

NO.24-77

IN THE
Supreme Court of The United State

GELAB COSMETICS LLC,

Petitioner,

v.

ZHUHAI AOBO COSMETICS CO., LTD; ZHUHAI
SHENGJIEER COSMETICS CO., LTD; ZHUHAI
ZHENGJIA TRADING CO., LTD; PINGJUN LI;
XIMEI PENG; BENHONG LI

Respondent

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

**REPLY BRIEF IN SUPPORT TO PETITION
FOR WRIT OF CERTIORARI**

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TABLE OF CONTENTS

TABLE OF CONTENTS.....	I
PETITIONER'S REPLY BERIEF TO PETITION FOR WRIT OF CERTIORARI.....	1
CONCLUSION	3

TABLE OF AUTHORITIES

CASES

<i>Colo. River Water Conservation Dist. v. United States</i> , 424 U.S. 800 (1976) -----	4
<i>Ernest Bock, LLC v. Steelman</i> , 76 F.4th 827 (9th Cir. 2023)-----	2
<i>Intel Corp. v. Advanced Micro Devices, Inc.</i> , 12 F.3d 908 (9th Cir. 1993) -----	2
<i>Mendocino Ry. v. Ainsworth</i> , 113 F.4th 1181 (9th Cir. 2024) -----	1, 2
<i>Moses H. Cone Mem’l Hosp. v. Mercury Constr. Corp.</i> , 460 U.S. 1 (1983)-----	3
<i>U.S. v. State Water Res. Control Bd.</i> , 988 F.3d 1194 (9th Cir. 2021)-----	2

**PETITIONER'S REPLY BRIEF TO PETITION
FOR WRIT OF CERTIORARI**

Petitioner, GeLab Cosmetics LLC, respectfully files this Reply Brief to address certain arguments made in Respondents' Brief in Opposition to Petitioner's Petition for Writ of *Certiorari* to this Court.

**A. Respondents' Brief in Opposition
Ignores The Circuit Split That
Expressly Acknowledged By The
Seventh Circuit.**

Respondents assert that there is no conflict between the lower courts, particularly, the Seventh and the Ninth Circuits. Opp. at 3. However, this assertion is not true. In fact, the Seventh Circuit expressly noted that Ninth Circuit disagrees with its approach. Pet. App. 11a.

Furthermore, the recent Ninth Circuit decision in *Mendocino Ry. v. Ainsworth*, 113 F.4th 1181 (9th Cir. 2024), which Respondents heavily rely upon, further supports Petitioner's arguments for granting certiorari and undercut Respondent's arguments in Opposition. Specifically, the Ninth Circuit's reasoning in *Mendocino Ry.*, underscores the importance of this Court granting the *Certiorari* and highlights the

inconsistencies between the circuits on the proper application of the Colorado River doctrine.

In *Mendocino Ry.*, the Ninth Circuit reaffirmed that “binary approach” and emphasized a series of precedents that determined the use of the Colorado River doctrine to be inappropriate when the state proceedings could lead to an outcome necessitating further litigation in federal court. *Id.*, at 1191-92 (citing *Ernest Bock, LLC v. Steelman*, 76 F.4th 827, 839–40 (9th Cir. 2023) (citing *Intel Corp. v. Advanced Micro Devices, Inc.*, 12 F.3d 908, 912–13 (9th Cir. 1993) (holding that a Colorado River stay is improper when one of the potential state court outcomes would still require federal litigation); and *U.S. v. State Water Res. Control Bd.*, 988 F.3d 1194, 1204 (9th Cir. 2021) (“We have consistently held that a Colorado River stay is inappropriate when the state court proceedings will not fully resolve the case pending in federal court.”)).

If the Court does not address the issue presented here, the lower courts will retain *carte blanche* to interpret and apply inconsistent standards regarding abstention under Colorado River doctrine. In addition, if the Court does not provide much-needed guidance on proper application of the Colorado River doctrine and the degree of parallelism required between the state and federal cases, it certainly will not be the last time the lower courts conflicts on the view of this matter.

B. The Seventh Circuit Misapplied the Colorado River Doctrine.

The standard applied by the Seventh Circuit is inconsistent with the “exceptional circumstances”, under which the federal court should not surrender its jurisdiction under the Colorado River doctrine when there is no substantial doubt that state proceedings will resolve the federal claims. *See Moses H. Cone Mem’l Hosp. v. Mercury Constr. Corp.*, 460 U.S. 1, 28 (1983).

Respondents, meanwhile, argues for a standard that would operate to the contrary of the “exceptional circumstances.” The Seventh Circuit’s decision often may create the risk of undermining the federal court’s right to adjudicate a claim. The Seventh Circuit’s approach also ignores the “virtually unflagging obligation” of the federal courts to exercise jurisdiction. *Colo. River Water Conservation Dist. v. United States*, 424 U.S. 800, 817 (1976).

CONCLUSION

For the reasons in this Reply Brief, and those in Petitioner’s original Petition for writ of *certiorari*, the Court should grant *certiorari* in this case.

Respectfully submitted,

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