

No. 20-1391

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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The Court should grant review as to both questions presented.

As to the first question, the Eleventh Circuit was bound by *Boston Professional Hockey Ass'n v. Dallas Cap & Emblem Manufacturing, Inc.*, 510 F.2d 1004 (5th Cir. 1975) ("*Boston Hockey*"), to conclude that the scope of a registered service mark is unrestricted, and extends to unrelated goods. The Eleventh Circuit candidly stated that this holding was indefensible, and other circuits have rejected it.

SCAD advances a novel defense of the judgment that did not occur to the Eleventh Circuit. SCAD invents a new doctrine of "trademark relatedness" and contends that the goods in this case satisfied that requirement. This newly-minted theory does not cure the core defect of the decision below: it renders the good or service identified in a trademark registration completely irrelevant. That holding is as indefensible as the Eleventh Circuit said it was.

As to the second question, the Eleventh Circuit was bound by *Boston Hockey* to conclude that the likelihood-of-confusion requirement is satisfied merely because a consumer *recognizes* a mark. This holding is wrong too and perpetuates a circuit conflict. As this Court has repeatedly concluded, confusion under the Lanham Act means *source* confusion.

SCAD does not defend *Boston Hockey*. Instead it claims that the Eleventh Circuit was not applying *Boston Hockey*. SCAD is wrong. The Eleventh Circuit explicitly relied on *Boston Hockey* and its progeny. Further, given that SCAD proffered no actual evidence

of source confusion, the Eleventh Circuit could not possibly have ruled in SCAD's favor *unless* it was applying *Boston Hockey's* faulty understanding of the Lanham Act's confusion requirement. This Court should repudiate *Boston Hockey* and align the Eleventh Circuit with other circuits.

Finally, the Eleventh Circuit's decision, if allowed to stand, would nullify the Federal Circuit's standard for deciding disputes over trademark registration. Certiorari is necessary to avoid this distortion of the national trademark system.

I. THE ELEVENTH CIRCUIT'S SCOPE-OF-THE-MARK HOLDING WARRANTS REVIEW.

In its first decision, the Eleventh Circuit held that SCAD's registration—which by its terms, applies only to “educational services”—had unrestricted scope. That ruling is wrong and perpetuates a circuit split.

A. The Eleventh Circuit's Decision is Wrong.

Under 15 U.S.C. § 1115(a), “registration is *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.” Yet under the Eleventh Circuit's decision, the “goods or services specified in the registration” do not matter. The benefits of a registered mark can be asserted against *any* good or service. That cannot be right.

True, the Eleventh Circuit remanded for a likelihood-of-confusion analysis. But a plaintiff claiming infringement must *always* prove likelihood of confusion,

even if the good or service *does* fall within the goods or services described in the registration. 15 U.S.C. § 1114(1)(a). As such, under the Eleventh Circuit’s decision, the identification of the goods and services in the registration does *no work whatsoever*. Regardless of the similarity between the accused good or service and the registered good or service, the standard is identical: likelihood of confusion.

The Eleventh Circuit was bound by *Boston Hockey* to reach this result. But as the court correctly explained, this holding is indefensible. Pet. App. 44a-47a.

Attempting to defend the indefensible, SCAD comes up with a novel justification for the Eleventh Circuit’s holding. SCAD invents a new concept of relatedness known as “related in the trademark sense.” BIO 12. Conveniently, this form of “relatedness” is precisely coextensive with likelihood of confusion. Hence, SCAD claims that by finding a likelihood of confusion, the Eleventh Circuit, by definition, concluded that apparel is related to educational services. According to SCAD, this means that the Eleventh Circuit did not, in fact, extend SCAD’s service mark to unrelated goods. *See id.*

SCAD’s framing rewrites the Eleventh Circuit’s decision, which held that *Boston Hockey* required “extending the scope of a registered service mark in a certain field (e.g., educational services) to a different category altogether (e.g., goods).” Pet. App. 44a. Even if the Eleventh Circuit’s decision could be rewritten in this way, it would still be wrong for the reason stated by the Eleventh Circuit: it allows “the concept of confusion” to “completely swallow[] the antecedent question of the scope of a registered mark.” Pet. App. 47a. If “related”

just means “likely to cause confusion,” then the boundary of mark rights delineated in the registration becomes irrelevant, and trademark infringement boils down to likelihood of confusion in every case, regardless of the scope of the registration.

The reality is that educational services and apparel are as unrelated as two things can possibly be. SCAD claims that they are related because under “common sense,” someone seeing a shirt bearing a college’s initials might think it is sponsored by a college. BIO 15. But “common sense” suggests that businesses do not buy licenses unless they have to. So SCAD’s argument is as follows: people would *assume* that Sportswear was required to buy a license, so the Court should interpret the Lanham Act to require that Sportswear, in fact, buy a license. The Lanham Act does not work this way. It does not enshrine people’s incorrect assumptions *about* the law *into* the law. If the Court correctly construes the Lanham Act not to require a license, people’s “common sense” will lead them to assume, correctly, that Sportswear did not pay for a license it did not need. *See* Robert C. Denicola, *Freedom to Copy*, 108 Yale L.J. 1661, 1668 (1999) (“There is more than a little circularity in basing a legal right to control unauthorized ornamental use on the assumptions that consumers make about the official sponsorship of the ornamented items—assumptions that rest in turn on consumers’ views about whether trademark owners have the legal right to control such use.”).

SCAD’s textual arguments fail. SCAD theorizes that the registration establishes the mark’s *validity* with respect to the goods and services in the registration,

which differs from the *infringement* analysis. BIO 16-17. This makes no sense. The registration protects 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) (emphasis added). Saying that a mark owner has the “*exclusive right to use*” the mark is simply another way of saying that infringing users may be excluded. SCAD does not explain what it even means for the “goods or services specified in the registration” to be relevant only to the validity analysis, or under what circumstances the “goods or services specified in the registration” would be relevant to any judicial decision.

SCAD points to the phrase “any goods or services” in §1114(a). BIO 17-18. But the full text of § 1114(a) permits a registrant to challenge the use in commerce of “a *registered mark*” in connection with the sale of “any goods or services.” Registered marks are limited to the goods and services in the registration. So under the statute’s plain text, a plaintiff can accuse “any goods or services” of infringement, but the suit will be successful only if the defendant is using the “registered mark,” which by definition encompasses not only the mark itself but also the registration’s limitation on the mark’s scope.

SCAD’s strained analysis confirms that the Eleventh Circuit is right: there is no sound justification for *Boston Hockey*.

B. The Eleventh Circuit’s decision conflicts with decisions from other circuits.

The Eleventh Circuit’s decision squarely conflicts

with *Natural Footwear Ltd. v. Hart, Schaffner & Marx*, 760 F.2d 1383 (3d Cir. 1985) (Becker, J.). The Third Circuit held that a mark registered to footwear could not be asserted against apparel. The Third Circuit “limit[ed] the impact of a registered mark to only the specific terms of the registration.” *Id.* at 1396. That ruling conflicts with the decision below. Pet. 17-19.¹

Relying on the McCarthy treatise, SCAD insists *Natural Footwear* is “ambiguous” and “internally inconsistent.” BIO 21. But neither SCAD nor McCarthy actually identifies anything in *Natural Footwear* that is ambiguous or internally inconsistent. SCAD might disagree with *Natural Footwear*, but its reasoning is clear, consistent, and irreconcilable with the decision below.

The Eleventh Circuit’s decision also conflicts with case law from the Second, Fourth, and Ninth Circuits. Pet. 19-24. SCAD claims that those circuits extend a mark’s scope to any good or service for which the registrant can prove a likelihood of confusion. BIO 19-20. That is a blatant mischaracterization of those decisions. They hold that where “a plaintiff bases its trademark infringement claim upon the confusion the defendant’s use will create for the plaintiff’s use of its

¹ Contrary to SCAD’s suggestion, *Natural Footwear* is regularly applied in the Third Circuit. *See, e.g., Smith v. Director’s Choice, LLP*, No. 15-00081, 2017 WL 2955347, at *4 (D.N.J. July 11, 2017); *Villanova Univ. v. Villanova Alumni Educ. Found., 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).

mark in connection with [plaintiff's] *own* registered goods or services, *that* claim comes within the scope of [plaintiff's] protectable interest.” *Applied Info. Servs. Corp. v. eBay, Inc.*, 511 F.3d 966, 972 (9th Cir. 2007). For instance, a registrant who holds the “Dom Perignon” mark on champagne may exclude sparkling wine labeled “Pierre Perignon,” because consumers shopping *for champagne* will conflate the two products. *Pet. 20-21* (addressing *Chandon Champagne Corp. v. San Marino Wine Corp.*, 335 F.2d 531 (2d Cir. 1964)).

Hence, even if SCAD is right that a person buying Sportswear’s apparel would assume an affiliation with SCAD, that would not establish infringement in the Second, Fourth, and Ninth Circuits. Those circuits would require consumers *shopping for the goods and services in the registration*—here, educational services—to be confused. And while a champagne shopper might be confused and accidentally buy “Pierre Perignon” sparkling wine, a person trying to decide which university to attend would not accidentally buy a t-shirt.

SCAD could not possibly have prevailed in the Second, Fourth, or Ninth Circuits. It prevailed only because of the Eleventh Circuit’s outlier, and admittedly incorrect, rule. That division of authority warrants review.

II. THE ELEVENTH CIRCUIT’S LIKELIHOOD-OF-CONFUSION HOLDING WARRANTS REVIEW.

The *Boston Hockey* court adopted a flawed interpretation of the Lanham Act’s likelihood-of-

confusion requirement. It held that “[t]he confusion or deceit requirement is met by the fact that the defendant duplicated the protected trademarks and sold them to the public knowing that the public would identify them as being the teams’ trademarks,” 510 F.2d at 1012—*i.e.*, the marks were merely copied and recognized. It rejected as “unpersuasive” the argument that “confusion must be as to the source of the manufacture of the emblem.” *Id.*

As the petition explained, *Boston Hockey’s* likelihood-of-confusion analysis is wrong. Pet. 30-32. Further, the Ninth and Tenth Circuits have repudiated it. Pet. 32-33. SCAD disputes none of this.

Instead, SCAD claims that the Eleventh Circuit was not actually applying *Boston Hockey’s* incorrect likelihood-of-confusion standard, and was instead applying standard source confusion analysis. This is wrong.

The Eleventh Circuit held that here, “the concern for confusion does not arise from the defendant’s unfair competition with the plaintiff’s products, but rather from the defendant’s misuse of the plaintiff’s reputation and good will as embodied in the plaintiff’s mark.” Pet. App. 11a (internal quotation marks omitted). That is a direct reiteration of *Boston Hockey’s* holding. The whole point of *Boston Hockey* was to expand the concept of confusion beyond “the defendant’s unfair competition with the plaintiff’s products” to encompass mere unauthorized copying. *Id.* *Boston Hockey* is wrong because confusion under the Lanham Act requires unfair competition directed towards the plaintiff’s products.

The Eleventh Circuit’s analysis of Sportswear’s disclaimer confirms the point. In *Boston Hockey*, the court held that a disclaimer could not defeat a trademark infringement claim because the “confusion” was not based on source confusion (which a disclaimer could remedy), but on the buyer’s recognition of the mark (which a disclaimer could not remedy). It explained: “The exact duplication of the symbol and the sale as the team’s emblem satisfying the confusion requirement of the law, words which indicate it was not authorized by the trademark owner are insufficient to remedy the illegal confusion.” 510 F.2d at 1013.

Below, the Eleventh Circuit rejected Sportswear’s argument for the identical reason, explicitly stating that *Boston Hockey* was binding precedent. Pet. App. 22a-23a (finding that *Boston Hockey* “control[s] our analysis” on “the disclaimer issue” and emphasizing that “[l]ike the intended customers in *Boston Hockey*, ... the customers who purchased Sportswear’s SCAD-branded merchandise ... did so because of the merchandise’s affiliation with the marks and because what the marks represent are meaningful to buyers”). The court could not have been clearer that it was following *Boston Hockey*.

SCAD points to case law saying that disclaimers are not always effective in resolving confusion. BIO 30. Of course that is true. But that is not why the Eleventh Circuit disregarded Sportswear’s prominent disclaimers. It did so because it treated *Boston Hockey*’s distorted understanding of confusion as binding precedent.

SCAD insists that the Eleventh Circuit applied the

seven-factor test for source confusion. According to SCAD, Sportswear improperly focuses on “actual confusion” and “intent to misappropriate” and ignores the other five factors. BIO 26-27. Not so. The Eleventh Circuit determined that the factors that favored Sportswear were irrelevant *because SCAD’s theory of “confusion” was the theory endorsed in Boston Hockey*. For instance, the court discounted the “[s]imilarity of [g]oods or [s]ervice” factor because this case “concern[s] the use of the plaintiff’s service marks on the defendant’s goods for the very reason that the plaintiff’s marks embody the plaintiff’s goodwill and reputation”—*i.e.*, *Boston Hockey’s* theory of what “confusion” means. Pet. App. 17a; *see id.* Pet. App. 18a (same, for two other traditional likelihood-of-confusion factors).

SCAD cites case law in which courts have allegedly “found infringement of universities’ marks by t-shirt distributors in analogous circumstances.” BIO 29 (citing cases). Those cases are not “analogous.” In the cases cited by SCAD, *the university itself was already selling apparel*, and the defendant’s apparel would be confused with *the plaintiff’s apparel*. The whole reason SCAD relies on *Boston Hockey* is that SCAD was *not* selling shirts before Sportswear, so the alleged confusion is between Sportswear’s apparel *and SCAD itself*.

Given that the Eleventh Circuit applied *Boston Hockey*, the circuit split is plain. As SCAD acknowledges, the Ninth and Tenth Circuit have rejected *Boston Hockey’s* likelihood-of-confusion analysis. BIO 31-32.

In an effort to avoid certiorari, SCAD insists that the Eleventh Circuit would have reached the same result

even without *Boston Hockey*. BIO 34. This is inconceivable. The Eleventh Circuit's outcome makes no sense unless *Boston Hockey* was controlling. Sportswear posted prominent disclaimers saying it was not affiliated with SCAD. There was no evidence anyone had ever been confused by its website. Yet the Eleventh Circuit held that SCAD had proved likelihood of confusion *as a matter of law*. The Eleventh Circuit could not have reached this result unless it adopted *Boston Hockey's* understanding of confusion, which is exactly what it said it was doing.

SCAD points out that the district court's second decision failed to cite *Boston Hockey*. BIO 34. It forgets that the district court initially ruled in Sportswear's favor, only to be reversed with instructions to follow *Boston Hockey*. Pet. App. 47a-48a.

SCAD also suggests that *University of Georgia Athletic Ass'n v. Laite*, 756 F.2d 1535 (11th Cir. 1985) might have provided an alternative ground to rule in SCAD's favor, and even deems it “[r]emarkabl[e]” that Sportswear's petition does not focus on *Laite*. BIO 34-35. What is “remarkable” is SCAD's failure to cite the portion of *Laite* explicitly holding that its outcome was entirely dictated by *Boston Hockey*. 756 F.2d at 1546 (rejecting argument that “no one actually believes that the University of Georgia has gone into the brewing business” because in *Boston Hockey*, “this court's predecessor held that ‘confusion’ need not relate to the origin of the challenged product.”).

In the decision below, the Eleventh Circuit followed *Boston Hockey* again, perpetuating the circuit split that only this Court can resolve.

III. THE ELEVENTH CIRCUIT'S DECISION CONFLICTS WITH THE FEDERAL CIRCUIT'S REGISTRATION DECISIONS.

The Court should grant review because the Eleventh Circuit's decision conflicts with the Federal Circuit's trademark decisions.

As the petition explained, SCAD could not have registered its marks for apparel under the Federal Circuit's legal standard because it was not using the marks on apparel. Yet, the effect of the Eleventh Circuit's decision was to put SCAD into the exact position it would have occupied in litigation if it *did* obtain a registration on apparel. The result will be regulatory arbitrage, in which an applicant can obtain a narrow mark under the Federal Circuit's precedents, and then extend the scope of that mark by suing in a district court within the Eleventh Circuit. Pet. 35-37.

SCAD offers two responses. The first is frivolous: SCAD claims that a document excluded from the record might have established, were it in the record, that SCAD could have registered its mark on apparel. BIO 24. It is improper for SCAD to rely on an extra-record document.

The second merely reiterates SCAD's flawed theory that a mark's scope extends to any good or service for which it can show likelihood of confusion. BIO 24. This is unresponsive to Sportswear's argument that the Eleventh Circuit's decision will transform Federal Circuit proceedings into a farce. Litigants need not bother litigating the scope of a registration in the Federal Circuit because this has no impact whatsoever

on the litigant's ability to assert the mark within the Eleventh Circuit.

That outcome profoundly undermines the national system of trademark registration. This Court's review is badly needed.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

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