ruling in *Jack Daniel's v. VIP Products* Reshapes Trademark Dilution Jurisprudence

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Background and Supreme Court Decision

As previously reported, in *Jack Daniel's Properties, Inc. v. VIP Products LLC*, 599 U.S. 140 (2023), the U.S. Supreme Court clarified a crucial boundary in trademark law: when an allegedly infringing product uses a mark "as a mark," i.e., as a source identifier, First Amendment defenses under the *Rogers v. Grimaldi* test do not apply. This 2023 decision reversed the Ninth Circuit's earlier holding and remanded the case for further proceedings on both trademark infringement and dilution by tarnishment claims under the Lanham Act.

Key Holding: *Rogers* Test Inapplicable Where Use Is Source-Identifying

The Supreme Court concluded that VIP Products' "Bad Spaniels" dog toy – designed to mimic the Jack Daniel's whiskey bottle – used the Jack Daniel's trade dress *as a trademark*, thereby warranting a traditional *likelihood of confusion* and *dilution by tarnishment* analysis. The parody defense was not precluded entirely but was to be considered within the conventional trademark infringement framework.

District Court Ruling on Remand: Dilution Confirmed, but Infringement Denied

On January 21, 2025, the U.S. District Court for the District of Arizona issued its amended findings and provided a refined view of the distinction between dilution by tarnishment and traditional trademark infringement. The Court ruled:

- **Trademark Infringement**: The Court found that Bad Spaniels was a **successful parody** that did not create a likelihood of confusion as to source. In analyzing the *Sleekcraft* factors, the Court held that although the parody closely mimicked the Jack Daniel's trade dress, the humorous contrasts (e.g., "Old No. 2" for "Old No. 7") dispelled confusion for most consumers. The Court credited expert testimony from both sides but found that parody flipped several key factors – like similarity and intent – into VIP's favor.

- **Dilution by Tarnishment**: The Court ruled in favor of Jack Daniel's on the dilution claim, crediting expert testimony that Bad Spaniels created "disgusting" associations with feces that negatively impacted the brand's carefully cultivated image of authenticity and quality. Expert Dr. Itamar Simonson testified that consumer psychology research supported the finding that associating whiskey – a consumable good – with canine feces undermined brand equity.

- **First Amendment Defense Rejected**: VIP's attempt to raise a broader constitutional challenge to the dilution statute under *Matal v. Tam* and *Iancu v. Brunetti* was rejected as procedurally waived. The Court found the argument untimely since it was not raised in pleadings or on appeal and declined to hear it on remand.
- **Remedy**: A permanent injunction was issued against VIP Products, prohibiting the continued sale or marketing of the Bad Spaniels toy.

VIP Products LLC v. Jack Daniel's Properties Inc., 2025 WL 275909 (Jan. 23, 2025).

Practical Implications for Brand Owners and Creative Producers

1. **Dilution by Tarnishment Has Teeth – Even Without Confusion**
   The case demonstrates that even a non-confusing parody can violate the Lanham Act if it harms a famous mark's reputation through negative associations. The Court emphasized that the distinct legal tests for infringement (confusion-based) and dilution (reputation-based) may lead to divergent outcomes for the same work.

2. **Parody Must Walk a Fine Line**
   The Bad Spaniels parody succeeded in avoiding infringement liability, but its "irreverent" nature (linking whiskey to feces) was precisely what made it vulnerable to a dilution claim. Parodists must balance humor with reputational impact when invoking parody as a defense. The takeaway, for the moment, is perhaps that "tasteful" parody is likely acceptable, but anything in the gutter leans closer to dilution by tarnishment.

3. **Survey Evidence Still Influential – With Caution**
   Though Justice Sotomayor in her Supreme Court concurrence cautioned against overreliance on consumer confusion surveys in parody contexts, the district court accepted a 29 percent confusion rate as probative – but ultimately found it insufficient to support infringement. Brand owners should continue to use consumer perception evidence while being aware of evolving judicial skepticism.

4. **Trademark Use as a Threshold Issue**
   The threshold question post-*Jack Daniel's* is whether the accused use constitutes "use as a mark." If so, First Amendment shields like *Rogers* fall away, and standard Lanham Act analysis applies.

5. **Litigation Strategy**
   The case signals that litigants must be prepared to argue traditional likelihood of confusion and dilution elements in cases involving expressive works. Early dispositive motions invoking *Rogers* will face greater scrutiny, especially in the Ninth Circuit.

Conclusion

The *Jack Daniel's v. VIP Products* litigation, now a decade long, offers critical lessons on how courts balance humor, free expression, and brand protection. The Supreme Court and district court rulings establish that even light-hearted parodies, if they trade on the goodwill of famous marks and tarnish their image, may be enjoined – even if they escape traditional infringement liability.

For companies developing novelty products, advertising campaigns, or brand-related parodies, this case underscores the importance of reviewing both confusion *and* reputational risks. For rights holders, it affirms that parody is not a license to defame a brand.

If you have questions about how this ruling may impact your brand enforcement, parody use, or licensing strategy, please contact Benjamin West Janke or Edward D. Lanquist.