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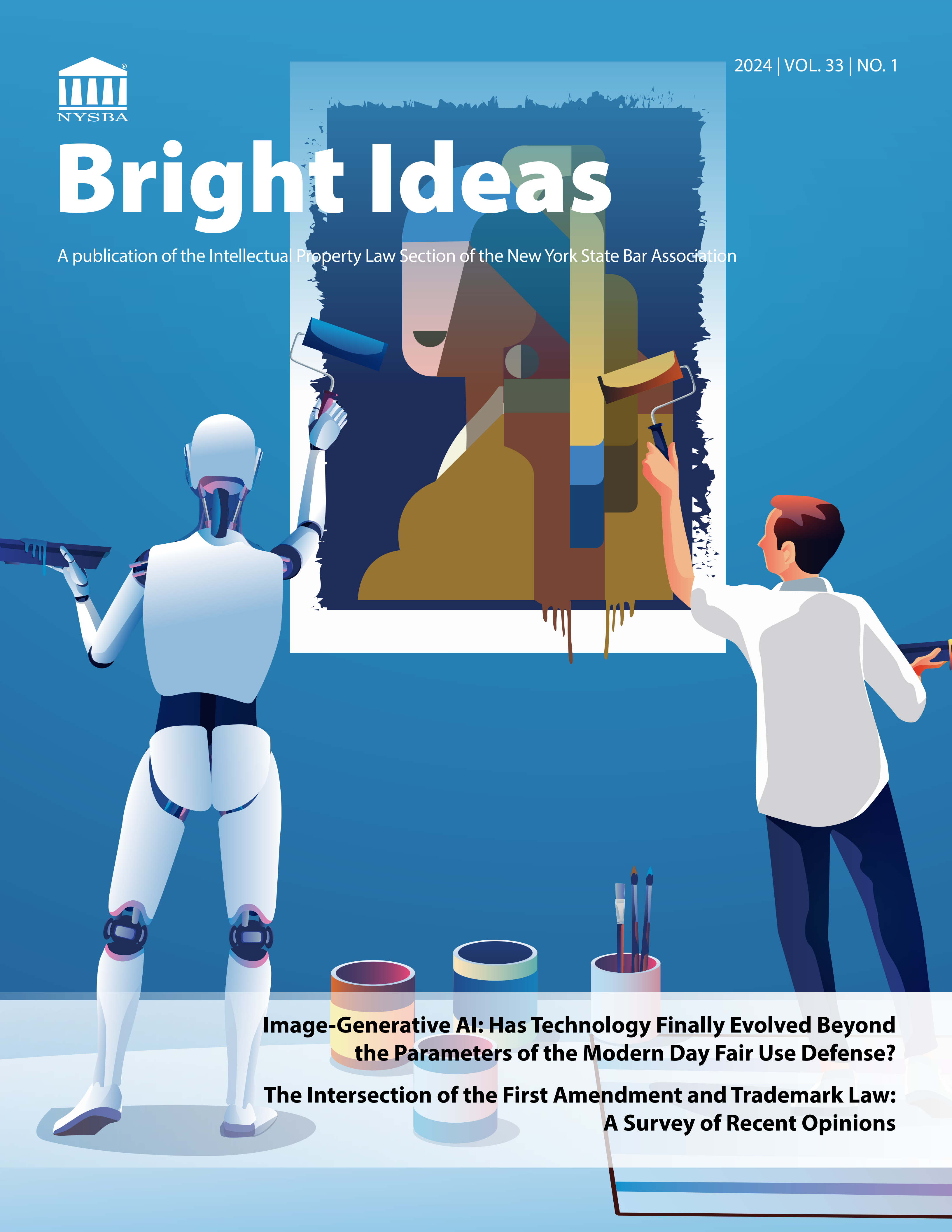


Image-Generative AI: Has Technology Finally Evolved Beyond the Parameters of the Modern Day Fair Use Defense?

The Intersection of the First Amendment and Trademark Law: A Survey of Recent Opinions

The Intersection of the First Amendment and Trademark Law: A Survey of Recent Opinions

By Theodore H. Davis Jr. and Joseph K. Davis

I. Introduction

Throughout much of its history, and with one arguable, but narrow, exception,[1] the Supreme Court of the United States has been largely untroubled by the possible tension between the right to free speech guaranteed by the First Amendment to the Constitution on the one hand and the protection of trademarks on the other. Nevertheless, the Court's relative lack of attention to that issue has not been characteristic of opinions from the lower federal courts and state courts, and, indeed, those courts have long addressed it in myriad contexts. Beginning in 2017 and continuing to the present day, that activity began to percolate up to the highest court in the land, with far-reaching results.

This article addresses recent opinions bearing on the intersection of the free speech and trademark rights. Part II examines the content discrimination vs. viewpoint discrimination framework introduced into the registration context by the Supreme Court's opinions in *Matal v. Tam*[2] and *Iancu v. Brunetti*,[3] but dispensed with by the Court in *Vidal v. Elster.*[4] Along with Part II, Part III examines the Court's 2023 decision in *Jack Daniel's Properties, Inc. v. VIP Products LLC*[5] and applications of it by the lower federal courts since its issuance.

II. The Content Discrimination vs. Viewpoint Discrimination Framework

The Supreme Court has historically employed various paradigms for addressing First Amendment-based challenges to government action. Nevertheless, and although it has not disavowed other ones, the Court's decisions since the turn of the century appear increasingly receptive to a framework that classifies alleged impairments of the exercise of free speech into one of two categories: (1) those with a content-discriminatory effect; and (2) those with a viewpoint-discriminatory effect. Those two concepts sound similar, but the consequences of government action falling into one category or the other can differ significantly.

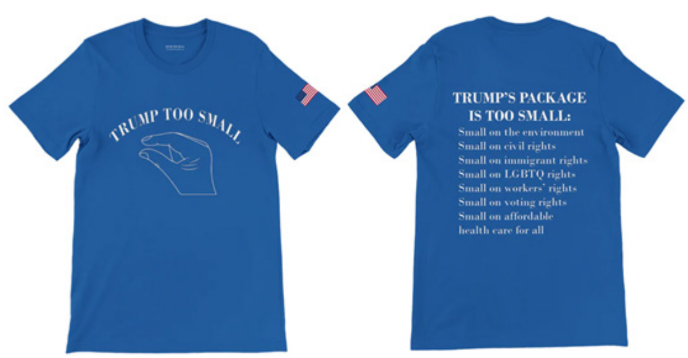
"Government regulation of speech is content based if a law applies to particular speech because of the topic discussed or the idea or message expressed."[6] This means that content-based discrimination occurs when the government attempts to regulate all speech about a certain topic, no matter what that speech says. In contrast, "[v]iewpoint discrimination is . . . an egregious form of content discrimination"[7] that occurs when the government attempts to regulate only certain opinions about a topic.[8] Content-discriminatory restrictions on speech are disfavored, but they historically can be justified under the familiar test set forth in *Central Hudson Gas & Electric Corp. v. Public Service Commission*,[9] which turns on whether (1) the asserted government interest is substantial; (2) the regulation directly advances that government interest; and (3) the regulation is no more extensive than necessary. Government action with a viewpoint-discriminatory effect, however, is permissible only in cases in which the government itself speaks.[10] As set forth below in greater detail, the distinction between content discrimination and viewpoint discrimination has taken center stage in recent years in both the registration and enforcement contexts.

A. Applying—and Dispensing With—the Framework in the Registration Process

1. *Vidal v. Elster*

In *Vidal v. Elster*,[11] the Supreme Court addressed the constitutionality of Section 2(c) of the Lanham Act, which prohibits the registration as a trademark or service mark of any "name, portrait, or signature identifying a particular living individual except by his written consent."[12] Citing Section 2(c), the USPTO rejected an application to register the TRUMP TOO SMALL mark by a critic of the former president. The application recited an intent to use the mark for various shirts, and, although an example of that use is absent from the application's file-wrapper history, the following images of the front and rear of one of Elster's shirts appear in the litigation files (figure 1):

Figure 1



According to the Federal Circuit, "the phrase [the applicant] sought to trademark [sic] invokes a memorable exchange between President Trump and Senator Marco Rubio from a 2016 presidential primary debate, and aims to 'convey[] that some features of President Trump and his policies are diminutive.'"[13]

In overturning the refusal, that court held Section 2(c) unconstitutional as applied by the USPTO when refusing Elster's application. It drew heavily on the Supreme Court's opinions in *Matal v. Tam*,[14] and *Iancu v. Brunetti*,[15] which together invalidated the once-extant prohibitions on the registration of scandalous, immoral, and potentially disparaging marks in Section 2(a) as impermissibly viewpoint-discriminatory,[16] while also rejecting the proposition that the USPTO's decisions to register or not to register particular marks constituted permissible speech.[17] The Federal Circuit agreed with *Elster* that Section 2(c) was at least content discriminatory. Nevertheless, it ultimately held that "[w]hatever the standard for First Amendment review of viewpoint-neutral, content-based restrictions in the trademark area, whether strict scrutiny or intermediate scrutiny, there must be at least a substantial government interest in the restriction."[18] The USPTO's proffered interest was the protection of Trump's state-law rights of privacy and publicity, but that failed to convince the court, which therefore held Section 2(c) unconstitutional on an as-applied basis "under any conceivable standard of review."[19]

Agreeing to review the Federal Circuit's invalidation of Section 2(c), the Supreme Court granted the government's petition for a writ of certiorari, which presented the following question: "Whether the refusal to register a mark . . . violates the Free Speech Clause of the First Amendment when the mark contains criticism of a government official or public figure."[20] The Court answered that question in an opinion authored by Justice Thomas that, as a threshold matter, agreed with the Federal Circuit's conclusion that Section 2(c)—referred to by the Court as the "names clause"—has a content-discriminatory effect, but not a viewpoint-discriminatory one. Citing the USPTO's practice of refusing registration to applied-for marks containing any recognizable references to living individuals, the Court explained that "the names clause does not facially discriminate against any viewpoint. No matter the message a registrant wants to convey, the names clause prohibits marks that use another person's name without consent. It does not matter 'whether the use of [the] name is flattering, critical or neutral.'"[21]

At that point, the Court might have been expected to invoke the *Central Hudson* test, just as the Federal Circuit had done. It did not do so, however, and, indeed, neither the Court's opinion nor the others filed in the case even mention *Central Hudson* at all. Instead, consistent with the methodology in some of its recent opinions in other cases,[22] the Court undertook a historical analysis of both trademark law generally and its treatment of claimed rights in personal names in particular, which led the Court ultimately to conclude that "[s]everal features of trademark [law] counsel against a *per se* rule of applying heightened scrutiny to viewpoint-neutral, but content-based trademark regulations."[23]

One such feature, the Court held, was "the inherently content-based nature of trademark law," which "has never been a cause for constitutional concern."[24] As evidence of that nature, the Court cited the common law's discouragement of claims of rights to personal names, which it considered to be codified in the Lanham Act as Section 2(e)(4)'s prohibition on the registration of applied-for marks deemed to be primarily merely surnames without supporting showings of secondary meaning.[25] The Court also found support for its conclusion in the common-law cause of action for infringement recognized by both English courts and their early United States counterparts, which, it noted, extended to alleged misappropriations of personal names.[26] "[P]olicing trademarks so as to prevent confusion over the source of goods," it explained, "requires looking to the mark's content." Thus, "[t]he common law did . . . allow a person to obtain a trademark *containing* his own name—with a caveat: A person could not use a mark containing his name to the exclusion of a person with the same name."[27]

The result of the Court's deep dive into the history of trademark law was that Section 2(c) withstood constitutional scrutiny:

> We conclude that a tradition of restricting the trademarking [sic] of names has coexisted with the First Amendment, and the names clause fits within that tradition. Though the particulars of the doctrine have shifted over time, the consistent through line is that a person generally had a claim only to his own name. The names clause reflects this common-law tradition by prohibiting a person from obtaining a trademark of another living person's name without consent, thereby protecting the other's reputation and goodwill.[28]

Nevertheless, the Court disclaimed any intent to hold that "an equivalent history and tradition is required to uphold every content-based trademark restriction,"[29] explaining that "[w]e hold only that history and tradition establish that the particular restriction before us, the names clause . . . , does not violate the First Amendment."[30]

2. *In re GO & Associates*

If, as *Tam* and *Brunetti* (but not *Elster*) hold, applications of the content discrimination vs. viewpoint discrimination framework can invalidate prohibitions on registration, a recent Federal Circuit opinion places limits on that practice where the extra-statutory failure-to-function ground for refusal is concerned. That opinion, in *In re GO & Associates*,[31] arose from an unsuccessful application to register EVERYBODY VS RACISM for tote bags, various articles of clothing, and "[p]romoting public awareness of the need for racial reconciliation and encouraging people to know their neighbor and then affect [sic] change in their own sphere of influence."[32] Citing "dozens of examples of the mark being used in informational (rather than source-identifying) ways," including uses "by referees in the National Basketball Association; in titles of rap songs, podcasts, church sermons, and YouTube videos; and on various articles of clothing," the assigned USPTO examining attorney refused registration after concluding that the applied-for mark failed to function as a source identifier for the applicant's goods and services because it comprised informational matter. The Trademark Trial and Appeal Board affirmed after determining that the record "show[ed] wide use of the proposed mark in a non-trademark manner to consistently convey an informational, anti-racist message to the public."[33]

Although certain precedential Board opinions over the past year have overturned failure-to-function refusals to register claimed marks,[34] the applicant apparently did not invoke them as its primary line of attack. It instead asserted that "[*p*]*er se* refusals based on the Informational Matter Doctrine are unconstitutional" because they "involve[ ] content-based discrimination that is not justified by either a compelling or substantial government interest."[35] The Federal Circuit disagreed:

> [The applicant's] constitutional argument is based on a faulty premise: that the [USPTO's] application of the so-called "Informational Matter Doctrine" results in the *per se* refusal of any mark that contains informational matter, regardless whether or not consumers perceive the mark as source-identifying. That is not true. Indeed, one can immediately envision many marks . . . that contain informational matter (e.g., widely used slogans), but nevertheless function as source identifiers.[36]

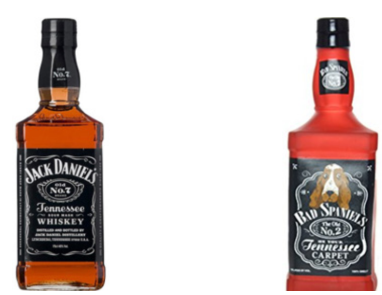
Noting that "[t]he fundamental purpose of a trademark or service mark is to identify and distinguish the source of a particular good or service,"[37] the court further observed that the registration of a mark used by the public in such a way preventing its attribution to a single source would undermine trademark law in its entirety. Of equal importance, it would render the public "no longer free to express common sentiments without the threat of paying a licensing fee to someone who sees an opportunity to co-opt a political message."[38] "Contrary to [the applicant's] position," the court concluded, "nothing in the Lanham Act or the PTO's so-called 'Informational Matter Doctrine' prohibits registration of a mark containing informational matter, so long as the mark also functions to identify a single commercial source."[39] Because the factual record demonstrated that the applied-for mark failed to perform that function, the applicant's constitutional challenge failed.

B. Possible Application of the Framework in the Litigation Context in *Jack Daniel's Properties, Inc. v. VIP Products LLC*

Although the most recent high-profile applications of the content discrimination vs. viewpoint discrimination framework have occurred in the registration context, another may soon rear its head in the aftermath of the Supreme Court's opinion in *Jack Daniel's Properties, Inc. v. VIP Products LLC*.[40] This section addresses the disposition of the federal cause of action for likely dilution by tarnishment under Section 43(c) of the Lanham Act[41] in that case; that of the likelihood-of-confusion-based causes of action at issue is addressed below.

The basic facts of *Jack Daniel's* are by now well-known to most trademark professionals. Following its receipt of a demand letter from the producer of the Tennessee sour mash whiskey shown below on the left, the manufacturer of the dog chew toy shown below on the right filed an action in the District of Arizona seeking a declaratory judgment of non-liability for infringement and likely dilution (figure 2).

Figure 2



Not surprisingly, Jack Daniel's counterclaimed for precisely those torts.

On summary judgment, the district court found as a matter of law that VIP's imitations of Jack Daniel's marks and trade dress were trademark uses, or, in other words, indicators of the source of VIP's own goods.[42] The district court found that disqualified VIP from the protection of Section 43(c)(3)(ii), which creates an "exclusion" from liability for likely dilution covering

> [a]ny fair use, including a nominative or descriptive fair use, or facilitation of such fair use, of a famous mark by another person *other than as a designation of source for the person's own goods or services*, including use in connection with . . . identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.[43]

Following a bench trial, the district court found VIP's uses likely to cause dilution under a tarnishment theory,[44] only to have the Ninth Circuit reverse. Whatever the merits of the district court's analysis of the exclusion in Section 34(c)(3)(A)(ii), the court of appeals held that a different exclusion in Section 43(c)(3)(C), one covering "noncommercial use[s]" by defendants, precluded liability. Having found the chew toy an expressive work falling within the scope of the First Amendment's protection as a matter of law while evaluating Jack Daniel's likelihood-of-confusion-based causes of action, the Ninth Circuit concluded that "[w]hen the use of a mark is 'noncommercial,' there can be no dilution by tarnishment. Speech is noncommercial 'if it does more than propose a commercial transaction' and contains some 'protected expression.' Thus, use of a mark may be 'noncommercial' even if used to 'sell' a product."[45]

That holding met with misfortune at the hands of the Supreme Court, which, reviewing Section 43(c)(3)(C)'s language and purpose, held that "[t]he problem with the Ninth Circuit's approach is that it reverses that statutorily directed result, as this case illustrates."[46] It then further explained that:

> Given the fair-use provision's carve-out, parody (and criticism and commentary, humorous or otherwise) is exempt from liability only if not used to designate source. Whereas on the Ninth Circuit's view, parody (and so forth) is exempt always—regardless [of] whether it designates source. The expansive view of the "noncommercial use" exclusion effectively nullifies Congress's express limit on the fair-use exclusion for parody, etc. Just consider how the Ninth Circuit's construction played out here. The District Court had rightly concluded that because VIP used the challenged marks as source identifiers, it could not benefit from the fair-use exclusion for parody. The Ninth Circuit took no issue with that ruling. But it shielded [the counterclaim defendant's] parodic uses anyway. In doing so, the court negated Congress's judgment about when—and when not—parody (and criticism and commentary) is excluded from dilution liability.[47]

Thus, "the noncommercial exclusion does not shield parody or other commentary when [a defendant's] use of a mark is . . . source-identifying."[48]

To that point, the outcome in *Jack Daniel's* was strictly a matter of statutory construction, rather than one turning on the First Amendment's right to free speech. On remand, however, VIP successfully invoked Rule 5.1 of the Federal Rules of Civil Procedure,[49] which requires district courts to certify to the Attorney General of the United States any constitutional challenges to federal statutes and allow the United States to intervene if it so chooses. On April 14, 2024, the district court therefore certified to the Attorney General the following question:

> Does the Lanham Act provision authorizing injunctive relief in cases of trademark dilution by tarnishment, 15 U.S.C. § 1125(c)(2)(C), violate the First Amendment to the United States Constitution because its reliance on whether the trademark use "harms the reputation of the famous mark" constitutes impermissible viewpoint discrimination?[50]

In doing so, the court acknowledged Jack Daniel's argument that VIP had waived its constitutional argument by failing to raise it earlier in the litigation, noting that it was making "no finding at this time as to whether VIP has waived its constitutional challenge. While [Jack Daniel's] waiver argument could ultimately be determinative as to whether this Court reaches VIP's constitutional challenge, this is not the appropriate juncture for the Court to consider it."[51] Whether the parties' dispute is an appropriate vehicle for an application of the content discrimination vs. viewpoint discrimination framework to claims of likely dilution by tarnishment therefore remains to be seen, as does the outcome of such an application.

III. Challenges to the Use of Alleged Imitations of Plaintiffs' Marks in the Titles or Content of Expressive Works

A. The *Rogers v. Grimaldi* Test for Liability

The test for liability first set forth in *Rogers v. Grimaldi*[52] has played an increasingly significant role in trademark-based challenges to the titles and content of expressive works since its articulation. Although applications of that test vary from court to court, the test generally requires an alleged imitation of a plaintiff's mark either to have no artistic relevance to the underlying work or, if it is artistically relevant, to be explicitly misleading as to the work's source or content.[53] A plaintiff before a court that has adopted *Rogers* must also demonstrate that confusion is likely, whether as a standalone showing (as in the Ninth Circuit) or as part of the inquiry into whether the defendant's use is explicitly misleading (as in the Second Circuit).[54]

B. Limitations on the *Rogers* Test Imposed by *Jack Daniel's*

However *Rogers* is applied, the Supreme Court sharply limited its availability in *Jack Daniel's*. It did so by abrogating the Ninth Circuit's rule that *Rogers* protects not only the titles and contents of creative works but also the trademarks and service marks under which they are sold.[55] Presciently anticipating the Supreme Court's eventual holding, the district court in *Jack Daniel's* eschewed the *Rogers* framework in favor of a straightforward multi-factored likelihood-of-confusion analysis that produced a finding of infringement following a bench trial.[56] According to the Ninth Circuit, however, the district court erred by not treating VIP's product as a creative work eligible for *Rogers*'s protection.[57] Because the district court had found liability under the Ninth Circuit's multifactored *Sleekcraft* test[58] without first deciding whether the plaintiff could meet either prong of *Rogers*, the appellate court remanded the matter for a determination of that issue.[59] On remand, the district court applied the *Rogers* test to enter summary judgment of noninfringement, which the Ninth Circuit summarily affirmed. The Supreme Court then granted Jack Daniel's petition for a writ of certiorari, the first question of which asked "[w]hether humorous use of another's trademark as one's own on a commercial product is subject to the Lanham Act's traditional likelihood-of-confusion analysis, or instead receives heightened First Amendment protection from trademark-infringement claims."[60]

In answering that question, the Court vacated the Ninth Circuit opinion by holding that the trademark nature of VIP's uses disqualified them from *Rogers*'s protection:

> Without deciding whether *Rogers* has merit in other contexts, we hold that it does not when an alleged infringer uses a trademark in the way the Lanham Act most cares about: as a designation of source for the infringer's own goods. [The counterclaim defendant] used the marks derived from [the counterclaim plaintiff] in that way, so the infringement claim here rises or falls on likelihood of confusion. But that inquiry is not blind to the expressive aspect of the [the counterclaim defendant's] toy that the Ninth Circuit highlighted. Beyond source designation, [the counterclaim defendant] uses the marks at issue in an effort to "parody" or "make fun" of [the counterclaim plaintiff]. And that kind of message matters in assessing confusion because consumers are not so likely to think that the maker of a mocked product is itself doing the mocking.[61]

The Court further explained that:

> [T]he *Rogers* test has applied only to cases involving "non-trademark uses"—or otherwise said, cases in which "the defendant has used the mark" at issue in a "non-source-identifying way." The test has not insulated from ordinary trademark scrutiny the use of trademarks as trademarks, "to identify or brand [a defendant's] goods or services."[62]

Thus, "the First Amendment does not demand a threshold inquiry like the *Rogers* test. When a mark is used as a mark (except, potentially, in rare situations), the likelihood-of-confusion inquiry does enough work to account for the interest in free expression."[63]

Nevertheless, the Court emphasized that *Rogers*'s unavailability in challenges to defendants' uses of marks *as* marks should not produce automatic findings of liability; rather, "a trademark's expressive message—particularly a parodic one, as [the counterclaim defendant] asserts—may properly figure in assessing the likelihood of confusion."[64] "Yet," it continued, "to succeed, the parody must also create contrasts, so that its message of ridicule or pointed humor comes clear. And once that is done (if that is done), a parody is not often likely to create confusion."[65] The Court therefore concluded that "although VIP's effort to ridicule Jack Daniel's does not justify use of the *Rogers* test, it may make a difference in the standard trademark analysis. Consistent with our ordinary practice, we remand that issue to the courts below."[66]

C. Post-*Jack Daniel's* Developments

1. Opinions Dispensing with the *Rogers* Analysis

Not surprisingly, the Supreme Court's opinion in *Jack Daniel's* has produced several opinions holding the *Rogers* analysis inapplicable.[67] This section addresses the three most notable ones, two of which come from federal appellate courts.

a. *Punchbowl, Inc. v. AJ Press, LLC*

Although it took months for it to do so, the Ninth Circuit grudgingly acknowledged *Jack Daniel's* abrogation of its past authority in *Punchbowl, Inc. v. AJ Press, LLC*,[68] a case it previously had held *Rogers* applicable to trademark uses by defendants. The plaintiff's mark in that litigation was PUNCHBOWL for online invitations and greeting cards, while the defendant used PUNCHBOWL NEWS for an online news publication (figure 3):

Figure 3

Although the defendant argued that *Jack Daniel's* did not apply in cases in which defendants' trademark uses were not intended as parodies of plaintiffs' marks, the court rejected that contention.[69] Nevertheless, in remanding the action to the district court, it strongly suggested that the expressive nature of the defendant's publication should weigh against a finding of liability:

> [T]he expressive nature of [the defendant's] use of the Punchbowl Mark and the fact that "punchbowl" is a common word will certainly be relevant in the likelihood-of-confusion analysis. . . . When companies operating in different spaces use the same common words as trademarks with different expressive connotations, it reduces the likelihood of confusion.[70]

Whether the Ninth Circuit's vision of its expressive-nature exception will swallow the rule in *Jack Daniel's* remains to be seen.

b. ***Vans, Inc. v. MSCHF Product Studio, Inc.***

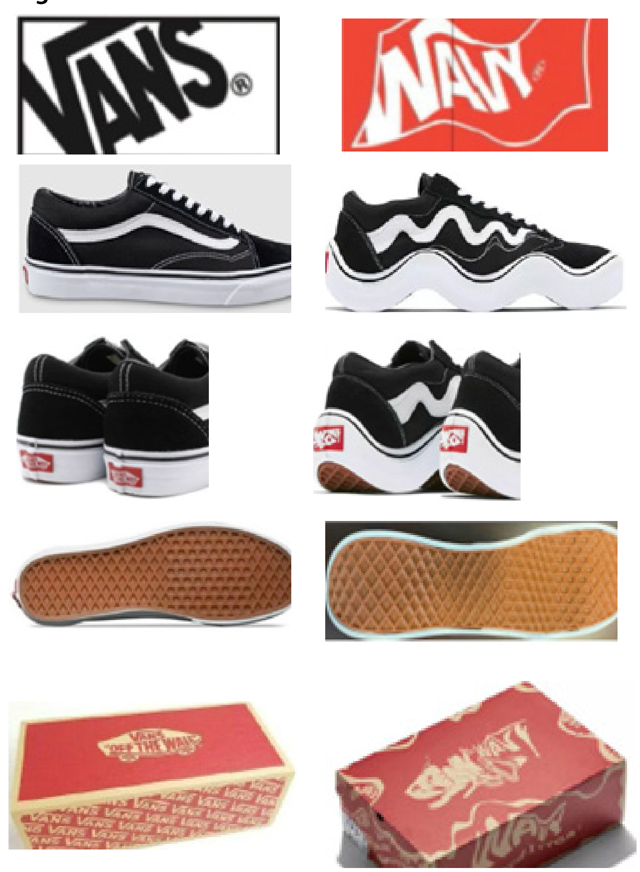
Jack Daniel's holding that challenges to trademark uses by defendants are properly evaluated under a straight-up application of the likelihood-of-confusion test for infringement led the Second Circuit to affirm the entry of preliminary injunctive relief in a case in which the plaintiffs sought to protect the marks and trade dress appearing in the left-hand column below against the uses appearing in the right-hand column (figure 4):[71]

The Second Circuit concluded that the defendant's alleged "Wavy Baby" parodies of the plaintiffs' marks and trade dress were in the nature of trademark uses, and, informed by that initial determination, it affirmed the district court's finding of likely confusion by applying its standard *Polaroid* factors.[72] A defense witness's testimony that the plaintiffs' shoe was the "most iconic, prototypical" skate shoe on the market established the strength of the plaintiffs' marks and trade dress.[73] The similarity between the parties' marks and trade dresses presented a "closer question," but, once again, an admission against interest, namely, that "the [defendant's] Wavy Baby sneaker design intentionally evoked an image of [the plaintiffs'] Old Skool sneaker" tipped the balance in the plaintiffs' favor.[74] The court next affirmed the district court's finding of competitive proximity, holding that:

> The district court did not clearly err in rejecting [the defendant's] factual claim that the Wavy Baby is a work of art meant to be displayed rather than a pair of sneakers meant to be worn. Although it is hard to see why some people would wear the Wavy Baby as a functional shoe, we owe that finding deference. Many people are martyrs to fashion and dress to excite comment.[75]

Anecdotal evidence of actual confusion further weighed in the plaintiffs' favor,[76] as did the general lack of sophistication among the parties' customers.[77] The district court might possibly have erred in finding that the lower quality of the defendant's shoes favored a finding of liability, but, even so, that one factor did not render incorrect the district court's ultimate conclusion that the plaintiffs likely would prevail on their infringement claims.[78] Consistent with the Supreme Court's holding to similar effect, the Second Circuit concluded that "if a parodic use of protected marks and trade dress leaves confusion as to the source of a product, the parody has not 'succeeded' for purposes of the Lanham Act, and the infringement is unlawful."[79]

Figure 4



c. *Davis v. Amazon.com, Inc.*

Although *Punchbowl* and *Vans* yielded victories for plaintiffs—at least in the short term where *Punchbowl* is concerned—the Central District of California served up a reminder in *Davis v. Amazon.com, Inc.*[80] that such an outcome is not inevitable, even when *Rogers* does not apply. The plaintiffs in that case challenged the use of *Gringo* as the title of a film featuring "a fictionalized account of an American who . . . is on the run after being set-up by his 'friends' for distributing marijuana."[81] Based on the lead plaintiff's prior use of *Gringo: My Life on the Edge as an International Fugitive* as the title of a book with an allegedly similar plot, the plaintiffs claimed likely confusion between the two titles and successfully convinced the court that the defendants' use was in the nature of a source identifier.[82] Despite the plaintiffs' threshold victory on that issue, their complaint ultimately fell short on a motion to dismiss for failure to state a claim because it did not adequately allege likely confusion under the standard multifactored test. In particular, its averments established that the common word "gringo" was not a conceptually strong mark, that the parties' titles were dissimilar when compared in their entireties, that the marketing channels were distinguishable, and that consumers of the two works exercised at least some degree of care. The plaintiffs may have adequately alleged their title's commercial strength, as well as the defendants' bad faith and the competitive proximity of the parties' goods and services, but those considerations did not defeat the motion to dismiss.[83]

2. Opinions Continuing To Apply the *Rogers* Analysis

For the most part, courts have assumed that the *Rogers* analysis survives on a post-*Jack Daniel's* basis if defendants' alleged imitations of plaintiffs' marks in the titles or contents of expressive works do not constitute trademark uses. That assumption has mostly, but not always, produced pro-defendant outcomes.

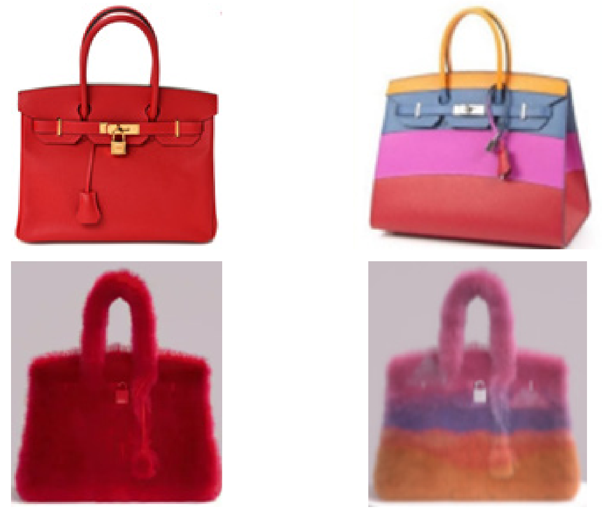
a. *Hermès Int'l v. Rothschild*

A rare victory for a plaintiff under a *Rogers*-based analysis followed a jury trial in the Southern District of New York in a case arising in the context of non-fungible tokens.[84] The plaintiff, a luxury fashion business, sold high-end handbags such as the following under the BIRKIN mark (figure 5, top row).

In late 2021, the defendant, a self-styled "marketing strategist" in the fashion industry, created digital images of faux-fur-covered versions of the plaintiff's bags, which he sold as nonfungible tokens (figure 5, bottom row).

The defendant marketed his collection under the METABIRKINS mark but claimed he did not actually use that term when selling his NFTs; instead, he assigned each a number. Following the denial of *Rogers*-based defense mo-

Figure 5



tions to dismiss and for summary judgment, and before the Supreme Court's decision in *Jack Daniel's*, the jury found infringement.

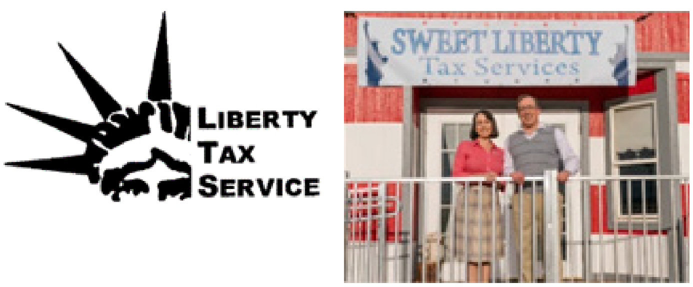
The defendant attacked that verdict in a post-trial motion seeking either judgment as a matter of law or a new trial. It argued in part that the jury instructions suggested that the defendant bore the burden under *Rogers* to demonstrate its entitlement to the First Amendment's protection; that claim fell short in light of an instruction to the contrary included at the insistence of defense counsel.[85] Moreover, the court held, because it had instructed the jury that the explicitly misleading prong of *Rogers* required proof of an intent to confuse by the defendant, the disputed instruction arguably favored the defendant.[86] "It remains only to add," the court concluded, "that if the jury found — as they did here — that [the defendant] did use [the plaintiff's] marks with an intent to deceive, any claim he might have to First Amendment protection was waived. For nothing could be better established than that the First Amendment does not eliminate liability for intentional fraud."[87]

Another basis of the defendant's post-trial bid to escape liability was the alleged insufficiency of the plaintiff's evidence that the defendant's conduct was explicitly misleading. The Second Circuit and the Ninth Circuit are split on the proper application of the second prong of the *Rogers* test. A plaintiff proceeding under *Rogers* in the Ninth Circuit must demonstrate that its opponent has engaged in some form of explicitly misleading conduct beyond merely creating a likelihood of confusion,[88] while one in the Second Circuit need only advance a "particularly compelling" showing of likely confusion to prevail.[89] The district court did not directly address that distinction, but, consistent with its reviewing court's case on the subject, it rejected the defendant's attack on the plaintiff's evidence of explicitly misleading conduct through the lens of the *Polaroid* factors. Specifically, the court credited the plaintiff's showings of the similarities between the parties' respective goods, "the distinctive place in American cultural life" occupied by the plaintiff's goods, the likelihood of the plaintiff entering the NFT space, and evidence of actual confusion proffered by the plaintiff.[90] That evidence of actual confusion comprised the results of a survey conducted by an expert retained by the plaintiff and a showing that "several fashion magazines" had mistaken the defendant's NFTs as originating with the plaintiff.[91] Although the court did not address the plaintiff's survey evidence at length, an earlier opinion denying the parties' cross-motions for summary judgment credited the survey results for establishing a 18.7% net confusion rate among respondents.[92]

b. JTH Tax LLC v. AMC Networks Inc.

Hermès notwithstanding, not all plaintiffs have prevailed under *Rogers* in the post-*Jack Daniel's* world.[93] One of the more notable examples of that phenomenon comes from the Southern District of New York's decision in *JTH Tax LLC v. AMC Networks Inc.*[94] In that case, the owner of the LIBERTY TAX SERVICE mark for tax services, including the variation on that mark shown below on the left, sued against the producers of the *Better Call Saul* television series based on the appearance in the series of a fictional business operating under the SWEET LIBERTY TAX SERVICES mark (figure 6).[95]

Figure 6



Employing the Second Circuit's version of the Rogers test, the district court found the plaintiff had failed to allege facts establishing the particularly compelling case of likely confusion required to support a finding of explicitly misleading conduct by the defendants.[96] It therefore dismissed the complaint for failure to state a claim.

c. Hara v. Netflix, Inc.

Consistent with the outcome in *JTH Tax LLC*, a California federal district court granted a motion to dismiss for failure to state a claim in *Hara v. Netflix, Inc.*[97] The plaintiff in that case, a well-known Hollywood drag queen, challenged the defendants' alleged animated depiction of her "in a show featuring LGBTQ+ characters that takes place in West Hollywood," as well as in an advertisement for that show.[98] In granting the defendants' *Rogers*-based motion to dismiss, the court first found that the defendants' use of the plaintiff's appearance was artistically relevant to the show, forcing the plaintiff to rely upon *Rogers*'s second prong.[99] Then, with respect to that prong, the court held that "[t]he mere appearance of a name or likeness in an expressive work is not sufficient to render it misleading. Instead, to be liable for misappropriation under the Lanham Act, a defendant must make 'an explicit indication, overt claim, or explicit misstatement' to mislead."[100] The court did, however, grant the plaintiff leave to replead her federal false endorsement cause of action under Section 43(a) of the Lanham Act,[101] to address the deficiencies of its complaint under *Rogers*'s second prong.[102]

IV. Conclusion

If the Supreme Court has historically been slow to take up cases presenting potential conflicts between the First Amendment right to free speech and the protection of trademark rights it has made up for lost time in recent years. Whether or not as a result of that trend, the lower federal courts also have been unusually active over the trailing twelve months in addressing claims of free speech by defendants accused of violating plaintiffs' trademark rights. If litigants' experiences in the wake of *Tam*, *Brunetti*, and *Jack Daniel's* are any indication, though, one thing is apparent: The Court's opinion in *Elster* is likely not the last word on the subject.

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In the interest of full disclosure, he notes his participation in the following cases referenced by this Article: *Jack Daniel's Props., Inc. v. VIP Prods. LLC*, 599 U.S. 140 (2023) (post-appeal counsel for counterclaim plaintiff); *Iancu v. Brunetti*, 588 U.S. 388 (2019) (counsel of record for amicus curiae American Intellectual Property Law Association in support of respondent); and *Matal v. Tam*, 582 U.S. 218 (2017) (counsel for amicus curiae American Bar Association in support of neither party).

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Endnotes

1. *See San Francisco Arts & Athletics, Inc. v. U.S. Olympic Comm.*, 483 U.S. 522 (1987).
2. 582 U.S. 218 (2017).
3. 588 U.S. 388 (2019).
4. No. 22-704, 2024 WL 2964139 (U.S. June 13, 2024).
5. 599 U.S. 140 (2023).

6. *Reed v. Town of Gilbert, Ariz.*, 576 U.S. 155, 163 (2015).

7. *Rosenberger v. Rector & Visitors of Univ. of Va.,* 515 U.S. 819, 829 (1995).

8. *Id*. at 830.

9. 447 U.S. 557 (1980).

10. "When government speaks, it is not barred by the Free Speech Clause from determining the content of what it says. That freedom in part reflects the fact that it is the democratic electoral process that first and foremost provides a check on government speech." *Walker v. Texas Div., Sons of Confederate Veterans, Inc.*, 576 U.S. 200, 207 (2015).

11. No. 22-704, 2024 WL 2964139 (U.S. June 13, 2024).

12. 15 U.S.C. § 1052(c) (2018).

13. *See In re Elster*, 26 F.4th 1328, 1330 (Fed. Cir. 2022) ("*Elster I*"), *rev'd sub nom. Vidal v. Elster*, No. 22-704, 2024 WL 2964139 (U.S. June 13, 2024) ("*Elster II*").

14. 582 U.S. 218 (2017).

15. 588 U.S. 388 (2019).

16. 15 U.S.C. § 1052(a) (2018).

17. *See Tam*, 582 U.S. at 236 ("[I]t is far-fetched to suggest that the content of a registered mark is government speech. If the federal registration of a trademark makes the mark government speech, the Federal Government is babbling prodigiously and incoherently. It is saying many unseemly things. It is expressing contradictory views. It is unashamedly endorsing a vast array of commercial products and services. And it is providing Delphic advice to the consuming public." (citation omitted) (footnote omitted)).

18. *Elster I*, 26 F.4th at 1333.

19. *Id*. at 1339.

20. Petition for Certiorari at (I), *Vidal v. Elster*, No. 22-704, 2024 WL 2964139 (U.S. June 13, 2024) No. 22-704).

21. *Elster II*, 2024 WL 2964139, at *5 (alteration in original) (quoting 2 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 13:37.50 (5th ed.)).

22. *See Kennedy v. Bremerton School Dist.*, 597 U.S. 507 (2022) (free speech and free exercise clauses of First Amendment); *N.Y. State Rifle & Pistol Ass'n v. Bruen*, 597 U.S. 1 (2022) (gun control); *Dobbs v. Jackson Women's Health Org.*, 597 U.S. 215 (2021) (reproductive rights).

23. *Elster II*, 2024 WL 2964139, at *6.

24. *Id.*

25. *Id*. at *4 (citing 15 U.S.C. § 1052(e)(4)).

26. *Id*. at *7.

27. *Id*. at *9.

28. *Id*. at *11.

29. *Id*. at *12.

30. *Id.*

31. 90 F.4th 1354 (Fed. Cir. 2024).

32. *Id*. at 1335.

33. *In re Go & Assocs.*, No. 88944728, 2022 WL 1421542, at *7 (T.T.A.B. Apr. 20, 2022), aff'd, 90 F.4th 1354 (Fed. Cir. 2024).

34. *See, e.g., In re Black Card LLC*, 2023 U.S.P.Q.2d 1376 (T.T.A.B. 2023) (overturning refusal to register FOLLOW THE LEADER for various services); *In re ZeroSix, LLC*, 2023 U.S.P.Q.2d 705 (T.T.A.B. 2023) (overturning refusal to register BOYS WORLD for audio recordings featuring music). In addition to those opinions, the USPTO entered into a settlement agreement during the pendency of a district court appeal allowing another application to move forward despite the Board's prior affirmance, also in a precedential opinion, of a final failure-to-function refusal to register the underlying mark. *See Pound Law LLC v. Vidal*, No. 6:23-CV-61-RMN, slip op. at 3 (M.D. Fla. Sept. 11, 2023) ("Upon remand, the USPTO will take appropriate steps to approve application Serial No. 87/724,338 [to register #LAW for legal referral services] for publication forthwith."), remanding *In re Pound Law, LLC*, 2022 U.S.P.Q.2d 1062 (T.T.A.B. 2022).

35. 90 F.4th at 1357–58 (alterations in original).

36. *Id*. at 1358.

37. *Id.* (internal quotation marks omitted).

38. *Id.*

39. *Id.*

40. 599 U.S. 140 (2023).

41. 15 U.S.C. § 1125(c) (2018).

42. *VIP Prods., LLC v. Jack Daniel's Props., Inc*., No. CV-14-2057-PHX-SMM, 2016 WL 5408313, at *5 (D. Ariz. Sept. 27, 2016) ("*VIP Prods. I*"), *later proceedings*, 291 F. Supp. 3d 891 (D. Ariz. 2018) ("*VIP Prods. II*"), *reversed in part and vacated in part*, 953 F.3d 1170 (9th Cir. 2020) (*VIP Prods. III"*), *on remand*, No. CV-14-02057-PHX-SMM, 2021 WL 5710730 (D. Ariz. Oct. 8, 2021) (*"VIP Prods. IV"*), *aff'd*, No. 21-16969, 2022 WL 1654040 (9th Cir. Mar. 18, 2022) ("*VIP Prods. V*"), *vacated*, 599 U.S. 140 (2023).

43. 15 U.S.C. § 1125(c)(3)(ii) (2018) (emphasis added).

44. *See VIP Prods. II,* 291 F. Supp. 3d at 904–905.

45. *VIP Prods. III*, 953 F.3d at 1176 (first quoting *Nissan Motor Co. v. Nissan Computer Corp*., 378 F.3d 1002, 1017 (9th Cir. 2004); and then quoting *Mattel, Inc. v. MCA Records*, 296 F.3d 894, 906 (9th Cir. 2002)). The court then reached the same conclusion with respect to the Arizona dilution statute, Ariz. Rev. Stat. § 44-1448.01, which similarly provides that noncommercial uses by defendants are "not actionable." *VIP Prods. III,* 953 F.3d at 1176.

46. *Jack Daniel'*s, 599 U.S. at 162.

47. *Id.*

48. *Id*. at 163.

49. Fed. R. Civ. P. 5.1.

50. *VIP Prods. LLC v. Jack Daniel's Props. Inc.*, No. CV-14-02057-PHX-SMM, slip op. at 4 (D. Ariz. April 10, 2014).

51. *Id*. at 3.

52. 875 F.2d 994 (2d Cir. 1989).

53. *Id*. at 999.

54. *Compare Gordon v. Drape Creative, Inc.*, 909 F.3d 257, 265 (9th Cir. 2018) ("If the plaintiff satisfies both elements, it still must prove that its trademark has been infringed by showing that the defendant's use of the mark is likely to cause confusion.") with *Twin Peaks Prods., Inc. v. Publ'ns Int'l, Ltd.*, 996 F.2d 1366, 1379 (2d Cir. 1993) ("This determination must be made, in the first instance, by application of the venerable Polaroid [likelihood-of-confusion] factors.").

55. That rule reached its apogee in a different opinion, one issued immediately before the Supreme Court's issuance of a writ of certiorari in *Jack Daniel's. See, e.g., Punchbowl, Inc. v. AJ Press, LLC*, 52 F.4th 1091, 1099 (9th Cir. 2022) ("[A]ttempting to distinguish

between a brand and the body and titles of individual articles fails to appreciate the expressive connection between the publication's title and brand and the reporting that appears under that heading. . . . Just because a mark is used as a brand . . . does not mean the use of the name is beyond *Rogers*'s coverage."), *opinion withdrawn*, 78 F.4th 1158 (9th Cir. 2023), *later opinion*, 90 F.4th 1022 (9th Cir. 2024).

56. *See VIP Prods. II*, 291 F. Supp. 3d at 911.
57. *See VIP Prods. III*, 953 F.3d at 1176–77.
58. *See AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979), abrogated on other grounds by *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792 (9th Cir. 2003).
59. *IP Prods. III*, 953 F.3d at 1177.
60. Petition for Writ of Certiorari at (I), *Jack Daniel's Props., Inc. v. VIP Prods. LLC*, 599 U.S. 140 (2023) (No. 22-148), 2020 WL 5632652, at *(I).
61. *Jack Daniel's*, 599 U.S. at 153.
62. *Id.* at 155-56 (second alteration in original) (first quoting Stacy Dogan & Mark Lemley, *Grounding Trademark Law Through Trademark Use*, 92 Iowa L. Rev. 1669, 1684 (2007); and then quoting *id*. at 1683).
63. *Id.* at 159.
64. *Jack Daniel's*, 599 U.S. at 161.
65. *Id.*
66. *Id.*
67. *See, e.g., Yuga Labs, Inc. v. Ripps*, No. CV 22-4355-JFW(JEMX), 2023 WL 7089922 (C.D. Cal. Oct. 25, 2023) (denying *Rogers*-based motion to dismiss challenge to nonfungible tokens allegedly confusingly similar to those of plaintiff); *HomeVestors of Am., Inc. v. Warner Bros. Discovery*, No. CV 22-1583-RGA, 2023 WL 6880341 (D. Del. Oct. 18, 2023) (recommending denial of *Rogers*-based motion to dismiss), *report and recommendation adopted*, No. CV 22-1583-RGA, 2023 WL 8826729 (D. Del. Dec. 21, 2023); *MGA Ent. Inc. v. Harris*, No. CV2011548JVSAGRX, 2023 WL 6194387 (C.D. Cal. Sept. 15, 2023) (granting *Jack Daniel's*-based motion for new trial in challenge to defendant's trade dress), *motion to certify appeal denied*, No. 220CV11548JVSAGRX, 2023 WL 8896883 (C.D. Cal. Dec. 8, 2023).
68. 90 F.4th 1022 (9th Cir. 2024).
69. *See id*. at 1031 ("It is clear from the foregoing discussion that Jack Daniel's altered the law that governed us when we decided [the case earlier]. To the point that our precedents previously held that *Rogers* applies when an expressive mark is used as a mark—and that the only threshold for applying *Rogers* was an attempt to apply the Lanham Act to something expressive—the Supreme Court has now made clear that this is incorrect. In that specific respect, our prior precedents are no longer good law.").
70. *Id.* at 1032 (citations omitted).
71. *See Vans, Inc. v. MSCHF Prod. Studio, Inc.*, 88 F.4th 125, 131–32 (2d Cir. 2023) (per curiam).
72. *See Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961).
73. *Vans,* 88 F.4th at 139.
74. *Id.; see also id.* ("This admission is embodied in the Wavy Baby design: the Wavy Baby features a combination of elements (e.g., a three-tiered appearance, textured toe box, visible stitching, and red tags on the back), which are placed relative to one another such that the Wavy Baby's appearance evokes [the plaintiffs'] Old Skool sneaker.").
75. *Id.* at 140.
76. *Id.* at 140-41.
77. *Id.* at 142.
78. *Id.* at 141.
79. *Id.* at 142.
80. No. 221CV02090JVSJDEX, 2023 WL 8113299 (C.D. Cal. Nov. 2, 2023), *appeal docketed*, No. 23-3968 (9th Cir. Dec. 6, 2023).
81. *Id.* at *2.
82. *Id*. at *5-6.
83. *Davis*, 2023 WL 8113299, at *10.
84. *See Hermès Int'l v. Rothschild*, 678 F. Supp. 3d 475 (S.D.N.Y. 2023), appeal docketed, No. 23-1081 (2d Cir. July 24, 2023).
85. *Id*. at 483.
86. *Id*. at 484-85.
87. *Id*. at 485.
88. *See, e.g., Dr. Seuss Enters. v. ComicMix LLC,* 983 F.3d 443, 462 (9th Cir. 2020) (holding that *Rogers*'s second prong sets "a high bar that requires the use to be 'an "explicit indication," "overt claim," or "explicit misstatement' about the source of the work" (quoting *Brown v. Elec. Arts, Inc.,* 724 F.3d 1235, 1245 (9th Cir. 2013)); *see also Novalogic, Inc. v. Activision Blizzard*, 41 F. Supp. 3d 885, 901 (C.D. Cal. 2013) ("To be 'explicitly misleading,' a defendant's work must make some affirmative statement of the plaintiff's sponsorship or endorsement, beyond the mere use of the plaintiff's name or other characteristic.").
89. *Twin Peaks Prods., Inc. v. Publ'ns Int'l, Ltd.*, 996 F.2d 1366, 1379 (2d Cir. 1993).
90. *Hermès,* 678 F. Supp. 3d at 486.
91. *Id.*
92. *See Hermès Int'l v. Rothschild*, 654 F. Supp. 3d 268, 282 (S.D.N.Y. 2023).
93. *See, e.g., Down to Earth Organics, LLC v. Efron*, No. 22-CV-06218 (NSR), 2024 WL 1376532 (S.D.N.Y. Mar. 31, 2024) (granting motion to dismiss trademark-based challenge to title of documentary series).
94. No. 22 CIV. 6526 (PGG), 2023 WL 6215299 (S.D.N.Y. Sept. 25, 2023).
95. *Id.* at *2.
96. *Id.* at *11-15.
97. No. 2:23-CV-03456-RGK-AS, 2023 WL 6812769 (C.D. Cal. Aug. 23, 2023).
98. *Id*. at *3.
99. *Id.*
100. *Id.* at *4 (citation omitted) (quoting *Brown v. Elec. Arts, Inc.*, 724 F.3d 1235, 1245 (9th Cir. 2013)).
101. 15 U.S.C. § 1125(a).
102. 2023 WL 6812769, at *4.