

The Trademark

Issue 4 2023

GLOBAL REACH, LOCAL KNOWLEDGE

www.trademarklawyermagazine.com

Lawyer

Unauthorized use of trademarks in Russia – is there anything that can be done?



Riikka Palmos, Senior Partner and Director of the Trademark Department at Papula-Nevinpat, provides an update on trademark use and registration in Russia's changing IP landscape.

Jack Daniel's consumer survey

Page 17



Trademark review suspension: China

Page 12



Trademark infringement on social media

Page 26

The Jack Daniel's consumer survey: is it a veto over mockery?

Michael Keyes, IP litigator at Dorsey & Whitney and consumer survey expert, reports on the use of consumer survey results in the long-awaited *Jack Daniel's v. VIP Products* ruling, which gained specific reference in Justice Sotomayor's concurring opinion.



In June, the US Supreme Court handed down the momentous decision that trademark lawyers, dog lovers, and even whiskey enthusiasts had been waiting for with bated breath: *Jack Daniel's v. VIP Products*.¹ The unanimous Court reversed the Ninth Circuit's decision that immunized VIP Products from various trademark claims over "Bad Spaniels" – VIP's squeaky dog toy that mimicked the Jack Daniel's bottle in several respects.² The Court rejected VIP Product's First Amendment arguments under *Rogers v. Grimaldi*,³ and remanded for the lower courts to assess whether Jack Daniel's can prove likelihood of confusion under the Lanham Act.⁴ At the trial several years ago, a consumer survey figured prominently in the trial court's decision in favor of Jack Daniel's⁵ – this evidence showed a "net" confusion rate of nearly 30%.⁶ That same survey evidence was discussed numerous times in the various briefs submitted to the Supreme Court.⁷ And, the survey was referenced nearly 30 times during the course of the oral argument.⁸ Despite

¹ *Jack Daniel's Props. v. VIP Prods. LLC*, 2023 U.S. LEXIS 2422 (June 8, 2023).

² *Id.* at *3.

³ *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989).

⁴ *Jack Daniel's*, 2023 U.S. LEXIS 2422 at 3; on August 14, 2023, the Ninth Circuit remanded the case to the trial court.

⁵ *Id.* at *17.

⁶ "The Court credits that Dr. Ford's survey establishes likelihood of confusion in this case. The survey followed the Ever-Ready format, considered the prevailing standard for trademark survey research in cases involving strong marks . . . Dr. Ford's survey results that 29% of potential purchasers were likely confused is nearly double the threshold to show infringement." *VIP Prods., LLC v. Jack Daniel's Props.*, 291 F. Supp. 3d 891, 908 (D. Ariz. 2018) (citation omitted).

⁷ Petition for Writ of Certiorari at '20, *Jack Daniel's*, 2023 U.S. LEXIS 2422 (No. 22-148); Brief of Appellant-Petitioner, *supra*, at '18-20; Brief of Appellee-Respondent, *supra*, at '47-48.

⁸ Transcript of Oral Argument, *supra* note 7.

the survey taking center stage in the lead up, the Supreme Court only made a passing reference to it in the 9-0 decision.⁹

But the survey was referenced by Justice Sotomayor in her concurring opinion.¹⁰ She wrote separately to address it specifically.¹¹ She opined that "[w]hen an alleged trademark infringement involves a parody . . . there is particular risk in giving uncritical or undue weight to surveys."¹² She also noted that "[s]urvey answers may reflect a mistaken belief among some survey respondents that all parodies require permission from the owner of the parodied mark."¹³ She then observed that some of the answers to the survey in this case illustrate this "potential."¹⁴

She then expressed this concern: "Allowing such survey results to drive the infringement analysis would risk silencing a great many parodies . . . Well-heeled brands with the resources to commission surveys would be handed an effective veto over mockery."¹⁵

Is this concern justified here? There are some pretty compelling arguments that the answer is "no."

For starters, it should be noted that in addition to alleging claims for infringement and dilution, Jack Daniel's Properties alleged a claim for unfair

⁹ *Jack Daniel's*, 2023 U.S. LEXIS 2422 at *7.

¹⁰ *Id.* at *33-35.

¹¹ *Id.* at *33.

¹² *Id.* at *34.

¹³ *Id.*

¹⁴ *Id.* (citing two survey respondent answers stating, "I'm sure the dog toy company that made this toy had to get [Jack Daniel's] permission" and "[t]he bottle is mimicked after the Jack Daniel BBQ sauce. So they would hold the patent therefore you would have to ask permission to use the image").

¹⁵ *Jack Daniel's*, 2023 U.S. LEXIS 2422 at *35.

competition in violation of Section 43(a) of the Lanham Act.¹⁶ Why does this matter? Because that statutory provision explicitly refers to "approval" as being the touchstone for potential liability. It states, in pertinent part, that liability can attach to a party – here, VIP Products – who uses a mark in a way that is likely to cause confusion, deception, or mistake "as to the origin, sponsorship, or **approval** of his or her goods, services, or commercial activities by another person."¹⁷ Thus, confusion as to "approval" is potentially actionable under the Lanham Act – Congress baked that into the statutory scheme.

Next, the late Dr. Gerald Ford designed the survey at issue in this case that was presented at trial.¹⁸ He used the classic "Ever-Ready" format.¹⁹ While question no. 9 of his survey did ask respondents if they believed Bad Spaniels "is being made or put out with the authorization or approval of any other company or companies," that was not the only question put to respondents.²⁰ Respondents were also asked:

- Who or what company do you believe makes or puts out this product? (question no. 7)²¹
- What other product or products, if any, do you believe are made or put out by whoever makes or puts out this product? (question no. 8)²²

Using Madrid Refusals to effectively expand your IP practice

Expand the reach of your practice beyond your home country by taking advantage of the global network of IP firms using Madrid.

Gain insight into Madrid refusals issued by your country's trademark office. Find out which representative firms have marks being refused. Discover the filers within your home country who have been refused abroad.

Be proactive and scout potential firms and clients from abroad, and prep for international meetings.

WEEKLY REPORTS MAY INCLUDE THE FOLLOWING:

- foreign refusals *into* your home country
- refusal from your home country *into* other Madrid jurisdictions
- which third-party marks have been cited (only certain jurisdictions)
- email address of foreign representatives
- WIPO record link

From the company that created the US-market 2(d) Citation Watch... now bringing you global data from foreign IP offices.

towergateinformatics

Powered by
Trademarks
OnPoint®

Contact us:

info@towergatesoftware.com • Telephone: +1.866.523.8948

¹⁶ Answer and Counterclaims of Defendant and Counterclaimant at 4-5, *VIP Prods., LLC v. Jack Daniel's Props.*, 291 F. Supp. 3d 891 (D. Ariz. 2018) (No. 2:14-cv-02057).

¹⁷ 15 U.S.C. § 1125(a) (emphasis added).

¹⁸ *VIP Prods.*, 291 F. Supp. 3d at 907.

¹⁹ *Id.*

²⁰ Declaration and Rule 26 Report of Dr. Gerald L. Ford at 5, *VIP Prods., LLC v. Jack Daniel's Props.*, 291 F. Supp. 3d 891 (D. Ariz. 2018) (No. 2:14-cv-02057) [hereinafter Ford Report].

²¹ *Id.* at 13.

²² *Id.* at 14.

²³ *Id.* at 16.

²⁴ *Id.* at 15.

²⁵ *Id.* at 18.

²⁶ Ford Report at 18.

²⁷ *Id.* at 19-29.

²⁸ *Id.* at 19.

²⁹ *Id.* at 19-29.

³⁰ See, e.g., *Exxon Corp. v. Texas Motor Exchange of Houston, Inc.*, 628 F.2d 500, 507 (5th Cir. 1980) (survey evidence of 15% confusion rate "constitutes strong evidence indicating a likelihood of confusion"); *Pebble Beach Co. v. Tour 18 I Ltd.*, 942 F. Supp. 1513, 1550 (S.D. Tex. 1997) (finding survey evidence of 15 to 17% confusion persuasive evidence of likelihood of confusion), aff'd, 155 F.3d 526 (5th Cir. 1998); *Taco Cabana Intern., Inc. v. Two Pesos, Inc.*, 932 F.2d 1113, 1122 (5th Cir. 1991) (confusion of "substantial" portion of those surveyed is convincing evidence of actual confusion), aff'd, 505 U.S. 763, 113 S. Ct. 20 (1992); *R.J.R. Foods, Inc. v. White Rock Corp.*, 603 F.2d 1058, 1061 (2d Cir. 1979) (15 to 20% sufficient for finding of confusion); *Copy Cop, Inc. v. Task Printing, Inc.*, 908 F. Supp. 37 (D. Mass. 1995) (granting summary judgment for plaintiff because 16.5% confusion in survey sufficient, with other evidence, to support likelihood of confusion); *Westchester Media Co. L.P. v. PRL USA Holdings, Inc.*, CIVIL ACTION NO. H-97-3278, 1999 U.S. Dist. LEXIS 12369, at *97 (S.D. Tex. Aug. 4, 1999).

- Do you believe that whoever makes or puts out this product... has a business affiliation or business connection with any other company or companies? (question no. 10)²³

Thus, respondents were queried using a variety of questions to test whether there was potential confusion, deception, or mistake. Only one of those questions – question no. 9 – specifically asked about “approval” or “authorization.”²⁴

Moreover, a review of the actual survey data and verbatim responses in Dr. Ford's report shows significant confusion as to “source,” with limited “confusion” that the alleged parody needed Jack Daniel's approval. Let's drill into that a bit. The test cell consisted of 211 respondents.²⁵ 62 of those respondents answered “Jack Daniel's” in response to at least one of the questions set forth in question nos. 7-10.²⁶ Thus, 29.4% of the respondents expressed some sort of confusion ($62 \div 211 = 29.4\%$). 23 of those 211 respondents (or 10.9%) answered “Jack Daniel's” to only question no. 9 – the “approval” or “authorization” question.²⁷ And, only one of those respondents articulated that Bad Spaniels would need permission to create a “spoof.”²⁸ The remaining 22 respondents articulated verbatim responses focusing on the

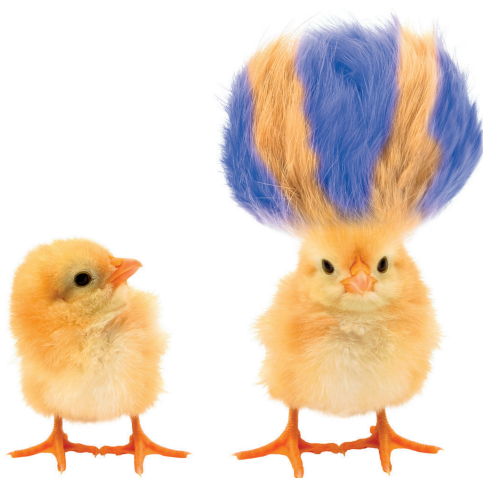
“**Only one of those respondents articulated that Bad Spaniels would need permission to create a “spoof.”**”

similar names, bottle shapes, or label designs – all hallmarks of “source identification.”²⁹

But, for the sake of argument, let's isolate the 23 respondents that answered “Jack Daniel's” in response to question no. 9 (but to none of the other questions). We would do this to address Justice Sotomayor's concern and, thus, assume that each of these 23 respondents must have: (a) perceived Bad Spaniels as a parody; and (b) mistakenly believed VIP Products had to obtain Jack Daniel's Properties' permission to create the parody. That still leaves 39 out of 211 respondents (or 18.5%) that expressed confusion in response to the other questions in Dr. Ford's survey. And that's an appreciable amount of confusion in the eyes of a number of courts.³⁰

Finally, it should be noted that VIP Products is currently marketing Bad Spaniels in an attempt to counteract a consumer survey so that it cannot act as a “veto.” The hang tag now sold with the product (as seen on page 17) now provides the “correct” answers to Dr. Ford's survey questions. At the top, the hang tag states:

**“Legal Survey Questions and Answers
Some companies don't find our toys as funny
as we do...and they like to do surveys to try
and silence our humor.”**



CMS
law · tax · future

Weird or wonderful.
We're here to protect it.

From bold technology to inspired creativity, CMS is ready to advise on and actively defend your ideas, innovation and insight. With over 450 intellectual property specialists across more than 40 countries, see how your best thinking can remain your most valuable asset.

CMS is an international law firm that helps clients to thrive through technical rigour, strategic expertise and a deep focus on partnerships.

cms.law

After listing (and answering) question nos. 7 and 8 from the survey, the hang tag poses question no. 9 (along with VIP Product's answer):

"Is this product put out with the authorization of another company? **Correct Answer: NO, because this product is a parody and this funny bottle idea belongs to VIP Products!.**"

It's not clear whether this new hang tag will be of any moment on remand. But it appears clear that VIP Products is not going to simply let a "well-heeled" Jack Daniel's Properties try to use a consumer survey to "veto" its mockery.

In short, Justice Sotomayor's concurring opinion expressed concern that survey data could be used by companies in such a way as to give them "an effective veto over mockery."³¹ Is her concern justified here? The Lanham Act, Dr. Ford's survey structure, the underlying survey data suggest it is not.

Mike Keyes is a consumer survey expert and IP litigation partner at Dorsey & Whitney in Seattle. He would like to thank Dorsey summer associate and Columbia Law School Class of '25 J.D. Candidate, Michael Wu, for his valuable research assistance and editing of this article.



Michael Keyes

Contact

Dorsey & Whitney LLP (Seattle)

Columbia Center
701 Fifth Avenue,
Suite 6100, Seattle,
WA 98104-7043
United States of
America

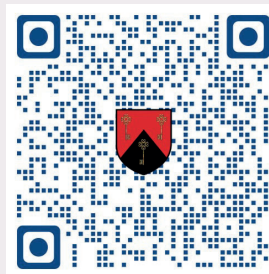
Tel: +1 206 903 8800
www.dorsey.com

³¹ Jack Daniel's, 2023 U.S. LEXIS 2422 at *35.

Résumé

Michael Keyes is an IP litigator at Dorsey in Seattle. In addition to his legal practice, Mike is a consumer survey expert with a Master's Degree in Survey Research and Data Analysis. He publishes and presents frequently on best practices to be followed when developing survey research for use in federal courts and the Trademark Trial and Appeal Board. You can stay current on key legal developments regarding survey research by subscribing to his LinkedIn newsletter, Lanham Act Surveys for Lawyers. Scan the QR code to subscribe.

Author email: Keyes.mike@dorsey.com



(966) 56 513 3815 | ipgcc@alkalthamilaw.com

Saudi Arabia | UAE | Qatar | Kuwait | Oman | Bahrain | Egypt | Yemen

Your Trusted IP Agent Saudi Arabia & the Middle East

Patents

Trademarks

Industrial Designs

State-of-the-art automated system for:

Patent Annuity

Trademark Renewal

Patent Recordal

Trademark Recordal



HUMOUD Z.
ALKALTHAMI ALSHEHRI
Lawyer, Founder &
Managing Director



NOURA IBRAHIM
ALKALTHAMI ALSHEHRI
Associate

[Log on to alkalthamilaw.com](http://alkalthamilaw.com)

