

No. 19-

IN THE
Supreme Court of the United States

KROMA MAKEUP EU, LLC,

Petitioner,

v.

KIMBERLY KARDASHIAN, KOURTNEY
KARDASHIAN, AND KHLOE KARDASHIAN,

Respondents.

**ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED
STATES COURT OF APPEALS FOR THE ELEVENTH CIRCUIT**

PETITION FOR A WRIT OF CERTIORARI

JARED H. BECK, Esq.
ELIZABETH LEE BECK, Esq.
VICTOR ARCA, Esq.
BECK & LEE, P.A.
12485 SW 137th Avenue,
Suite 205
Miami, FL 33186
(305) 234-2060

Counsel for Petitioner

290479



COUNSEL PRESS

(800) 274-3321 • (800) 359-6859

QUESTION PRESENTED

Whether the proper analytical framework for determining standing to pursue trademark infringement (*i.e.*, false association) claims under § 43(a) of the Lanham Act is: (1) the factors set forth in *Lexmark International, Inc. v. Static Control Components, Inc.* (“*Lexmark*”), 572 U.S. 118, 133-34 (2014), as adopted by the Fourth Circuit; (2) the more expansive “reasonable interest” test employed by the First, Fifth, Seventh, and Ninth Circuits; or (3) the more restrictive “rights in the name” test, as applied by the Eleventh Circuit in this and prior cases.

LIST OF PARTIES

Petitioner is Kroma Makeup EU, LLC, which was the Appellant below. Respondents are Kimberly Kardashian, Kourtney Kardashian, and Khloe Kardashian, who were the Appellees below.

RULE 29.6 STATEMENT

Pursuant to Rule 29.6 of the Supreme Court Rules, Kroma Makeup EU, LLC makes this Disclosure of Corporate Affiliations and Corporate Interest:

Kroma Makeup EU, LLC has no parent corporation, and there are no publicly held corporations that own 10% of more of its stock.

RULE 14.1 RELATED CASES STATEMENT

- *Boldface Licensing+Branding, Inc. v. By Lee Tillett, Inc.*, No. CV 12-10269 ABC (PJWx), U.S. District Court of California, Western Division. Dismissed with prejudice Sep. 8, 2014.
- *Kroma Makeup EU, LLC v. Boldface Licensing + Branding, Inc. et al.*, No. 15-15060, U.S. Court of Appeals for the Eleventh Circuit. Mandate entered Mar. 8, 2017.
- *Kroma Makeup EU, LLC v. Boldface Licensing + Branding, Inc. et al.*, No. 14-cv-1551, U.S. District Court for the Middle District of Florida. Judgment entered Aug. 24, 2017.
- *Kroma Makeup EU, LLC v. Boldface Licensing + Branding, Inc. et al.*, No. 17-14211, U.S. Court of Appeals for the Eleventh Circuit. Mandate entered Jun. 12, 2019.

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OPINIONS BELOW

The August 24, 2017, Order of the United States District Court for the Middle District of Florida, which granted summary judgment to the Kardashians on Kroma EU's trademark infringement claims, is reported at *Kroma Makeup EU, LLC v. Boldface Licensing & Branding, Inc.*, 264 F. Supp. 3d 1294 (M.D. Fla. 2017), and is reproduced in Appendix B. The April 1, 2019, Opinion of the three-judge Panel of the Eleventh Circuit, which affirmed the District Court's Order, is reported at *Kroma Makeup EU, LLC v. Boldface Licensing & Branding, Inc.*, 920 F.3d 704 (11th Cir. 2019), and is reproduced in Appendix A. The June 4, 2019, Order of the Eleventh Circuit, which denied rehearing and rehearing en banc, is unreported, and is reproduced in Appendix C.

JURISDICTION

The judgment of the Eleventh Circuit was entered on April 1, 2019. A timely petition for rehearing and rehearing en banc was filed on April 22, 2019, and was denied on June 4, 2019. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

RELEVANT STATUTE

The statutory claim at issue is created by 15 U.S.C. § 1125(a)(1)(A), which provides as follows:

Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination

thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which—

....

is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, . . . shall be liable in a civil action by any person who believes that he or she is likely to be damaged by such act.

The full text of 15 U.S.C. § 1125 is reproduced at Appendix D.

STATEMENT OF THE CASE

This Petition involves a three-way circuit split on the standing requirements for a plaintiff to bring a § 43(a) Lanham Act trademark infringement (*i.e.*, false association) claim. With respect to this issue, the Eleventh Circuit Panel below relied on a prior Eleventh Circuit case on the “rights in the name” test to sue for trademark infringement. *Kroma Makeup EU, LLC v. Boldface Licensing + Branding, Inc.*, 920 F.3d 704, 708 (11th Cir. 2019), App. 8a.

The facts relevant to this Petition are set forth in the Opinion of the Eleventh Circuit. *See id.* at 706-07, App. 2a-5a. In summary, Kroma Makeup EU, LLC (“Kroma EU”), asserted trademark infringement claims under

§ 43(a) of the Lanham Act against Kimberly, Kourtney and Khloe Kardashian (collectively, the “Kardashians”) based on the Kardashians’ KHROMA brand of cosmetics that infringed on the preexisting KROMA makeup brand sold by Kroma EU in Europe.

Jurisdiction was proper in the court of the first instance, in this case the United States District Court for the Middle District of Florida, pursuant to 28 U.S.C. § 1331 as Kroma EU’s underlying complaint asserted claims arising under federal law, and pursuant to 28 U.S.C. § 1332 as there was complete diversity of citizenship.

The relationship of Kroma EU to the KROMA trademark was summarized by the Eleventh Circuit as follows:

Kroma EU is the former European distributor of cosmetics products using the federally registered mark, KROMA. The owner and registrant of the mark is By Lee Tillett, Inc. (“Tillett”) and the rights to use the KROMA mark in the United States rest solely with Tillett. In October 2012, Tillett granted an exclusive license to Kroma EU to import, sell, and distribute KROMA products in Europe, and to use the KROMA mark in furtherance of its business. As part of the licensing agreement, Tillett guaranteed that it owned the KROMA mark and would hold Kroma EU harmless from any judgments against Tillett based on the mark. Tillett retained the right to use the KROMA mark in the United States.

Kroma, 920 F.3d at 706, App. 2a.

As summarized by the Eleventh Circuit, the substance of Kroma EU’s Lanham Act claims against the Kardashians was as follows:

Defendant-Appellees—the Kardashian sisters—were celebrity endorsers of a cosmetic line called “Khroma Beauty,” sold and manufactured by Defendant Boldface Licensing & Branding, Inc. (“Boldface”). The Kardashians claim that they had no personal knowledge of the KROMA trademark until an entertainment news website, TMZ, published an article about the Kardashians’ potential infringement. However, before the Khroma Beauty line launched, Boldface had purportedly conducted a trademark search that revealed the existence of the KROMA mark. The Kardashians claim that they did not receive this information. Boldface sought to register the KHROMA or KARDASHIAN KHROMA mark with the U.S. Patent and Trademark Office, but registration was denied because of likelihood of confusion with the previously registered KROMA mark.

After the Khroma line was released, Boldface sought a declaratory judgment in California federal court that Boldface did not infringe the KROMA trademark. There, Tillett filed a trademark infringement counterclaim, adding the Kardashians as counterclaim defendants. The California district court granted Tillett’s

motion for a preliminary injunction against Boldface, finding that Tillett had demonstrated a likelihood of success on the trademark infringement claim. *Boldface Licensing + Branding v. By Lee Tillett, Inc.*, 940 F. Supp. 2d 1178 (C.D. Cal. 2013). Thereafter, Boldface rebranded the product line to “Kardashian Beauty” and the parties settled the dispute. [Kroma EU] was not a party to the California action and did not receive a share of the settlement recovery from Tillett.

Kroma EU subsequently filed this action in the Middle District of Florida against Boldface and the Kardashians, alleging that Boldface directly infringed the KROMA trademark under common law trademark infringement and the Lanham Act by distributing “Khroma” branded cosmetics in Europe, and that the Kardashians were vicariously liable for Boldface’s infringement....

Id. at 706, App. 3a-4a.

The District Court granted summary judgment to the Kardashians, holding that “[t]o have § 1125(a) standing, a licensee must have contractual *in addition* to statutory, standing.” *Kroma Makeup EU, LLC v. Boldface Licensing + Branding, Inc.*, 264 F. Supp. 3d 1294, 1299 (M.D. Fla. 2017), App. 22a. Although it recognized that “[n]umerous courts,” including the First Circuit in *Quabaug Rubber Co. v. Fabiano Shoe Co.*, 567 F.2d 154, 160 (1st Cir. 1977), have held trademark licensees to have standing to sue for trademark infringement under § 43(a), the District

Court nonetheless applied Eleventh Circuit precedent to find that the license agreement between Kroma EU and Tillett failed to provide Kroma EU with sufficient “rights in the name” Kroma to pursue trademark infringement claims against the Kardashians. *See Kroma*, 264 F. Supp. 3d at 1299-1301, App. at 20a-25a.

The Eleventh Circuit disagreed with the District Court on the fundamental nature of the inquiry being conducted, finding that it was one not of standing but “whether the statute grants the plaintiff the cause of action that he asserts.” *Kroma*, 920 F.3d at 708. While reorienting the analysis from Kroma EU’s standing to whether the Lanham Act grants it a claim, the Eleventh Circuit nonetheless affirmed the District Court’s grant of summary judgment to the Kardashians, holding that Kroma EU could not bring suit because “the licensing agreement between Tillett and Kroma EU” did not afford “Kroma EU, the licensee, sufficient ‘rights in the name’ to sue under the Lanham Act[.]” *Id.* (quoting *Camp Creek Hosp. Inns, Inc. v. Sheraton Franchise Corp.*, 139 F.3d 1396, 1412 (11th Cir. 1998)). The Eleventh Circuit denied Kroma EU’s petition for rehearing and rehearing en banc by its Order of June 4, 2019.

REASONS FOR GRANTING THE PETITION

Granting the Petition for Writ of Certiorari will enable this Court to provide much needed guidance on the application of an important federal statute and will resolve wide-spread confusion and disagreement among the United States circuit courts as to the proper test for standing to pursue trademark infringement claims (sometimes referred to as “false association” claims) under § 43(a) of the Lanham Act.

Section 43(a) creates separate claims for trademark infringement/false association and false advertising in “nearly identical and often overlapping language.” *See* 15 U.S.C. § 1125(a); Rebecca Tushnet, *Running The Gamut from A to B: Federal Trademark and False Advertising Law*, 159 U. Penn. L. Rev. 1305, 1305 (2011). Despite the textual similarity, courts have not adjudicated the two types of Lanham Act claims in a uniform manner. One salient example is in the area of standing, where courts have historically applied “much more relaxed” standing requirements to trademark infringement plaintiffs than to false advertising plaintiffs. *See id.* at 1374-82. Within this vein, “[t]rademark licensees long have had standing to sue for infringement of the licensed mark under Section 43(a)” subject to exceptions where “the applicable license agreement restricts the licensee’s ability to bring suit.” *See* Kim J. Landsman, Daniel C. Glazer, & Irene C. Treloar, *Standing and Joinder Considerations in Trademark Litigation and Licenses*, 99 Trademark Rep. 1437, 1437-39 (2009).

In 2014, this Court overhauled the analytical framework for determining a party’s standing to sue under § 43(a) of the Lanham Act when it decided *Lexmark International, Inc. v. Static Control Components, Inc.* In affirming the Sixth Circuit’s dismissal of a § 43(a) false advertising claim, *Lexmark* adopted a two-part test for determining whether a Lanham Act false advertising plaintiff may state a cause of action. *See Lexmark*, 572 U.S. at 140 (“To invoke the Lanham Act’s cause of action for false advertising, a plaintiff must plead (and ultimately prove) an injury to a commercial interest in sales or business reputation proximately caused by the defendant’s misrepresentations.”). “The scope of this holding remains unclear, however. The Supreme Court

failed to specify whether this standard applies only to false advertising claims brought pursuant to section 43(a)(1)(B) of the Lanham Act, or if it also applies to false association claims brought under section 43(a)(1)(A).” *John L. Brennan, Determining Trademark Standing in the Wake of Lexmark*, 90 Notre Dame L. Rev. 1692, 1697 (2015).

While *Lexmark* resolved a three-way circuit split on standing requirements for § 43(a) false advertising claims, the ambiguity regarding its scope has compounded a preexisting circuit split on standing requirements for § 43(a) trademark infringement claims. Because the Eleventh Circuit’s Opinion in this case further contributes to this split, this case is an appropriate vehicle for this Court to clarify the scope of *Lexmark* while addressing the appropriate analytical framework to be used by courts to determine the circumstances under which a party has standing to maintain an action for trademark infringement under § 43(a) of the Lanham Act.

Prior to *Lexmark*, the First, Fifth, Seventh, and Ninth Circuits adopted an approach to trademark infringement standing that views standing to sue for trademark infringement under § 43(a) as hinging upon whether the plaintiff has “a reasonable interest to be protected against” the infringement. *See Quabaug*, 567 F.2d at 160 (trademark licensee had standing as “one who may suffer adverse consequences” from infringement); *Norman M. Morris Corp. v. Weinstein*, 466 F.2d 137, 142 (5th Cir. 1972) (trademark licensee had standing as “a person damaged by” infringement); *Dovenmuehle v. Gilborn Mortgage Midwest Corp.*, 871 F.2d 697, 700 (7th Cir. 1989) (plaintiffs lacked standing to sue for infringement of trade

name where they retained no interest in name upon sale to bank and asserted no damages); *Smith v. Moreno*, 648 F.2d 602, 608 (9th Cir. 1981) (actor had standing to sue film distributor in “reverse passing off” case; “appellant, as one in the business of providing his talents for use in the creation of an entertainment product, is uniquely situated to complain of injury resulting from a film distributor’s misidentification of appellant’s contribution to the product”).

In 2016, the Fourth Circuit applied *Lexmark* and its two-part test to the question of whether a foreign pharmaceutical manufacturer that used a trademark in Mexico could sue the registrant of the same mark in the United States for false association under § 43(a). *See Belmora LLC v. Bayer Consumer Care AG*, 819 F.3d 697, 707-12 (4th Cir. 2016). In a departure from the pre-*Lexmark* line of cases, the Fourth Circuit held it could. According to the Fourth Circuit, the foreign pharmaceutical company – despite lacking “a protectable interest in the FLANAX mark in the United States” – could nonetheless sue a U.S. company marketing FLANAX products under a registered U.S. trademark as it was able to plead a loss of customers (“injury to commercial interest”) “proximately caused” by the U.S. company’s “passing off” of its FLANAX products to Mexican-Americans familiar with the foreign company’s FLANAX products and shoppers crossing the border. *See id.* at 708-13.

In this case, the Eleventh Circuit applied a third analytical framework for trademark infringement claims under § 43(a) – the “rights in the name” test. *See Kroma*, 920 F.3d at 708-10, App. 6a-12a. Pursuant to this framework, “any Lanham Act plaintiff must have rights in the name at

issue to seek protection[.]” *Camp Creek Hospitality Inns, Inc. v. Sheraton Franchise Corp.*, 139 F.3d 1396, 1412 (11th Cir. 1998); *see also Conagra, Inc. v. Singleton*, 743 F.2d 1508, 1512 (11th Cir. 1984) (“Our cases have established two elements that Conagra had to prove to merit injunctive relief under § 43(a) of the Lanham Act: . . . (1) that it has trademark rights in the mark or name at issue. . . ; and (2) that the defendant adopted a mark or name that was the same, or confusingly similar to the plaintiff’s mark, such that there was a likelihood of confusion for consumers as to the proper origin of the goods created by the defendant’s use of the Singleton name in his trade.” (footnote and citations omitted)).

The Eleventh Circuit’s Opinion applying the “rights in the name” test in this case appears to exacerbate the already existing three-way circuit split by imposing a standard for analyzing § 43(a) trademark infringement claims that is much more restrictive than in any other circuit. Rather than ask whether Kroma EU had a reasonable interest to be protected against the Kardashians’ infringement of the KROMA mark, or, per *Lexmark*, whether Kroma EU incurred an injury to commercial interest as a proximate result of the infringement, the Eleventh Circuit’s inquiry was strictly limited to whether the licensing agreement between Kroma EU and the American owner of the mark, Tillett, authorized Kroma EU to bring suit against infringers. *See Kroma*, 920 F.3d at 708-10. Because the agreement “plainly authorized” Tillett, but not Kroma EU, to sue for infringement, the Eleventh Circuit concluded that “the licensing agreement does not give Kroma EU sufficient ‘rights in the name’ to sue under the Lanham Act.” *Id.* at 710.

If either of the other two less restrictive approaches to § 43(a) Lanham Act standing were applied in this case, it is likely that Kroma EU would be permitted to assert the trademark infringement claims.

First, under the pre-*Lexmark* “reasonable interest” test employed by the First, Fifth, Seventh, and Ninth Circuits, Kroma EU would likely have a valid claim for trademark infringement because it was the exclusive licensee and distributor of KROMA products in Europe. And no provision of the license agreement waived, restricted, abandoned, or otherwise forfeited Kroma EU’s right to bring a trademark infringement claim under the Lanham Act.

Second, if the proper analysis for a § 43(a) trademark infringement claim is provided by the two-part *Lexmark* test – as held by the Fourth Circuit – then the dismissal of Kroma EU’s trademark infringement claims should be reversed. As alleged in the case, Kroma EU lost sales due to consumer confusion with the Kardashians’ KHROMA products and, indeed, was ultimately forced out of business as a result. The presence of both (1) injury to commercial interest; and (2) causation of the injury by the infringing conduct means that the *Lexmark* analysis yields valid § 43(a) trademark infringement claims for Kroma EU against the Kardashians.

The Eleventh Circuit dismissed Kroma EU’s Lanham Act claims because it believed it was governed by the “rights in the name” test – an analysis which only the Eleventh Circuit has applied of all circuits to consider the issue of standing to bring § 43(a) trademark infringement/false association claims. This Court should grant Kroma

EU's Petition to clarify the scope of *Lexmark* and allow the Court to consider the proper analytical framework for determining a plaintiff's entitlement to bring a trademark infringement/false association claim under §43(a) of the Lanham Act and to thereby resolve the widening circuit split on this important issue of federal law.

CONCLUSION

For these reasons, Petitioner respectfully asks that this Petition for Writ of Certiorari be granted.

Respectfully submitted,

JARED H. BECK, Esq.	CULLIN A. O'BRIEN, Esq.
ELIZABETH LEE BECK, Esq.	<i>Counsel of Record</i>
VICTOR ARCA, Esq.	CULLIN O'BRIEN LAW, P.A.
BECK & LEE, P.A.	6541 NE 21 st Way
12485 SW 137th Avenue,	Fort Lauderdale, FL 33308
Suite 205	(561) 676-6370
Miami, FL 33186	cullin@cullinobrienlaw.com
(305) 234-2060	

Counsel for Petitioner

APPENDIX

**APPENDIX A — OPINION OF THE UNITED
STATES COURT OF APPEALS FOR THE
ELEVENTH CIRCUIT, FILED APRIL 1, 2019**

IN THE UNITED STATES COURT OF APPEALS
FOR THE ELEVENTH CIRCUIT

No. 17-14211

D.C. Docket No. 6:14-cv-01551-PGB-GJK

KROMA MAKEUP EU, LLC, A UNITED
KINGDOM LIMITED LIABILITY COMPANY,

Plaintiff-Appellant,

versus

BOLDFACE LICENSING + BRANDING, INC.,
A NEVADA CORPORATION, KIMBERLY
KARDASHIAN, A CALIFORNIA RESIDENT,
KOURTNEY KARDASHIAN, A CALIFORNIA
RESIDENT, KHLOE KARDASHIAN, A
CALIFORNIA RESIDENT, BY LEE TILLETT,
INC., A FLORIDA CORPORATION,

Defendants-Appellees.

Appeal from the United States District Court
for the Middle District of Florida

April 1, 2019

Appendix A

Before MARCUS and DUBINA, Circuit Judges, and GOLDBERG,* Judge.

GOLDBERG, Judge:

Plaintiff-Appellant Kroma Makeup EU, LLC (“Kroma EU”) appeals the district court’s grant of summary judgment based on its finding that Kroma EU lacked standing to enforce the KROMA trademark. Because Kroma EU does not have sufficient rights in the mark to sue under the Lanham Act, we affirm the judgment of the district court.

BACKGROUND

Kroma EU is the former European distributor of cosmetics products using the federally registered mark, KROMA. The owner and registrant of the mark is By Lee Tillett, Inc. (“Tillett”) and the rights to use the KROMA mark in the United States rest solely with Tillett. In October 2012, Tillett granted an exclusive license to Kroma EU to import, sell, and distribute KROMA products in Europe, and to use the KROMA mark in furtherance of its business. As part of the licensing agreement, Tillett guaranteed that it owned the KROMA mark and would hold Kroma EU harmless from any judgments against Tillett based on the mark. Tillett retained the right to use the KROMA mark in the United States.

* Honorable Richard W. Goldberg, United States Court of International Trade Judge, sitting by designation.

Appendix A

Defendant-Appellees—the Kardashian sisters—were celebrity endorsers of a cosmetic line called “Khroma Beauty,” sold and manufactured by Defendant Boldface Licensing & Branding, Inc. (“Boldface”). The Kardashians claim that they had no personal knowledge of the KROMA trademark until an entertainment news website, TMZ, published an article about the Kardashians’ potential infringement. However, before the Khroma Beauty line launched, Boldface had purportedly conducted a trademark search that revealed the existence of the KROMA mark. The Kardashians claim that they did not receive this information. Boldface sought to register the KHROMA or KARDASHIAN KHROMA mark with the U.S. Patent and Trademark Office, but registration was denied because of likelihood of confusion with the previously registered KROMA mark.

After the Khroma line was released, Boldface sought a declaratory judgment in California federal court that Boldface did not infringe the KROMA trademark. There, Tillett filed a trademark infringement counterclaim, adding the Kardashians as counterclaim defendants. The California district court granted Tillett’s motion for a preliminary injunction against Boldface, finding that Tillett had demonstrated a likelihood of success on the trademark infringement claim. *Boldface Licensing + Branding v. By Lee Tillett, Inc.*, 940 F. Supp. 2d 1178 (C.D. Cal. 2013). Thereafter, Boldface rebranded the product line to “Kardashian Beauty” and the parties settled the dispute. Kroma was not a party to the California action and did not receive a share of the settlement recovery from Tillett.

Appendix A

Kroma EU subsequently filed this action in the Middle District of Florida against Boldface and the Kardashians, alleging that Boldface directly infringed the KROMA trademark under common law trademark infringement and the Lanham Act by distributing “Khroma” branded cosmetics in Europe, and that the Kardashians were vicariously liable for Boldface’s infringement. Kroma EU also brought claims against Tillett, alleging a cause of action for promissory estoppel. As to the promissory estoppel claim, the district court held in an earlier order that under Florida law, a foreign licensee could not state a claim for promissory estoppel against its licensor; however, Kroma EU was able to proceed against Tillett under a breach of contract theory. *Kroma Makeup EU, Ltd. v. Boldface Licensing + Branding, Inc.*, No. 6:14-cv-1551-ORL, 2015 U.S. Dist. LEXIS 49534, 2015 WL 1708757, at *1 (M.D. Fla. Apr. 15, 2015).

The Kardashians moved for summary judgment arguing that Kroma EU did not have the requisite standing to bring the infringement action and that the trademark infringement cause of action was barred by claim preclusion. Kroma EU also moved for partial summary judgment on the issue of liability. Earlier in the litigation, Tillett successfully moved to compel arbitration and Kroma EU’s claim against Tillett remains stayed pending the arbitration.

The district court granted the Kardashians’ motion. The court found that Kroma EU lacked standing to sue for trademark infringement and did not reach the Kardashians’ claim preclusion argument. Relying primarily on the licensing agreement between Tillett and

Appendix A

Kroma EU, the district court held that the agreement “plainly authorized only Tillett to enforce the trademarks” and to “protect” the mark “from any attempts of illegal use,” while “Kroma EU’s sole directive was to inform Tillett of instances of infringement.” Based on this reading, the district court concluded that these provisions “plainly authorized only Tillett to enforce the trademarks governed by the License Agreement.” Therefore, Kroma EU “lack[ed] contractual authority, and hence standing, to pursue § 1125(a) violations against infringers in its own capacity.” Based on Kroma EU’s purported lack of standing, the court denied Kroma EU’s motion for partial summary judgment as moot.

JURISDICTION

At the time of this appeal, the district court had not yet disposed of all claims against all parties. Kroma EU’s claim against Tillett had been stayed pending arbitration, and the district court had failed to enter a default judgment as to Boldface, which was served with process but had never appeared. Instead of dismissing the appeal for lack of jurisdiction, however, we gave Kroma EU the opportunity to request certification of the summary judgment order from the district court under Rule 54(b). Order, *Kroma Makeup EU, LLC v. Boldface Licensing & Branding, Inc., et al.*, No. 17-14211, 2019 U.S. App. LEXIS 3592 (11th Cir. Feb. 5, 2019). A Rule 54(b) judgment has now been entered as to the claims against the Kardashians and final judgment was entered in favor of the Kardashians. Rule 54(b) Judgment, *Kroma Makeup EU, LLC v. Boldface Licensing & Branding, Inc., et al.*, 6:14-cv-1551, ECF No. 172, 2019 U.S. Dist. LEXIS 27268

Appendix A

(M.D. Fla. Feb. 21, 2019). The Court, then, maintains jurisdiction over this appeal.

STANDARD OF REVIEW

The district court’s grant of summary judgment is reviewed *de novo* and we apply the same legal standards that governed the district court. *Johnson v. Bd. of Regents of Univ. of Ga.*, 263 F.3d 1234, 1242 (11th Cir. 2001). Summary judgment is proper when the evidence shows “that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law.” Fed. R. Civ. P. 56(a). When reviewing a grant of summary judgment, we view the evidence in the light most favorable to the non-moving party and resolve all reasonable doubts about the facts in favor of the non-movant. *Feliciano v. City of Miami Beach*, 707 F.3d 1244, 1247 (11th Cir. 2013) (quoting *Skop v. City of Atlanta*, 485 F.3d 1130, 1143 (11th Cir. 2007)). The district court’s judgment can be affirmed on any ground supported by the record, regardless of the basis for the initial decision. *Parks v. City of Warner Robins*, 43 F.3d 609, 613 (11th Cir. 1995).

ANALYSIS

The issue before us is the extent of a licensee’s rights in a trademark infringement action under Section 43(a) of the Lanham Act. While the Lanham Act typically evokes questions of standing, as a licensee, Kroma EU’s rights thereunder rely upon the licensing agreement it entered with Tillett. We adopt the position taken by the district courts in this circuit—that a licensee’s right to sue to protect the mark “largely depends on the rights granted

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to the licensee in the licensing agreement.” *Drew Estate Holding Co. v. Fantasia Distrib., Inc.*, 875 F. Supp. 2d 1360, 1366 (S.D. Fla. 2012) (quoting *Hako-Med USA, Inc. v. Axiom Worldwide, Inc.*, No. 8:06-cv-1790-T-27EAJ, 2006 U.S. Dist. LEXIS 94239, 2006 WL 3755328, at *6 (M.D. Fla. Nov. 15, 2006)). *See also Aceto Corp. v. TherapeuticsMD, Inc.*, 953 F. Supp. 2d 1269, 1279 (S.D. Fla. 2013) (“[S]tanding to sue depends largely on the rights granted to the licensee under the licensing agreement.”).

Kroma EU disputes the district court’s ruling that it lacks the requisite standing to bring an infringement claim under the Lanham Act. The Lanham Act provides a cause of action against “[a]ny person who, on or in connection with any goods or services, . . . uses in commerce any word, term, name, symbol, or device, or any combination thereof, . . . [which] is likely to cause confusion . . . as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person.” 15 U.S.C. § 1125(a)(1). The statute affords a cause of action to “any person who believes that he or she is likely to be damaged.” *Id.* But, despite this broad language, 1125(a) does not get “such an expansive reading” so as to allow “all factually injured plaintiffs to recover.” *Lexmark Int’l, Inc v. Static Control Components, Inc.*, 572 U.S. 118, 129, 134 S. Ct. 1377, 188 L. Ed. 2d 392 (2014) (quoting *Holmes v. Sec. Inv’r Prot. Corp.*, 503 U.S. 258, 266, 112 S. Ct. 1311, 117 L. Ed. 2d 532 (1992)). This is especially true where, as here, a licensing agreement between two parties governs each party’s entitlement to infringement claims.

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The court below focused its attention on whether the license agreement between Tillett and Kroma EU conferred adequate standing on Kroma EU to bring a claim under Section 1125(a). But, the question before us is not that of traditional standing. Indeed, it is “not [of] standing at all.” *City of Miami v. Bank of Am. Corp.*, 800 F.3d 1262, 1276 (11th Cir. 2015), *vacated on other grounds*, 137 S. Ct. 1296, 197 L. Ed. 2d 678 (2017). Rather, it is whether the statute “grants the plaintiff the cause of action that he asserts.” *Bank of Am. Corp. v. City of Miami*, 137 S. Ct. 1296, 1302, 197 L. Ed. 2d 678 (2017). *See also Lexmark*, 572 U.S. at 128 n.4. (“We have on occasion referred to this inquiry as ‘statutory standing’ and treated it as effectively jurisdictional. That label is an improvement over the language of ‘prudential standing,’ since it correctly places the focus on the statute. But it, too, is misleading, since the absence of a valid . . . cause of action does not implicate subject-matter jurisdiction, *i.e.*, the court’s statutory or constitutional *power* to adjudicate the case.” (internal quotation marks and citations omitted)). In other words, does the licensing agreement between Tillett and Kroma EU give Kroma EU, the licensee, sufficient “rights in the name” to sue under the Lanham Act? *Camp Creek Hosp. Inns, Inc. v. Sheraton Franchise Corp.*, 139 F.3d 1396, 1412 (11th Cir. 1998).

The answer is no.

To start, “a statutory cause of action extends only to plaintiffs whose interests ‘fall within the zone of interest protected by the law invoked.’” *Lexmark*, 572 U.S. at 129 (quoting *Allen v. Wright*, 468 U.S. 737, 751, 104 S. Ct. 3315, 82 L. Ed. 2d 556 (1984)). The licensing agreement affords

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rights and imposes obligations on the parties relating to the enforcement of any trademark claims. As such, there is little dispute between the parties that we turn to that agreement to determine if Kroma's interests fall within the zone of interest protected by the Lanham Act. In so doing, we fall back on basic principles of contract interpretation and "construe the agreement as a whole," *Westport Ins. Corp. v. Tuskegee Newspapers, Inc.*, 402 F.3d 1161, 1164 (11th Cir. 2005), careful to afford the plain language meaning of "each and every word [the agreement] contains," *Equity Lifestyle Props., Inc. v. Fla. Mowing & Landscape Serv., Inc.*, 556 F.3d 1232, 1242 (11th Cir. 2009).

Here, applying the licensing agreement to this inquiry is a straightforward exercise. The plain language of the agreement demonstrates the parties' intent for Tillett to retain all ownership and enforcement rights. Kroma EU—while it may have other rights under the agreement—does not possess the ability to assert its rights in the mark in this proceeding.

There are two integral provisions of the licensing agreement between Tillett and Kroma EU as they relate to trademark infringement. First, and in no uncertain terms, ownership of the mark is reserved to Tillett. Tillett retains the KROMA trademark as its "exclusive and inalienable property" and "reserves the right to assign/transfer it to any individual person or legal entity." Tethered to the ownership provision, the agreement requires that Tillett "protect [the trademark] properly from any attempts of illegal use, to the best of his knowledge." Should any infringement occur, Tillett would

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be required to “guarantee[] [Kroma EU] against any claims . . . concerning [the mark’s] intellectual property rights.” And even if there were any doubt about the agreement’s terms as they relate to Tillett’s enforcement obligation, the owner of Tillett, Aglaia Lee Rodriguez, explained in a declaration to the district court that these provisions were created with the intent to retain Tillett’s enforcement power over the KROMA mark:

[M]y Company’s intention was to allow [Kroma EU] to advertise and sell our Kroma products in Europe, but at the same time to retain for my Company all rights to the KROMA trademark, including the exclusive right to protect and enforce the KROMA trademark in any infringement actions. I wanted my Company and its lawyers to exclusively control the enforcement of the KROMA trademark, because infringement actions and the publicity surrounding them can have lasting effects on the trademark.

The issue boils down to Kroma EU’s rights pursuant to the agreement—and specifically, if an explicit obligation on Tillett to protect against the mark’s infringement *precludes* Kroma EU’s enforcement powers against the same infringement. Certainly, Kroma EU maintained the exclusive right to *use* the mark “for advertising purposes and for the purpose of Goods sale and promotion” in Europe. But importantly, Section 4.3.2 only vested Kroma EU with the obligation to “inform [Tillett] of any illegal use of the trademark,” prompting Tillett to file suit against

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the infringer—at which point Tillett would be *required* to compensate Kroma for its losses resulting from the infringement. These provisions read together indicate that Tillett alone has the exclusive right to sue for infringement. Otherwise, as the Kardashians point out, there would have been little need for the agreement to require Tillett to compensate Kroma EU for any loss from the infringement. And in concert with the “time-honored maxim of construction, *expressio unius est exclusio alterius*, the inclusion of specific things implies the exclusion of those not mentioned,” *Cast Steel Prods., Inc. v. Admiral Ins. Co.*, 348 F.3d 1298, 1303 (11th Cir. 2003), these provisions “manifest the [parties’] ability to clearly and precisely delegate and limit authority” over infringement claims, *In re Celotex Corp.*, 487 F.3d 1320, 1334 (11th Cir. 2007). The licensing agreement—and at its core, Kroma EU’s exclusion from any trademark protection rights coupled with Tillett’s explicit enforcement power—does just that.

And contrary to Kroma EU’s suggestion that the Kardashians’ interpretation of the agreement implies that Kroma EU ceded to Tillett “any” or “every last shred” of Kroma’s “ability to seek legal recourse”—our reading of the licensing agreement makes no such inference. The agreement—as understood by both parties—obliges Tillett to indemnify Kroma EU for monetary losses caused by any infringement. Surely, Tillett’s failure to do so would potentially raise a cogent breach of contract cause of action. As testament to that available recourse, that is exactly what Kroma EU did when it brought a breach of contract claim for Tillett’s alleged failure to compensate Kroma in the California litigation. Kroma EU, then, is not

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left without a “shred” of its ability to seek legal recourse based on its rights in the mark.

Our sister courts of appeals have agreed with the general sentiment that a license agreement between two parties can limit a licensee’s ability to bring a Lanham Act claim. For example, in *Finance Investments Co. (Bermuda) v. Geberit AG*, 165 F.3d 526 (7th Cir. 1998), the licensee there was permitted to sue on its own behalf only if the licensor declined to sue after it was notified of the infringement. Otherwise, per the agreement, the licensee’s sole recourse was to notify the licensor of any infringing acts. *Id.* at 532. Thus, “[b]ecause the license [was] the sole source giving the plaintiffs *any* interest in the [] mark,” when the licensee failed to follow these procedures, it was “strip[ped] . . . of the right to raise a § 43(a) claim.” *Id.*

The same can be said for Kroma EU. The licensing agreement plainly authorized Tillett to file suit against infringers. Kroma EU was limited in its available recourse: it was assigned limited rights to the KROMA mark and the agreement clearly delineated its only available recourse regarding trademark infringement. Therefore, the licensing agreement does not give Kroma EU sufficient “rights in the name” to sue under the Lanham Act.

Accordingly, we affirm the judgment of the district court.

AFFIRMED.

**APPENDIX B — ORDER OF THE UNITED
STATES DISTRICT COURT FOR THE MIDDLE
DISTRICT OF FLORIDA, ORLANDO DIVISION,
FILED AUGUST 24, 2017**

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

Case No: 6:14-cv-1551-Orl-40GJK

KROMA MAKEUP EU, LLC,

Plaintiff,

v.

BOLDFACE LICENSING + BRANDING, INC.,
KIMBERLY KARDASHIAN, KOURTNEY
KARDASHIAN, KHLOE KARDASHIAN
AND BY LEE TILLETT, INC.,

Defendants.

August 24, 2017, Decided
August 24, 2017, Filed

ORDER

This cause comes before the Court without oral argument on the following:

1. Defendants, Kim Kardashian, Kourtney Kardashian, and Khloe Kardashian's, Motion for Summary Judgment (Doc. 118), filed June 9, 2017;

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2. Plaintiff's Response in Opposition to Defendants' Motion for Summary Judgment (Doc. 132), filed June 23, 2017;
3. Defendants, Kim Kardashian, Kourtney Kardashian, and Khloe Kardashian's, Reply in Support of Motion for Summary Judgment (Doc. 145), filed July 7, 2017;
4. Plaintiff's Motion for Partial Summary Judgment (Liability Only) (Doc. 153), filed August 11, 2017;
5. Defendants, Kim Kardashian, Kourtney Kardashian, and Khloe Kardashian's, Opposition to Plaintiff's Motion for Partial Summary Judgment and Memorandum of Law (Doc. 154), filed August 11, 2017; and
6. Plaintiff's Reply in Further Support of Its Motion for Partial Summary Judgment (Doc. 155), filed August 11, 2017.

The parties have completed their briefing and the Court is otherwise fully advised on the premises. Upon consideration and review of the record as cited by the parties in their respective briefs, the Court will grant Defendants, Kim Kardashian, Kourtney Kardashian, and Khloe Kardashian's Motion for Summary Judgment.

I. BACKGROUND

Plaintiff, Kroma Makeup EU, LLC ("Kroma EU"), seeks recovery from Defendants, Kimberly Kardashian,

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Kourtney Kardashian, and Khloe Kardashian (collectively, “Kardashian Defendants”) on a vicarious liability theory for (i) common law trademark infringement, and (ii) violation of § 43(a) the Lanham Act, 15 U.S.C. § 1125(a).¹

Defendant, By Lee Tillett, Inc. (“Tillett”), is a Florida-based corporation that owns a registered U.S. trademark in “Kroma.” (Doc. 133, ¶ 3). In September 2010, Tillett and Jay Willey, Ltd. (a U.K. company owned by Jeannette Willey) entered into a license agreement granting Jay Willey, Ltd. “the right to use the trademark of [Tillett] for advertising purposes and Goods sale and promotion” (*Id.* ¶¶ 4, 10). In October 2012, Tillett and Kroma EU (a different U.K. company owned by Willey) entered into a licensing agreement granting Kroma EU rights to sell Kroma products in Europe (hereinafter “License Agreement”). (*Id.* ¶ 5). Under the License Agreement, Tillett retained ownership of the Kroma mark. (Doc. 118-6, § 4.1). The terms of the 2010 and 2012 agreements “contain materially identical terms.” (Doc. 133, ¶ 6).

1. In addition to the claims against Kardashian Defendants, Kroma EU’s initial complaint alleged counts of statutory and common law trademark infringement against Boldface Licensing + Branding, Inc. (“Boldface”), one count of promissory estoppel against By Lee Tillett—which this Court construed as a breach of contract claim, Doc. 52, p. 28—and one count of tortious interference against Boldface. (*Id.*) On February 5, 2015, default was entered against Boldface. (Doc. 37). On November 9, 2015, this Court granted Tillett’s motion to compel arbitration. (Doc. 76). Accordingly, neither Boldface nor Tillett remain a party to this action.

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Section 4.3 of the License Agreement, titled “Renewal Protection,” prescribed how the trademark was to be protected and allocated responsibilities among the parties. (Doc. 118-6). The relevant subsections are reproduced in full below:

4.3.1. [Tillett] undertakes to renew regularly the certificate on the trademark/brand name and other Goods patents/inventions/industrial samples, and to protect them properly from any attempts of illegal use, to the best of his knowledge.

4.3.2. [Kroma EU] is obliged to inform [Tillett] of any illegal use of the trademark in [Europe], to the best of his knowledge.

(Doc. 118-6, §§ 4.3.1, 4.3.2). In May 2012, Kardashian Defendants and Boldface “entered into a licensing agreement authorizing Boldface to create and market . . . cosmetics endorsed by the” Kardashian Defendants. (Doc. 133, ¶ 14). In June 2012, Tillett learned that Boldface planned to use the name “Khroma” for the Kardashian-endorsed cosmetics line, then sent Boldface a cease and desist letter. (*Id.* ¶¶ 14, 15). The parties dispute whether Boldface or Kardashian Defendants selected “Khroma” as the name for the products. (Docs. 118, ¶12; 132, § II.1).

In October 2012, Tillett and Boldface began settlement discussions. (Doc. 133, ¶ 16). Tillett indicated to Willey that her UK damages would be sought during negotiations. (*Id.* ¶ 17). One of Tillett’s attorneys involved in the

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negotiations “provided Willey with updates on settlement negotiations, marking them as ‘attorney/client privileged’ or ‘confidential.’” (*Id.*). Throughout the negotiations, “Willey provided information, financials, and later testimony, to support Tillett’s case against Boldface/Kardashians.” (*Id.* ¶ 18).

With settlement discussions stalling, Boldface filed suit in a California federal court seeking a declaratory judgment that Boldface did not infringe the “Kroma” trademark (hereinafter the “California Action”). (*Id.* ¶ 20). Tillett brought counterclaims against Boldface for trademark infringement and third party claims against Kardashian Defendants for vicarious trademark infringement. (Doc. 1, ¶¶ 53-54; 133, ¶ 2). “Neither Kroma EU nor Willey appeared as a party in the California Action.”² (Doc. 133, ¶ 24). However, Willey gave a Declaration that was used in support of Tillett’s motion for a preliminary injunction, and Tillett’s principal cited the Kroma mark’s “European distribution” in a separate declaration made in support of the motion. (*Id.* ¶¶ 26-28).

On March 11, 2013, the California district court issued a preliminary injunction prohibiting further use of the “Khroma” mark by Boldface. (Doc. 153-31, p. 40) Boldface then changed the name of its product line to “Kardashian Beauty.” (Docs. 118, ¶ 23; 118-30).

2. Moreover, Willey did not contact Boldace or Defendants to discuss settlement of the California Action. (Doc. 133, ¶ 30).

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On March 20, 2013, Willey’s U.K. counsel, Brandon Titterington, wrote to Tillett’s counsel, admonishing them for failing to take action to protect the Kroma mark in Europe and requesting confirmation of Tillett’s intent to share any potential settlement with Kroma EU. (Docs. 132, ¶ 32; 132-32, p. 5). Shortly thereafter, a settlement was reached between Tillett, Boldface, and the Kardashians, and the California Action was dismissed with prejudice. (Doc. 133, ¶ 34). The agreement required Boldface to make a “Settlement Payment” to Tillett and included mutual releases of claims “which were, might or could have been asserted in connection with the [California] Action, the KROMA mark, the KHROMA mark or the KARDASHIAN BEAUTY mark.” (*Id.* ¶ 34) (alteration in original). Tillett did not share any of the settlement proceeds with Kroma EU. (Doc. 133, ¶ 36).

Kroma EU filed its Complaint in this action on September 24, 2014. (Doc. 1). On May 7, 2015, Kardashian Defendants filed an Answer and Affirmative Defenses. (Doc. 53). Kardashian Defendants and Kroma EU now move for summary judgment.

II. STANDARD OF REVIEW

“The court shall grant summary judgment if the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law.” Fed. R. Civ. P. 56(a). The party moving for summary judgment must “cit[e] to particular parts of materials in the record, including depositions, documents, electronically stored information, affidavits or

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declarations, stipulations . . . , admissions, interrogatory answers, or other materials” to support its position that it is entitled to summary judgment. Fed. R. Civ. P. 56(c) (1)(A). “The court need consider only the cited materials” when resolving a motion for summary judgment. Fed. R. Civ. P. 56(c)(3); *see also HRCC, LTD v. Hard Rock Cafe Int’l (USA), Inc.*, No. 16-17450, 703 Fed. Appx. 814, 2017 U.S. App. LEXIS 13690, 2017 WL 3207125, at *2 (11th Cir. July 28, 2017) (per curiam) (holding that a district court does not err by limiting its review to the evidence cited by the parties in their summary judgment briefs).

A factual dispute is “genuine” only if “a reasonable jury could return a verdict for the nonmoving party.” *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248, 106 S. Ct. 2505, 91 L. Ed. 2d 202 (1986). A fact is “material” if the fact could affect the outcome of the lawsuit under the governing law. *Id.* The moving party bears the initial burden of identifying those portions of the record demonstrating a lack of a genuine factual dispute. *Celotex Corp. v. Catrett*, 477 U.S. 317, 323, 106 S. Ct. 2548, 91 L. Ed. 2d 265 (1986); *Hickson Corp. v. N. Crossarm Co.*, 357 F.3d 1256, 1260 (11th Cir. 2004). If the movant shows that there is no evidence to support the non-moving party’s case, the burden then shifts to the non-moving party to demonstrate that there are, in fact, genuine factual disputes which preclude judgment as a matter of law. *Porter v. Ray*, 461 F.3d 1315, 1320 (11th Cir. 2006).

To satisfy its burden, the non-moving party “must do more than simply show that there is some metaphysical doubt as to the material facts.” *Matsushita Elec. Indus.*

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Co. v. Zenith Radio Corp., 475 U.S. 574, 586, 106 S. Ct. 1348, 89 L. Ed. 2d 538 (1986). Rather, the non-movant must go beyond the pleadings and “identify affirmative evidence” which creates a genuine dispute of material fact. *Crawford-El v. Britton*, 523 U.S. 574, 600, 118 S. Ct. 1584, 140 L. Ed. 2d 759 (1998). In determining whether a genuine dispute of material fact exists, the court must read the evidence and draw all factual inferences therefrom in the light most favorable to the non-moving party and must resolve any reasonable doubts in the non-movant’s favor. *Skop v. City of Atlanta*, 485 F.3d 1130, 1136 (11th Cir. 2007). Summary judgment should only be granted “[w]here the record taken as a whole could not lead a rational trier of fact to find for the non-moving party.” *Matsushita*, 475 U.S. at 587.

III. DISCUSSION

Kardashian Defendants’ motion requests summary judgment on two grounds: (i) that due to the License Agreement between Kroma EU and Tillett, Kroma EU lacks standing; and (ii) that claim preclusion applies to Kroma EU’s remaining claims because Kroma EU was in privity with Tillett with regard to claims brought in the California Action. Plaintiff’s motion requests summary judgment on the issue of liability, alleging that Kardashian Defendants are collaterally estopped—by issue preclusion—from contesting liability.

A. Defendants’ Motion for Summary Judgment

The first issue presented by Kardashian Defendants’ summary judgment motion is whether a licensee with an

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exclusive license to use a mark in a territory, but who lacks contractual authority to police the mark, has standing to bring trademark infringement claims arising under the Lanham Act or common law.

Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), creates a cause of action for false association and false advertising. Specifically, § 1125(a) provides that infringers “shall be liable in a civil action by *any person* who believes that he or she is likely to be damaged by such act.” (emphasis added). While the “any person” language of the statute envisions expansive liability, a “Lanham Act plaintiff must have rights in the name at issue to seek protection.” *Camp Creek Hosp. Inns, Inc. v. Sheraton Franchise Corp.*, 139 F.3d 1396, 1412 (11th Cir. 1998). Accordingly, consumers generally lack standing to sue under the Lanham Act notwithstanding § 1125(a)’s broad scope. *See, e.g., Lexmark Int’l, Inc. v. Static Control Components, Inc.*, 134 S. Ct. 1377, 1390, 188 L. Ed. 2d 392 (2014) (holding that “a plaintiff must allege an injury to a commercial interest in reputation or sales” to have § 1125(a) standing).

Some non-owners have standing to sue under § 1125(a). *Quabaug Rubber Co. v. Fabiano Shoe Co.*, 567 F.2d 154, 160 (1st Cir. 1977). Numerous courts entertaining Lanham Act claims have held certain licensees to possess standing. *See, e.g., Quabaug Rubber Co.*, 567 F.2d at 160; *Sream, Inc. v. LB Smoke Shop, Inc.*, No. 16-CV-24936-PCH, 2017 U.S. Dist. LEXIS 97406, 2017 WL 2735575, at *4 (S.D. Fla. 2017). Other courts have found licensees to lack standing. *Fin. Inv. Co. v. Geberit AG*, 165 F.3d 526, 532 (7th Cir. 1998); *TR Worldwide Phillyfood, LLC v.*

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Tony Luke, Inc., No. 16-1185 (RBK/JS), 2017 U.S. Dist. LEXIS 12239, 2017 WL 396539, at *3-4 (D.N.J. 2017). The line that separates the licensees with standing from the licensees without standing is drawn by the language of the contract—specifically, the nature of the rights the license grants the licensee. *Compare Quabaug Rubber Co.*, 567 F.2d at 157, 160 (holding that a nonexclusive licensee with the contractual “right to enforce the licensed trademark rights against infringers in the United States” had standing to sue under § 1125(a)), *and Sream, Inc.*, 2017 U.S. Dist. LEXIS 97406, 2017 WL 2735575, at *4 (finding that a plaintiff adequately alleged § 1125(a) standing by alleging to be an exclusive licensee possessing “all enforcement rights to obtain injunctive and monetary relief for past and future infringement of . . . trademarks”), *with Fin. Inv. Co.*, 165 F.3d at 532 (finding that a licensee lacked § 1125(a) standing where the licensing agreement prohibited such from bringing suit unless the licensor was notified of the alleged infringement and failed to sue first), *and TR Worldwide*, 2017 U.S. Dist. LEXIS 12239, 2017 WL 396539, at *3-4 (finding that an exclusive licensee plaintiff, without contractual rights to enforce the licensor’s intellectual property, lacked § 1125(a) standing).

To have § 1125(a) standing, a licensee must have contractual, *in addition to* statutory, standing. A licensee’s trademark rights derive from contract, so a “licensee’s standing to bring a trademark infringement claim ‘largely depends on the rights granted to the licensee in the licensing agreement.’” *Drew Estate Holding Co. v. Fantasia Distrib., Inc.*, 875 F. Supp. 2d 1360, 1366 (S.D. Fla. 2012) (quoting *Hako—Med USA, Inc. v. Axiom*

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Worldwide, Inc., No. 8:06-CV-1790-T-27EAJ, 2006 U.S. Dist. LEXIS 94239, 2006 WL 3755328, at *6 (M.D. Fla. 2006)). Even assuming the presence of statutory standing, a licensee lacks standing where the license agreement explicitly allocates responsibility to police a trademark with a licensor. *Fin. Inv. Co.*, 165 F.3d at 532 (“Because the license is the sole source giving the plaintiffs *any* interest in the . . . mark, that same license’s refusal to give them the right to sue under these circumstances strips them of the right to raise a § [1125(a)] claim.”).

Kroma EU’s standing in this matter thus depends on the rights it received under the License Agreement. The touchstone of contract interpretation is the intent of the parties. *Alliance Metals, Inc. v. Hinely Indus.*, 222 F.3d 895, 901 (11th Cir. 2010); 11 Richard A. Lord, *Williston on Contracts* § 32:2 (4th ed. 2012). Generally, the plain meaning of the contract is the best evidence of the parties’ intent. *Alliance Metals*, 222 F.3d at 901; Lord, *supra*, at § 32:2. Contracts are to be read as a whole, and individual provisions should not be interpreted in isolation. *Mastro Plastics Corp. v. Nat’l Labor Relations Bd.*, 350 U.S. 270, 279, 76 S. Ct. 349, 100 L. Ed. 309 (1956); Lord, *supra* § 32:5. Where a contract is ambiguous, courts may review the parties’ course of performance in interpreting the contract. Lord, *supra*, § 32:2.

The License Agreement between Tillett and Kroma EU, in a section titled “Renewal. Protection,” committed Tillett to “protect [the Kroma mark] properly from any attempts of illegal use, to the best of his knowledge.” (Doc. 118-6, § 4.3.1). The succeeding subsection obliged Kroma

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EU to “inform [Tillett] of any illegal use of the trademark in the sales Territory, to the best of his knowledge.” (*Id.* § 4.3.2).

Read together, §§ 4.3.1 and 4.3.2 plainly authorized only Tillett to enforce the trademarks governed by the License Agreement.³ Lord, *supra*, § 32:5. Kroma EU’s sole directive was to inform Tillett of instances of infringement. Further, Kroma EU’s role as a supportive nonparty in the California Action accords with the conclusion that only Tillett had contractual authority to enforce the Kroma mark. Accordingly, Kroma EU lacks contractual authority, and hence standing, to pursue § 1125(a) violations against infringers in its own capacity.

3. To the extent the allegation in the Complaint that Kroma EU was an “exclusive licensee” of the Kroma mark has current vitality, the Court finds any such contention incorrect. (Doc. 1, ¶ 69). To qualify as an exclusive licensee, with the attendant standing to enforce a trademark, the license agreement must grant the licensee “all substantial rights” to the trademark. *Aceto Corp. v. TherapeuticsMD, Inc.*, 953 F. Supp. 2d 1269, 1279-80 (S.D. Fla. 2013). These contractual rights include the “right of exclusivity, the right to transfer and *most importantly the right to sue infringers.*” *Hako—Med USA, Inc. v. Axiom Worldwide, Inc.*, No. 8:06-CV-1790-T-27EAJ, 2006 U.S. Dist. LEXIS 94239, 2006 WL 3755328, at *5 (M.D. Fla. 2006) (emphasis added) (quoting *Biagro W. Sales, Inc. v. Helena Chem. Co.*, 160 F. Supp. 2d 1136, 1144 (E.D. Cal. 2001)). Because the License Agreement (i) prohibited Kroma EU from enforcing the Kroma mark, (ii) only gave Kroma EU rights to the trademark in Europe, (iii) prohibited Kroma EU from transferring its contract rights, and (iv) failed to vest independent ownership rights in Kroma EU, the Court finds that Kroma EU was not an exclusive licensee. *See id.*; Doc. 118-6, §§ 1.3, 2.1.1, 4.1.4, 4.3.1, 4.3.2, app. 1 § 1.

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In its Response in Opposition to Defendants' Motion for Summary Judgment, Plaintiff's principal rebuttal to Kardashian Defendants' standing argument is that the License Agreement does not reserve the right to sue to protect the trademark in Tillett. (Doc. 132, p. 4-6). Plaintiff's conclusory assertions fail to provide a satisfactory interpretation of §§ 4.3.1 and 4.3.2 of the License Agreement, whereby Kroma EU had contractual authority to enforce the Kroma mark. Moreover, Plaintiff points to no case, and the Court's independent research uncovered none, where a court found that a licensee had standing to pursue a § 1125(a) claim notwithstanding a licensing agreement allocating enforcement responsibility with a licensor.

Since this Court finds that the License Agreement deprives Kroma EU of standing, Kardashian Defendants are entitled to summary judgment on the claims brought under the Lanham Act, *see supra*, and the Florida common law. *See PetMed Express, Inc. v. MedPets.com, Inc.*, 336 F. Supp. 2d 1213, 1218 ("The analysis of liability for Florida common law trademark infringement is the same as under the Lanham Act." (citing *Gift of Learning Found., Inc. v. TGC, Inc.*, 329 F.3d 792, 793 (11th Cir. 2003))).

Kardashian Defendants also move for summary judgment on the ground that Plaintiff's claims are barred by res judicata. Because Plaintiff lacks standing, the Court does not reach the issue.

*Appendix B***B. Plaintiff's Motion for Partial Summary Judgment**

Plaintiff also moves for partial summary judgment on the issue of liability. (Doc. 153). Because the Court finds that Plaintiff lacks standing to bring the infringement claims asserted in this matter, the Court denies Plaintiff's Motion for Partial Summary Judgment.

IV. CONCLUSION

For the aforementioned reasons, it is **ORDERED AND ADJUDGED** as follows:

1. Defendants, Kim Kardashian, Kourtney Kardashian, and Khloe Kardashian's, Motion for Summary Judgment (Doc. 118) is **GRANTED**. Kardashian Defendants are entitled to summary judgment on Plaintiff's Complaint.
2. The Clerk of Court is **DIRECTED** to enter the following Judgment:

Judgment is entered in favor of Defendants, Kim Kardashian, Kourtney Kardashian, and Khloe Kardashian, and against Plaintiff, Kroma Makeup EU, LLC. Plaintiff shall take nothing from Defendants.

3. Plaintiff's Motion for Partial Summary Judgment (Liability Only) (Doc. 153) is **DENIED AS MOOT**.

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4. The Clerk of Court is **DIRECTED** to terminate all other pending motions (Doc. 120) and to close the file.

DONE AND ORDERED in Orlando, Florida on August 24, 2017.

/s/ Paul G. Byron
PAUL G. BYRON
UNITED STATES DISTRICT JUDGE

**APPENDIX C — DENIAL OF REHEARING OF
THE UNITED STATES COURT OF APPEALS
FOR THE ELEVENTH CIRCUIT, FILED
JUNE 4, 2019**

IN THE UNITED STATES COURT OF
APPEALS FOR THE ELEVENTH CIRCUIT

No. 17-14211-FF

KROMA MAKEUP EU, LLC, A UNITED
KINGDOM LIMITED LIABILITY COMPANY,

Plaintiff-Appellant,

versus

BOLDFACE LICENSING + BRANDING, INC.,
A NEVADA CORPORATION, KIMBERLY
KARDASHIAN, A CALIFORNIA RESIDENT,
KOURTNEY KARDASHIAN, A CALIFORNIA
RESIDENT, KHLOE KARDASHIAN, A
CALIFORNIA RESIDENT, BY LEE TILLETT,
INC., A FLORIDA CORPORATION,

Defendants-Appellees.

Appeal from the United States District Court
for the Middle District of Florida

ON PETITION(S) FOR REHEARING AND
PETITION(S) FOR REHEARING EN BANC

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BEFORE: MARCUS and DUBINA, Circuit Judges,
and GOLDBERG, *Judge.

PER CURIAM:

The Petition(s) for Rehearing are DENIED and no Judge in regular active service on the Court having requested that the Court be polled on rehearing en banc (Rule 35, Federal Rules of Appellate Procedure), the Petition(s) for Rehearing En Banc are DENIED.

ENTERED FOR THE COURT:

/s/
UNITED STATES CIRCUIT JUDGE

* Honorable Richard W. Goldberg, United States Court of International Trade Judge, sitting by designation.

APPENDIX D — 15 U.S.C. § 1125

15 U.S.C. § 1125

**§ 1125. False designations of origin,
false descriptions, and dilution forbidden**

(a) Civil action.

(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which—

(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or

(B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities,

shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

(2) As used in this subsection, the term “any person” includes any State, instrumentality of a State or

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employee of a State or instrumentality of a State acting in his or her official capacity. Any State, and any such instrumentality, officer, or employee, shall be subject to the provisions of this Act in the same manner and to the same extent as any nongovernmental entity.

(3) In a civil action for trade dress infringement under this Act for trade dress not registered on the principal register, the person who asserts trade dress protection has the burden of proving that the matter sought to be protected is not functional.

(b) **Importation.** Any goods marked or labeled in contravention of the provisions of this section shall not be imported into the United States or admitted to entry at any customhouse of the United States. The owner, importer, or consignee of goods refused entry at any customhouse under this section may have any recourse by protest or appeal that is given under the customs revenue laws or may have the remedy given by this Act in cases involving goods refused entry or seized.

(c) **Dilution by blurring; dilution by tarnishment.**

(1) **Injunctive relief.** Subject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.

*Appendix D***(2) Definitions.**

(A) For purposes of paragraph (1), a mark is famous if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner. In determining whether a mark possesses the requisite degree of recognition, the court may consider all relevant factors, including the following:

- (i)** The duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties.
- (ii)** The amount, volume, and geographic extent of sales of goods or services offered under the mark.
- (iii)** The extent of actual recognition of the mark.
- (iv)** Whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.

(B) For purposes of paragraph (1), "dilution by blurring" is association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark. In determining whether a mark or trade

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name is likely to cause dilution by blurring, the court may consider all relevant factors, including the following:

- (i) The degree of similarity between the mark or trade name and the famous mark.
- (ii) The degree of inherent or acquired distinctiveness of the famous mark.
- (iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark.
- (iv) The degree of recognition of the famous mark.
- (v) Whether the user of the mark or trade name intended to create an association with the famous mark.
- (vi) Any actual association between the mark or trade name and the famous mark.

(C) For purposes of paragraph (1), “dilution by tarnishment” is association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.

(3) Exclusions. The following shall not be actionable as dilution by blurring or dilution by tarnishment under this subsection:

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(A) Any 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—

- (i) advertising or promotion that permits consumers to compare goods or services; or
- (ii) identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.

(B) All forms of news reporting and news commentary.

(C) Any noncommercial use of a mark.

(4) Burden of proof. In a civil action for trade dress dilution under this Act for trade dress not registered on the principal register, the person who asserts trade dress protection has the burden of proving that—

(A) the claimed trade dress, taken as a whole, is not functional and is famous; and

(B) if the claimed trade dress includes any mark or marks registered on the principal register, the unregistered matter, taken as a whole, is famous separate and apart from any fame of such registered marks.

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(5) Additional remedies. In an action brought under this subsection, the owner of the famous mark shall be entitled to injunctive relief as set forth in section 34. The owner of the famous mark shall also be entitled to the remedies set forth in sections 35(a) and 36 [15 USCS § 1117(a) and 1118], subject to the discretion of the court and the principles of equity if—

(A) the mark or trade name that is likely to cause dilution by blurring or dilution by tarnishment was first used in commerce by the person against whom the injunction is sought after the date of enactment of the Trademark Dilution Revision Act of 2006 [enacted Oct. 6, 2006]; and

(B) in a claim arising under this subsection—

(i) by reason of dilution by blurring, the person against whom the injunction is sought willfully intended to trade on the recognition of the famous mark; or

(ii) by reason of dilution by tarnishment, the person against whom the injunction is sought willfully intended to harm the reputation of the famous mark.

(6) Ownership of valid registration a complete bar to action. The ownership by a person of a valid registration under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register under this Act shall be a complete bar to an action against that person, with respect to that mark, that—

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(A) is brought by another person under the common law or a statute of a State; and

(B)

(i) seeks to prevent dilution by blurring or dilution by tarnishment; or

(ii) asserts any claim of actual or likely damage or harm to the distinctiveness or reputation of a mark, label, or form of advertisement.

(7) Savings clause. Nothing in this subsection shall be construed to impair, modify, or supersede the applicability of the patent laws of the United States.

(d) Cyberpiracy prevention.

(1)

(A) A person shall be liable in a civil action by the owner of a mark, including a personal name which is protected as a mark under this section, if, without regard to the goods or services of the parties, that person—

(i) has a bad faith intent to profit from that mark, including a personal name which is protected as a mark under this section; and

(ii) registers, traffics in, or uses a domain name that—

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- (I)** in the case of a mark that is distinctive at the time of registration of the domain name, is identical or confusingly similar to that mark;
- (II)** in the case of a famous mark that is famous at the time of registration of the domain name, is identical or confusingly similar to or dilutive of that mark; or
- (III)** is a trademark, word, or name protected by reason of section 706 of title 18, United States Code, or section 220506 of title 36, United States Code.

(B)

- (i)** In determining whether a person has a bad faith intent described under subparagraph (A), a court may consider factors such as, but not limited to—
 - (I)** the trademark or other intellectual property rights of the person, if any, in the domain name;
 - (II)** the extent to which the domain name consists of the legal name of the person or a name that is otherwise commonly used to identify that person;

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- (III)** the person's prior use, if any, of the domain name in connection with the bona fide offering of any goods or services;
- (IV)** the person's bona fide noncommercial or fair use of the mark in a site accessible under the domain name;
- (V)** the person's intent to divert consumers from the mark owner's online location to a site accessible under the domain name that could harm the goodwill represented by the mark, either for commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site;
- (VI)** the person's offer to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain without having used, or having an intent to use, the domain name in the bona fide offering of any goods or services, or the person's prior conduct indicating a pattern of such conduct;
- (VII)** the person's provision of material and misleading false contact information when applying for the registration of the domain name, the person's intentional failure to maintain accurate contact information,

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or the person's prior conduct indicating a pattern of such conduct;

(VIII) the person's registration or acquisition of multiple domain names which the person knows are identical or confusingly similar to marks of others that are distinctive at the time of registration of such domain names, or dilutive of famous marks of others that are famous at the time of registration of such domain names, without regard to the goods or services of the parties; and

(IX) the extent to which the mark incorporated in the person's domain name registration is or is not distinctive and famous within the meaning of subsection (c).

(ii) Bad faith intent described under subparagraph (A) shall not be found in any case in which the court determines that the person believed and had reasonable grounds to believe that the use of the domain name was a fair use or otherwise lawful.

(C) In any civil action involving the registration, trafficking, or use of a domain name under this paragraph, a court may order the forfeiture or cancellation of the domain name or the transfer of the domain name to the owner of the mark.

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(D) A person shall be liable for using a domain name under subparagraph (A) only if that person is the domain name registrant or that registrant's authorized licensee.

(E) As used in this paragraph, the term "traffics in" refers to transactions that include, but are not limited to, sales, purchases, loans, pledges, licenses, exchanges of currency, and any other transfer for consideration or receipt in exchange for consideration.

(2)

(A) The owner of a mark may file an in rem civil action against a domain name in the judicial district in which the domain name registrar, domain name registry, or other domain name authority that registered or assigned the domain name is located if—

(i) the domain name violates any right of the owner of a mark registered in the Patent and Trademark Office, or protected under subsection (a) or (c); and

(ii) the court finds that the owner—

(I) is not able to obtain in personam jurisdiction over a person who would have been a defendant in a civil action under paragraph (1); or

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(II) through due diligence was not able to find a person who would have been a defendant in a civil action under paragraph (1) by—

(aa) sending a notice of the alleged violation and intent to proceed under this paragraph to the registrant of the domain name at the postal and e-mail address provided by the registrant to the registrar; and

(bb) publishing notice of the action as the court may direct promptly after filing the action.

(B) The actions under subparagraph (A)(ii) shall constitute service of process.

(C) In an in rem action under this paragraph, a domain name shall be deemed to have its situs in the judicial district in which—

(i) the domain name registrar, registry, or other domain name authority that registered or assigned the domain name is located; or

(ii) documents sufficient to establish control and authority regarding the disposition of the registration and use of the domain name are deposited with the court.

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(i) The remedies in an in rem action under this paragraph shall be limited to a court order for the forfeiture or cancellation of the domain name or the transfer of the domain name to the owner of the mark. Upon receipt of written notification of a filed, stamped copy of a complaint filed by the owner of a mark in a United States district court under this paragraph, the domain name registrar, domain name registry, or other domain name authority shall—

(I) expeditiously deposit with the court documents sufficient to establish the court's control and authority regarding the disposition of the registration and use of the domain name to the court; and

(II) not transfer, suspend, or otherwise modify the domain name during the pendency of the action, except upon order of the court.

(ii) The domain name registrar or registry or other domain name authority shall not be liable for injunctive or monetary relief under this paragraph except in the case of bad faith or reckless disregard, which includes a willful failure to comply with any such court order.

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(3) The civil action established under paragraph (1) and the in rem action established under paragraph (2), and any remedy available under either such action, shall be in addition to any other civil action or remedy otherwise applicable.

(4) The in rem jurisdiction established under paragraph (2) shall be in addition to any other jurisdiction that otherwise exists, whether in rem or in personam.