

No. 23-63

IN THE
Supreme Court of the United States

SAN DIEGO COUNTY CREDIT UNION,

Petitioner,

v.

CITIZENS EQUITY FIRST CREDIT UNION,

Respondent.

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

BRIEF IN OPPOSITION

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QUESTIONS PRESENTED

Petitioner and respondent are parties to an administrative proceeding in the U.S. Patent and Trademark Office (“USPTO”), in which respondent is seeking agency cancellation of a geographically unrestricted service mark registration based on, among other things, Illinois state common law rights arising from respondent’s prior use of a tagline in central Illinois.

In the midst of the ongoing USPTO proceedings, petitioner commenced this civil action in San Diego, California, alleging that respondent’s “allegations” in the USPTO proceedings purportedly “constitute[d] a threat to file a trademark infringement lawsuit.” Dist. Ct. Dkt. 139 ¶ 6. The Ninth Circuit held to the contrary. Pet. App. 21a–23a & n.7, 29a–34a. The Ninth Circuit also affirmed the dismissal, without prejudice, of an arguably compulsory counterclaim for cancellation raising the same issues as were already pending before the USPTO in ongoing administrative proceedings.

The questions presented are:

1. Whether the Ninth Circuit reasonably concluded that, under all the circumstances of record, petitioner failed to prove Article III standing to seek a declaratory judgment as to the “invalidity” of Illinois state common law rights to sustain a hypothetical, waived, and dismissed claim for infringement, where (i) respondent never asserted any claim for infringement; (ii) petitioner’s non-liability for infringement had already been declared as “unopposed and in fact, agreed to” (Pet. App. 65a); and (iii) petitioner did not present any evidence of injury-in-fact at the trial stage of this case.

2. Whether the Ninth Circuit reasonably concluded that respondent's choice of the USPTO as the forum for determining the parties' registration dispute should not be disturbed.

CORPORATE DISCLOSURE STATEMENT

Respondent Citizens Equity First Credit Union (“CEFCU”) states that it has no parent corporation and that no publicly held corporation owns 10% or more of its stock.

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CEFCU respectfully submits this brief in opposition to the Petition for a Writ of Certiorari filed by San Diego County Credit Union (“SDCCU”).

STATEMENT OF THE CASE

CEFCU is an Illinois credit union headquartered in Peoria, Illinois, having branch offices in central Illinois and in San Jose and Fremont, California. CEFCU is the owner of U.S. Reg. No. 3,952,993 (the “993 Registration”) for the service mark CEFCU. NOT A BANK. BETTER. A specimen of CEFCU’s registered service mark is reproduced below:



On May 17, 2017, CEFCU filed a petition for cancellation with the USPTO under 15 U.S.C. § 1064(1). In its USPTO petition, CEFCU alleged that the standard character mark¹ identified U.S. Reg. No. 4,560,596 (the “596 Registration”), IT’S NOT BIG BANK BANKING. IT’S BETTER., was not registrable to SDCCU.

¹ 15 U.S.C. § 1051(a)(2) provides that an application for registration must include “a drawing of the mark.” Where an application “drawing” presents a mark in plain block letters, it states a claim of right to use a mark that is “extremely broad,” *Pom Wonderful LLC v. Hubbard*, 775 F.3d 1118, 1125 (9th Cir. 2014), encompassing “all types of depictions” (*id.*) and not limited to use of “any particular font style, size, or color.” 37 C.F.R. § 2.52(a).

“A cancellation petitioner may prevail upon a showing of priority of use of a confusingly similar designation *in any geographic area of the United States.*” *Nationwide Mut. Ins. Co. v. Nationwide Realty, LLC*, 120 U.S.P.Q.2d 1618, 1632 n.14 (T.T.A.B. 2016) (emphasis added)). Prior use of NOT A BANK. BETTER. in central Illinois was, thus, a basis for seeking cancellation of the ’596 Registration;² it was not a basis for charging SDCCU activity in southern California as service mark infringement. *See United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 98–99 (1918); Pet. App. 21a–22a.

On May 24, 2017, the USPTO instituted Case No. 92066165 (the “Cancellation Case”). The Notice of Institution set a schedule for the completion of discovery and for a trial period ending June 28, 2018. The Notice of Institution also stated: “The Board’s Standard Protective Order is automatically imposed in all *inter partes* proceedings.”

On February 28, 2018, during a deposition in the Cancellation Case, counsel for SDCCU requested that respondent produce any trademark availability search

² In a survey of qualified consumers in the greater Peoria, Illinois area, more than 31% of the survey respondents exposed to the slogan, IT’S NOT BIG BANK BANKING. IT’S BETTER., stated that they had seen or heard that slogan used by a financial institution in the greater Peoria area, even though in actuality no financial institution in the greater Peoria area uses that slogan. Dist. Ct. Dkt. 149-1 at 2; *cf. Union Carbide Corp. v. Ever-Ready Inc.*, 531 F.2d 366, 387 (7th Cir. 1976) (mistaken recognition of trademark in survey held probative of confusing similarity). The decision below clears the way for the USPTO to assess survey evidence bearing on registrability in the Cancellation Case.

report that respondent may have obtained prior to filing the application that matured as the '993 Registration. On March 9, 2018, respondent produced the requested report (the "August 2010 Report") under and subject to the Protective Order in the Cancellation Case. The report was stamped "CONFIDENTIAL – FOR ATTORNEYS' EYES ONLY."

SDCCU Commences the Present Action

SDCCU commenced the present action on May 16, 2018. In clear and obvious violation of the Protective Order in the Cancellation Case,³ SDCCU alleged that "CEFCU commissioned a trademark search report"; CEFCU purportedly "learned from that search report" that a third-party, United 1st Federal Credit Union, was using "the common law trademark 'NOT A BANK – BETTER!' for credit union services in Georgia"; and by reason of that alleged knowledge, CEFCU purportedly was liable to SDCCU for "unfair competition," for "false or fraudulent trademark registration," and for diverse monetary, injunctive, and declaratory relief.

Petitioner additionally asserted four claims seeking declaratory judgments of non-liability for service mark infringement. Each and every claim asserted by petitioner in this case purported to put in issue statutory grounds for cancellation (the "Grounds") that respondent had earlier raised to a Trademark Trial and Appeal

³ Respondent has moved the district court for award of attorneys' fees based on, among other things, petitioner's having violated the Protective Order in the Cancellation Case and having engaged in other willful litigation misconduct. See Dist. Ct. Dkt. 414-1.

Board (“TTAB”) of the USPTO for decision in the Cancellation Case. Petitioner’s bringing of this case was an obvious attempt to “circumvent the TTAB’s jurisdiction.” Pet. App. 33a; *see also* Pet. App. 21a.

SDCCU’s Failed “Unfair Competition” Claims

SDCCU asserted four (4) claims against respondent alleging that respondent’s “actions and allegations” in (i) petitioning the USPTO for cancellation of the ’596 Registration, (ii) moving for leave to amend its petition in the Cancellation Case, or (iii) both, purportedly were acts of “unfair competition” entitling SDCCU to monetary, injunctive, and declaratory relief.

SDCCU’s “unfair competition” claims attacked constitutionally privileged petitioning activity and were all dismissed for failure to state actionable claims. Petitioner did not appeal from the involuntary dismissal of its four failed “unfair competition” claims.

SDCCU’s Failed “Fraud” Claims

SDCCU asserted three (3) claims alleging that respondent’s “actions and allegations” in the Cancellation Case purportedly entitled SDCCU to monetary, injunctive, and declaratory relief for “false or fraudulent trademark registration” under 15 U.S.C. § 1120.

SDCCU’s first two “fraud” claims were dismissed for failure to state actionable claims and the district court granted summary judgment dismissing SDCCU’s third “fraud” claim after SDCCU failed to present any evidence that made out any genuine issue of material fact. Petitioner did not appeal from the involuntary dismissal of its three failed “fraud” claims.

SDCCU's Unopposed "Non-Infringement" Claims

Respondent's answer pleadings in this case included an arguably compulsory counterclaim for cancellation of the '596 Registration but no counterclaims for infringement. By not asserting any counterclaims for infringement arising out of the transactions or occurrences alleged in SDCCU's complaint pleadings, respondent waived any such claims that it may then have had. *See* Fed. R. Civ. P. 13(a)(1); *Baker v. Gold Seal Liquors, Inc.*, 417 U.S. 467, 469 n.1 (1974); 6 Charles Alan Wright & Arthur R. Miller, Fed. Prac. & Proc. § 1417 (3d ed. 2023) (citing authorities).

SDCCU nevertheless insisted on litigating *hypothetical* claims for infringement. SDCCU filed a motion for summary judgment (i) declaring that SDCCU was not liable to respondent for infringement and (ii) declaring that respondent was not entitled to cancellation of the '596 Registration. SDCCU's motion errantly assumed that those two totally different issues turned on the same facts and legal standards.

Respondent told the district court in its opposition: "CEFCU does not object to SDCCU's existing use of the slogan identified in the '596 Registration." Dkt. Ct. Dkt. 191 at 3. But SDCCU's uncontested non-liability for *infringement* on hypothetical claims was an entirely distinct matter from whether SDCCU had a right *to registration* of the *standard character mark* identified in the '596 Registration – as both lower courts held in this case. *See* Pet. App. 20a–23a & n.7, 33a, 42a–44a (citing *Giant Food, Inc. v. Nation's Foodservice, Inc.*, 710 F.2d 1565, 1568–69 (Fed. Cir. 1983)) (sustaining

opposition to registration of mark despite geographic separation and no actual confusion); Pet. App. 65a–78a.

On September 29, 2020, the district court ruled: “because SDCCU’s motion for summary judgment on the declaratory judgment claims on the first two causes of action in the SAC *is unopposed* and in fact, *agreed to*, the Court GRANTS SDCCU’s motion for summary judgment *as unopposed*.” Pet. App. 65a (emphasis added). The district court further ruled that SDCCU’s non-liability for *infringement* – a point never contested by respondent – *did not* establish any right in SDCCU to a declaratory judgment with respect to SDCCU’s claimed right *to registration* of the *standard character mark* identified in the ’596 Registration. Pet. App. 78a; *see In re FCA US LLC*, 126 U.S.P.Q.2d 1214, 2018 WL 1756431 at *2, *17 (T.T.A.B. 2018) (standard character mark held non-registrable notwithstanding prior judgment exonerating applicant of infringement in prior litigation with the registrant), *aff’d mem.*, 778 F. App’x 962 (Fed. Cir. 2019)).

SDCCU Misleads the District Court to Hold a Trial of a Hypothetical Infringement Claim

Notwithstanding that respondent had never asserted, and had furthermore waived, any counterclaims for infringement that respondent might have had in 2019 or 2020 arising from SDCCU’s then-existing use of the mark identified in the ’596 Registration; and notwithstanding that the district court had granted “SDCCU’s motion for summary judgment declaring that SDCCU’s use of the SDCCU Mark . . . does not infringe CEFCU’s common law mark for the CEFCU Tagline as unop-

posed” (Pet. App. 78a), SDCCU insisted on *continuing* to litigate whether it was liable to respondent for non-alleged common law service mark infringement.

SDCCU represented to the district court that, as of March 30, 2021, SDCCU purportedly continued to have “a real and reasonable apprehension that it will be subject to an infringement action down the line.” Dist. Ct. Dkt. 348 at 4. SDCCU’s assertion of purported “apprehension” of liability existing on March 30, 2021, was not just inconsistent with SDCCU’s having “amended its complaint to allege that it had *increased* the use of its mark in direct response to CEFCU’s cancellation petition,” Pet. App. 31a–32a (emphasis in original), but was in deep tension with, if not flatly contradicted by, deposition testimony given by SDCCU senior officers during discovery in this action, including the following deposition testimony of SDCCU’s Chief Operating Officer, Tum Vongsawad, on December 12, 2019:

Q. Mr. Vongsawad, you heard at the beginning that one of the parties to this case is Citizens Equity First Credit Union. Are you familiar with Citizens Equity First Credit Union?

A. Barely, but yes. . . .

Q. And when you say barely, what do you mean by that?

A. We don’t follow them. It’s not a credit union that we watch.

Q. Okay. Does Citizens Equity First Credit Union have any branches in the three counties of your field of membership?

A. I have no idea.

Q. Okay. Have you ever visited a location of CEFCU?

A. No.

Dist. Ct. Dkt. 285-6 at PageID.14627–28.

Shortly before trial was to begin, SDCCU moved *in limine* to preclude respondent from presenting SDCCU discovery admissions, including those quoted above, which tended to show that SDCCU's pleaded "apprehension" injury was non-existent in fact. *See* Dist. Ct. Dkt. 285. It was not until after petitioner had succeeded in misleading the district court into calling this case for trial under false pretenses, and after petitioner had misled the district court into issuing a lengthy opinion and judgment, since vacated, concluding that respondent did not prove common law rights that would have been valid to support an unasserted, hypothetical claim for non-alleged infringement (Dist. Ct. Dkt. 353; Dkt. 354),⁴ that SDCCU revealed its unusual theory that: "SDCCU retained standing to pursue its invalidity claim even after it obtained summary judgment on its non-infringement claims because *the still-pending cancellation proceedings might be affected by a finding regarding the validity of CEFCU's common-law mark.*" Pet. App. 32a (emphasis added).

⁴ The petition appendices tellingly omit the district court opinion and judgment that the Ninth Circuit vacated in this case. The vacated opinion and judgment did not identify any proven injury-in-fact and did not purport to analyze the existence or non-existence of liability for any such injury.

The Ninth Circuit’s Decision

The Ninth Circuit held that petitioner, as the plaintiff invoking Article III jurisdiction, bore the burden of proving the factual predicates of Article III jurisdiction at the trial stage of this case; and that petitioner failed to carry that burden. *See* Pet. App. 31a (“the record is *devoid of any evidence* that an ongoing threat of liability is causing SDCCU to engage in any ‘self-avoidance’ of harm”) (quoting *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118, 130 (2007) (emphasis added)).

The Ninth Circuit also affirmed the district court’s order dismissing, without prejudice, respondent’s arguably compulsory counterclaim for cancellation raising the same issues as were already before the USPTO in the Cancellation Case. Pet. App. 43a–44a. The decision below clears the way for resumption of long-stayed proceedings in the Cancellation Case.

The Ninth Circuit denied rehearing without any judge calling for a vote or dissenting. Pet. App. 2a.

REASONS FOR DENYING THE WRIT

The Petition for a Writ of Certiorari should be denied for several reasons.

First, the petition asks this Court to revive an unusual forum shopping bid which both lower courts rejected, which has no importance apart from this specific case, and which future litigants are very unlikely to try to emulate.

Second, as to Article III jurisdiction, the petition asks this Court to re-apply a correctly stated legal standard to a highly unusual claim for a declaratory judgment as

to the “invalidity” of Illinois state common law rights to sustain a hypothetical, waived, and dismissed claim for common law service mark infringement, where (i) respondent never asserted any claim for infringement; (ii) petitioner’s non-liability for infringement had already been declared as “unopposed and in fact, agreed to” (Pet. App. 65a); and (iii) petitioner did not present any evidence of injury-in-fact at the trial stage of this case. The decision below does not conflict with any relevant decision of this Court or with any decision of any United States court of appeals on the same matter, which in this case, to repeat, is an unusual forum shopping bid.

Third, as to 15 U.S.C. § 1119, the petition asks this Court to force respondent to litigate in a remote district court of petitioner’s choosing, rather than before the expert agency where respondent initially sought relief, whether the ’596 Registration is subject to cancellation in view of, among other things, respondent’s prior use of the tagline portion of its registered service mark in central Illinois. The correctness of the Ninth Circuit’s application of 15 U.S.C. § 1119 to the specific facts of this case does not merit this Court’s review.

Fourth, the decision below is clearly correct in holding that (i) petitioner bore the burden of proving the elements of Article III jurisdiction at the trial stage of this case and failed to do so; and (ii) respondent’s choice of the USPTO as the forum for determining the parties’ registration dispute should not be disturbed. Cancellation proceedings under 15 U.S.C. § 1064 are the primary statutory vehicle for resolving registration disputes.

The petition should be denied.

I. Petitioner’s Failed Forum Shopping Bid Is Unlikely to Be Emulated and Does Not Raise Any Question Warranting This Court’s Review.

Petitioner commenced and pressed this action on a theory, since disapproved and discredited (*see* Pet. App. 20a–23a & n.7), that respondent’s proposed amended petition in the Cancellation Case purportedly charged petitioner with common law service mark infringement.

In rejecting petitioner’s claim, the Ninth Circuit applied “[t]he traditional rule,’ which ‘is that if the only basis for a Declaratory Judgment is the threat or actual filing of an opposition or cancellation proceeding against plaintiff’s trademark registration in the Patent and Trademark Office, then this is not, by itself, sufficient to create an ‘actual controversy’ over trademark infringement.” Pet. App. 21a (quoting 6 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 32:52 (5th ed. 2019)).

“Accepting SDCCU’s position,” the Ninth Circuit reasoned, “would allow litigants to ‘file suit in federal court solely for cancellation of a registration,’ a result that ‘undercut[s] and short-circuit[s] the power of the Trademark Board to consider such cases.’” *Id.* (quoting 6 *McCarthy* § 32:54). The Ninth Circuit also held that SDCCU had no cognizable interest in evading the jurisdiction of a TTAB, stating: “Accepting SDCCU’s argument would mean that any time a party seeks to cancel a registration due to prior use of a common-law mark, a controversy is created such that the registrant

may circumvent the TTAB’s jurisdiction. We reject that premise.” Pet. App. 33a.

Petitioner’s failed bid to “circumvent the TTAB’s jurisdiction” (*id.*) makes this an unusual and “exceptional case[].” 15 U.S.C. § 1117(a); *see* Dist. Ct. Dkt. 414-1 (memorandum in support of pending motion for an award of attorneys’ fees against petitioner). The decision below has, further, made it even less likely that a party to a USPTO proceeding will ever again attempt to abuse declaratory judgment procedure in the manner that petitioner attempted to do here. *Cf. Pub. Serv. Comm’n of Utah v. Wycoff Co.*, 344 U.S. 237, 246 (1952) (declaratory judgment procedure is not properly invoked to “pre-empt and prejudge issues that are committed for initial decision to an administrative body or special tribunal”).

Contrary to what the petition asserts (Pet. at i, 2, 15), SDCCU’s position in this case is totally unlike that of the defendant/petitioner in *Cardinal Chemical Co. v. Morton International, Inc.*, 508 U.S. 83 (1993), as the decision below notes. *See* Pet. App. 29a–30a, 32a n.9. *Cardinal Chemical* was a civil action for alleged patent infringement. The question in *Cardinal Chemical* was whether a *counterclaim* for a declaratory judgment of patent invalidity was moot in the circumstances that: (i) the plaintiff had filed suit for alleged infringement; (ii) the plaintiff had pressed its infringement claims through trial and appeal; and (iii) the Federal Circuit had affirmed a finding of non-infringement. This Court held that the Federal Circuit’s decision, rendered *at a time when the plaintiff-patentee was continuing to press its infringement claims*, did not render “moot” the de-

fendant/appellees’ counterclaim for a declaratory judgment of non-liability for infringement on the basis that the asserted patents were invalid. 508 U.S. at 96.

Unlike the plaintiff in *Cardinal Chemical*, and unlike the patentees in the Federal Circuit decisions cited in the petition,⁵ respondent in this case did not assert any claim for infringement which established the existence of Article III jurisdiction to hear a related counterclaim challenging a basis of asserted infringement liability. More than this, respondent here waived any claims for infringement that it might have had by not asserting any counterclaims for infringement in its answer pleadings. No case cited in the petition has this fact pattern or any similar fact pattern.

It was petitioner, not respondent, which commenced this action and purported to invoke the district court’s Article III jurisdiction. Following the district court’s dismissal of respondent’s arguably compulsory counterclaim for cancellation of the ’596 Registration (Pet App. 78a), SDCCU was the only party asserting any claim or praying for any relief in this case.

⁵ *SSI Techs., LLC v. Dongguan Zhengyang Elec. Mech. Ltd.*, 59 F.4th 1328 (Fed. Cir. 2023) (patentee asserted and pressed claims for infringement, in response to which counterclaims were asserted invoking the district court’s supplemental jurisdiction); *Synchronoss Techs., Inc. v. Dropbox, Inc.*, 987 F.3d 1358 (Fed. Cir. 2021) (same); *Flexuspine, Inc. v. Globus Med., Inc.*, 879 F.3d 1369 (Fed. Cir. 2018) (same); *Fort James Corp. v. Solo Cup Co.*, 412 F.3d 1340 (Fed. Cir. 2005) (same); *Fin Control Sys. Pty., Ltd. v. OAM, Inc.*, 265 F.3d 1311 (Fed. Cir. 2001) (same); *Gen. Elec. Co. v. Nintendo Co.*, 179 F.3d 1350 (Fed. Cir. 1999) (same).

“Article III demands that an ‘actual controversy’ persist throughout all stages of litigation.” *Va. House of Delegates v. Bethune-Hill*, 139 S. Ct. 1945, 1952 (2019) (quoting *Hollingsworth v. Perry*, 570 U.S. 693, 705 (2013) (quoting *Already, LLC v. Nike, Inc.*, 568 U.S. 85, 90–91 (2013))). Petitioner was thus at all times subject to the settled rule that: “*The party seeking declaratory relief must demonstrate* the three elements that comprise the ‘irreducible constitutional minimum of standing.’” Pet. App. 12a (emphasis added) (quoting *Lujan v. Defs. of Wildlife*, 504 U.S. 555, 560–61 (1992)); accord *Susan B. Anthony List v. Driehaus*, 573 U.S. 149, 158 (2014) (“The party invoking federal jurisdiction has the burden of establishing ‘standing.’”) (quoting *Clapper v. Amnesty Int’l USA*, 568 U.S. 398, 411–12 (2013)).

II. The Decision Below Applies Correctly-Stated Legal Standards of Article III Jurisdiction to Petitioner’s Unusual Forum Shopping Bid.

Article III jurisdiction to grant declaratory relief turns on “whether the facts alleged, *under all the circumstances*, show that there is a substantial controversy, between parties having adverse legal interests, of *sufficient immediacy and reality* to warrant the issuance of a declaratory judgment.” *MedImmune*, 549 U.S. at 127 (emphasis added) (quoting *Md. Cas. Co. v. Pac. Coal & Oil Co.*, 312 U.S. 270, 273 (1941)). In this case, petitioner sought a declaratory judgment as to the “invalidity” of Illinois state common law rights to sustain a hypothetical, waived, and dismissed claim for common law service mark infringement.

The circumstances that existed after the district court “granted SDCCU’s unopposed motion for summary judgment on its non-infringement claims” (Pet. App. 9a) included the following:

- Respondent had never asserted any claim for infringement.
- Respondent had waived any compulsory counterclaim for infringement.
- Respondent had admitted to lack of standing to sue for infringement.
- Respondent had no branch within 450 miles of any SDCCU location.
- Respondent was not seeking any relief from the district court.
- Respondent had relied exclusively on central Illinois activity as supporting common law grounds for cancellation of the ’596 Registration.

The Ninth Circuit held that the district court’s summary judgment decision “presented a ‘change in the circumstances that prevailed at the beginning of the litigation,’” which change required a fresh assessment of “the question . . . whether, “based on ‘*all the circumstances*,’ there remains ‘a substantial controversy, between parties having adverse legal interests, of *sufficient immediacy and reality* to warrant the issuance of a declaratory judgment.” Pet. App. 30a (emphasis added) (quoting *MedImmune*, 549 U.S. at 127 (quoting *Maryland Casualty*, 312 U.S. at 273)).

It is settled law that: “in a case like this that proceeds to trial, the specific facts set forth by the plaintiff to support standing ‘must be supported adequately by the evidence adduced at trial.’” *TransUnion LLC v. Ramirez*, 141 S. Ct. 2190, 2208 (2021) (quoting *Lujan*, 504 U.S. at 561). After reviewing the trial record, the Ninth Circuit concluded: “Here, in contrast to the justiciable injuries found in *Altvater* [*v. Freeman*, 319 U.S. 359 (1943)] or *MedImmune*, the record is devoid of any evidence that an ongoing threat of liability is causing SDCCU to engage in ‘self-avoidance’ of harm. . . or is ‘chilling’ SDCCU’s use of its mark.” Pet. App. 31a (quoting *MedImmune*, 549 U.S. at 130 and *Chesebrough-Pond’s, Inc. v. Faberge, Inc.*, 666 F.2d 393, 397 (9th Cir. 1982)).

The decision below cites, quotes, and applies the legal standard prescribed in *MedImmune*, see Pet. App. 30a, as does Federal Circuit precedent emphasized in SDCCU’s petition. See *Dey Pharma, LP v. Sunovion Pharms., Inc.*, 677 F.3d 1158, 1162 (Fed. Cir. 2012) (quoting *MedImmune*, 549 U.S. at 127, and *Maryland Casualty*, 312 U.S. at 273). In *Dey Pharma*, cited and emphasized by petitioner (Pet. at 2, 22), the plaintiff sued to invalidate a patent that the defendant/patentee had listed in an “Orange Book” maintained by the FDA, which listing impeded the FDA’s authority to grant an abbreviated new drug application (“ANDA”) that the plaintiff had filed. See 677 F.3d at 1159–60.

Dey Pharma held that the plaintiff’s claim was not rendered moot by the defendant/patentee’s post-suit voluntary action (namely, delivery of a covenant not to sue), because the covenant did not obviate, and indeed

operated to reinforce, the FDA *regulatory* injury complained of by the plaintiff in that case. *See id.* at 1164–66. In reaching this result, the Federal Circuit applied the same “all the circumstances” legal standard applied below. *See id.* at 1162 (quoting *MedImmune*).

As this example shows, the decision below applied the same legal standard of Article III jurisdiction that the Federal Circuit applied in its *Dey Pharma* decision. Unlike the plaintiff in *Dey Pharma*, SDCCU here failed to prove the existence of any concrete injury-in-fact akin to the FDA regulatory injury complained of by the plaintiff in *Dey Pharma*. The Ninth Circuit’s holding on this point does not conflict with any precedent cited in SDCCU’s petition and does not warrant this Court’s review.

III. The Decision Below Appropriately Affirmed the Dismissal of Respondent’s Arguably Compulsory Counterclaim Without Prejudice.

Respondent in this case asserted an arguably compulsory counterclaim for cancellation of the ’596 Registration, against the risk of its non-assertion potentially resulting in forfeiture of substantive rights. *See* Fed. R. Civ. P. 13(a)(1) (compulsory counterclaim rule); *cf.* *Holmes Grp., Inc. v. Vornado Air Circulation Sys., Inc.*, 535 U.S. 826, 828 (2002) (counterclaim characterized as “compulsory” despite its having previously been asserted by the defendant in a petition filed in the United States International Trade Commission).

At respondent’s behest, the district court dismissed respondent’s arguably compulsory counterclaim with-

out prejudice (Pet. App. 78a), thereby preserving respondent's choice of the USPTO as the forum for determining the issues that respondent had earlier and originally raised to a TTAB in the Cancellation Case.

Petitioner then appealed the dismissal of *respondent's* counterclaim, arguing that (i) 15 U.S.C. § 1119 purportedly grants federal courts "jurisdiction" to adjudicate *free-standing* claims for cancellation of service mark registrations; and (ii) the district court purportedly erred in not forcing respondent to litigate the validity of the '596 Registration in this action as opposed to the Cancellation Case.

Contrary to petitioner's errant mischaracterization, 15 U.S.C. § 1119 does not purport to grant federal court "jurisdiction" to hear claims for cancellation relief, but rather is one of several related provisions of the federal Trademark Act, 15 U.S.C. §§ 1051–1141n, which prescribe *remedies* that federal or state courts may award to redress proven injury. Under 28 U.S.C. § 1338(a), federal and state courts have concurrent jurisdiction to hear "any civil action arising under any Act of Congress relating to . . . trademarks."

Thus, 15 U.S.C. § 1116 authorizes and regulates issuance of injunctions against threatened infringement; 15 U.S.C. § 1117 authorizes and regulates awards of monetary relief for past completed acts of infringement; 15 U.S.C. § 1118 authorizes and regulates issuance of orders for the destruction of infringing articles; and 15 U.S.C. § 1119 authorizes and regulates issuance of orders directing the USPTO to take action.

In affirming the district court’s dismissal of respondent’s arguably compulsory counterclaim without prejudice (Pet. App. 42a–44a), the Ninth Circuit followed uniform circuit precedent holding that 15 U.S.C. § 1119 “only provides a remedy for some other violation of the trademark laws, not an independent cause of action.” *E. Iowa Plastics, Inc. v. PI, Inc.*, 832 F.3d 899, 903 (8th Cir. 2016); *see Airs Aromatics, LLC v. Victoria’s Secret Stores Brand Mgmt., Inc.*, 744 F.3d 595, 599 (9th Cir. 2014); *Nike, Inc. v. Already, LLC*, 663 F.3d 89, 98–99 (2d Cir. 2011), *aff’d on other grounds*, 568 U.S. 85 (2013); *Ditri v. Coldwell Banker Residential Affiliates, Inc.*, 954 F.2d 869, 873 (3d Cir.1992); *Windsurfing Int’l, Inc. v. AMF Inc.*, 828 F.2d 755, 758 (Fed. Cir. 1987).

So here, petitioner did not prove any “violation” of federal trademark law as could potentially have justified invocation of 15 U.S.C. § 1119. On top of that, petitioner did not appeal the involuntary dismissal of its claims alleging violations of federal trademark law by respondent. Petitioner thus was, and is, in no position to be invoking any remedial provisions of the federal Trademark Act. *See* Pet. App. 43a–44a.

Petitioner is unhappy that both lower courts refused to disturb *respondent’s* choice of the USPTO as the forum for deciding the parties’ registration dispute. But 15 U.S.C. § 1119 plainly did not *require* that choice to be disturbed. The lower courts had, and this Court has, broad discretion on the subject. *Cf. Wilton v. Seven Falls Co.*, 515 U.S. 277, 290 (1995) (district court permissibly stayed action for declaratory judgment in view of parallel case raising same issue). “[A]ctions before the USPTO Trademark Board [are] . . . the prima-

ry vehicle for cancellation.” *Airs Aromatics*, 744 F.3d at 599; *see* 15 U.S.C. § 1064.

SDCCU’s characterization of the dismissal of respondent’s arguably compulsory counterclaim as “nonsensical” (Pet. at 36) is without merit. As the district court here observed (Pet. App. 65a–77a), the ’596 Registration is subject to cancellation on grounds, such as respondent’s prior use of a tagline in central Illinois, that would not support charging geographically remote SDCCU activity as service mark infringement. *Cf. Giant Food*, 710 F.2d at 1568–69 (sustaining opposition to registration despite geographic separation and no evidence of actual confusion); *Fairway Foods, Inc. v. Fairway Markets, Inc.*, 227 F.2d 193, 195–96 (9th Cir. 1955) (affirming denial of injunctive relief against unauthorized use of a registered trademark, where the defendant junior user’s operations were geographically remote from those of the plaintiff-registrant); *Combe Inc. v. Dr. August Wolff GmbH & Co. KG Arzneimittel*, 382 F. Supp. 3d 429, 445–46, 461–63 (E.D. Va. 2019) (Ellis, J.), *aff’d per curiam*, 851 F. Appx. 357 (4th Cir. 2021) (sustaining opposition to registration despite non-use of applied for mark in the United States).

SDCCU erroneously asserts (Pet. at 3, 29) that the decision below purportedly conflicts with dictum appearing in *Amazing Spaces, Inc. v. Metro Mini Storage*, 608 F.3d 225 (5th Cir. 2010). In that case, the Fifth Circuit stated it was “dubitante” that dismissal of the plaintiff’s claims for infringement of a registered service mark had rendered “moot” the defendant’s counterclaim seeking cancellation of the plaintiff’s asserted

registration, but declined to reach the issue due to the defendant's failure to cross-appeal. *Id.* at 250.

The cited dictum in *Amazing Spaces* indicates that the Fifth Circuit would apply the jurisdictional principle stated in *Cardinal Chemical* to a counterclaim for cancellation filed in response to a live, *ongoing* claim alleging infringement of a registered mark. Respondent asserted no such infringement claim and the reasoning of *Cardinal Chemical* has no application to this case as set forth in Part II *supra*.

The Ninth Circuit applied 15 U.S.C. § 1119 to the unusual facts of this case. The decision below upholds respondent's choice of the USPTO as the forum for determining the parties' registration dispute. The correctness of that decision does not merit this Court's review.

IV. The Decision Below Was Correct in Rejecting Petitioner's Unusual Forum Shopping Bid.

SDCCU filed and misused this action as a vehicle for attempted litigation of statutory Grounds for cancellation of the '596 Registration which respondent had earlier raised, and is raising, to a TTAB in the Cancellation Case, and which the USPTO is fully competent to adjudicate. *See B&B Hardware, Inc. v. Hargis Indus., Inc.*, 575 U.S. 138, 160 (2015).

SDCCU's now-failed forum shopping bid did not resolve any of the Grounds, but inflicted more than \$10 million in defense costs on respondent. Dist Ct. Dkt. 414-1 at 1–20 (memorandum in support of respondent's pending motion for an award of attorneys' fees); Dist. Ct. Dkt. 414-2 ¶¶ 19–22 (declaration in support of mo-

tion for an award of attorneys' fees). Respondent now faces the prospect of starting over in the Cancellation Case following a delay of more than five (5) years (Dist Ct. Dkt. 414-2 ¶ 20), while petitioner complains that it purportedly still is "concerned about the risk of similar charges of infringement" Pet. at 25.

Petitioner's complaint in this action frivolously attacked constitutionally privileged petitioning activity in the USPTO. Petitioner sought, by indirection, to litigate statutory Grounds for cancellation of the '596 Registration in the spurious guise of seeking declaratory judgments of non-liability for infringement. Petitioner now asks this Court to revive a failed forum shopping bid having no importance apart from this specific case.

The courts below were right to reject petitioner's unusual and wasteful forum shopping bid.

CONCLUSION

The petition should be denied.

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August 23, 2023