
In the
Supreme Court of the United States

♦♦♦

**JEM ACCESSORIES, INC., DBA XTREME CABLES,
A NEW JERSEY CORPORATION,**
Petitioner,

v.

**HARMAN INTERNATIONAL INDUSTRIES, INC.,
A DELAWARE CORPORATION,**
Respondent.

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

BRIEF IN OPPOSITION

**John J. Dabney
Mary D. Hallerman
Counsel of Record
SNELL & WILMER L.L.P.
2001 K Street NW
Suite 425 North
Washington, D.C. 20006
(202) 908-4262
jdabney@swlaw.com
mhallerman@swlaw.com**

Counsel for Respondent

QUESTIONS PRESENTED

The Lanham Act provides that a court may award monetary and injunctive relief to a prevailing trademark-infringement claimant subject to the “principles of equity.” 15 U.S.C. § 1117(a) (monetary relief); *id.* § 1116 (injunctive relief). The Lanham Act, unlike the Copyright Act and Patent Act, does *not* have a statute of limitations and “expressly provides for defensive use of ‘equitable principles, including laches.’” *Petrella v. Metro-Goldwin-Mayer, Inc.*, 572 U.S. 663, 678 n.15 (2014) (quoting 15 U.S.C. § 1115(b)(9)). Courts assessing Lanham Act claims have held that laches (unreasonable, prejudicial delay in filing claims) may bar all relief and in doing so have looked to analogous state statutes of limitations as a guideline in determining whether a particular delay is inequitable.

The questions presented are:

1. Whether the court of appeals correctly affirmed the district court’s conclusion that laches applied to Jem’s trademark infringement counterclaims against Harman, based on Jem filing those counterclaims outside of the analogous state statute of limitations, Harman acting in good faith, and Jem’s delay unduly prejudicing Harman.
2. Whether the court of appeals correctly affirmed the district court’s conclusion that laches barred Jem’s request for injunctive relief.

RULE 29.6 DISCLOSURE STATEMENT

Respondent Harman International Industries, Inc. states that it is wholly owned by Samsung Electronics Co., Ltd., which is a publicly traded company.

TABLE OF CONTENTS

	Page:
QUESTIONS PRESENTED	i
RULE 29.6 DISCLOSURE STATEMENT	ii
TABLE OF AUTHORITIES.....	v
INTRODUCTION.....	1
STATEMENT OF THE CASE	2
A. Legal Framework.....	2
B. Factual Background.....	3
C. Procedural History.....	4
1. Jem’s Infringement Counterclaims and the Court’s Summary Judgment Decision.....	6
2. The Ninth Circuit’s Unanimous Affirmance	11
REASONS FOR DENYING THE PETITION.....	12
I. For Lanham Act Claims, Courts May Borrow Analogous State Statutes of Limitations to Assess the Reasonableness of Delay for Laches Purposes.....	13
A. The Supreme Court Approved of the Use of State Statute of Limitations to Assist Courts in Determining Whether Laches Should Apply	13
B. There is No Circuit Split on This Issue.....	17
C. Jem’s Arguments Should Be Directed to Congress, Not This Court	20

II. Laches May Bar Injunctive Relief for Trademark Infringement Claims.....	21
A. There is No Circuit Split on This Issue.....	21
B. This Court Has Recognized that Laches Can Bar Injunctive Relief in Trademark Cases	25
C. Jem’s Other Arguments Fail to Demonstrate the Need for the Court to Grant Certiorari.....	28
III.This Case is a Poor Vehicle for Deciding the Questions Presented	30
CONCLUSION	32

TABLE OF AUTHORITIES

Page(s):

Cases:

<i>A.I.G. Agency, Inc. v. Am. Int’l Grp., Inc.</i> , 33 F.4th 1031 (8th Cir. 2022)	17-18, 19
<i>Abraham v. Alpha Chi Omega</i> , 796 F. Supp. 2d 837 (N.D. Tex. 2011), <i>aff’d</i> , 708 F.3d 614 (5th Cir. 2013)	22, 23, 24
<i>Ancient Egyptian Arabic Order v. Michaux</i> , 279 U.S. 737 (1929)	27
<i>Armco Co., Inc. v. Armco Burglar Alarm Co., Inc.</i> , 693 F.2d 1155 (5th Cir. 1982)	24
<i>Conopco, Inc. v. Campbell Soup Co.</i> , 95 F.3d 187 (2d Cir. 1996)	22
<i>Creswill v. Grand Lodge Knights of Pythias</i> , 225 U.S. 246 (1912)	27
<i>DelCostello v. Intl Bhd. Of Teamsters</i> , 462 U.S. 151 (1983)	14, 15
<i>E-Systems, Inc. v. Monitek, Inc.</i> , 720 F.2d 604 (9th Cir. 1983)	8, 9, 10, 12, 15
<i>French Republic v. Saratoga Vichy Spring Co.</i> , 191 U.S. 427 (1903)	10
<i>Gibson, Inc. v. Armadillo Distrib. Enters.</i> , 107 F.4th 441 (5th Cir. 2024)	24
<i>Hanover Star Milling Co. v. Metcalf</i> , 240 U.S. 403 (1916)	16
<i>Holmberg v. Armbrecht</i> , 327 U.S. 392 (1946)	16, 29

<i>Hot Wax, Inc. v. Turtle Wax, Inc.</i> , 191 F.3d 813 (7th Cir. 1999).....	14, 22
<i>Internet Specialties W. Inc. v. Milon-DiGiorgio Enters., Inc.</i> , 559 F.3d 985 (9th Cir. 2009).....	7
<i>Jarrow Formulas, Inc. v. Nutrition Now, Inc.</i> , 304 F.3d 829 (9th Cir. 2002).....	10
<i>Jaso v. Coca-Cola Co.</i> , 435 F. App'x 346 (5th Cir. 2011)	17, 18
<i>Jem Accessories, Inc. v. JVCKenwood USA Corporation</i> , Case No. 20cv4984, 2021 U.S. Dist. LEXIS 33687 (S.D.N.Y. Feb. 22, 2021)	4, 5
<i>Kars 4 Kids Inc. v. American Can!</i> , 98 F.4th 436 (3d Cir. 2024).....	23
<i>Kason v. Indus. v. Component Hardware Grp., Inc.</i> , 120 F.3d 1199 (11th Cir. 1997).....	15, 22
<i>Lucky Brand Dungarees, Inc. v. Marcel Fashions Grp., Inc.</i> , 590 U.S. 405 (2020).....	28
<i>McLean v. Fleming</i> , 96 U.S. 245 (1877).....	16, 25, 26
<i>Menendez v. Holt</i> , 128 U.S. 514 (1888).....	25, 26
<i>NAACP v. NAACP Legal Defense & Education Fund, Inc.</i> , 753 F.2d 131 (D.C. Cir. 1985)	22
<i>Namer v. Bd. of Governors</i> , 628 F. App'x 910 (5th Cir. 2015)	17, 18

<i>New Jersey v. New York</i> , 523 U.S. 767 (1998).....	21
<i>Occidental Life Ins. Co. v. EEOC</i> , 432 U.S. 355 (1977).....	13, 15, 16
<i>Oriental Fin. Grp., Inc. v.</i> <i>Cooperativa De Ahorro Credito Oriental</i> , 698 F.3d 9 (1st Cir. 2012)	17, 18, 19, 22
<i>Petrella v. Metro-Goldwin-Mayer, Inc.</i> , 572 U.S. 663 (2014).....	i, 28, 29
<i>Pinkette Clothing, Inc. v.</i> <i>Cosmetic Warriors, Ltd.</i> , 894 F.3d 1015 (9th Cir. 2018).....	6, 7, 22
<i>Prudential Ins. Co. of Am. v.</i> <i>Gibraltar Fin. Corp. of California</i> , 694 F.2d 1150 (9th Cir. 1982).....	10
<i>Ray Communications, Inc. v.</i> <i>Clear Channel Communications, Inc.</i> , 673 F3d 294 (4th Cir. 2012).....	22
<i>Reed v. United Transp. Union</i> , 488 U.S. 319 (1989).....	14, 15
<i>Retractable Techs., Inc. v.</i> <i>Becton Dickinson & Co.</i> , 842 F.3d 883 (5th Cir. 2016).....	18
<i>Rolex Watch USA, Inc. v. BeckerTime, L.L.C.</i> , 91 F.4th 776 (5th Cir. 2024)	17
<i>Rolex Watch USA, Inc. v. BeckerTime, L.L.C.</i> , 96 F.4th 715 (5th Cir. 2024)	18
<i>Santana Prods. Inc. v.</i> <i>Bobrick Washroom Equip, Inc.</i> , 401 F.3d 123 (3d Cir. 2005)	14, 23

<i>Saxlehner v. Eisner & Mendelson Co.</i> , 179 U.S. 19 (1900)	16, 27
<i>SCA Hygiene Prods. Aktiebolag v. First Quality Baby Prods., LLC</i> , 580 U.S. 328 (2017)	20, 29
<i>Tillamook Country Smoker, Inc. v. Tillamook County Creamery Ass’n</i> , 465 F.3d 1102 (9th Cir. 2006)	7
<i>United Drug Co. v. Rectanus Co.</i> , 248 U.S. 90 (1918)	10, 16, 27
<i>Univ. of Pittsburgh v. Champion Prods.</i> , 686 F.2d 1040 (3d Cir. 1982)	22, 23
<i>Xiulu Ruan v. United States</i> , 597 U.S. 450 (2022)	21
Statutes:	
15 U.S.C. § 1114(1)(a)	2
15 U.S.C. § 1115(b)(9)	i
15 U.S.C. § 1116	i, 2, 19, 29
15 U.S.C. § 1117(a)	i, 2, 19, 29
15 U.S.C. § 1125(a)(1)	2

17 U.S.C. § 507(b).....	28
35 U.S.C. § 286	29

Other Authorities:

1 J. Thomas McCarthy, <i>McCarthy on Trademarks & Unfair Competition</i> § 5:5 (5th ed.)	20
4 J. Thomas McCarthy, <i>McCarthy on Trademarks & Unfair Competition</i> § 31:3 (5th ed.)	25

INTRODUCTION

In the decisions below, a unanimous Ninth Circuit panel and the district court applied well-settled law to determine that the equitable defense of laches barred Petitioner Jem's trademark infringement counterclaims. Given Jem's inequitable conduct in this case, including its decision to sue Harman and an unrelated third-party in the same action in a forum where no party was headquartered or incorporated to prejudice Harman and waiting over four years after acquiring actual knowledge of Harman's alleged infringement to file its counterclaims as Harman grew its allegedly infringing product into one of the best-selling portable speakers in the world, the courts below reached the correct result.

To try to merit this Court's extraordinary review, Jem contends that there is a circuit split where none exists. Every circuit court that has addressed the issue has held that borrowing a state statute of limitations is proper. In fact, Jem itself urged the courts below to borrow a state statute of limitations (albeit one different than what the courts borrowed). Jem also contends that there is a circuit split on whether laches may bar injunctive relief in a Lanham Act case. Once again, there is no split. This Court prior to the passage of the Lanham Act and every circuit court that has addressed that issue after passage of the Lanham Act has held that laches may bar injunctive relief depending on the specific facts and circumstances of each case.

Neither of Jem's issues are worthy of *certiorari*, but if they were, this is not the vehicle in which to address them.

STATEMENT OF THE CASE

A. Legal Framework

The Lanham Act prohibits trademark infringement. 15 U.S.C. §§ 1114(1)(a), 1125(a)(1). A prevailing party under the Act may be awarded injunctive and monetary relief, but only subject to the “principles of equity.” *Id.* §§ 1116, 1117(a). Laches is an equitable defense to trademark infringement claims. To prevail on that defense, the defendant must show that the plaintiff unreasonably delayed filing those claims and that the delay caused undue prejudice.

The Lanham Act does not contain a statute of limitations. Thus, courts have borrowed state statutes of limitations for analogous claims as a guide to measure delay. If a trademark claim is filed within the comparable state limitations period, a court will view that as weighing against laches. On the other hand, if a claim is filed outside of the applicable limitations period, courts may find that plaintiff unreasonably delayed. That finding may be overcome if the court determines that the delay was nevertheless reasonable or excusable based on the facts specific to each case. Depending on the equities of each unique claim, laches may bar monetary and injunctive relief.

Laches prevents trademark plaintiffs from sleeping on their rights to the detriment of the alleged infringer and its business, or, in this case, from Jem strategically lying in wait to capitalize on Harman’s success.

B. Factual Background

Harman is a longstanding leader in the consumer audio industry. Based in Northridge, California, Harman’s speakers have been sold under its iconic and federally registered JBL mark for more than 75 years. Pet. App. at 10a–11a. Since 2002, Harman has continuously used the term “Xtreme” with its JBL-branded speakers. *Id.* at 12a. Since 2015, it has used “Xtreme” for multiple generations of JBL-branded portable speakers. *Id.* Harman’s JBL-branded speakers using “Xtreme” have been sold at thousands of retail locations nationwide, including Best Buy, Target, Walmart, and Amazon.com. *Id.* at 12a–13a. The speakers have retailed for well over \$200 and have been purchased by hundreds of thousands of consumers throughout the country. *Id.*

Headquartered in New Jersey, Jem sells electronic products and accessories, such as cell phone chargers, cables, television mounts, and speakers. *Id.* at 11a. Based on alleged use in commerce since 2004, Jem claims exclusive ownership of the trademark XTREME in connection with these products. *Id.* Jem owns a federally registered mark for XTREME DIGITAL LIFESTYLE ACCESSORIES, which issued after Harman first used the term “Xtreme” with Bluetooth speakers. *Id.* at 10a, 13a. Jem’s products have been sold in retailers like Five Below and Menard’s, and its speakers have ranged in price between \$5 and \$100. *Id.* at 13a.

Despite having actual knowledge of Harman’s use of Xtreme with its JBL-branded speakers since at least as early as August 1, 2016—and constructive knowledge years before—Jem chose not to file the counterclaims at issue until more than four years

later. *Id.* at 5a, 22a, 23a n.5. During that time, Harman earned substantial sales from multiple generations of allegedly infringing products. *Id.* at 35a–36a.

C. Procedural History

On June 29, 2020, Jem sued Harman and a wholly unrelated company, JVCKenwood USA Corporation, in the same civil action in the United States District Court for the Southern District of New York. Pet. App. at 8a; see *Jem Accessories, Inc. v. JVCKenwood USA Corporation*, Case No. 20cv4984, 2021 U.S. Dist. LEXIS 33687, at *3 (S.D.N.Y. Feb. 22, 2021) (the “New York Action”). Jem alleged that consumer audio products sold by JVC or Harman, respectively, infringed Jem’s XTREME mark in violation of the Lanham Act and New York law. *Jem Accessories, Inc.*, 2021 U.S. Dist. LEXIS 33687, at *3. In response, Harman moved to dismiss Jem’s claims based on misjoinder. *Id.* at *4.

Before Harman moved to dismiss the New York Action, Harman sued Jem in the United States District Court for the Central District of California on September 8, 2020, claiming that Jem’s INFINITY speakers infringed Harman’s federally registered INFINITY mark and seeking declaratory judgment that Harman’s use of Xtreme with its JBL speakers did not infringe Jem’s XTREME mark (the “California Action”). Pet. App. at 8a–9a. Jem moved to dismiss the California Action based on the “first-to-file” rule or alternatively to transfer the case to the court where the New York Action was then pending. *Id.* at 48a–49a. Following briefing and as the parties agreed, the district court stayed the California Action, pending

disposition of Harman’s earlier-filed motion to dismiss the New York Action. *See id.* at 9a.

On February 22, 2021, the New York court dismissed Jem’s claims against Harman without prejudice based on misjoinder. *Id.* Because Harman and JVC are separate companies with no involvement with the other’s allegedly infringing products, dismissing Harman “reduce[d] the potential prejudice that could arise from the confusion of the factual and legal claims made by Jem.” *Jem Accessories, Inc.*, 2021 U.S. Dist. LEXIS 33687, at *13. Dismissing Harman also “permit[ted] the parties an opportunity to further explore where this action should be litigated so **that Jem can decide if, and where, it wants to refile suit.**” *Id.* at *14 (emphasis added). Jem did not seek reconsideration or appellate review of that decision, nor did it re-file its claims against Harman in a separate action. Pet. App. at 2a.

Instead, Jem and Harman jointly notified the California court of the dismissal of the New York Action, asked the California court to lift the stay of the California Action, and, at Jem’s urging, rule on Jem’s pending motion to dismiss or transfer. The California court promptly lifted the stay and took Jem’s motion under advisement. Approximately five weeks later, the California court denied Jem’s motion to dismiss or transfer the California Action. *Id.* at 48a–49a. Because the New York Action against Harman had been dismissed, the California court ruled that the “first-to-file” rule was “no longer applicable” because there was no prior-pending action. *Id.* at 49a.

1. Jem's Infringement Counterclaims and the Court's Summary Judgment Decision

On May 6, 2021, Jem answered the California Action and pleaded counterclaims against Harman for trademark infringement and unfair competition under the Lanham Act and California law based on Harman's use of Xtreme with its JBL-branded Bluetooth speakers. *Id.* at 9a. It sought to enjoin Harman from using Xtreme and to disgorge Harman's profits from sales of speakers using that term. *See id.* at 35a, 40a. After discovery closed, the parties cross-moved for summary judgment. *Id.* at 10a. Jem argued that it was entitled to summary judgment on Harman's laches defense; Harman argued that Jem's infringement counterclaims under federal and California law should be dismissed based on laches. *Id.* at 18a.

The district court denied Jem's motion, granted Harman's motion, and dismissed Jem's counterclaims as a matter of law based on laches. *Id.* at 18a–41a. As the district court correctly stated, the laches period begins to run “from the time the plaintiff knew or should have known about its potential cause of action.” *See id.* at 20a (quoting *Pinkette Clothing, Inc. v. Cosmetic Warriors, Ltd.*, 894 F.3d 1015, 1025 (9th Cir. 2018)). It is undisputed that Jem knew of Harman's alleged infringement since at least August 1, 2016. *Id.* at 22a. On that date, Jem's president was shown an Amazon listing for an allegedly infringing Harman speaker during a deposition in an unrelated trademark case. *Id.* Jem's president testified “he wanted to sue Harman ‘the second he left his deposition’” and notified Jem's co-owner of Harman's alleged infringement, who agreed Harman's use was a “problem.” *Id.* For years, Jem chose not to send a

demand letter to Harman and waited to file suit while Harman “garnered extensive revenues” from its sales of JBL speakers with which it used “Xtreme.” *Id.* at 31a, 34a–39a.

Based on well-settled law, the district court borrowed California’s four-year statute of limitations for trademark infringement to assess whether Jem’s delay was unreasonable. *Id.* at 18a–20a (citing, *inter alia*, *Pinkette*, 894 F.3d at 1025; *Internet Specialties W. Inc. v. Milon-DiGiorgio Enters., Inc.*, 559 F.3d 985, 990 n.2 (9th Cir. 2009); *Tillamook Country Smoker, Inc. v. Tillamook County Creamery Ass’n*, 465 F.3d 1102, 1107–08 (9th Cir. 2006)). Jem agreed the district court should borrow a state statute of limitations in assessing laches, but urged the district court to borrow New York’s six-year limitations period for trademark infringement because Jem had filed infringement claims against Harman in New York under federal and New York law. *Id.* at 19a n.3. By Jem’s telling, it made no difference that its misjoined claims against Harman had been dismissed.

The district court properly rejected this argument, holding that California’s four-year limitations period, not New York’s six-year period, was the most analogous. *Id.* Jem’s infringement counterclaims arose under federal and California law, not New York law. *Id.* Further, Jem was unable to cite any authority to support its argument that a district court should decline to borrow the analogous state statute of limitations of the state in which it sat and under which counterclaims arose (California) in favor of borrowing a different state’s statute of limitations where an action alleging claims that arose under that state’s law (New York) had been dismissed. *Id.*

Because Jem filed its counterclaims more than four years after it knew of Harman’s alleged infringement, the district court presumed that laches applied to Jem’s counterclaims. *Id.* at 22a–23a.¹

The court then extensively “assess[ed] the equity of applying laches” by analyzing the six factors identified by the Ninth Circuit in *E-Systems, Inc. v. Monitek, Inc.*, 720 F.2d 604, 607 (9th Cir. 1983). Pet. App. at 24a–36a. It found that Jem’s mark “Xtreme” was a misspelling of the common word “extreme,” which consumers may associate with qualities of a speaker such as extreme volume or extreme durability, *id.* at 27a, and that Jem had offered only self-serving testimony from its executives regarding Xtreme’s alleged marketplace recognition among consumers, *id.* at 29a. In addition, there were voluminous third-party trademark registrations and uses of Xtreme and similar marks for products in the consumer electronics industry, including speakers. *Id.* at 30a–31a. Based on this evidence, the court found that Jem’s Xtreme mark was relatively weak, which favored laches. *Id.* at 31a.

The court next found that Jem’s years-long failure to contact Harman about the alleged infringement reflected a lack of diligence and fell far short of the “effective policing effort” required by the Ninth Circuit, which also favored the application of laches. *Id.* at 51a–52a. So did the undisputed fact that there

¹ The district court noted, but did not reach, Harman’s argument that Jem had constructive knowledge of Jem’s alleged infringement for much longer based on Harman’s widespread sales of JBL-branded Bluetooth speakers with Xtreme and Harman’s reputation as a leader in the consumer audio industry, although it recognized there was “notable authority” supporting the argument.” *Id.* at 23a n.5.

was no evidence whatsoever that Harman “had sought to free-ride on Jem’s goodwill or otherwise take unfair advantage of the similarity between the two companies marks.” *Id.* at 33a–34a. Indeed, Harman’s “open and notorious use” of Xtreme in connection with its JBL-branded Bluetooth speakers and “voluminous” sales showed Harman never attempted to hide its use of Xtreme. *Id.* at 34a.

It further found that Jem’s delay had caused prejudice to Harman based on, among other things, Harman’s investment in and introduction of additional JBL Xtreme speakers during the time of Jem’s delay and Jem’s attempt to reap Harman’s profits from its speaker sales for the entire time Jem knew of Harman’s alleged infringement. *Id.* at 34a–38a. That, too, favored applying laches to Jem’s counterclaims. Based on this careful balancing of the *E-Systems* factors, the court concluded that the equities also favored barring Jem’s counterclaims based on laches. *Id.* at 36a.

The court next considered whether an exception, excuse, or public policy should prevent the application of laches. *Id.* at 36a–41a. It rejected Jem’s argument that its delay was excusable under the doctrine of progressive encroachment because the evidence was undisputed that Harman’s sale of its JBL-branded Bluetooth portable speakers using Xtreme had been substantial and nationwide since the products launched in September 2015, well over five years prior to the date Jem filed its counterclaims. *Id.* at 36a–38a. Jem’s alleged lack of resources did not excuse its delay. *Id.* at 38a. Nor did this action concern allegations that Harman’s speakers were “harmful or a threat to public safety,” and thus no reasonable jury could conclude that the public

interest, as properly defined, precluded laches. *Id.* at 39a.

Finally, the court repudiated Jem’s “meritless” argument that laches cannot bar its claim for injunctive relief, as that argument “ignore[d] Supreme Court and Ninth Circuit case law holding that laches may bar prospective injunctive relief in trademark cases.” *Id.* at 40a (citing, *inter alia*, *United Drug Co. v. Rectanus Co.*, 248 U.S. 90, 102–03 (1918); *French Republic v. Saratoga Vichy Spring Co.*, 191 U.S. 427, 436–37 (1903); *Prudential Ins. Co. of Am. v. Gibraltar Fin. Corp. of California*, 694 F.2d 1150, 1152 (9th Cir. 1982)).

The court thus held that Jem’s counterclaims were barred as a matter of law by laches. It did so only after borrowing the California statute of limitations to measure delay as the Ninth Circuit has repeatedly approved, considering the six equitable factors in *E-Systems*, and assessing Jem’s five proffered excuses and exceptions for why laches should not apply. At the end of the day, the court found that “Jem’s chosen litigation strategy led it to file its counterclaims in this action beyond the most analogous state statute of limitations [which] cannot excuse its delay.” *Id.* at 39a (citing *Jarrow Formulas, Inc. v. Nutrition Now, Inc.*, 304 F.3d 829, 839 (9th Cir. 2002)).²

² Because it dismissed Jem’s counterclaims as a matter of law based on laches, the Court did not reach Harman’s arguments that prior use and fair use also barred Jem’s counterclaims as a matter of law. *Id.* at 41a n.7.

2. The Ninth Circuit's Unanimous Affirmance

The Ninth Circuit unanimously affirmed the district court's decision in its entirety. *Id.* at 2a. In an unpublished decision, the panel first observed that “[w]hether laches bars a trademark infringement claim depends, on first, whether the plaintiff filed outside the most analogous state statute of limitations, and second, the equities in applying laches[.]” Pet. App. at 3a (quotation and citation omitted). Furthermore, the panel noted that “the forum state of the district court usually provides the most analogous state statute of limitations.” *Id.* at 3a–3b (quotation omitted).

It thus rejected Jem's argument that New York's statute of limitations should apply to measure Jem's delay and found that the district court did not abuse its discretion in using California's four-year limitations period. *Id.* at 4a–6a. As the panel put it, “[u]nder California law, Jem's counterclaim was untimely” because it was filed “more than four years after it had actual knowledge of its potential claims against Harman.” *Id.* at 4a.

The panel found that “[t]he starting date for Jem's laches period was no later than August 1, 2016, the day that Jem's president acknowledged that he learned of Harman's alleged infringement and when he testified that he wanted to sue Harman immediately.” *Id.* It further reasoned that “[t]he relevant period ends at the filing of the lawsuit in which the defendant seeks to invoke the laches defense,” *id.* (quotation omitted), and found that both the date Harman filed the California Action and the

date Jem filed its counterclaims were more than four years after August 1, 2016, *id.* at 5a.

The Ninth Circuit also held that the district court did not abuse its discretion in concluding that the balance of the *E-Systems* factors justified the application of laches. *Id.* Jem’s mark was weak and Jem had not offered “any evidence of commercial strength or recognition.” *Id.* Jem was not diligent in attempting to enforce its mark against Harman, filing its counterclaims in California more than four years after learning of the alleged infringement. *Id.* There was “no persuasive evidence that Harman acted in bad faith, sought to take unfair advantage of Jem’s goodwill, or hid its use of the mark.” *Id.* And Jem’s delay prejudiced Harman because it continued to invest in its JBL-branded speakers using Xtreme during the delay. *Id.* at 5a–6a. As the Ninth Circuit put it, “Jem’s explanations for its delayed filing reflected its own calculations,” and the district court did not abuse its discretion in holding that they did not suffice to excuse or justify its delay in filing suit. *Id.* at 5a.

REASONS FOR DENYING THE PETITION

Jem asserts that circuits are split on (1) whether a court considering a Lanham Act claim may use an analogous state statute of limitations to assess the reasonableness of a delay for laches, and (2) whether laches can bar injunctive relief for a Lanham Act claim. There is no conflict on either issue, nor do the courts’ laches analysis and application violate this Court’s precedent or the Lanham Act. Moreover, this case is a poor vehicle for the Court’s consideration of those issues. Based on long-settled parameters to assess laches, the Ninth Circuit correctly affirmed the

district court's determination that laches barred Jem's trademark counterclaims. The Court should deny Jem's petition.

I. For Lanham Act Claims, Courts May Borrow Analogous State Statutes of Limitations to Assess the Reasonableness of Delay for Laches Purposes.

Jem first contends that the Court should grant *certiorari* to address whether courts may use state statutes of limitations in considering whether laches should apply to Lanham Act claims. Pet. at 13–14. Despite the fact Jem argued below for the use of a state limitations period (albeit a different one) in the laches analysis, Jem asserts that this bedrock principle “urgently calls for correction.” *Id.* at 24. Jem's histrionics are belied not only by its contrary position below, but also by the Court's precedent sanctioning such use and adoption by every court of appeals to have considered the issue. The Court should deny *certiorari* on the first question presented.

A. The Supreme Court Approved of the Use of State Statute of Limitations to Assist Courts in Determining Whether Laches Should Apply.

As Jem itself states, “[w]hen Congress has created a cause of action and has not specified the period of time within which it may be asserted, the Court has frequently inferred that Congress intended that a local time limitation should apply.” Pet. at 19 (quoting *Occidental Life Ins. Co. v. EEOC*, 432 U.S. 355, 367 (1977)). More recently, the Supreme Court has held that “when a federal statute lacks a specific statute of limitations, we generally presume that Congress intended to borrow the limitations period

from the most closely analogous action under state law.” *Reed v. United Transp. Union*, 488 U.S. 319, 324 (1989); *see, e.g., DelCostello v. Intl Bhd. Of Teamsters*, 462 U.S. 151, 158 (1983) (“Where no federal statute of limitations is expressly applicable, federal courts do not ordinarily assume that Congress intended that there be no time limit on actions at all; rather, the court's task is to ‘borrow’ the most suitable statute or other rule of timeliness from some other source.”).

Despite these decisions, Jem claims that the courts’ consideration of state statutes of limitations in their laches analysis for Lanham Act claims defies this Court’s “directives.” Pet. at 19. To reach that conclusion, Jem asserts that courts mechanically apply analogous state statutes of limitations to Lanham Act cases under the guise of laches and decide if laches bars relief based on nothing more than whether the claim was filed within the applicable limitations period. *See id.* That is a gross mischaracterization of how the courts of appeals employ analogous state statutes of limitation in measuring delay for laches purposes in Lanham Act cases.

In reality, courts borrow analogous limitations periods as but one step in their laches analysis. *See, e.g., Santana Prods. Inc. v. Bobrick Washroom Equip, Inc.*, 401 F.3d 123, 135 (3d Cir. 2005) (“It was proper for the District Court to use the most analogous statute of limitations as **a guideline** for determining whether the laches doctrine bars [plaintiff’s] claim instead of focusing solely on whether [plaintiff] brought its claims within the applicable statute of limitations period.”(emphasis added)); *Hot Wax, Inc. v. Turtle Wax, Inc.*, 191 F.3d 813, 822 (7th Cir. 1999) (“[W]e conclude that whether a Lanham Act claim has

brought within the analogous state statute of limitations is **not the sole indicator** of whether laches may be applied in a particular case.” (emphasis added)); *Kason v. Indus. v. Component Hardware Grp., Inc.*, 120 F.3d 1199, 1203 (11th Cir. 1997) (The “period of analogous state law claims [is] the **touchstone** for laches (emphasis added)). After assessing the reasonableness of any delay, courts consider a panoply of equitable factors to determine whether laches should bar Lanham Act claims. For example, the Ninth Circuit considers six different factors in determining whether laches should apply, including the weakness of the plaintiff’s mark and the prejudice to the defendant, in addition to the analogous state limitations period. *See E-Systems, Inc.*, 720 F.2d at 607.

Contrary to Jem’s contention, *Occidental Life*—decided years **before** *Reed* and *DelCostello* —provides no basis to disturb the well-settled approach of courts borrowing state statutes of limitations to measure delay for laches purposes in Lanham Act cases. *See* Pet. at 19–20 (citing *Occidental Life*, 432 U.S. at 367). *Occidental Life* did not discuss laches, nor was it even a Lanham Act case. *Occidental Life* involved an employment discrimination claim by the EEOC. The Supreme Court held that the lower court erred in barring EEOC’s claim based on a state statute of limitations, reasoning that “it is hardly appropriate to rely on the State’s wisdom in setting a limit . . . on the prosecution . . . [because the states’] general limitation period could not have taken into account the decision of Congress to delay judicial action while the EEOC performs its administrative responsibilities.” *Occidental Life*, 432 U.S. at 367–68 (quotation omitted).

Plainly, *Occidental Life* is not “directly on point,” Pet. at 20, as the Equal Employment Opportunity Act is nothing like the Lanham Act. *Occidental Life* is merely an example of the narrow exception to the general rule that when a federal statute lacks a limitations period, a court should borrow a state limitations period for an analogous wrong.

The pre-Lanham Act trademark cases cited by Jem similarly offer no support to Jem’s petition on this issue. See Pet. at 18 (citing *McLean v. Fleming*, 96 U.S. 245, 257–58 (1877); *Saxlehner v. Eisner & Mendelson Co.*, 179 U.S. 19 (1900); *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403 (1916); *United Drug Co. v. Rectanus Co.*, 248 U.S. 90 (1918)). In none of those cases did the Court reject borrowing of a state statute of limitations as a single step in a fact-based, multi-faceted equitable analysis of laches. Indeed, there is nothing to suggest that borrowing was raised as an issue in any of those cases. Thus, the absence of a discussion of analogous state statute of limitations in those cases is meaningless.

Consistent with this Court’s decision in *Holmberg v. Armbrrecht* approving of the use of state statutes of limitations in assessing whether laches should apply, the district court and Ninth Circuit here considered California’s analogous four-year limitations period to assist in their laches determination. *Holmberg v. Armbrrecht*, 327 U.S. 392, 396 (1946) (“[State] statutes have been drawn upon by equity solely for the light they may shed in determining . . . whether the plaintiff has inexcusably slept on his rights so as to make decree against the defendant unfair.”); see Pet. App. at 3a–4a; 19a–23a. The district court and the Ninth Circuit did not “mechanically apply a presumption,” Pet. at 20, to Jem’s counterclaims.

Consistent with countless court decisions, the district court and Ninth Circuit carefully examined a myriad of equitable factors and the record evidence bearing on each. Pet. App. at 24a–41a. The district court considered and rejected Jem’s panoply of arguments of why laches should not apply, including Jem’s contention that Harman was not prejudiced by Jem’s delay despite Jem seeking to reap Harman’s allegedly infringing profits for the entirety of the period during which Jem lied in wait to sue. *See id.* Only after this thorough analysis did the district court determine that laches should bar Jem’s counterclaims. *Id.* at 41a. The Ninth Circuit rightly agreed with the district court’s thorough analysis. *Id.* at 4a–5a.

B. There is No Circuit Split on This Issue.

The Ninth Circuit is not an outlier. Jem asserts that there is “an intractable conflict,” Pet. at 12, among the federal courts of appeals regarding whether state statutes of limitation should play a role in a court’s assessment of whether laches should apply to a Lanham Act claim. But of the circuits that have addressed this issue, all have used a similar analysis: if a Lanham Act plaintiff files outside of the analogous state limitations period, that is one factor that favors the application of laches. Contrary to Jem’s assertion, the First, Fifth, and Eighth Circuits have not held that a court may not borrow the analogous state statute of limitations for laches purposes. Pet. at 14a–15a (citing *Jaso v. Coca-Cola Co.*, 435 F. App’x 346, 356 n.10 (5th Cir. 2011); *Namer v. Bd. of Governors*, 628 F. App’x 910, 913 (5th Cir. 2015); *Rolex Watch USA, Inc. v. BeckerTime, L.L.C.*, 91 F.4th 776, 785 (5th Cir. 2024); *Oriental Fin. Grp., Inc. v. Cooperativa De Ahorro Credito Oriental*, 698 F.3d 9, 21 (1st Cir. 2012); *A.I.G. Agency, Inc. v. Am.*

Int'l Grp., Inc., 33 F.4th 1031, 1034 (8th Cir. 2022)). Rather, none of these circuits have addressed this issue.

By its own account, the Fifth Circuit has never reached the borrowing issue and thus it cannot be the source of a circuit split. In *Retractable Techs., Inc. v. Becton Dickinson & Co.*, a published decision Jem chose to omit from its petition, the Fifth Circuit expressly stated that it had not decided whether a court may borrow the analogous state limitations period for laches purposes. *Retractable Techs., Inc. v. Becton Dickinson & Co.*, 842 F.3d 883, 889–90 (5th Cir. 2016).³ Contrary to Jem's suggestion, the Fifth Circuit did not decide the issue in its recent decision in *Rolex Watch*. 96 F.4th 715, 722–23 (5th Cir. 2024). There, the plaintiff's argument on appeal did not concern borrowing a state statute of limitations for laches purposes, but instead whether defendant had been prejudiced by its delay. *Id.* It is thus not surprising that the court did not discuss whether to borrow a state statute of limitations for laches purposes. *Id.*

Likewise, the First Circuit has not held that a state statute of limitations cannot be employed in the laches analysis in a Lanham Act case. While Jem contends that the absence of a reference to a laches presumption in *Oriental Fin. Group* decision

³ Jem's reliance on the Fifth Circuit's unpublished decisions in *Jaso* and *Namer* as the alleged source of the circuit split is meritless. Pet. at 14a–15a. Those cases both **pre-dated** *Retractable*. If the Fifth Circuit had reached the borrowing issue in either case, that would not have escaped the attention of the Fifth Circuit itself in *Retractable*. Indeed, *Retractable* cites *Jaso* in its laches discussion, noting that the Fifth Circuit has not reached the issue.

somehow shows a conflict, Pet. at 15 (citing *Oriental Fin. Grp.*, 698 F.3d at 21), that is incorrect. The First Circuit's decision concerned only whether the "doctrine of progressive encroachment" excused plaintiff's delay in filing suit. *Oriental Fin. Grp.*, 698 F.3d at 20–24. The court held that it did. *Id.* at 22. Once again, it is not surprising that the court did not discuss the borrowing issue in this case.

The Eighth Circuit, too, has never held that a court may not adopt the analogous state statute of limitations in assessing delay for laches purposes in a Lanham Act case. Just as the First Circuit in *Oriental Fin. Group*, the focus of the Eighth Circuit's decision in *A.I.G. Agency* was whether plaintiff's delay was excused by defendant's progressive encroachment. *A.I.G. Agency*, 33 F.4th at 1034–38. The court reversed because it found factual disputes precluded summary judgment. *Id.* at 1035–38. The fact that the court did not discuss whether borrowing a state statute of limitations in the laches analysis is appropriate is not surprising because it played no role in the court's decision to reverse. *See id.*

In applying laches to trademark cases, the courts of appeals consider the "principles of equity" of each specific case, including whether laches should apply. *See* 15 U.S.C. §§ 1116, 1117(a). All the courts of appeals that have addressed the issue have held that a district court may properly borrow an analogous state statute of limitation as a guideline in assessing delay for laches purposes in a Lanham Act case. In those courts, borrowing is merely the first step in a multi-step, multi-factor analysis of the equities to determine if laches should apply to the unique facts and circumstances of the case. The courts' use of state limitations periods to facilitate their analysis is

consistent across the circuits that have considered the issue and comports with the Supreme Court and the Lanham Act.

C. Jem’s Arguments Should Be Directed to Congress, Not This Court.

Jem concedes that Congress “could have codified a statute of limitations in the Lanham Act” or “codified a period for laches[,] [b]ut it chose not to.” Pet. at 22. Nevertheless, it all but advocates for this Court to now insert one to ensure uniformity and discourage forum shopping. *Id.* at 24. But as Jem states, “courts are not at liberty to jettison Congress’ judgment on the timeliness of suit.” *Id.* at 23 (quoting *SCA Hygiene Prods. Aktiebolag v. First Quality Baby Prods., LLC*, 580 U.S. 328, 331 (2017)). Congress could have included a statute of limitations in the Lanham Act or in any of the numerous other amendments to that statute it has passed in the last seven decades. 1 J. Thomas McCarthy, *McCarthy on Trademarks & Unfair Competition* § 5:5 (5th ed.) (stating that the Lanham Act has been amended over thirty times since its effective date of July 5, 1947). That Congress has not shows that it accepts and defers to the courts’ use of laches to assess the timeliness and equity of each individual trademark suit, including the use of state statutes of limitations in that analysis.

Jem claims that this well-settled use of state limitations periods is a “misappl[ication] of the statute,” Pet. at 23, but there is no provision in the Lanham Act that prohibits such use as part of a multi-step, case-specific equitable analysis. Jem’s reliance on a concurring opinion in a criminal case and riparian rights decision is likewise inapposite, and

Jem fails to explain how borrowing state limitations periods contravenes common law. *See* Pet. at 22 (citing, *inter alia*, *Xiulu Ruan v. United States*, 597 U.S. 450, 475–76 (2022) (Alito, J., concurring)); *New Jersey v. New York*, 523 U.S. 767, 807 (1998)).

Here, the district court found that there was no dispute that Jem’s counterclaims were filed more than four years after it had actual knowledge of Harman’s alleged infringement, that Harman had shown Jem’s purposeful delay was prejudicial, and that other equitable factors favored the application of laches. *See* Pet. App. at 18a–36a. The court further found that there was no excuse or public policy justification for Jem’s prejudicial delay. *See id.* at 24a–41a. Based on the district court’s well-reasoned and fact-bound laches analysis, the Ninth Circuit affirmed. *Id.* at 4a–6a. The Court should deny Jem’s petition on the first question presented.

II. Laches May Bar Injunctive Relief for Trademark Infringement Claims.

Jem next tries to convince the Court that it must resolve a “circuit split” and “troubling departure” from the Court’s “past principles” regarding whether laches may bar injunctive relief for Lanham Act claims. Pet. at 24–30. But there is no conflict among the federal courts of appeals on this issue, and this Court has recognized in its pre-Lanham Act decisions that laches may bar injunctive relief in trademark cases. The Court should deny *certiorari* on the second question presented.

A. There is No Circuit Split on This Issue.

The courts of appeals that have addressed this issue all agree that laches may bar injunctive relief in

trademark cases, depending on the factual circumstances of each individual case. *See, e.g., Oriental Fin. Grp.*, 698 F.3d at 20 (1st Cir. 2012) (“We agree that the [laches] defense is available in some circumstances to defend against an injunction.”); *Conopco, Inc. v. Campbell Soup Co.*, 95 F.3d 187, 192–94 (2d Cir. 1996) (denying injunctive relief as barred by laches); *Ray Communications, Inc. v. Clear Channel Communications, Inc.*, 673 F.3d 294, 307 (4th Cir. 2012) (“Laches may act as a bar to both monetary and injunctive relief under certain circumstances, but . . . this result is not automatic.”); *Hot Wax*, 191 F.3d at 824 (7th Cir. 1999) (“The Lanham Act specifically contemplates that both injunctive relief and awards of damages . . . shall be subject to the principles of equity, which include the doctrine of laches Accordingly, we find nothing to preclude the application of laches to . . . both equitable relief and damages.”); *Pinkette*, 894 F.3d at 1026–1027 (9th Cir. 2018) (denying injunctive relief based on laches); *Kason*, 120 F.3d at 1207 (11th Cir. 1997) (recognizing that laches can bar injunctive relief and the “equitable nature of estoppel by laches must be foremost in the court’s mind”); *NAACP v. NAACP Legal Defense & Education Fund, Inc.*, 753 F.2d 131, 137 (D.C. Cir. 1985) (“Laches may bar injunctive relief when the defendant has established a substantial reliance interest.”).

Contrary to Jem’s assertions, the Third and Fifth Circuits do not hold otherwise. Pet. at 25–26 (citing *Univ. of Pittsburgh v. Champion Prods.*, 686 F.2d 1040, 1043 (3d Cir. 1982); *Abraham v. Alpha Chi Omega*, 796 F. Supp. 2d 837, 858 (N.D. Tex. 2011), *aff’d*, 708 F.3d 614 (5th Cir. 2013)). There is no circuit split meriting this Court’s review.

Jem wrongly contends that the Third Circuit’s *Champion* decision held that laches cannot bar injunctive relief and thus conflicts with the other courts of appeals. *See* Pet. at 25–26. The *Champion* court expressly stated that laches “works an equitable estoppel **barring all relief** and requires a showing of delay and prejudice.” *Champion*, 686 F.2d at 1043 (emphasis added). After recognizing a “narrow class of cases where the plaintiff’s delay has been so outrageous, unreasonable, and inexcusable as to constitute a virtual abandonment of its specific right,” the Third Circuit determined that the plaintiff’s delay alone in that case did not rise to such a level. *See id.* at 1045. Because the record evidence “did not support a sufficient finding of prejudice to support the laches determination,” *id.* at 1046 n.19, the court reversed. It did so because the district court erred in applying laches at all, not because the Third Circuit held that laches could not bar injunctive relief. Indeed, the Third Circuit reaffirmed just last year that “[its] precedent makes clear that a finding of ‘actual laches’—meaning delay and prejudice— ‘bars all relief—monetary as well as injunctive.’” *Kars 4 Kids Inc. v. American Can!*, 98 F.4th 436, 451 (3d Cir. 2024) (citing *Champion*, 686 F.2d at 1044; *Santana*, 401 F.3d at 135) (reversing district court because it misapplied laches and ordering dismissal of plaintiff’s trademark claims seeking injunctive relief).

The Fifth Circuit likewise holds that laches may bar injunctive relief. Contrary to Jem’s mischaracterization, the district court in *Abraham* did not “hold that the continuing wrong of infringement allows for ongoing and future recovery.” Pet. at 25 (citing *Abraham*, 796 F. Supp. 2d at 858). Rather, in denying the alleged infringer’s summary

judgment motion on its laches defense, the district court stated in dicta that “a finding of laches . . . should not bar the [claimants] from seeking injunctive relief, **but the Court’s ultimate fashioning of a remedy will be dependent up on the jury’s findings.**” *Abraham*, 796 F. Supp. 2d at 857 (emphasis added). After a jury trial on factual issues bearing on laches, the district court determined that the alleged infringer had adduced sufficient evidence to prove its laches defense, barred all monetary relief by the claimant, and enjoined only a narrow category of product sales found to be infringing. *Abraham*, 703 F.3d at 618–620. In affirming the limited scope of the injunction, the Fifth Circuit took pains to confirm “**[t]here is no doubt that laches may defeat claims for injunctive relief.**” *Id.* at 626 (quoting *Armco Co., Inc. v. Armco Burglar Alarm Co., Inc.*, 693 F.2d 1155, 1161 n.14 (5th Cir. 1982) (emphasis added); see *id.* (“Therefore, a finding of laches . . . may bar injunctive relief if the trademark owner conducted itself in a way that induced the infringer’s reliance or if an injunction would result to substantial prejudice to the infringer.” (quotation omitted)).

The Fifth Circuit has never held that laches cannot bar injunctive relief in trademark infringement cases, let alone based on a determination that trademark infringement writ large is a continuing wrong. Just last year, the Fifth Circuit confirmed that “a finding of laches alone may limit the availability of injunctive relief for a trademark-infringement claim.” *Gibson, Inc. v. Armadillo Distrib. Enters.*, 107 F.4th 441, 451 n.5 (5th Cir. 2024).

B. This Court Has Recognized that Laches Can Bar Injunctive Relief in Trademark Cases.

That the courts of appeals uniformly agree on this issue is unsurprising given this Court's decisions regarding laches in trademark infringement cases. Jem, however, claims that all of these circuits have defied Supreme Court precedent for over a century. *See* Pet. at 26–27 (citing *Menendez v. Holt*, 128 U.S. 514, 524–525 (1888)). That is neither credible nor correct. *Menendez* is one in a series of Supreme Court decisions preceding the Lanham Act that, when read together, prove that the ability of laches to bar injunctive relief was settled long ago.

Before deciding *Menendez*, the Court decided another trademark case concerning whether mere delay could bar relief in a trademark case, *McLean v. Fleming*, 96 U.S. 245 (1877). The *McLean* Court opined that “[e]quity courts will not, **in general**, refuse an injunction on account of delay in seeking relief, where the proof of infringement is clear, even though the delay may be such as to preclude the party from any right to an account of past profits.” *Id.* at 253 (citation omitted and emphasis added). As the leading trademark scholar observed, the Court's use of “‘in general’ implies an equitable policy, not an absolute rule” and “‘delay in seeking relief implies mere delay, severed from any estoppel because of resulting prejudicial reliance from the junior user.” 4 J. Thomas McCarthy, *McCarthy on Trademarks & Unfair Competition* § 31:3 (5th ed.).

About a decade later, the Court issued its *Menendez* decision, wherein it explained *McLean* stood for the proposition that “even though a

complainant were guilty of [mere delay] in seeking relief upon infringement as to preclude him from obtaining an account of gains and profits, yet, if he were otherwise so entitled, an injunction against future infringement **might** be properly awarded.” *Menendez*, 128 U.S. at 523 (emphasis added). The Court reasoned that “**mere delay**. . . cannot defeat the remedy by injunction . . . unless it has been continued so long and under such circumstances as to defeat the right itself . . . Where consent by the owner to the use of his trade-mark by another is to be inferred from his knowledge and silence merely, it lasts no longer than the silence from which it springs; it is, in reality, no more than a revocable license.” *Id.* at 523–24 (emphasis added) (quotation omitted).

While Jem would have the Court stop its reading of the *Menendez* decision there, the Court went on to say:

[S]o far as the act is in progress and lies in the future, the right to the intervention of equity is not generally lost by previous delay, in respect to which the elements of estoppel could rarely arise. **At the same time, as it is in the exercise of discretionary jurisdiction that the doctrine of reasonable diligence is applied and those who seek equity must do it, a court might hesitate as to the measure of relief, where the use, by others, for a long period, under assumed permission of the owner, had largely enhanced reputation of a particular brand.**

Id. at 524 (emphasis added). As this additional context from *McLean* makes clear, laches—

unreasonable delay and resulting prejudice to the alleged infringer—may bar injunctive relief where the court finds it would be equitable to do so.

Subsequent decisions confirmed the propriety of this fact-specific, equitable approach to injunctive relief. For example, the Court held that “it is indisputable . . . that a court of equity in any event would not afford relief where there had been such laches as would cause it to be inequitable to do so.” *Creswill v. Grand Lodge Knights of Pythias*, 225 U.S. 246, 261 (1912) (citing *Saxlehner v. Eisner & M. Co.*, 179 U.S. 19, 35 (1900)) (reversing injunction that “violated the elementary principles of equity” where alleged infringer had built up organization under mark during plaintiff’s delay). Later, the Court confirmed that laches should not bar relief in cases of willful infringement: “[W]here the proof of infringement is clear, a court of equity will not ordinarily refuse an injunction for the future protection of a trademark right, even where his . . . laches have been such to disentitle him to an accounting of past profits of the infringer. The rule finds appropriate application in cases of conscious infringement or fraudulent imitation[.]” *United Drug Co.*, 248 at 102. And in *Ancient Egyptian Arabic Order v. Michaux*, 279 U.S. 737, 747–49 (1929), the Court found that laches barred all relief where the plaintiff had actual knowledge of the defendant’s alleged infringement for years, yet “silently stood by,” exactly as Jem did here, see Pet. App. at 4a–6a, 22a–23a & n.5.

C. Jem’s Other Arguments Fail to Demonstrate the Need for the Court to Grant Certiorari.

Unearthing no support in this Court’s pre-Lanham Act decisions, Jem digs in to inapposite precedent. Pet. at 27 (citing *Lucky Brand Dungarees, Inc. v. Marcel Fashions Grp., Inc.*, 590 U.S. 405, 415 (2020)). *Lucky Brand* concerned whether claim preclusion barred a trademark defendant from raising an affirmative defense in a second litigation between the same parties because the defendant failed to raise it in the first litigation. *See id.* at 407. The Court held that claim preclusion did not apply in that case because the second litigation “involved different marks, different legal theories, and different conduct” and “the two suits thus lacked a common nucleus of operative facts.” *Id.* at 415. The district court and the Ninth Circuit did not “ignore *Lucky Brands*’ directives” in deciding laches barred Jem’s claims. Pet. at 27. *Lucky Brands* has nothing to do with the application of laches in trademark cases. *See* Pet. App. at 40a–41a.

Neither do the Copyright Act nor the Patent Act. In addition to being directed to distinct subjects of intellectual property, those statutes differ from the Lanham Act in a key respect: they both contain a statute of limitations. The Copyright Act states that “[n]o civil action shall be maintained under the provisions of this title unless it is commenced within three years after the claim accrued.” 17 U.S.C. § 507(b). Thus, the “separate-accrual rule applies.” *Petrella*, 572 U.S. at 671. “Under that rule, when a defendant commits successive violations, the statute of limitations runs separately from each violation In short, each infringing act starts a

new limitations period.” *Id.* Because the Copyright Act has a three-year statute of limitations and the well-settled application of the separate-accrual to claims brought under that act, the Court correctly held that “[t]o the extent an infringement suit seeks relief solely for conduct occurring within the limitations period, however, courts are not at liberty to jettison Congress’ judgment on the timeliness of suit.” *Id.* at 667.

The Court reached a similar conclusion regarding the Patent Act, which has a six-year statute of limitations. *SCA Hygiene Prods.*, 580 U.S. at 331 (citing 35 U.S.C. § 286). Laches could not “overrule Congress’ judgment” and bar claims brought within that statute of limitations. *Id.* at 345–36. “The enactment of a statute of limitations necessarily reflects a congressional decision that the timeliness of covered claims is better judged on the basis of a generally hard and fast rule rather than the sort of case-specific judicial determination that occurs when a laches defense is asserted.” *Id.* at 334–35 (citing *Petrella*, 572 U.S. at 677). Because the Lanham Act does not have a statute of limitations and expressly recognizes relief is subject to the “principles of equity,” 15 U.S.C. §§ 1116, 1117(a), Jem’s assertion that the courts’ application of laches to bar injunctive relief in certain cases somehow “violates the separation of powers,” Pet. at 29, is patently absurd.

“Laches . . . is principally a question of the inequity of permitting the claim to be enforced[.]” *Holmberg*, 327 U.S. at 396. Here, Jem lied in wait for years to sue Harman, despite having actual knowledge of Harman’s alleged infringement, all in an effort to maximize the prejudice inflicted upon Harman so as to extract a windfall through either settlement or

litigation. Given this calculated, opportunistic conduct, the court found laches barred Jem's counterclaims. There is nothing "draconian" or "disturbing," Pet. at 24, 30, about a court barring such a claimant from obtaining its requested relief. The Court should deny Jem's petition on the second question presented.

III. This Case is a Poor Vehicle for Deciding the Questions Presented.

Contrary to Jem's assertions, Pet. at 30–35, and in addition to the reasons stated above, this case is a particularly poor vehicle for addressing the questions presented.

For starters, Jem took a directly contrary position in the district court and before the Ninth Circuit panel to the one it is taking now. There, Jem argued that New York's six-year period, rather than California's four-year period, was the analogous state statute of limitations period for purposes of the laches analysis. Pet. App. at 4a; 19a n.3. Jem did not advocate, as it now does here, that courts cannot use a state statute of limitations at all. *See, e.g.*, Pet. at 24. Only when Jem petitioned for rehearing and rehearing *en banc* did it contend this borrowing approach was improper altogether, and the Ninth Circuit denied those petitions. Pet. at 12. Jem's contradictory positions make this case far from an "ideal vehicle," Pet. at 30, for the Court.

Jem claimed that New York's six-year period should apply because it filed suit in that state against Harman and a wholly unrelated company who also used "Xtreme" with its consumer audio products. There was no reason for Jem to include Harman in that suit other than to conflate issues and prejudice

Harman. Harman was dismissed from that case based on Jem's misjoinder, and Jem chose not to appeal that ruling or to file infringement claims against Harman in a separate suit.

Jem has only itself to blame for its litigation strategy. Despite having actual knowledge of Harman's alleged infringement for years, and constructive knowledge years before that based on Harman's widespread use, Jem chose to stay silent. It chose not to send a demand letter or otherwise notify Harman of any objection to its use of "Xtreme" with its speakers so as to prevent Harman from filing a declaratory judgment action. It then intentionally waited for years to file suit, during which Harman invested in its JBL Xtreme speakers and enjoyed tremendous financial and reputational success. Jem's petition is simply not worthy of this Court's extraordinary review.

Apart from laches issues, Harman defended itself against Jem's counterclaims based on other dispositive arguments established by the record evidence, including that Harman first used "Xtreme" with speakers years before Jem did and thus has superior rights. The evidence also showed that Harman's sale and advertising of its JBL Xtreme speakers did not cause a likelihood of confusion with Jem given that Harman always used its famous JBL mark in close proximity to any use of "Xtreme," that Harman's speakers sell for exponentially more than any of Jem's products, and that there had been no actual confusion despite Harman's widespread sales and advertising of its JBL Xtreme speakers for over a decade. Granting review in this case would prolong this protracted dispute without changing the result: Jem's ill-conceived infringement claims fail.

Both the Ninth Circuit and district court reached the correct result in dismissing Jem's counterclaims based on laches. Given Jem's opportunistic conduct designed to inflict maximum prejudice on Harman, any other result would have been inequitable.

CONCLUSION

The petition for a writ of *certiorari* should be denied.

Respectfully submitted,

/s/ Mary D. Hallerman

John J. Dabney

Mary D. Hallerman

Counsel of Record

SNELL & WILMER L.L.P.

2001 K Street NW

Suite 425 North

Washington, D.C. 20006

(202) 908-4262

jdabney@swlaw.com

mhallerman@swlaw.com

Counsel for Respondent