

No. 22-1249

In the
Supreme Court of the United States

FOREMOST TITLE & ESCROW SERVICES, LLC,
Petitioner,

vs.

FCOA, LLC,
Respondent.

**On Petition For A Writ Of Certiorari To The
United States Court Of Appeals For The
Eleventh Circuit**

PETITIONER'S REPLY BRIEF

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INTRODUCTION

In opposing certiorari, Respondent’s incessant refrain is that the Eleventh Circuit’s *Dieter* presumption does not relieve it from proving that its mark is strong. The opinion below and other Eleventh Circuit decisions about incontestable marks’ strength, require the defendant to rebut that presumption. In fact, district courts in the Eleventh Circuit are holding incontestable trademarks strong without consumer-strength evidence citing the opinion below as the deciding factor. *See, e.g., Guantanamera Cigars Co. v. SMCI Holding, Inc.*, 21-CV-21714, 2023 WL 3781628, at *16-18 (S.D. Fla. June 2, 2023) (“Were it not for the presumption, the Undersigned would be inclined to determine that GCC’s mark is merely descriptive (i.e., a weak mark).”).

As the Eleventh Circuit consistently recognizes, a mark’s incontestable status “says nothing about its strength.” *E.g., Sovereign Mil. Order v. Knights Hospitallers*, 809 F.3d 1171, 1183-84 (11th Cir. 2015). “That a mark enjoyed incontestable status in the past says very little about its current strength in the marketplace.” *Id.* Nor does it say anything about “the perceptions of consumers in the marketplace, which are ordinarily unaffected by the status of the mark’s registration.” *Id.*

The Court should grant the Petition so that incontestable mark holders from around the country cannot assert rights not cognizable by marketplace reality to take unfair advantage of innocent trademark holders in the Eleventh Circuit and illegitimately enhance their trademarks to wrongfully disadvantage junior trademark holders where no infringement exists.

I. The *Dieter* Presumption allows trademark holders to prove the second most important confusion factor without any evidence of their “actual practice” in conflict with *KP Permanent Make-Up*, which requires that proof.

In the Eleventh Circuit, a mark’s strength is the second most important factor after actual confusion. Pet. App. 13a. *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111 (2004), mandates that the plaintiff claiming infringement bears the burden of proof. While the *Dieter* presumption does not negate the trademark plaintiff’s obligation to present evidence on other confusion factors, Res. 11–14, relieving the plaintiff’s burden to prove its mark’s strength is contrary to what this Court required of incontestable mark holders. *KP Permanent Make-Up*, 543 U.S. at 117 (citing *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 780 (1992) (Stevens, J, concurring); *Lone Star Steakhouse & Saloon, Inc. v. Alpha of Virginia, Inc.*, 43 F.3d 922, 935 (4th Cir. 1995)) (“Although an *incontestable registration* is ‘conclusive evidence...of the registrant’s exclusive right to use the...mark in commerce,’ § 1115(b), the plaintiff’s success is still *subject to ‘proof of infringement* as defined in section 1114.’ *And that*, as just noted, requires a showing that the defendant’s actual practice is likely to produce confusion in the minds of consumers.”) (emphasis added). The defendant’s actual practice in the marketplace is outcome determinative.

Dieter adopted a presumption, irrespective of other evidence, and, under Fed. R. Evid. 301, “the party against whom a presumption is directed has the burden of producing evidence to rebut the presumption” placing the burden on the trademark

defendant. *KP Permanent Make-Up* holds that the *plaintiff* must prove that the defendant's actual practice is likely to confuse consumers. *Dieter* is not merely a case about what evidentiary weight to give incontestable marks. *Dieter* shifts the burden of proof. Res. 11-12.

While no one factor is dispositive, but, as discussed in Section II, *infra*, strength is the key question in the confusion analysis because "strength" is the consumer's correlation of the mark as the source of the plaintiff's product.¹ The Court should grant certiorari to resolve the conflict with *KP Permanent Make-Up*.

II. The trademark-strength factor is essential to the scope of a mark's protection and the likelihood of confusion analysis.²

The Circuit Courts of Appeals agree that a mark's strength is "important" (either "most" "second most" or among "important" factors), "vital," "paramount," "key," or "plays a dominant role."³ *Grayson O Co. v. Agadir Int'l LLC*, 856 F.3d 307, 314

¹ And, even though no factor is dispositive, Res. 13, courts still balance the factors, Pet. App. 11a, meaning that, in incontestable trademark cases, the balance will likely be shifted in the plaintiff's favor based on the *Dieter* presumption, effectively shifting the burden of proof to the defendant.

² While FT&E disagrees with the opinion below, it recognizes that this Court's mission is not to correct error under Supreme Court Rule 10 and, therefore, does not indulge Respondent's discussion about FT&E's decision not analyze unrelated factors. *Trevino v. Davis*, 138 S. Ct. 1793, 1794 (2018) (Sotomayor, J., dissenting).

³ Some Circuits evaluate each factor equally without ranking importance, while others prioritize the factors in a different order. See, e.g., *Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135, 1141 (9th Cir. 2002).

(4th Cir. 2017) (citation omitted); *Stone Creek, Inc. v. Omnia Italian Design, Inc.*, 875 F.3d 426, 432 (9th Cir. 2017); *Maker's Mark Distillery, Inc. v. Diageo N. Am., Inc.*, 679 F.3d 410, 424 (6th Cir. 2012) (citation omitted); *Kenner Parker Toys Inc. v. Rose Art Indus., Inc.*, 963 F.2d 350, 352 (Fed. Cir. 1992); *Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254, 258 (2d Cir. 1987); *Sun Banks of Florida, Inc. v. Sun Fed. Sav. & Loan Ass'n*, 651 F.2d 311, 315 (5th Cir. 1981) (citation omitted); *AMP Inc. v. Foy*, 540 F.2d 1181, 1186 (4th Cir. 1976). And “[a] likelihood of confusion over a descriptive term can never exist absent secondary meaning.” *Vail Associates, Inc. v. Vend-Tel-Co., Ltd.*, 516 F.3d 853, 866 (10th Cir. 2008). The strength factor is not just another equal factor.

The strength question, logically, is essential to finding infringement because the infringement question asks whether “a defendant’s use of the trademark is likely to cause consumers to believe...that the plaintiff is the *source* of the defendant’s products or services.” *Australian Gold, Inc. v. Hatfield*, 436 F.3d 1228, 1239 (10th Cir. 2006); *Jack Daniel’s Properties, Inc. v. VIP Products LLC*, 599 U.S. 140, 147 (2023) (citing *Moseley v. Secret Catalogue, Inc.*, 537 U.S. 418, 428 (2003)). A mark’s strength is the degree of consumer awareness between it and their *identification of the good or service’s source*. Pet. App. 13a (citing *Frehling Enters., Inc. v. Int’l Select Grp., Inc.*, 192 F.3d 1330, 1335 (11th Cir. 1999); *John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 973–74 (11th Cir. 1983)).

Justice Frankfurter predicated the justification for a trademark’s protection on its secondary meaning:

The protection of trade-marks is the law's recognition of the psychological function of symbols.... A trade-mark is a merchandising short-cut which induces a purchaser to select what he wants, or what he has been led to believe he wants. The owner of a mark exploits this human propensity by making every effort to impregnate the atmosphere of the market with the drawing power of a congenial symbol. Whatever means employed, the aim is the same—to convey through the mark, in the minds of potential consumers, the desirability of the commodity upon which it appears. Once this is attained, the trade-mark owner has something of value.

Mishawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co., 316 U.S. 203, 205 (1942).

The Eleventh Circuit is an extreme outlier on determining strength.⁴ Respondent ignores the Eleventh Circuit's language below to argue that the *Dieter* presumption does not shift the burden to the defendant to disprove strength. Res. 16. With a presumption on the second most important confusion

⁴ The *Dieter* presumption is far more than “a *de minimis* inconsistency” between different tests among the circuits. Res. 15. Even with different formulations, the likelihood of confusion tests employ the same standard. *B & B Hardware, Inc. v. Hargis Indus., Inc.*, 575 U.S. 138, 154 (2015) (citation omitted) (holding that, while different tribunals may refer to different factors, the inquiry is the same). Only the Eleventh Circuit departs from that standard by considering filing status, which says nothing about confusion.

factor,⁵ it is far easier to prove that consumers believe that the plaintiff is the *source* of the defendant's products or services. And the presumption that consumers associate the plaintiff with its mark, without needing evidence that it is so, gives a mark value not based on marketplace reality. An unrecognizable trademark without secondary meaning cannot be confused with a junior mark.

Dieter itself demonstrates this. The district court, after a bench trial, found no evidence of secondary meaning. The Eleventh Circuit found that the district court “did not err” in making that determination, yet still reversed because it adopted a presumption without reference to commercial strength. *Dieter v. B & H Indus. of Sw. Florida, Inc.*, 880 F.2d 322, 326 (11th Cir. 1989).⁶

Extending Respondent's logic, the *Dieter* court should have affirmed on the strength question because the plaintiff did not present any conceptual or

⁵ The Respondent has zero evidence on the most important factor, actual confusion, Pet. App. 30a, promoting strength to first place in this case.

⁶ There is no binding authority that an incontestable mark holder must present other evidence to support likelihood of confusion. Res. 9. *Most Worshipful Nat'l Grand Lodge, Free & Accepted Ancient Yorkrite Masons, Prince Hill Nat'l Compact, U.S.A. v. United Grand Lodges GA AF & AYM, Inc.*, 813 Fed. Appx. 455, 460 (11th Cir. 2020), is an unpublished opinion and under Eleventh Circuit Rule 36-2 is “not considered binding precedent.” Respondent also misses FT&E's point that shifting the burden on the second most important factor conflicts with *KP Permanent Make-Up*, every other circuits' treatment of strength, and allows incontestable trademark holder to exclude more junior uses than warranted by the trademark's true strength. And, under the Eleventh Circuit's prior-panel-precedent rule, subsequent panels must follow the first panel to address the issue, *Dieter*. Pet. App. 19a n.16 (citing *Scott v. United States*, 890 F.3d 1239, 1257 (11th Cir. 2018)).

commercial strength evidence and could thus not carry its burden. Instead, the court reversed because the newly-created presumption is enough to carry a plaintiff's burden on the strength factor, without any commercial strength evidence at all.

Here, the Eleventh Circuit held that the *Dieter* presumption on conceptual strength *could be rebutted* if the defendant adduces evidence on commercial strength. Pet. App. 16a. Below, FT&E showed that there were 541 businesses and 62 registered trademarks using the moniker “Foremost.” The Eleventh Circuit held that was insufficient to make “a *strong showing* of third-party use of the mark” significantly impacting the senior mark’s consumer recognition. Pet. App. 17a (emphasis added). To rebut the *Dieter* presumption, FT&E would be tasked with the extraordinary and unfair burden of plumbing all 601 companies’ market activity. Such a Promethean task is overwhelming to a nascent company like FT&E.

Because the court determined that FT&E did not rebut the *Dieter* presumption, it found Respondent’s mark was “relatively strong,” and that a reasonable factfinder could find that Respondent’s mark was strong. Pet. App. 20a–21a. The upshot: despite having no evidence supporting conceptual strength, Respondent will still be entitled to a finding that its mark is strong—that consumers associate Respondent’s services with its mark—even though that is not the case, where FT&E’s and Respondent’s market activity do not overlap. *Guantanamo Cigars*, 2023 WL 3781628, at *16-18.

“All courts agree that ‘stronger’ marks are given ‘stronger’ protection—protection over a wider range of related products and services and variations on visual and aural format.” 2 *McCarthy on*

Trademarks and Unfair Competition § 11:73 (5th ed.) (citing *International Ass'n of Machinists and Aerospace Workers, AFL-CIO v. Winship Green Nursing Ctr.*, 103 F.3d 196, 206 (1st Cir. 1996); *Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254, 258 (2d Cir. 1987); *Versa Products Co., v. Bifold Co. (Mfg.) Ltd.*, 50 F.3d 189, 203 (3d Cir. 1995); *Xtreme Lashes, LLC v. Xtended Beauty, Inc.*, 576 F.3d 221, 227 (5th Cir. 2009); *Ameritech, Inc. v. American Info. Technologies Corp.*, 811 F.2d 960, 966 (6th Cir. 1987); *AutoZone, Inc. v. Strick*, 543 F.3d 923, 933 (7th Cir. 2008); *SquirtCo. v. Seven-Up Co.*, 628 F.2d 1086, 1091 (8th Cir. 1980); *La Quinta Worldwide LLC v. Q.R.T.M., S.A. de C.V.*, 762 F.3d 867, 874 (9th Cir. 2014); *Water Pik, Inc. v. Med-Systems, Inc.*, 726 F.3d 1136, 1151 (10th Cir. 2013); *Welding Services, Inc. v. Forman*, 509 F.3d 1351, 1361 (11th Cir. 2007); *Recot, Inc. v. Becton*, 214 F.3d 1322, 1327 (Fed. Cir. 2000)).

Presuming strength affects more than just the confusion question and allows Respondent to preclude junior users anywhere within the Eleventh Circuit from using the word Foremost, even when selling a dissimilar product or service. Pet. 20-22.

FT&E does not issue title insurance⁷, and only sells insurance from insurance underwriters—without Foremost branding—when conducting real estate closings for buyers. Pet. App. 4a–5a. Respondent, who under Florida law is barred from underwriting title insurance, is still trying to preclude FT&E from using the word Foremost to market its closing services without any strength evidence in FT&E's geographical marketplace. Under the

⁷ Contrary to Respondent's assertion, Res. 2, in Florida, title insurance is issued by a title insurer. Pet. App. 5a n.5. FT&E is not a title insurer. Pet. App. 5a.

Eleventh Circuit's presumption, it does not need to. And unless FT&E could prove that Respondent's mark was in widespread third-party use, even if Respondent did not use the mark at all, Respondent would still prevail.

Strength, both its import to the confusion analysis and to the scope of a mark's protection, is a vital determination in a trademark case. This Court should grant certiorari to correct the Eleventh Circuit's mistaken attribution of strength to a statutory presumption only meant to affect a mark's validity.

III. The Eleventh Circuit recognizes that incontestability does not inform the confusion question; presuming that incontestable trademarks are strong is contrary to the Lanham Act's purposes, to avoid consumer confusion.

Under 15 U.S.C. § 1115(b), incontestable marks are subject "to proof of infringement." For that reason, this Court interprets the statute to require the plaintiff to show that the defendant's actual practice will confuse. Courts cannot enlarge the Lanham Act to write an incontestability factor into their confusion analysis.

Even without the express statutory prohibition, coupling incontestability to a mark's strength is a fallacy. *Sovereign Mil.*, 809 F.3d at 1183-84. A mark's incontestable status "says nothing about its strength," or "very little about its current strength in the marketplace," and says nothing about "the perceptions of consumers in the marketplace," and is irrelevant to confusion. *Id.* The Lanham Act only allows courts to find that a junior user's use of a mark infringes on the senior user if that use "is likely to

cause confusion.” 15 U.S.C. § 1114(1)(a), (b). It is illogical for courts to consider incontestable status when that status is irrelevant to the confusion inquiry.

Lastly, Respondent, again, overlooks that a mark’s strength affects both the confusion analysis and the scope of its protection. By presuming strength, the Eleventh Circuit allows an incontestable descriptive trademark holder to exclude other uses of that mark than are justified by that mark’s true recognition, stifling competition. And in this case, facilitating Respondent’s attempt to appropriate the descriptive word “Foremost.” The Court should grant the Petition to correct the Eleventh Circuit’s unfounded presumption.

CONCLUSION

For these reasons, the Court should grant the petition for certiorari.

Respectfully submitted,

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