

No. 17-1316

IN THE
Supreme Court of the United States

SPORTSWEAR, INC., D/B/A PREP SPORTSWEAR,
Petitioner,

v.

SAVANNAH COLLEGE OF ART AND DESIGN, INC.,
Respondent.

**On Petition for a Writ of Certiorari
to the United States Court of Appeals
for the Eleventh Circuit**

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

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Respondent registered service marks for “SCAD” and “SAVANNAH COLLEGE OF ART AND DESIGN,” limited to the field of “educational services.” These registrations constitute “prima facie evidence ... of the registrant’s exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the registration.” 15 U.S.C. § 1115(a). After Petitioner sold apparel bearing those words, Respondent sued Petitioner for trademark infringement, relying on those registrations. Respondent’s claim should have failed. Apparel is completely different from “educational services.” Respondent’s service mark registrations therefore do not extend trademark protection to apparel.

The District Court agreed with this reasoning and granted summary judgment to Petitioner. The Eleventh Circuit would have affirmed—except that it was bound by a 43-year-old precedent, *Boston Professional Hockey Ass’n v. Dallas Cap & Emblem Manufacturing, Inc.*, 510 F.2d 1004 (5th Cir. 1975), to reach a contrary conclusion. *Boston Hockey* holds that the scope of a federally registered service mark is “unrestricted.” Pet. App. 14a. Thus, under *Boston Hockey*, the owner of a service mark registration can sue for infringement merely by establishing use of a mark on goods, regardless of whether the goods are related to the services specified in the registration. But while the Eleventh Circuit was constrained to follow *Boston Hockey*, that court made clear that *Boston Hockey* was an incorrect outlier decision.

Respondent's primary contention is that the Eleventh Circuit *did* remand for application of a "related goods" test. BIO 14-15. That is incorrect. The Eleventh Circuit recognized that there was no evidence showing when Respondent first used its marks "on apparel or related goods." Pet. App. 6a. It nonetheless held that under *Boston Hockey*, the scope of Respondent's marks was "unrestricted" and extended to a "different category altogether." Pet. App. 14a, 17a.

What the Eleventh Circuit actually did was remand for consideration of whether there would be a likelihood of confusion. Pet. App. 15a-17a. In an effort to square its position with the Eleventh Circuit's holding, Respondent insists that the "related goods" test and the test for likelihood of confusion are identical: "[A]sking whether the goods or services are 'related' is just another way of asking whether the defendant's use of the mark is likely to generate consumer confusion." BIO 14. That contention illustrates the high stakes of this case. Respondent's approach would yield the exact outcome that the Eleventh Circuit warned against: it would allow "the concept of confusion" to "completely swallow[] the antecedent question of the scope of a registered mark." Pet. App. 20a. No other circuit follows this approach, and it is wrong. This Court's review is warranted to ensure national uniformity and reverse a decision that even the Eleventh Circuit was unwilling to defend.

I. THERE IS A CIRCUIT SPLIT.

The Eleventh Circuit held that the scope of a mark is "unrestricted." Pet. App. 14a. Four other circuits disagree.

A. Third Circuit.

The Eleventh Circuit’s decision squarely conflicts with *Natural Footwear Ltd. v. Hart, Schaffner & Marx*, 760 F.2d 1383 (3d Cir. 1985). In *Natural*, the Third Circuit “limit[ed] the impact of a registered mark to only the specific terms of the registration.” *Id.* at 1396. Thus, when the plaintiff’s registered mark was limited to “footwear,” the plaintiff could not accuse the defendant’s accessories and clothing of infringing that mark. Pet. 19-21. The circuit split could not be clearer. Whereas the Third Circuit held that a trademark registration for *footwear* could not be asserted against clothing, the Eleventh Circuit held that a service mark registration for *educational services* could be asserted against clothing.

Respondent offers no persuasive response. It first asserts that under *Natural*, a company who registered a mark for use on tennis balls “would be powerless” to prevent the mark’s use on soccer balls. BIO 18. This is a merits argument which is irrelevant to the question of whether there is a split. In any event, Respondent’s premise is wrong. Federal and state law provide other remedies in that scenario, such as false-advertising claims. But Respondent never asserted such claims—it solely asserted a claim for infringement of a registered mark. In the Third Circuit, this claim would have failed.

Respondent next points out that *Natural* was decided in 1985. BIO 18. But *Natural* remains binding precedent and is routinely cited by courts within the Third Circuit. *See, e.g., Smith v. Director’s Choice, LLP*, No. 15-00081 (JBS/AMD), 2017 WL 2955347, at *4

(D.N.J. July 11, 2017); *Villanova University v. Villanova Alumni Educational Foundation, Inc.*, 123 F. Supp. 2d 293, 302 (E.D. Pa. 2000); *Richards v. Cable News Network, Inc.*, 15 F. Supp. 2d 683, 688 (E.D. Pa. 1998).

Finally, citing a treatise, Respondent characterizes *Natural* as “internally inconsistent” and “ambiguous.” BIO 18-19. But neither Respondent nor the treatise identify any particular inconsistency or ambiguity in *Natural*. In fact, Judge Becker’s opinion in *Natural* is well-explained, and conflicts with the decision below.

B. Second, Fourth, and Ninth Circuits.

The Second, Fourth, and Ninth Circuits have held that the scope of a mark extends not only to the goods or services identified in the registration, but to goods or services related thereto. Those decisions diverge from the Eleventh Circuit’s decision, which holds that a mark has unrestricted scope. Pet. 21-28.

Respondent denies that this conflict exists. It claims that the premise behind the question presented is “false,” because—apparently unbeknownst to the Eleventh Circuit—the Eleventh Circuit actually *did* remand for a related-goods analysis. BIO 14. According to Respondent, “asking whether the goods or services are ‘related’ is just another way of asking whether the defendant’s use of the mark is likely to generate consumer confusion.” *Id.* Thus, Respondent claims, the Eleventh Circuit applies the same “related goods” test as the Second, Fourth, and Ninth Circuits. BIO 14-15, 18.

This argument mischaracterizes the Eleventh Circuit’s decision, which made clear that under *Boston Hockey*, the scope of Respondent’s mark was “unrestricted” and extended “to a different category altogether.” Pet. App. 14a, 17a. Respondent’s effort to conflate the “scope” analysis with the likelihood-of-confusion analysis is wrong, and reflects the precise point of law on which the circuits have diverged.

There is a difference between determining the scope of a mark, and determining likelihood of confusion. The “scope” inquiry turns on the relationship between the accused product and *the items identified in the registration*. Likelihood of confusion, by contrast, turns on whether consumers might perceive the items sold by the defendant are “sponsored or approved” by the *plaintiff*. BIO 23; Pet. App. 15a. Courts consider numerous factors in analyzing likelihood of confusion—most of which are wholly irrelevant to the related-goods analysis, such as the “strength of the allegedly infringed mark” and the “similarity of the infringed and infringing marks.” Pet. App. 15a (quotation marks omitted).

Indeed, this case is the paradigmatic illustration of how those analyses differ. If the Eleventh Circuit applied the related-goods test, Respondent clearly would lose without the need to conduct a likelihood-of-confusion analysis, because educational services and apparel are about as unrelated as two commodities could possibly be. Yet by holding that the scope of Respondent’s registered mark was “unrestricted” and remanding solely for a likelihood-of-confusion analysis, the Eleventh Circuit opened the door for Respondent

to argue that consumers might be confused into thinking Respondent “sponsored” or “approved” Petitioner’s apparel—regardless of whether there is any relationship between apparel and educational services.

Thus, as the Eleventh Circuit recognized, the effect of its decision—which Respondent openly endorses—is to allow “the concept of confusion” to “completely swallow[] the antecedent question of the scope of a registered mark.” Pet. App. 20a. Respondent characterizes this approach as “blackletter” law (BIO 12, 14), but notably cites only a treatise, and no case, in support of it.

Unlike the Eleventh Circuit, the Second, Fourth, and Ninth Circuits properly recognize that the scope of a registered mark extends only to goods or services that are sufficiently related to *the goods or services stated in the registration*. In *Chandon Champagne Corp. v. San Marino Wine Corp.*, 335 F.2d 531 (2d Cir. 1964), the court held that the scope of a registered mark on champagne extended to a similar product (sparkling wine) because a consumer might confuse sparkling wine *with champagne*, thus infringing on the plaintiff’s exclusive right to use its mark on *champagne*. The critical point was that the sparkling wine was related to the goods *in the registration*: champagne. Pet. 22-24. The Ninth Circuit and Fourth Circuit follow the same approach. Pet. 24-28; see *Applied Info. Servs. Corp. v. eBay, Inc.*, 511 F.3d 966, 972 (9th Cir. 2007) (where “a plaintiff bases its trademark infringement claim upon the confusion the defendant’s use will create for the plaintiff’s use of its

mark in connection with its *own* registered goods or services, *that* claim comes within the scope of its protectable interest” (emphasis in original); *Synergistic Int’l, LLC v. Korman*, 470 F.3d 162, 172-73 (4th Cir. 2006) (similar).

By contrast, in the Eleventh Circuit, no analysis of the scope of the property right is required; the sole question is whether there is a likelihood of confusion, even if the goods are unrelated to the services identified in the registration. No other circuit adopts that broad position.

C. Federal Circuit.

The Eleventh Circuit’s decision also conflicts with Federal Circuit decisions establishing that one cannot obtain a trademark on goods unless one is actually using the mark on those goods. Thus, the Federal Circuit, whose law controls the Patent and Trademark Office, would not have allowed Respondent to register its marks on apparel. Yet, by taking advantage of the Eleventh Circuit’s divergent case law, Respondent accomplished the same result: it extended the scope of its mark to apparel. Pet. 30-32. Respondent’s position creates an incongruous “dead zone” in which it can exclude third parties from unrelated areas of commerce (such as apparel)—despite having no property rights in those areas.

In response, Respondent insists that the Federal Circuit and Eleventh Circuit addressed “different questions”: the Federal Circuit addressed “what goods or services can be listed on a registration,” while the regional circuits address “what additional goods or

services ... can support an infringement claim.” BIO 20. This is inaccurate. The purpose of identifying a good or service on a registration is to define the scope of claimed rights—which *means* the scope of goods or services that the holder can bar third parties from associating with that mark. Thus, Respondent offers no response to Petitioner’s core premise: the Eleventh Circuit’s decision puts Respondent in *exactly* the position it would have occupied had it received a registration for use of its mark on apparel—which the Federal Circuit would have denied. Pet. 32. Indeed, under the Eleventh Circuit’s approach, it is irrelevant what is listed in the registration, because so long as a plaintiff holds a trademark on *anything*, it can obtain relief against the producers of *anything*.

As such, the Eleventh Circuit’s decision facilitates a form of regulatory arbitrage that is antithetical to the national trademark system. Pet. 35. And it distorts interstate commerce by creating an incentive to sell products to some jurisdictions but not others. Pet. 33-34. Strikingly, Respondent entirely ignores the section of the petition describing the practical significance of the decision below.

II. THE ELEVENTH CIRCUIT’S DECISION IS WRONG.

As the Eleventh Circuit recognized, *Boston Hockey*—which the decision below was bound to follow—is indefensible.

Respondent’s federal registrations confer the “exclusive right to use the registered mark in commerce on or in connection with the goods or

services specified in the registration.” 15 U.S.C. § 1115(a). The “goods or services specified in the registration” are educational services. Those registrations do not confer any trademark rights over unrelated goods such as apparel.

Moreover, an applicant cannot register a mark unless it is *already* using that mark for the goods or services listed in the registration. 15 U.S.C. § 1127. Respondent was using its mark in connection with the sale of educational services, not apparel. Thus, Respondent cannot use its registration to exclude Petitioner’s apparel.

Respondent emphasizes that the Lanham Act prohibits the use of a “registered mark” in connection with the sale of “any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive.” BIO 5, 22; *see* 15 U.S.C. § 1114(1)(a). According to Respondent, the statute’s reference to “any goods or services” establishes that the scope of a mark is unlimited, and extends here from educational services to unrelated apparel goods. Not so. The key words of the statute are “registered mark.” Registered marks have boundaries. Respondent holds a “registered mark” with respect to educational services, but not with respect to apparel.

This rule is not a surprise. A trademark registration protects items *actually being sold* against infringement. If Louis Vuitton sells purses, it can register a mark for purses to prevent knock-off Louis Vuitton purses. Respondent characterizes Petitioner’s apparel as “knock-off apparel” (BIO 3), but it certainly

is not a knock-off of Respondent's *educational services*. Thus, Respondent's registrations do not protect against Petitioner's apparel.

This does not mean that trademarks can be freely used on any good or service not listed in a registration. The law provides numerous, focused remedies under those circumstances, such as laws protecting common-law marks; false-advertising laws; unfair competition laws; state consumer protection laws; and laws preventing trademark dilution by blurring or tarnishment. Here, however, Respondent does not assert any such cause of action. It asserts infringement of a service mark registered for "educational services." The scope of that mark does not extend to apparel.

Respondent also asserts that it is "not relying just on its registrations," but also "has put forward other evidence" such as evidence that consumers would believe that Petitioner's apparel "was sponsored or approved by SCAD." BIO 23. Even setting aside the fact that Respondent cites no such evidence in the record, this is immaterial. Respondent is simply saying that it intends to put on evidence of likelihood of confusion. But that is not enough to establish liability. Likelihood of confusion is the test for infringement. Here, there is nothing to infringe. Respondent's federal registration does not confer the right to exclude Petitioner's clothing, regardless of whether a hypothetical consumer might be confused.

Respondent claims that the "controversial" portion of *Boston Hockey*, which addressed likelihood of confusion, is not at issue, and that Petitioner is attempting to "capitalize on *Boston Hockey's* notoriety

(on other grounds).” BIO 24-27. But the Eleventh Circuit made clear that its decision concerning the scope of a registered mark rested entirely on *Boston Hockey*’s precedential effect regarding the scope of a registration. Pet. App. 2a, 14a. And it harshly criticized that portion of *Boston Hockey*. Pet. App. 17a-20a. *Boston Hockey* is therefore plainly relevant to this case.

Moreover, *Boston Hockey* had been criticized by the Ninth and Tenth Circuits. Pet. 28-32. As the petition acknowledged, the cases criticizing *Boston Hockey* arose in different procedural postures. *Id.* But they accurately characterize *Boston Hockey* as improperly expanding the trademark monopoly. *Id.* The Eleventh Circuit rightly pointed to those cases (Pet. App. 19a) to bolster its conclusion that *Boston Hockey*’s scope-of-the-right holding similarly distorts the law.

III. THIS CASE IS AN IDEAL VEHICLE.

This case is a flawless vehicle because the Eleventh Circuit’s application of *Boston Hockey* was outcome-determinative. The District Court granted summary judgment to Petitioner; the Eleventh Circuit reversed that ruling based entirely on *Boston Hockey*, while acknowledging that *Boston Hockey* was wrong. Moreover, this case perfectly illustrates the consequences of a rule where registered marks have unlimited scope. Respondent was able to assert a registration for educational services against a product that could not be more unrelated: apparel.

Respondent claims that there are two vehicle problems. First, Respondent claims that whether the

goods are “related” remains unresolved. BIO 27. But as previously explained, Respondent views the “relatedness” inquiry as coextensive with the likelihood-of-confusion inquiry—so this is just another way of saying that the Eleventh Circuit remanded for a likelihood-of-confusion analysis. The question the Eleventh Circuit actually decided—that the scope of Respondent’s mark is “unrestricted” and extends to goods in a “different category altogether,” Pet. App. 14a, 17a—is squarely presented.

Respondent also points to the exclusion of evidence by the District Court. BIO 27-28. During discovery, Respondent admitted that there were no records on when it first used its marks on apparel, and Petitioner relied on this admission in support of an argument that Petitioner owned common-law trademark rights. *See* Pet. App. 26a-27a. But in its summary judgment reply brief, Respondent added a footnote citing, for the first time, a third-party hearsay website purporting to show that Respondent had attempted to sell apparel bearing the SCAD mark before Petitioner. Pet. App. 27a-28a. This was dubious given that Respondent, which is presumably aware of its own commercial activities, had previously admitted that no such evidence existed. *Id.* Not surprisingly, the District Court excluded this evidence, both because it was raised too late and it was inconsistent with Respondent’s representations. *Id.* Thus, it is not in the record. Yet Respondent states it will “invoke that evidence” in its Supreme Court brief, and characterizes its own improper threat to introduce non-record evidence as a vehicle problem. BIO 28.

It is not. This excluded evidence is wholly irrelevant. It relates to the question of common-law rights, which the Eleventh Circuit did not address, and which Petitioner does not raise in this Court. Thus, the Eleventh Circuit explicitly stated that it “need not and [did] not” address this exclusion of evidence. Pet. App. 14a n.5. Also, it is not an abuse of discretion to exclude inadmissible hearsay evidence advanced for the first time in a summary judgment reply brief that contradicts representations made during discovery. Indeed, Respondent cannot even bring itself to make any specific argument that the District Court erred, instead offering a perfunctory citation to its lower-court briefs. BIO 27.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

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