

Number _____

**In the
Supreme Court of the United
States**

THOMAS MCCLARY, *et al.*,
Petitioners,

v.

COMMODORES ENTERTAINMENT CORP.,
Respondent.

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

**APPENDIX TO PETITION FOR A WRIT OF
CERTIORARI
VOLUME 2**

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APPENDIX B

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

COMMODORES ENTERTAINMENT:
CORPORATION

Plaintiff

CASE NO. 6:14-cv-
01335-RBD-GJK

v.

THOMAS McCLARY, ET AL.

Defendants

ORDER

On July 28, 2016, at the conclusion of Defendants' presentation of evidence as to Phase I of the jury trial in this matter, Plaintiff moved for judgment as a matter of law on the issue of trademark ownership (Doc. 358 ("**JMOL Motion**").) The court granted the JMOL Motion on July 28, 2016. (Doc. 359 ("**JMOL Order**").) Subsequently, Defendants' moved to certify the JMOL order under

Federal Rule of Civil Procedure 54(b) to allow immediate appeal. (Doc. 363.)

To facilitate appellate review of the Court's JMOL Order, the following order memorializes the Court's oral pronouncement.

This contentious trademark action was bifurcated into two phases (Doc. 310). Phase I concerned ownership rights to the service marks and trade name at issue (collectively, the "**Trademarks**"). If necessary, Phase II will concern outstanding issues of infringement, liability, and damages.

Despite the weighted law favoring Plaintiff's position, which was discussed in the Court's preliminary injunction (Doc. 56.)¹ On June 24, 2016, the Court denied the parties' cross motions for summary judgment: (1) based on its finding that the motions established unresolved issues of fact; and (2) in the interest of giving Defendants all possible opportunities to establish Mr. McClary's rights to the trademarks (Doc. 334).

Phase I has since been tried (*see* Docs. 350, 351, 354), and the Court was presented with a motion for judgment as a matter of law.

Federal Rule of Civil Procedure 50 provides that the Court may direct the entry of judgment as a matter of law after trial. On a motion for judgment as

¹ The Court's preliminary injunction was affirmed by the U.S. Court of Appeals for the Eleventh Circuit on April 15, 2016. (Doc. 323 (“**Injunction Opinion**”).)

a matter of law, the Court “must draw all reasonable inferences in favor of the [non-movant], and it may not make credibility determinations or weigh the evidence.” *Reeves v. Sanderson Plumbing Prods., Inc.*, 530 U.S. 133, 150 (2000). Such a motion should only be granted if the facts and inferences point “so overwhelmingly in favor” of the movant that a reasonable jury could not arrive at a verdict in favor of the non-movant. *Roboserve, Ltd. v. Tom’s Foods, Inc.*, 940 F.2d 1441, 1448 (11th Cir. 1991).

Viewing the trial evidence in the light most favorable to Defendants, the Court finds that Plaintiff is entitled to judgment as a matter of law because no reasonable jury could conclude that: (1) Plaintiff *does not* own or have rights to the trademarks at issue; or (2) Mr. McClary *does* own or have rights to the trademarks.

As a threshold matter, in accordance with the Eleventh Circuit’s Injunction Opinion, the Court has carefully considered the parties’ standing and is

satisfied that Plaintiff has standing to bring suit. As for ownership, Thomas McClary, Walter Orange, William King, and the other original members of “The Commodores” acquired common law rights to the trademarks associated with the musical band once the band achieved public fame. *Robi v. Reed*, 173 F.3d 736, 739 (9th Cir. 1999). Defendants contend that any original member of a band who parts ways with it continues to own and hold enforceable rights to those trademarks. The Court disagrees in light of the *Robi* decision, which the Court finds persuasive. There the court observed:

[n]either the Supreme Court nor the Ninth Circuit [or the Eleventh Circuit, for that matter] has directly discussed the status of a trademark for the name of a musical group when one of its members departs and continues to perform under the group’s name. Courts that have confronted this

problem have determined that members of a group do not retain rights to use the group's name when they leave the group.

Id. The *Robi* court went on to say that “there is no alienable interest at stake that would attach to [a] departing [band] member” and held that, when a band member “left the group, he took no rights to the service mark [at issue] with him. Rather the mark remained with the original group.” *Id.* at 740. *Robi* is virtually on all fours with the facts and circumstances in the case presently before the Court. Consequently, as a matter of law, Mr. McClary left behind all of his rights to the Trademarks when he left the band in 1984, and those rights remained with the group, including Mr. Orange and Mr. King. *See id.* Defendants’ argument that, as an original “Commodore,” Mr. McClary continued to hold enforceable rights to use and exclude others from using the trademarks at issue irrespective of his membership status is unpersuasive and is frankly in stark contrast

to the law.² See, e.g., *id.*; see also *HEC Enters., Ltd. v. Deep Purple, Inc.*, No. 80-02532, 1980 WL 39084, at *2–6 (C.D. Cal. Oct. 3, 1980) (concluding that the remaining members of a band retained common law trademarks ownership rights over the member who left the band).

Upon further evaluation of the relevant authorities, the Court takes this time to distinguish this case from the likes of *Crystal Entertainment & Filmworks, Inc. v. Jurado*, 643 F.3d 1313 (11th Cir. 2011) and *Bell v. Streetwise Records, Ltd.*, 640 F. Supp. 575 (D. Mass. 1986), which require analysis beyond that conducted in *Robi*. For context, the Court will summarize the process by which these courts determine ownership of trademarks, particularly in the context of a musical group. The *Jurado* and *Bell*

² Defendants' contention that Mr. McClary did not withdraw from the general partnership formed by the original band members was a tempest in a teapot; under the prevailing authorities, whether Mr. McClary did indeed withdraw *from the partnership* is

courts begin their inquiry by determining whether a party established ownership by priority of appropriation. *See Jurado*, 643 F.3d at 1321–22; *Bell*, 640 F. Supp. at 579–80. If not, the courts apply a two-step approach to determine ownership: (1) first, the court should identify the quality or characteristic for which the group is known by the public; and (2) second, it should determine who controls that quality or characteristic. *See, e.g., Jurado*, 643 F.3d at 1322. He who controls the quality or characteristic for which the group is known is deemed the prevailing owner of the trademarks associated with the group. *See id.*

This Court is not only persuaded by that approach but is bound by the Eleventh Circuit to follow that approach *when the circumstances so require*. However, the circumstances of this case simply do not. *Jurado*, *Bell*, and other courts that employed this method, did so when faced with the question of whether the trademarks at issue were

irrelevant to his ownership of the Trademarks. There is no question of fact regarding whether Mr. McClary left *the band* to start a solo career, which is all that is required by *Robi* to extinguish his rights.

owned by the band members or some other party who was not an actual member of the band. *See, e.g., id.* (determining ownership between an entertainment company that had created a dance band and the members of that band); *Bell*, 640 F. Supp. 575 (determining ownership between the members of a singing group and a record company that produced the group's hit album); *Rick v. Buchansky*, 609 F. Supp. 1522 (S.D.N.Y. 1985) (determining ownership between a manager of a musical group and the members of that group); *see also Ligotti v. Garofalo*, 562 F. Supp. 2d 204

(D.N.H. 2008) (determining ownership between a cigar shop owner and the performer who appeared in internet advertisements for the shop). Such is not the case in this action between current and former band members. Even if it were, it would not alter the outcome.

In the event that the ownership inquiry is guided by the *Jurado* analysis, the evidence conclusively established that: (1) “The Commodores” is known for the entertainment services provided by the band—namely the personalities and performance styles of the members and the band’s unique sound; and (2) Mr. King and Mr. Orange have maintained

ontrol of that quality or characteristic since Mr. McClary left the band in 1984. Mr. McClary's acceptance of royalties and sporadic performances with the group over the past twenty-plus years is inconsequential when compared to the activity and unfettered control over the group that Mr. King and Mr. Orange have exercised since the departure of Mr. Richie and Mr. McClary in the early 1980's. Indeed, the facts are so overwhelmingly in favor of Plaintiff on that issue that no reasonable juror could conclude that, since his departure from "The Commodores" in

1984, Mr. McClary exercised *any* control over the quality and characteristics of the band.

Further, the evidence conclusively established that Mr. King and Mr. Orange made valid

assignments of their ownership rights in the Trademarks to Plaintiff. Thus, Plaintiff

now owns the rights to the Trademarks.

Accordingly, the Preliminary Injunction issued at Doc. 56 is hereby converted to a Permanent Injunction in favor of the Plaintiff. The case will proceed to Phase II to determine the Plaintiff's damages. The Court will enter a scheduling order for Phase II by separate Order.

DONE AND ORDERED in Chambers in
Orlando, Florida, on August 24, 2016.

/s/ Roy Dalton

APPENDIX C

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

COMMODORES ENTERTAINMENT:
CORPORATION

Plaintiff

CASE NO. 6:14-cv-
01335-RBD-GJK

v.

THOMAS McCLARY, ET AL.

Defendants

ORDER

This cause is before the Court on the following:

1. Plaintiff's Motion for Temporary Restraining Order, Preliminary Injunction and Memorandum of Law in Support (Doc. 2), filed August 19, 2014;

2. Defendant's Opposition to Plaintiff's Motion for Preliminary Injunction and Date for Filing Opposition (Doc. 33), filed September 12, 2014; and
3. Plaintiff's Reply to Defendants' Opposition to Plaintiff's Motion for Preliminary Injunction and Memorandum of Law in Support (Doc. 37), filed September 17, 2014.

Upon consideration, the Court finds that the Plaintiff's Motion (Doc. 2) is due to be granted.³

BACKGROUND

Defendant Thomas McClary was one of the seven founding members of the band The Commodores. (Doc. 1, ¶ 3.) The Commodores gained recognition throughout the 1970s with famous hits such as "Brick House" and "Three

³ The factual findings and conclusions of law in this Order are not controlling for any later purposes, including a permanent injunction or trial. *E. Remy Martin & Co. v. Shaw-Ross Int'l Imps.*, 756 F.2d 1525, 1528 n.1 (11th Cir. 1985).

Times a Lady,” and in 1978 the original members entered into a General Partnership Agreement and formed a corporation (“Commodores Entertainment Corp.”). (*Id.* ¶¶ 13–14, 15, 17.) Defendant left the band in 1984 and began a solo career. (*Id.* ¶ 21.) Despite a change in the membership composition, The Commodores went on to win a Grammy in 1986 for their single “Nightshift” and they have performed in the United States and internationally for the past twenty years, and they continue to do so. (*Id.* ¶¶ 28, 30, 33.) In 2001, Plaintiff registered four trademarks with the United States Patent and Trademark Office (“USPTO”) to use the terms “Commodore” and “Commodores” in connection with the band (collectively, the “Marks”). (*Id.* ¶ 34.)

Recently, Defendant formed a band called “The Commodores Featuring Thomas McClary,” which he also refers to as “The 2014 Commodores.” (*Id.* ¶ 48; Doc. 2, p. 1.) Defendant has performed with his new

band, playing several of the hits identified with The Commodores without acknowledging that his band members were not members of The Commodores, and he has used the Marks allegedly owned by Plaintiff to market his own band. (*Id.* ¶¶ 59–60, 63.) Plaintiff was unaware of Defendant’s new band until someone asked a current member of The Commodores about Defendant’s performance at the West Hampton Beach under the assumption that it was a performance by The Commodores. (*Id.* ¶ 44.)

Plaintiff brought this trademark infringement action (*See* Doc. 1) and Motion for Preliminary Injunction (*See* Doc. 2) claiming that Defendant has used Marks purportedly owned by Plaintiff and contending that Defendant’s use of the “Commodores” name is a “thinly disguised ploy designed to improperly infringe” on Plaintiff’s Marks. (Doc. 1, ¶ 1; Doc. 2, p. 4.) Defendant opposed the Motion (*See* Doc. 33),² and Plaintiff replied (*see* Doc. 37). The parties appeared before the Court for oral argument on

Plaintiff's Motion for Preliminary Injunction on September 23, 2014. (See Doc. 41.) The matter is now ripe for the Court's adjudication.

STANDARD

Federal Rule of Civil Procedure 65 authorizes the Court to enter a preliminary injunction. To prevail on its request for injunctive relief, Plaintiff must demonstrate: (1) a substantial likelihood of success on the merits; (2) a substantial threat of irreparable injury if the injunction were not granted; (3) that the threatened injury to Plaintiff outweighs the harm that an injunction may cause Defendant; and (4) that granting the injunction would not disserve the public interest. *Levi Strauss & Co. v. Sunrise Int'l Trading*

² Defendant also opposes the motion on the ground that Plaintiff is not a valid, existing corporation, and Plaintiff is not the owner of the Marks registered with the USPTO. (Doc. 33, p. 2.). Defendant's argument that Plaintiff's use of "Commodores Entertainment Corporation" rather than "Commodores Entertainment Corp." is premised on an incorrect interpretation of certain Nevada corporation laws. Abbreviations change the name for certain words such as "services" (versus "svc.") or "American" (versus "Amer."). NAC 78.090. However, "corporation" versus "corp." "shall not be considered when

determining whether two names are distinguishable.” NAC 78.020. Additionally, a phonetic similarity may make a name distinguishable if it actually changes the word in some manner (“capital” versus “capitol” or “picks” versus “pix”). NAC 78.050. However, the laws say nothing about the difference between a singular and plural version of a word in a name. Finally, under Federal Rule of Civil Procedure 17(b)(3)(A), an unincorporated association may sue in its name to enforce a substantive right existing under the United States laws; thus, even if the Plaintiff had been unincorporated, it may sue to enforce those common law rights it has acquired.

Inc., 51 F.3d 982, 985 (11th Cir. 1995). A preliminary injunction is “an extraordinary and drastic remedy” that should only be granted if the movant clearly establishes all four elements. *McDonald’s Corp. v. Robertson*, 147 F.3d 1301, 1306 (11th Cir. 1998). However, the Court does not have to find that “evidence positively guarantees a final verdict in plaintiff’s favor.” *Levis Strauss*, 51 F.3d at 985.

DISCUSSION

For the reasons set forth below, the Court concludes that Plaintiff has carried its burden and met the four requirements necessary for granting injunctive relief.

I. Substantial Likelihood of Success on the Merits

First, the Court finds that Plaintiff has demonstrated a substantial likelihood of success on its trademark infringement claim.³ To succeed on a trademark infringement claim, Plaintiff must prove: (1) that it has priority and enforceable trademark rights in the mark; and (2) that Defendant “made

unauthorized use of it such that consumers were likely to confuse the two.” *Custom Mfg. & Eng’g, Inc. v. Midway Serv., Inc.*, 508 F.3d 641, 647 (11th Cir. 2007).

A. Priority and Ownership Over the Mark

“Under common law, trademark rights are appropriated only through actual [and continuous] prior use in commerce.” *Tally-Ho, Inc. v. Coast Cmt. Coll. Dist.*, 889 F.2d 1018, 1022 (11th Cir. 1989). Courts have applied a two-prong test for determining whether a party has established “prior use” sufficient to establish ownership: “[E]vidence showing, first, adoption, and second, use in a way sufficiently public to identify or distinguish the marked goods in an appropriate segment of the public mind as those of the adopter of the mark.” *Planetary Motion, Inc. v. Techsplosion, Inc.*, 261 F.3d 1188, 1195 (11th Cir. 2001). The Court should inquire into the activities surrounding the alleged prior use of the mark to determine whether the second prong is satisfied. *See id.*; *see, e.g., Crystal Entm’t & Filmworks, Inc. v.*

3 The Court makes no findings with regards to the likelihood of success of Plaintiff's other claims.

Jurado, 643 F.3d 1313, 1321 (11th Cir. 2011) (concluding that a company proved prior use of a mark sufficient to establish ownership when the distribution of the mark was widespread, members of the targeted public actually associated the mark with the product, the mark identified the source of the product, and other potential users of the mark had notice that the mark was in use in connection with the product).

When courts are faced with a “case of joint endeavors” situation—that is, when prior ownership by one of several claimants to a mark cannot be established—they tend to award “trademark rights to the claimant who controls the nature and quality of the services performed under the mark.” *Crystal Entm't*, 643 F.3d at 1322 (citing *Robi v. Reed*, 173 F.3d 736,

740 (9th Cir. 1999). In the context of a band, this is typically the band members who made the band famous. *Id.*; see also *Bell v. Streetwise Records, Ltd.*, 640 F.Supp. 575, 582 (D. Mass. 1986) (noting that the “norm in the music industry is that an artist or group generally owns its name” and concluding that the band members, with their “distinctive personalities and style as performers,” controlled the nature and quality and thus owned the band name mark).

When members of a band dispute ownership of a mark associated with the band, courts have found that members who remain active and associated with the band have better title to the mark than those who do not. See *Robi*, 173 F.3d at 740. The *Robi* court held that a founding member who remained and continuously performed with the band had better rights to the mark and could use the mark “to the exclusion” of the founding member who had left the band. *Id.* (“[W]hen Robi left the group, he took no rights to the service mark with him. Rather, the mark remained with the original group.”).

In accordance with the decisions of courts in other cases of joint endeavors, the original band members of The Commodores—including Defendant—acquired common law ownership and trademark rights because it was their style and sound that brought recognition to the band name and Marks.⁴ *Crystal Entm't*, 643 F.3d at 1322. However, Defendant no longer has a valid claim to ownership over the Marks. *See Robi*, 173 F.3d at 740. Rather, the band members who remained after Defendant left in 1984 have prevailing ownership because they “maintained continuity with the group and [have] been in a position to control the quality of services” of the Marks associated with the band name. *See id.* Defendant has not put forward any evidence to suggest that he maintained quality or control over the Marks associated with The Commodores after he left; rather, it was the other original band members who stayed with the group that continued to control the nature and quality of the Marks, went on to win a Grammy,

and further expanded the band's fan base and recognition.⁵ (See Doc. 1, ¶¶ 28-33.)

4 A common law trademark is not trumped by a federal trademark registration. See *Crystal Entm't*, 643 F.3d at 1319 (explaining that the use of one's common law trademark can constitute a violation of section 43(a) of the Lanham Act).

5 In light of the *Robi* decision that the U.S. Court of Appeals for the Eleventh Circuit has relied on, the Court finds the parties' dispute over Defendant's abandonment of his trademark ownership to be moot. Regardless, Defendant's argument on this matter unpersuasive. Under the Lanham Act, a trademark is abandoned when: [I]ts use has been discontinued

Defendant, relying on the Ninth Circuit decision in *Carter-Wallace, Inc. v. Procter & Gamble Co.*, 434 F.2d 794, 804 (9th Cir. 1970), contends that "[e]ven a single instance of use is sufficient against a claim of abandonment of a mark if such use is made in good faith." (Doc. 33, p. 16.) He points to cases from the Third and Ninth Circuits that suggest royalties are a genuine usage of a mark to satisfy the "use" requirement. See *Marshak v. Treadwell*, 240 F.3d 184, 199 (3d Cir. 2001); *Herb v. Reed Enter., LLC v. Fl. Entm't Mgmt., Inc.*, 736 F.3d 1239 (9th Cir. 2013). However, the Eleventh Circuit has not adopted those courts'

positions. See *Crystal Entm't*, 643 F.3d at 1323 (explaining that collecting royalties from the sale of records was not enough to give ownership rights over the marks); see also *Cumulus Media, Inc. v. Clear Channel Commc'n, Inc.*, 304 F.3d 1167, 1174 (11th Cir. 2002) (requiring more than “mere token use” to overcome abandonment, such as keeping up your association with the mark by using it on business cards or on a sign at your broadcasting studio). Therefore, even if the abandonment issue were not moot, the Court would find that Plaintiff is likely to prevail on the abandonment issue.

B. Consumer Confusion

To determine whether there is a likelihood of consumer confusion, the Court considers a seven-factor balancing test: (1) the type of mark; (2) the similarity of the marks; (3) the similarity of the goods the mark represents; (4) the similarity of the parties' retail outlets, trade channels, and customers; (5) the similarity of advertising media; (6) defendant's intent;

and (7) actual confusion. *Custom Mfg. & Eng'g*, 508 F.3d at 648.

The Court agrees with Plaintiff that “there is a likelihood that consumers would confuse the Grammy award winning band, ‘the Commodores,’ with the ‘The Commodores featuring Thomas McClary’ and/or ‘The 2014 Commodores.’” (Doc. 2, p. 6.) Confusion is likely because: (1) Defendant’s band “subsumes [Plaintiff’s] mark within its title and doesn’t seek to alter or change the spelling” and it has “no disclaimers or limiting language,” (*id.* at 7); (2) the bands would perform similar live music (*see* Doc. 1, ¶ 59) and/or a similar name and mediums (*see id.* ¶¶ 50, 63); and (3) the bands appeal to the same fan base and venues (*see id.* ¶¶ 44, 52, 65). Additionally, actual confusion is satisfied given the fact that fans and executive directors of venues have confused Defendant’s band with The Commodores. (*See id.*, ¶¶ 44, 52.) Accordingly, the Court finds a substantial likelihood that Plaintiff will establish the consumer confusion element of its claim.

C. Irreparable Injury

Once a plaintiff establishes a likelihood of success on the merits of a trademark infringement claim, there is a presumption of irreparable harm.⁶ *Tally-Ho*, 889 F.2d at 1029 (citing *Processed Plastic Co. v. Warner Commc'n*, 675 F.2d 852, 858 (7th Cir. 1982) (“[I]nfringement by its nature causes irreparable harm.”)). As Plaintiff has demonstrated a substantial likelihood of success on the merits of its trademark infringement claim, irreparable injury is presumed.

Further, this Circuit has repeatedly held that “a sufficiently strong showing of a likelihood of confusion [caused by trademark infringement] may by itself constitute a showing of . . . [a] substantial threat of irreparable harm.” *McDonalds Corp. v. Robertson*, 147 F.3d 1301, 1310 (11th Cir. 1998) (citing *E. Remy Martin & Co. v. Shaw-Ross Int’l Imports*, 756 F.2d 1525, 1530 (11th Cir. 1985); see also *Ferrellgas Partners, LP v. Barrow*, 143 F. App’x 180, 191 (11th Cir. 2005) (concluding that irreparable harm was established based on a sufficiently strong showing of likely confusion); *Tally-Ho*, 889 F.2d at 1029 (holding that a

substantial likelihood of confusion is a substantial threat of irreparable harm). Plaintiff has demonstrated a sufficient likelihood of consumer confusion, evidenced by the general public mistaking

6 The Defendant asserts that the Supreme Court in *eBay Inc v. MercExchange, LLC* defeated the presumption of irreparable harm. 547 U.S. 388 (2006); (Doc. 33, p. 19.) However, the Court there simply rejected a categorical grant or denial to injunctive relief, explaining that (1) it has “consistently rejected invitations to replace traditional equitable considerations with a rule that an injunction automatically follows a determination that a copyright has been infringed” and (2) it also does not believe that there should be a categorical denial of injunctions to patent holders who do not use their patents in a commercial manner because their nonuse does not mean they will not suffer irreparable harm. *eBay*, 547 U.S. at 393–94. The Court declined to take a position on whether injunctive relief should even be issued in the case. *Id.* at 394. The Eleventh Circuit has not interpreted *eBay* as “defeating” the presumption of irreparable harm, as incorrectly asserted by Defendant. In fact, it has “declin[ed] to express . . . the effect of *eBay*” in relevant cases and rather only adopts the Court’s denial of categorical approaches. *N. Am. Med. Corp. v. Axiom Worldwide, Inc.*, 522 F.3d 1211, 1228 (11th Cir. 2008).

Defendant’s band with the Grammy award winning Commodores and the venue’s Executive Director thinking he hired the Grammy award

winning Commodores when he in fact hired Defendant's band (Doc. 1, ¶¶ 44, 52.) As such, Plaintiff has sufficiently alleged irreparable harm.

D. Balance of Hardships

Plaintiff must next prove that the injury it faces outweighs any harm that Defendant may face should the injunction issue. *Levi Strauss*, 51 F.3d at 985. The threatened harm to Plaintiff appears to be more severe than the potential harm of injunctive relief to Defendant. Plaintiff notes, and the point is well-taken, that the Defendant's continued use of the Marks would "create a great risk of the destruction of many years of hard work and effort The Commodores have undertaken in promoting and cultivating their band and the Mark." (Doc. 2, p. 15.) Defendant's assertion that he will not be able to secure live performances if he cannot use the Marks at issue is not persuasive (Doc. 33, p. 20); rather, this further emphasizes the value of the Marks and the harm that Plaintiff would suffer by Defendant's continued use and dilution of the

Marks. Defendant could either perform under a different band name without causing any confusion, or, to uphold his notoriety as a Commodore, he could make fair use of the Marks.⁷ The Court concludes that the dilution of the Marks and the confusion to the general public outweighs any potential loss of business or notoriety that may be suffered by Defendant if injunctive relief is issued. This logically tips the balance of hardships in Plaintiff's favor.

E. Public Interest

Finally, Plaintiff must prove that granting the injunction would not be adverse to the public interest. "[A]n injunction from infringing behavior serves the public interest in protecting consumers from such behavior." *Nike, Inc. v. Leslie*, 227 U.S.P.Q.

⁷ Even if there is a likelihood of confusion, Defendant could potentially make "fair use" of the Marks purportedly owned by Plaintiff. Under the classic fair use doctrine, Defendant could use the Marks to describe his own mark. *Cairns v. Franklin Mint Co.*,

574, 575 (1985). Also, it is in the public interest to avoid inevitable confusion that may result from trademark infringement. *Tally-Ho*, 889 F.2d at 1029; *see also Sundor Brands, Inc. v. Borden, Inc.*, 653 F.Supp. 86, 93 (M.D. Fla. 1986) (“The public interest . . . would be served by the entry of an injunction which would immediately prevent further confusion of customers from occurring.”). Accordingly, granting an injunction will serve the public’s interest. Therefore, Plaintiff has met its burden of clearly establishing all four elements necessary for a preliminary injunction to issue.

292 F.3d 1139, 1150 (9th Cir. 2002). To constitute classic fair use, Defendant’s use of the mark could not be as a trademark and it must be “fairly and in good faith” and “only to describe” its goods or services. J. THOMAS MCCARTHY, *MCCARTHY ON TRADEMARK AND UNFAIR COMPETITION*, 11:45 (4th ed. 2001). Alternatively, under the nominative fair use doctrine, Defendant could use the Marks to describe the owner of them rather than himself, like in comparison advertising. (*See* Doc. 2, p. 8); *New Kids on the Block v. News Am. Pub., Inc.*, 971 F.2d 302 (9th Cir. 1992). Currently, the Court finds that Defendant’s use does not constitute “fair use.”

CONCLUSION

Accordingly, it is hereby **ORDERED AND ADJUDGED:**

1. Plaintiff's Motion for Temporary Restraining Order, which the Court previously denied and converted to a Motion for Preliminary Injunction and Memorandum of Law in Support (Doc. 2) is **GRANTED**.

2. Effective October 20, 2014, Defendant is **RESTRAINED** and **ENJOINED**, pending further determination by this Court, from using any of the Marks at issue in a manner other than fair use, including performing under the name "The Commodores featuring Thomas McClary" or "The 2014 Commodores."

3. Pursuant to Federal Rule of Civil Procedure 65(c), the effectiveness of this preliminary injunction is conditioned upon Plaintiff posting a good and sufficient bond, on or before October 20, 2014, with the sureties acceptable to the

Court. The parties shall meet and confer regarding an appropriate bond on or before October 15, 2014, and shall notify the Court once they have done so. If the parties cannot agree on an appropriate bond amount, this Court will determine and set a reasonable bond.

DONE AND ORDERED in Chambers in Orlando, Florida, on October 9, 2014.

/s/ Roy B. Dalton Sr.

District Court Judge

APPENDIX D

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

COMMODORES ENTERTAINMENT:
CORPORATION

Plaintiff

CASE NO. 6:14-cv-
01335-RBD-GJK

v.

THOMAS McCLARY, ET AL.

Defendants

ORDER

This cause is before the Court on:

1. Plaintiff's Motion for Clarification of the
Scope of Preliminary Injunction
and
2. Defendants' Opposition to Plaintiff's
Motion for Clarification of the Scope of

the Preliminary Injunction (Document 136) and Incorporated Memorandum of Law (Doc. 138), filed December 24, 2014.

On October 15, 2014, the Court enjoined Defendants Thomas McClary and Fifth Avenue Entertainment, LLC “from using any of the Marks at issue in a manner other than fair use, including performing under the name ‘The Commodores featuring Thomas McClary’ or ‘The 2014 Commodores.’” (Doc. 56, p. 11.) Under the impression that “the U.S. District Court has no jurisdiction over foreign citizens or foreign entities for their planning and involvement in live concerts . . . in Switzerland and other foreign countries,” (Doc. 137-8), Defendants scheduled five performances for McClary in the United Kingdom (“U.K.”) and Switzerland in January and February of 2015 under the names “The Commodores featuring Thomas McClary” and “The Commodores.” (Docs. 137-1–137-7.) Plaintiff now moves for clarification regarding the extraterritorial

application of the preliminary injunction. (*See* Doc. 136.) Upon consideration, the Court **GRANTS** Plaintiff's motion for the following reasons.

The United States is free to govern its citizens in foreign countries so long as “the rights of other nations or their nationals are not infringed.” *Steele v. Bulova Watch Co.*, 344 U.S. 280, 285–86 (1952). Where “there can be no interference with the sovereignty of another nation, the District Court in exercising its equity powers may command persons properly before it to cease or perform acts outside its territorial jurisdiction.” *Id.* at 299. Further, the Lanham Act, on which Plaintiff posited its claims to relief, “confers broad jurisdiction powers upon the courts of the United States.” *Id.* at 283. Acting under these broad powers, the Court entered an injunction to enjoin Defendants from infringing on the Marks, and the injunction is not limited to U.S. performances.

In finding that the injunction has extraterritorial application, the Court considered,

inter alia, the following factors: (1) McClary is a U.S. citizen and Fifth Avenue Entertainment is a U.S. corporation (Doc. 33-1, pp. 1–2); (2) McClary’s booking agent operated from the United States (Doc. 116-1, p. 3); (3) the customer confusion by Defendants’ use of the Marks is not limited to the U.K. or Switzerland (*see* Docs. 7-1, 8- 1 (explaining that customers and venues are confused in the United States)); (4) the Marks are not registered in the U.K. or Switzerland or in any other foreign country (*see* Docs. 33-9–33-13; and (5) use of the Marks in foreign territories will have a negative impact on Plaintiff, a U.S. corporation (*see* Docs. 7-1, 8-1, 33-14). Combined, these factors have enough of an effect within the U.S. to give the Court subject matter jurisdiction to enforce the injunction abroad. *See id.* at 286–89 (finding that the Court had jurisdiction over petitioner’s infringing activities abroad because his operations and effects were not confined to the territorial limit of a foreign nation, he purchased parts in the U.S. that were used in the infringing activities, his competing goods could

reflect adversely on Bulova Watch Company's reputation in the U.S. and abroad, the trademarks were not registered in the foreign nation, and both parties were U.S. citizens); *Levi Strauss & Co. v. Sunrise Int'l Trading Inc.*, 51 F.3d 982, 984–85 (11th Cir. 1995) (finding that the district court had subject matter jurisdiction over the extraterritorial Lanham Act claims because all parties were U.S. corporations or citizens and “many of the alleged illegal activities, including locating and negotiating with prospective buyers and arranging for shipment, occurred in the U.S.”).

The Court's injunction is clear: Defendants cannot use “any of the Marks at issue [in this action] in a manner other than fair use, *including performing under the name ‘The Commodores featuring Thomas McClary’ or ‘The 2014 Commodores.’*” (Doc. 56, p. 11 (emphasis added).) There are no geographic restrictions. (*See id.*) Despite

the clarity, Defendants necessarily used the Mark to schedule the U.K. and Switzerland performances, even after Plaintiff put them on notice that their actions may be violations of the injunction (*see* Docs. 138, p. 3, 137-8). By proceeding in such a precipitous fashion, the Defendants conduct reflects contempt for the orders of the Court. As this docket reflects, these Defendants have more than a passing familiarity with motion practice. Before booking these foreign engagements and engaging in potentially contumacious conduct, Defendants could and should have sought clarification from the Court regarding the extraterritorial application of the injunction. The Court will enforce its order and expects Defendants to fully abide by its terms and conditions unless and until it is determined that it was entered in error or is otherwise dissolved. As previously stated, Defendants may make fair use of the Marks (*see id.*), but the injunction was intended to enjoin them—as a U.S. citizen and a U.S. corporation—from infringing the Marks both in the U.S. and in foreign territories.

Further violations may result in a finding of contempt and the imposition of sanctions.

IT IS SO ORDERED.

DONE AND ORDERED in Chambers in Orlando, Florida, on December 30, 2014.

Roy B. Dalton

/s/

District Court Judge

APPENDIX E

Case: 16-15794 Date Filed: 04/04/2018 Page: 1 of 1

**IN THE UNITED STATES COURT OF
APPEALS
FOR THE ELEVENTH CIRCUIT**

No. I6-15794-AA

**COMMODORES ENTERTAINMENT
CORPORATION,**

**Plaintiff-
Counter Defendant Appellee,
versus**

**THOMAS MCCLARY,
FIFTH AVENUE ENTERTAINMENT, LLC,**

Defendants Counter Claimants

**Third party Plaintiffs -
Appellants,**

DAVID FISH, et al.,

Third Party Defendants.

**Appeal from the United States District
Court**

for the Middle District of Florida

ON PETITION(S) FOR REHEARING AND

PETITION(S) FOR REHEARING EN BANC

BEFORE: MARCUS, MARTIN, and NEWSOM,

Circuit Judges.

PER CURIAM:

The Petition(s) for Rehearing are DENIED and

no Judge in regular active service on the Court

having requested that the Court be polled on

rehearing en banc (Rule 35, Federal Rules of

Appellate Procedure), the Petition(s) for

Rehearing En Banc are DENIED.

Entered for the Court

/s/
United States Circuit Judge

APPENDIX F

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
.....ORLANDO DIVISION

COMMODORES
ENTERTAINMENT:
CORPORATION
Florida

Orlando,

Plaintiff

July 28, 2016
9:02 a.m.

.....
v.

THOMAS McCLARY, ET AL.

Defendants

TRANSCRIPT OF JURY TRIAL, VOLUME IV
BEFORE THE HONORABLE ROY B.
DALTON, JR.
UNITED STATES DISTRICT JUDGE

A144

Court Reporter:Amie R. First, RDR, CRR, CRC,
CPE

AmieFirst.CourtReporter@gmail.com

Proceedings recorded by mechanical stenography.

Transcript produced by Computer-Aided
Transcription.

THE COURT: Thank you, Mr. Gadson.

Well, I confess that I have a different view of the case than the parties apparently do.

This contentious trademark action was bifurcated into two phases. And the purpose of phase one was to determine who owns and has rights to the service marks and the tradename at issue.

And as I indicated, if necessary, on the conclusion of phase one, the action would proceed to phase two to resolve outstanding issues of infringement, liability, and damages.

Despite the weighted law that was in favor of the plaintiff's position, as I

described in my preliminary injunction that was entered on June 24th, 2016, I nonetheless denied the parties' cross-motions for summary judgment based on my determination that they remained unresolved issues of fact and, also, my interest in making sure that I gave the defendant every possible opportunity to establish Thomas McClary's rights to the trademarks at issue.

The phase one evidence has now been concluded, and the Court is determining the bona fides of the motion for directed verdict.

Federal Rule of Civil Procedure 50 provides that the Court may direct the entry of a judgment as a matter of law on motion for directed verdict.

I'm obliged to draw all reasonable inferences in favor of the nonmoving party. And it's not my role at this juncture to make any credibility determinations or to weigh the evidence.

Motion for judgment as a matter of law should be granted only if the facts and the inferences point so overwhelmingly in favor of the movant that a reasonable jury could not arrive at a verdict in favor of a nonmovant.

Thomas McClary was a founding member of the Commodores musical group. That is uncontested.

Mr. McClary was and always will be a Commodore.

As a Commodore, Mr. McClary, along with Lionel Richie, Walter Orange, William

King, Ronald LaPread, and Milan Williams, obtained common law rights to use the mark "The Commodores" as a creator or creators of the unique quality and characteristics for which the group would be known by the public.

The record is also uncontroverted that Mr. McClary left the group known as the Commodores in or around 1984 to pursue a solo career.

So that begs the question, then, what happens to those common law rights when a member leaves the band?

Now, neither of the parties addressed in any way the Robi case that the Court relied on in its preliminary injunction and which the Eleventh Circuit has cited

with approval in *Crystal Entertainment* in which the Eleventh Circuit also commented on in its affirmance of my order that granted preliminary injunction in favor of *Commodores Entertainment Corporation*.

So what happens as far as the law is concerned when an individual such as Mr. McClary who owns a common law right to utilize a trademark such as the *Commodores* leaves the performing group?

The defendant suggests that any original member of a band continues to own and hold enforceable rights to those trademarks.

The Court disagrees.

Until the issuance by the District Court in the Ninth Circuit in *Robi*, neither the Supreme Court nor the Ninth Circuit or

the Eleventh Circuit, for that matter, had directly discussed the status of a trademark for the name of a musical group when one of its members departs and continues to perform under the group's name.

Of course, that's not the case here.

However, the courts that confronted this problem determined that members of a group do not retain rights to use the group's name when they leave the group.

The Robi court went on to state that there is, quote, no inalienable -- there is no alienable interest at stake that would attach to a departing band member and held that the band member, quote, left the group. He took no rights to the service mark at issue with him.

Rather, the mark remained with the original group. In my judgment, Robi is virtually on all fours with the facts and circumstances in the case that's before me.

And those rights remained with the group, including Mr. Orange and Mr. King.

Mr. McClary's argument that as an original Commodore he continued to hold enforceable rights to use and exclude others from using the trademarks at issue, irrespective of his membership status, is unpersuasive and, in my judgment, stands in stark contrast to the law.

Specifically, the case of HEC Enters., Limited, versus Deep Purple stands for the proposition that remaining members

of a band retain the common law trademark ownership rights over a member who has left the band.

There has been much argument and some evidence about the effect of the trademark registrations that were obtained by Mr. King and Mr. Orange.

But the law is clear, it seems to me, that even in the absence of consideration of the fraud question, that they -- that those subsequent trademarks can do little to alter Mr. McClary's common law rights.

Rather, although I do find as a matter of record that there is no evidence, in my judgment, upon which a reasonable jury could find clear and convincing evidence of fraud in either the application or the issuance of the

trademarks at issue from the United States Patent and Trademark Office, the Court takes a moment to distinguish this case from the case of *Crystal Entertainment & Filmworks versus Jurado*, 643 F.3d 1313, and *Bell versus Streetwise Records* at 640 Federal Supplement 575.

In those cases, the courts evaluated the termination of ownership of trademarks in the context of musical groups. But both the *Jurado* and *Bell* courts began their inquiry by determining whether a party establishes ownership by priority of appropriation. If not, then the courts are to apply a two-step approach to determine ownership.

First, the Court should identify the quality or characteristics for which the group is known by the public. And, second, it should

determine who controls that quality or characteristic.

He who controls the quality or characteristic for which the group is known is deemed the prevailing owner of the trademarks associated with the group.

The Court finds not only that this is the persuasive approach but also that I am bound by the Eleventh Circuit to follow it when circumstances so require.

The circumstances of this case are distinguishable from Jurado and Bell and other courts that have employed this method. But in the event that the ownership inquiry here would be guided by that method provided in Jurado, the Court determines as a matter of

law that the Commodores are known for the entertainment services provided by the band -- that is, the personalities and unique performance styles of the members and the band's unique sound -- and Mr. King and Mr. Orange have maintained the control of that quality or characteristic since the departure of Mr. Lionel Richie and Mr. Thomas McClary from the performing group.

Mr. McClary's acceptance of royalties and sporadic performances with the group over the past 20-plus years is inconsequential, in the Court's judgment, compared with the unfettered participation in and control over the group that was exercised by Mr. King and Mr. Orange.

Indeed, the Court is convinced that the facts are so overwhelmingly in

favor of the plaintiff that no reasonable jury could conclude that since his departure in 1984 Mr. McClary exercised any control over the quality of the product and services associated with the mark.

The plaintiff has also conclusively established, in the judgment of the Court, that Mr. King and Mr. Orange made a valid assignment to the plaintiff, Commodores Entertainment Corporation, of their ownership rights in the trademarks as evidenced both by their uncontradicted testimony as well as the terms and conditions contained in the general partnership agreement.

Thus, in the judgment of the Court, the plaintiff, Commodores Entertainment

Corporation, now owns the rights to the trademarks.

The Court's ruling today in no way diminishes the creative genius or the contributions made by Mr. McClary to the creation of the musical style that has endured and continues to resonate with the public for over these past 40 years.

Nonetheless, no reasonable jury could find on this record that anyone other than Walter Orange and William King were responsible for maintaining, preserving, and protecting the quality and characteristics of the trademark from the time Mr. McClary left the group to pursue a solo career.

Accordingly, since there is no issue that Mr. King and Mr. Orange transferred

their rights to the plaintiff, Commodores Entertainment Corporation, the plaintiff owns and has a right to utilize and enforce the marks.

Accordingly, I'm going to grant the defense motion for judgment as a matter of law, transfer -- and transform the preliminary injunction into a permanent injunction.

