No. 21-195

# In the Supreme Court of the United States

BELMORA LLC AND JAMIE BELCASTRO, PETITIONERS,

*v.*

BAYER CONSUMER CARE AG
AND BAYER HEALTHCARE LLC,
RESPONDENTS.

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

**BRIEF IN OPPOSITION**


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**QUESTIONS PRESENTED**

1. Whether use of a mark in the United States is a precondition for asserting claims for false advertising and false association under section 43(a) of the Lanham Act and for petitioning for trademark cancellation under section 14(3) of the Lanham Act.

2. Whether state-law statutes of limitations or the equitable doctrine of laches governs the timeliness of section 43(a) claims.

## CORPORATE DISCLOSURE STATEMENT

Respondents Bayer Consumer Care AG and Bayer HealthCare LLC are subsidiaries of Bayer AG, a publicly held company. Bayer AG has no parent corporation, and no publicly held company owns 10% or more of its stock.

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## INTRODUCTION

This Court already denied one interlocutory petition for a writ of certiorari by petitioner Belmora LLC in this case. Belmora presents no reason for a different result this time. The petition—again brought in an interlocutory posture—presents two rarely arising questions, neither of which implicates any division in authority.

This case arises from Belmora's brazen appropriation of respondent Bayer Consumer Care AG (BCC)'s FLANAX mark. Since 1976, BCC and its predecessors have sold naproxen sodium pain relief tablets in Mexico under the trademark FLANAX, where it has long been the most popular brand of pain reliever. In 2004, Belmora began using the FLANAX mark to sell naproxen sodium tablets in the United States, closely mimicking BCC's Mexican packaging and falsely implying in advertising that its product is the same as BCC's. BCC successfully petitioned the Trademark Trial and Appeal Board (Board) under section 14(3) of the Lanham Act to cancel Belmora's registration for the FLANAX mark based on misrepresentation of source.

Belmora filed suit, challenging the Board's cancellation of the registration. BCC, in turn, sued Belmora for false association under section 43(a)(1)(A) of the Lanham Act. Together with respondent Bayer HealthCare LLC (BHC), an affiliated American company that sells naproxen sodium tablets in the United States under the trademark ALEVE, BCC also sued for false advertising under section 43(a)(1)(B).

In a 2016 decision, the Fourth Circuit held that BCC has a cause of action under section 43(a) and the ability to petition for cancellation under section 14(3) even though it does not use the FLANAX mark in the United States. This Court denied Belmora's petition to review that decision. Nothing has changed in the intervening years to prompt a different result now. Since the prior denial of certiorari, only one circuit has considered whether a party lacking the right to use a mark in the United States can petition for cancellation under section 14(3), and that circuit agreed with the Fourth Circuit's decision here.

No other circuits have considered whether such a party can bring claims under section 43(a)—underscoring the infrequency of claims involving domestic appropriation of foreign marks. Belmora relies heavily on academic commentary asserting that the Fourth Circuit's 2016 opinion showed this area of law to be "confus[ing]." But this Court's concern is with confusion in circuit case law, not in the Nation's law reviews, and the circuit courts are neither confused nor divided on this question.

In the current petition, Belmora raises a second, interlocutory question concerning whether state-law statutes of limitations or the doctrine of laches governs the timeliness of claims under section 43(a). The court below held that laches is the answer and remanded the case to the district court to conduct the laches inquiry. On this question, Belmora's argument that the circuits are split is bewildering. Belmora claims that the Third and Ninth Circuits apply state-law statutes of limitations, but omits from its petition authoritative decisions by those circuits (cited by the Fourth Circuit below) holding that *laches* is the applicable inquiry. Every circuit that has considered this question agrees with the decision below that laches governs. The question, moreover, has minimal practical significance: because state-law statutes of limitation inform the laches analysis, in many cases the result will be the same under both frameworks.

Review was unwarranted when this Court last considered this case and remains unwarranted now. The Court should deny the petition.

## STATUTORY PROVISIONS INVOLVED

Additional relevant statutory provisions can be found in the appendix to this brief.

## STATEMENT

### A. Statutory Framework

Congress enacted the Lanham Act to "mak[e] actionable the deceptive and misleading use of marks" and to "protect persons engaged in . . . commerce against unfair competition." 15 U.S.C. § 1127. This case implicates two sections of the Lanham Act: sections 14 and 43.

**Section 14(3).** Section 14 allows "any person who believes that he is or will be damaged" by the registration of a mark to petition the Board for cancellation of the registration. 15 U.S.C. § 1064. A mark may be cancelled if it "is being used by . . . the registrant so as to misrepresent the source of the goods or services on or in connection with which the mark is used." *Id.* § 1064(3). In such cases, the petitioner must show that the "registrant deliberately sought to pass off its goods as those of petitioner." 3 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 20:60, at 20-170 (4th ed. 2016).

**Sections 43(a)(1)(A) and (B)**. Section 43(a) creates causes of action for false association and false advertising. Section 43(a)(1)(A) creates a cause of action for false association: *i.e.*, the use of any word, name, designation of origin, description, or representation that is "likely to cause confusion . . . as to the affiliation, connection, or association of [the defendant] with another person, or as to the origin, sponsorship, or approval of [the defendant's] goods, services, or commercial activities by another person." 15 U.S.C. § 1125(a)(1)(A). Section 43(a)(1)(B) creates a cause of action for false advertising: *i.e.*, actions and statements that, among other things, "misrepresent[] the nature, characteristics, qualities, or geographic origin of [the defendant's] or another person's goods, services, or commercial activities" in commercial advertising or promotion. 15 U.S.C. § 1125(a)(1)(B).

Both provisions authorize suit by "any person who believes that he or she is or is likely to be damaged" by the unlawful conduct. 15 U.S.C. § 1125(a)(1). Unlike the Act's cause of action for infringement of registered trademarks, 15 U.S.C. § 1114(1), section 43's text does not require a plaintiff bringing a section 43(a) claim to possess a protectible mark. In that regard, section 43(a) "goes beyond trademark protection" to remedy other forms of unfair competition. *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 28-29 (2003).

This Court addressed the question of who may sue under section 43(a) in *Lexmark International, Inc. v. Static Control Components, Inc.*, 572 U.S. 118 (2014). The parties there disputed whether the plaintiff, which sold components necessary to refurbish the defendant's toner cartridges, had "prudential standing" to sue under section 43(a). *Id.* at 125. Rejecting the "standing" nomenclature, this Court cautioned against "limit[ing] a cause of action that Congress has created merely because 'prudence' dictates." *Id.* at 125-28. Instead, the Court clarified, the relevant issue was whether the plaintiff fell "within the class of plaintiffs whom Congress has authorized to sue," a "straightforward question of statutory interpretation." *Id.* at 128-29.

To answer this question, the Court set out a two-part test. First, the plaintiff must "come within the zone of interests" of the at-issue statute. *Id.* at 131. To bring a false-advertising claim, a plaintiff "must allege an injury to a commercial interest in reputation or sales." *Id.* at 131-32. Second, the plaintiff's injuries must be "proximately caused by violations of the statute." *Id.* at 132. Applying these standards, the Court concluded that the statute authorized the plaintiff to sue. *Id.* at 137.

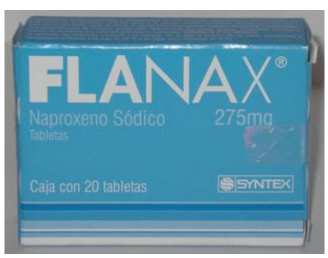
A plaintiff who prevails under section 43(a) may seek several forms of relief. Section 34(a) authorizes the issuance of injunctions, and section 35(a) authorizes awards of the defendant's profits, damages, and costs. Both provisions specify that such relief shall be available subject to "the principles of equity." 15 U.S.C. §§ 1116(a), 1117(a).

### B. Factual and Procedural Background

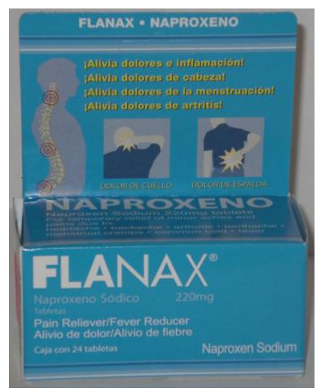
1. Since 1976, BCC and its predecessors have sold naproxen sodium pain relief tablets in Mexico under the

Mexican-registered trademark FLANAX. Pet.App.32a. BCC's Flanax is the top-selling pain reliever in Mexico, with annual revenues in the hundreds of millions of dollars. *Id.* BHC is an American company and affiliate of BCC that sells naproxen sodium tablets in the United States under its American-registered ALEVE trademark. Pet.App.5a.

In 2004, petitioner Belmora began selling its own naproxen sodium tablets in the United States. It branded them FLANAX. As the Fourth Circuit observed, Belmora adopted packaging that "closely mimicked" BCC's Mexican packaging in color, typeface, and font size:




BCC




Belmora

Pet.App.32a-33a.[1] Belmora altered its packaging in response to legal action by BCC, but its revised packaging remained "similar" to BCC's. Pet.App.33a.

[1] Underscoring the similarity of the packaging, in its 2016 opinion, the Fourth Circuit incorrectly identified which packaging belonged to which entity.

The resemblance was not accidental. Belmora repeatedly implied that its product was the same as BCC's, deliberately trading on BCC's longstanding goodwill and brand recognition among Mexicans and Mexican-Americans in the United States. Pet.App.33a-34a. For example, in one brochure, Belmora described its then three-year-old Flanax product as one "that Latinos have turned to" "[f]or generations." *Id.* In a sales script, Belmora said it was "the direct producers of FLANAX in the US" and touted its Flanax product, which it sold only in the United States, as "a very well known medical product in the Latino American market" because it is "sold successfully in Mexico." Pet.App.34a. An investigation of stores selling Belmora's Flanax "identified at least 30 purchasers who believed that [Belmora's] Flanax products were the same as, or affiliated with, the Flanax products they knew from Mexico." *Id.*

In 2005, the Patent and Trademark Office (PTO) registered Belmora's FLANAX mark. Pet.App.86a-87a.

2. In 2007, BCC petitioned the Board under section 14(3) of the Lanham Act to cancel Belmora's registration. Pet.App.35a. BCC based the petition on Belmora's use of the mark "to misrepresent the source of the goods . . . on which the mark is used." *Id.*

The Board proceedings lasted seven years. In 2014, the Board granted BCC's petition and cancelled Belmora's registration. Pet.App.35a. In support of that decision, the Board found that Belmora had "blatant[ly] misuse[d] . . . the FLANAX mark in a manner calculated to trade in the United States on the reputation and goodwill of [BCC]'s mark," and that Belmora's "specific acts and conduct were aimed at deceiving the public into thinking that [Belmora's] goods actually emanate from [BCC]." Pet.App.183a.

3. Belmora challenged the Board's cancellation decision in the United States District Court for the Eastern District of Virginia. Pet.App.88a. BCC separately brought claims against Belmora in the Central District of California for false association and false advertising under section 43(a)(1). Pet.App.7a-8a. Respondent BHC also asserted a false-advertising claim in the same action. *Id.* After the California action was transferred to the Eastern District of Virginia, the cases were consolidated. Pet.App.8a.

The district court granted Belmora's motion to dismiss the section 43(a) claims and reversed the Board's cancellation decision, reasoning that respondents could not satisfy *Lexmark*'s zone-of-interest test and/or plead proximate causation because they "[did] not possess a protectable interest in the FLANAX mark in the United States." Pet.App.96a-97a, 109a.

Respondents appealed, and the PTO intervened on appeal to defend the Board's cancellation decision. The Fourth Circuit reversed and remanded for further proceedings, rejecting Belmora's argument that "a plaintiff must have initially used its own mark in commerce within the United States as a condition precedent to a § 43(a) claim." Pet.App.44a-45a. The court of appeals contrasted section 43(a) with other provisions of the Lanham Act specifying that claims may be brought only "by the registrant"—implying that registration of a mark in the United States is a precondition to suit under those other provisions but not under section 43(a). Pet.App.45a.

Applying *Lexmark*, the Fourth Circuit found that BCC had alleged a commercial injury—lost sales—resulting from "the deceptive and misleading use of marks." Pet.App.52a. In particular, the court explained, BCC alleged that the misleading association fostered by Belmora "caused BCC customers to buy the Belmora FLANAX in the United States instead of purchasing BCC's FLANAX in Mexico." Pet.App.50a-51a. And the claim satisfied *Lexmark*'s proximate-causation requirement, the court held, because "[t]he complaint can fairly be read to allege 'economic or reputational injury flowing directly from the deception wrought by the defendant's' conduct." Pet.App.53a (quoting *Lexmark*, 134 S. Ct. 1390).

Applying the same analysis to the false-advertising claim, the court of appeals characterized BHC's claim as a "typical false advertising case" by a "direct competitor to Belmora in the United States." Pet.App.54a. It likewise held that BCC's "claim advances the [Lanham] Act's purpose of 'making actionable the deceptive and misleading use of marks.'" Pet.App.55a (quoting 15 U.S.C. § 1127). And the court held that BCC had adequately alleged proximate causation based on lost sales caused by Belmora's deception. Pet.App.56a. Belmora does not challenge the Fourth Circuit's holding with respect to BHC, as it limits its question presented to claims by a "foreign owner of a foreign trademark." Pet. i.

The court of appeals also reversed the district court's reversal of the Board's cancellation decision. Pet.App.57a-58a. Section 14(3)'s language, the court of appeals observed, "closely tracks similar language from § 43(a) that the Supreme Court considered in *Lexmark*." Pet.App.59a-60a. The court of appeals thus applied its reasoning from the section 43(a) claims to hold that BCC could petition for cancellation under section 14(3). Pet.App.61a.

Belmora petitioned for a writ of certiorari. *See* No. 16-548. Respondents and United States opposed the petition. This Court denied the petition. 137 S. Ct. 1202 (2017).

4. On remand, the district court affirmed the Board's decision canceling Belmora's FLANAX registration. Pet.App.81. The court also granted summary judgment to Belmora on respondents' section 43(a) claims, holding that respondents' claims were time-barred under the California-law statute of limitation that it held applied under the Lanham Act, which contains no express statute of limitations. Pet.App.74a-75a.

Respondents again appealed. The Fourth Circuit agreed with respondents that the doctrine of laches, not state-law statutes of limitations, governs the timeliness of section 43(a) claims. Pet.App.14a. The Fourth Circuit noted that the Lanham Act's remedies are available subject to "the principles of equity." Pet.App.15a (citing 15 U.S.C. §§ 1116(a), 1117(a)). For that reason, the court explained, "the affirmative defense of laches, which applies to claims that are equitable in nature, provides a closer analogy than available state statutes." Pet.App.14a (internal quotations and citations omitted).

In light of the fact-intensive nature of the laches inquiry, the Fourth Circuit tasked the district court on remand with determining whether laches bars respondents' claims. Pet.App.17a. District court proceedings are currently stayed pending resolution of this petition. Dist. Ct. Dkt. 296.

## REASONS FOR DENYING THE PETITION

### I. The Circuits Are Not Split on Either Question Presented

#### A. The Circuits Are Not Split on Whether the Lanham Act Provides BCC a Cause of Action Under Sections 14(3) and 43(a).

Belmora identifies no split in authority on the first question presented. The Fourth Circuit is one of just two circuits to consider, post-*Lexmark*, whether the right to use a mark in the United States is a precondition for petitioning to cancel a U.S.-registered mark under section 14(3). Both the Fourth and Federal Circuits have read *Lexmark* to preclude such a requirement, and this Court just denied a petition for certiorari challenging the Federal Circuit's decision. The Fourth Circuit is the only circuit since *Lexmark* to address whether a party that does not use a mark in the United States has a cause of action under section 43(a). And, even taking into account the pre-*Lexmark* cases on which Belmora relies, the courts are not divided on the question presented here.

1. **Section 14(3).** Only one other circuit has considered whether a party must have rights in a mark to petition for cancellation under section 14(3), and that circuit agrees with the decision below. Last year, the Federal Circuit, in *Australian Therapeutic Supplies Pty. Ltd. v. Naked TM, LLC*, 965 F.3d 1370 (Fed. Cir. 2020), *cert. denied*, 2021 WL 4507693 (Oct. 4, 2021), held that, under *Lexmark*, "[e]ntitlement to a cause of action under [section 14(3)] is not contingent on whether a petitioner has proprietary rights in its own mark." *Id.* at 1373-74. The Federal Circuit explained that while "proprietary rights are necessary to show priority of use when petitioning for cancellation under [Lanham Act] section 2(d)," a petitioner need not "have a proprietary right in its own mark in order to demonstrate a cause of action" under section 14(3). *Id.* at 1374. The Federal Circuit thus held that a party that had contracted away rights in its unregistered marks could bring a cancellation proceeding so long as the party has a "real interest and reasonable belief in damage" caused by the challenged registration. *Id.* at 1375.

The Federal Circuit's decision is entirely consistent with the decision below, in which the Fourth Circuit rejected the notion that a party needed to use a mark in the

United States to petition for cancellation under section 14(3). Belmora attempts (at 23) to distinguish this case from *Australian Therapeutics* by pointing out that the plaintiff there had previously "advertised and sold a product bearing its unregistered trademark in the United States." But the *Australian Therapeutics* court expressly rejected any reading of section 14(3) that conditioned the cause of action on rights to a U.S. mark. Belmora's distinction is irrelevant under the Federal Circuit's reasoning.

2. **Section 43(a).** Belmora identifies no other circuit decisions post-dating *Lexmark* that consider whether a plaintiff can bring a section 43(a) claim if it does not use a mark in U.S. commerce. Belmora instead invokes (at 20-28) three pre-*Lexmark* cases. None conflicts with the Fourth Circuit's decision here.

Belmora first invokes *Person's Co. v. Christman*, 900 F.2d 1565 (Fed. Cir. 1990), in which the Federal Circuit affirmed the Board's dismissal of a cancellation petition brought by a foreign mark owner seeking to cancel the registration of its mark by a U.S. copycat. *Person's* did not involve a claim under section 43(a) or cancellation of registration under section 14(3). *Id.* at 1568. Instead, the foreign mark owner petitioned for cancellation under Lanham Act section 2(d). *Id.* That provision permits cancellation of "a mark which so resembles a mark *registered in the Patent and Trademark Office*, or a mark or trade name *previously used in the United States by another* . . . , as to be likely . . . to cause confusion, or to cause mistake, or to deceive." 15 U.S.C. § 1052(d) (emphases added).

Person's Co., a Japanese company that did not operate in the United States, had long sold clothing bearing the mark PERSON'S in Japan. 900 F.2d at 1567. The defendant began selling copycat goods in the United

States, ultimately registering the PERSON'S mark here. *Id.* at 1568. Person's subsequently sought to register the mark itself. *Id.* It petitioned to cancel the defendant's U.S. registration, claiming Person's was the senior user of the mark based on its prior use in Japan. *Id.* The Federal Circuit affirmed the Board's dismissal of the petition on the ground that Person's could not, in light of the "concept of territoriality" in trademark law, rely on its prior use in Japan to claim priority in the United States. *Id.* at 1569.

Belmora pounces (at 23-24) on this passage as evidence of its claimed circuit split, but it ignores the fact that the Federal Circuit was addressing a "claim for priority in the United States." *Id.* at 1568. BCC's section 43(a) claims and section 14(3) petition are not based on a claim to priority; both instead are based on Belmora's deceptive use of the FLANAX mark and deceptive advertising. The Federal Circuit itself distinguished a cancellation petition based on priority under section 2(d) on the one hand and a petition under section 14(3) on the other hand by holding in *Australian Therapeutics* that a section 14(3) petitioner need not have rights in the at-issue mark. *See supra* p.11. *Australian Therapeutics* squarely rebuts Belmora's claim that the Fourth and Federal Circuits have reached divergent outcomes.

Belmora next points (at 24-25) to the Ninth Circuit's pre-*Lexmark* decision in *Grupo Gigante S.A. de C.V. v. Dallo & Co., Inc.*, 391 F.3d 1088 (9th Cir. 2004). That case likewise addressed the distinct question whether a foreign mark owner can claim priority in a mark in U.S. proceedings. A Mexican company had used the mark GIGANTE to identify a chain of well-known grocery stores in Mexico when Dallo began opening grocery stores called "Gigante Market" in California. *Id.* at 1091-92. Grupo Gigante then opened its own competing "Gigante" grocery store in California. Grupo Gigante brought claims under section 43(a) to stop Dallo from using the GIGANTE mark on its markets. *Id.* Dallo counterclaimed, claiming priority given its earlier use of the mark in the United States. *Id.*

The Ninth Circuit did not address the question presented here: whether a party must use a mark in U.S. commerce to bring claims under section 43(a). By the time the litigation commenced, both parties were using the GIGANTE mark in California, so that question was not presented. Rather, the parties' dispute focused on which party had *priority* in the GIGANTE mark. *Id.* at 1092-93. Ordinarily, the court observed, priority "comes with earlier use of a mark in commerce" in the United States. *Id.* at 1093. The parties agreed, however, that when "foreign use of a mark achieves a certain level of fame for that mark in the United States," the foreign mark may claim priority. *Id.* at 1094. The Ninth Circuit elaborated on the contours of that famous-mark exception, and it remanded the case to the district court to consider whether to apply the exception as clarified on appeal. *Id.* at 1094-95. The decision focused on a claim of priority and so has no relevance to BCC's claims, which are based on Belmora's deceptive conduct.

Lastly (at 25-27), Belmora relies on *ITC Ltd. v. Pungchini, Inc.*, 482 F.3d 135 (2d Cir. 2007). There, as relevant here, Indian companies that owned a restaurant in India called Bukhara brought section 43(a) claims against a company that opened a similar restaurant in New York called "Bukhara Grill." *Id.* at 144-45. Like the Ninth Circuit in *Grupo Gigante*, the Second Circuit approached the false-association claim as a question of "priority," holding that the Indian plaintiffs lacked a priority right to use the mark in the United States. *Id.* at 154. In so holding, the Second Circuit rejected the famous-mark exception adopted in *Grupo Gigante*. *Id.* at 165.

Belmora seizes on the resulting conflict between the Second and Ninth Circuits, but, as the United States explained in its prior brief in opposition in this case, "the decision below does not implicate that disagreement." U.S. Br. in Opp. 19, No. 16-548. As just explained, BCC does not base its section 43(a) claims on claimed priority of use with respect to the FLANAX mark in the United States under the famous-mark doctrine.

When addressing the plaintiffs' "standing" to bring a false-advertising claim, the Second Circuit explained that the plaintiffs had to show "both (1) a reasonable interest to be protected against the advertiser's false or misleading claims, and (2) a reasonable basis for believing that this interest is likely to be damaged by the false or misleading advertising." *Pungchini*, 482 F.3d at 169 (internal quotations omitted). In other words, the Second Circuit applied a *Lexmark*-like analysis. While the Second Circuit ultimately held the plaintiffs lacked "standing," it did so because the plaintiffs "produced no evidence that defendants' operation of their Bukhara Grill restaurants [was] likely to damage" their business. *Id.* at 171. The Second Circuit's reasoning is consistent with both the decision below and *Lexmark*; in the Second Circuit, as in the Fourth Circuit, a plaintiff must show that a defendant's false advertising is likely to damage its business interests.

3. Nor does the decision below conflict with any decision of this Court. To the contrary, the Fourth Circuit faithfully applied *Lexmark*.

Like the *Lexmark* plaintiff, BCC sued under section 43(a). As the Court explained in *Lexmark*, section 43(a)'s causes of action for false association and false advertising advance the Act's goal of protecting against unfair competition. 572 U.S. at 131. Drawing on the common law, the Court explained that unfair competition "concern[s] . . . injuries to business reputation and present and future sales." *Id.* Thus, under *Lexmark*, a plaintiff falls within the zone of interests for a false-advertising claim—and by extension, a false-association claim—by alleging "injury to a commercial interest in reputation or sales." *Id.* at 131-32.

Applying this test, the Fourth Circuit correctly held that BCC falls within the statute's zone of interests. *See supra* pp.8-9. The "traditional tools of statutory interpretation," *Lexmark*, 572 U.S. at 127, inexorably lead to the conclusion that a party need not use a mark in the United States before suing under section 43(a) or filing a section 14(3) petition. Neither provision contains any such textual limitation. Rather, a plaintiff need only show that its injury falls within the statute's zone of interests and that its injury is proximately caused by the alleged violation.

Belmora does not argue that the decision below conflicts with *Lexmark*. Nor does it explain why it believes that *Lexmark* did not abrogate the circuit cases on which it relies, to the extent it believes those cases conflict with the Fourth Circuit's decision here (though they do not, *see supra* pp.12-15). Instead Belmora (at 27) argues only that both *Lexmark* and the decision below failed to consider the "territoriality principle" of trademark law.

As the United States explained when it previously opposed certiorari in this case as an intervenor, "[n]othing in the court of appeals' decision . . . calls into question the territorial nature of trademark rights." U.S. Br. in Opp. 15, No. 16-548. BCC's section 14(3) and 43(a) claims, the United States explained, derive not from trademark law, but from common-law passing-off claims, which have never turned on the plaintiff's ownership of a mark. *Id.* at 13-15. As the Fourth Circuit noted in 2016, "[i]t is important to emphasize that this is an unfair competition case, not a trademark infringement case." Pet.App.18a.

Nor do BCC's claims violate the presumption against extraterritoriality, because they target "Belmora's use of its trademark in the United States to deceive U.S. consumers about the origins of Belmora's product." U.S. Br. in Opp. 15, No. 16-548.

4. Finally, Belmora points (at 21) to law review articles that it claims characterize the circuits as split on this issue. Law review articles obviously cannot create a split among the circuits where none exists. Nor is "confusion" purportedly identified by law professors a basis for granting certiorari under this Court's rules. *See* Sup. Ct. R. 10.

Belmora first cites (at 21) Christine Haight Farley's *The Lost Unfair Competition Law*, 110 The Trademark Reporter 739 (2020). Professor Farley, however, does not argue that the decision below splits with decisions of other circuits on the question presented. To the contrary, she depicts the decision below as illustrating "the continuing lack of clarity about the boundaries of Section 43(a)'s unfair competition protection." *Id.* at 743-44. Professor Farley argues only that that courts and legal academics have adopted understandings of unfair competition law that, at a very high level, are in some tension. *Id.* In one corner are those who "think unfair competition is narrowly centered on . . . infringement of unregistered marks and certain claims for false advertising." *Id.* at 743. In the other are those who think "unfair competition goes well beyond source confusion and false advertising and provides an umbrella under which a broad number of disparate deceptive trade practices reside." *Id.* at 744. That is not the stuff of a circuit split.

Belmora also invokes (at 21) *Article 6bis of the Paris Convention for Well-Known Marks*, 30 Ind. Int'l & Comp. L. Rev. 235 (2020). In that article, Connie Davis Powell Nichols discusses "the diverging positions on whether Article 6bis [of the Paris Convention for the Protection of

Industrial Property] provides foreign trademark owners access to U.S. trademark law." *Id.* at 237. This case does not implicate that question, as the Fourth Circuit did not apply the Paris Convention below. As Professor Nichols acknowledges in her article, the Fourth Circuit below based its decision on "the plain language of the Lanham Act," *id.* at 249, as this Court instructed in *Lexmark*.

### B. The Circuits Are Not Split on the Laches Question.

Belmora erroneously claims that the circuits are split on the second question presented—whether the timeliness of section 43(a) claims is governed by the doctrine of laches or state-law statutes of limitations. Belmora claims (at 30) that the Third and Ninth Circuits have broken with the Fourth Circuit's approach and "have applied analogous state law statutes of limitations to determine the timeliness of [section] 43(a) claims." But Belmora relies on cases that did not consider whether laches, rather than the statute of limitations, should apply. And Belmora ignores subsequent case law in each circuit that did, in fact, apply laches rather than the statute of limitations when actually called upon to decide the issue. This claimed "split," too, is non-existent.

1. Belmora claims the Third Circuit applies analogous state-law statutes of limitations to section 43(a) claims. That is wrong. Belmora ignores *Products Inc. v. Bobrick Washroom Equipment, Inc.*, 401 F.3d 123 (3d Cir. 2004), which held that, for section 43(a) false-advertising claims, the state-law statute of limitations serves only "as a guideline" for determining whether the laches doctrine bars the plaintiff's claim. *Id.* at 136. Not only is *Products* the most recent and exhaustive Third Circuit precedent on the question, it was *cited in the decision below*. Pet.App.15a. Belmora has no excuse for its failure to mention this case that defeats its claim of a split with the Third Circuit.

In any event, the cases Belmora does cite—which pre-date the Third Circuit's decision in *Products*—do not evidence a split. Belmora first points (at 30-31) to *Island Insteel Systems, Inc. v. Waters*, 296 F.3d 200 (3d Cir. 2002). But there, the parties *agreed* that the state-law statute of limitations—not laches—should apply, so the court had no occasion to consider the question presented. *Id.* at 207. Nor does *Beauty Time, Inc. v. VY Skin Systems, Inc.*, 118 F.3d 140 (3d Cir. 1997) help Belmora. That case did not even involve a claim under section 43(a).

Belmora's claimed split with the Ninth Circuit is equally spurious. Belmora again ignores the most relevant precedent from that circuit. In *Jarrow Formulas, Inc. v. Nutrition Now, Inc.*, 304 F.3d 829 (9th Cir. 2002), the Ninth Circuit considered whether laches or an analogous state-law statute of limitation should serve as the "sole timeliness defense available to section 43(a) claims." *Id.* at 836. Drawing on the Lanham Act's provision that monetary and injunctive relief is available in keeping with "the principles of equity," the Ninth Circuit reasoned that laches, not the statute of limitations, was the only available untimeliness defense. *Id.* The court explained, however, that the statute of limitations bears on the laches analysis; where the analogous statute of limitations has expired, the doctrine of laches is presumed to bar suit. *Id.* at 837. Again, Belmora's failure to cite *Jarrow* to this Court is inexplicable; the Fourth Circuit cited *Jarrow* in its decision below. Pet.App.15a, 17a.

Belmora cites *Karl Storz Endoscopy-America, Inc. v. Surgical Technologies, Inc.*, 285 F.3d 848, 857 (9th Cir. 2002), and *General Bedding Corp. v. Echevarria*, 947 F.2d 1395, 1397 n.2 (9th Cir. 1991), in support of its claimed split. Both cases pre-date *Jarrow*. In *Jarrow*, the Ninth Circuit itself characterized these cases as addressing the question only "in passing" and "fail[ing] to consider whether Congress intended that laches, as opposed to the statute of limitations, be the sole timeliness defense available to [section] 43(a) claims." *Jarrow*, 304 F.3d at 836. *General Bedding*, while never mentioning laches, states, in a footnote with no supporting authority, that "federal claims, such as plaintiff's Lanham Act claim, . . . borrow state statutes of limitations." *See* 947 F.2d at 1397 n.2. *Id.* *Karl Storz* is equally conclusory; it merely states, citing *General Bedding*, that the plaintiff's "Lanham Act claims are subject to a three-year statute of limitations." 285 F.3d at 857. Neither court considered whether laches was the right standard, nor does it appear that any party even presented that question.

2. In short, every circuit to have considered the question has agreed with the Fourth Circuit. As just discussed, both the Third and Ninth Circuits have held that laches, not state-law statute of limitations, govern section 43(a) claims. The Sixth, Seventh, and Eighth Circuits likewise apply laches. *See Kehoe Component Sales Inc. v. Best Lighting Prods., Inc.*, 796 F.3d 576, 584 (6th Cir. 2015); *Hot Wax, Inc. v. Turtle Wax, Inc.*, 191 F.3d 813, 821-22 (7th Cir. 1999); *Kason Indus. Inc. v. Component Hardware Grp., Inc.*, 120 F.3d 1199, 1203 (11th Cir. 1997).

Thus, six circuits have held that laches, not state-law statutes of limitations, apply to section 43(a) claims. And no circuit that has actually considered the question has rejected application of laches.

This Court's precedents require this approach. In general, where Congress omits an express limitations period, courts assume that "Congress intended that the courts apply the most closely analogous state law." *DelCostello v. Int'l Brotherhood of Teamsters*, 462 U.S. 151, 158 (1983). That rule, however, has exceptions. "In some circumstances, . . . state statutes of limitations can be unsatisfactory vehicles for the enforcement of federal law." *Id.* at 161. Specifically, "state statutes of limitations [do] not apply to a federal cause of action lying only in equity, because the principles of federal equity are hostile to the mechanical rules of statutes of limitations." *Id.* at 162 (citations omitted).

Relief in section 43(a) suits is, by the Lanham Act's own terms, subject to "the principles of equity." 15 U.S.C. §§ 1116(a) (injunctive relief), 1117(a) (awards of profits and damages); *see also* Pet.App.15a. Congress could not have intended to create a regime where the right to bring suit is governed by state-law statutes of limitation, but the right to obtain relief in that same suit is governed by the equitable doctrine of laches. Belmora provides no reason for this Court to grant certiorari to adopt that disjointed interpretation of the Lanham Act.

### II. This Case Does Not Warrant This Court's Review

Belmora claims (at 32, 38) that this case is an "excellent vehicle" for considering these "exceptionally important" questions presented. Belmora is incorrect on both scores.

1. This case is an unsuitable vehicle to address the questions presented. The case's interlocutory posture is "sufficient ground for the denial of the [writ]." *Hamilton-Brown Shoe Co. v. Wolf Bros.*, 240 U.S. 251, 258 (1916). The prospect of a future opportunity to petition for review after further lower-court consideration weighs against granting review. *See Va. Mil. Inst. v. United States*, 113 S. Ct. 2431, 2432 (1993) (Scalia, J., respecting the denial of certiorari).

Further proceedings on remand may further refine the questions presented. The Fourth Circuit tasked the district court with deciding on remand the question whether laches bars respondents' section 43(a) claims. If the district court concludes that some of or all the claims are time-barred under laches, it may be unnecessary for this Court to decide the academic legal question whether laches or the state-law statute of limitations governs the timeliness inquiry.

Likewise, if respondents' section 43(a) claims are untimely, the Court need not decide whether BCC has a cause of action under that provision, thus obviating much of the first question presented. And resolving the first question presented in Belmora's favor would not even dispose of the case, because respondent BHC has its own false-advertising claim based on harm to Aleve sales in the United States. The jumble of claims, respondents, and arguments makes this case an unattractive candidate for this Court's review, especially when further proceedings on remand might untangle that jumble.

2. Nor are the questions presented so important that the Court should ignore these glaring vehicle problems in order to settle these questions now.

a. Belmora's claim that the first question presented is "exceptionally important" is unfounded. Belmora (at 33) predicts catastrophic consequences of "abrogat[ing]" the territoriality principle and allowing foreign parties to "strip U.S. trademark owners" of their rights. But, again, as the United States explained in opposing Belmora's prior petition, "nothing in the [Fourth Circuit's] decision . . . calls into question the territorial nature of trademark rights." U.S. Br. in Opp. 15, No. 16-548. If the decision below were the sea change that Belmora depicts and were likely to promote forum shopping by foreign plaintiffs, surely Belmora could identify some uptick in Lanham Act filings by foreign parties in the past five years. It identifies none. Nor does any evidence support Belmora's bizarre claim (at 6-7, 37) that the decision below will lead

Chinese companies to storm the federal courts with Lanham Act suits.

The reality is that cases presenting this factual pattern have been, and will continue to be, few and far between. They arise only in the unusual commercial landscape where a foreign mark has accumulated sufficient goodwill in the United States that a copycat in this country stands to profit, yet the foreign mark owner itself does not use the mark in the United States.

Belmora (at 38-39) cites only two cases in the past five years that have cited the first decision below. But neither splits from the Fourth Circuit, and neither so much as suggested that the Fourth Circuit had split from other circuits. The only circuit case Belmora cites, *Paleteria La Michoacana, Inc. v. Productos Lacteos Tacumbo S.A. de C.V.*, 743 F. App'x 457 (D.C. Cir. 2018), noted the decision below but explained that it did not need to address the question because the plaintiff had not established any commercial injury. *Id.* at 468. The other case Belmora cites, *Industria de Alimentos Zenu, S.A.S. v. Latinfood U.S. Corp.*, 2017 WL 6940696 (D.N.J. Dec. 29, 2017), found the decision below persuasive and followed suit.

Belmora invokes law review articles that it claims highlight the importance of the question presented. But several commentators incorrectly characterize BCC's section 43(a) claims as "trademark claims" (which they are not) before decrying the implications of the decision below for "trademark rights." *E.g.*, Christine Haight Farley, *No Trademark, No Problem*, 23 B.U. J. Sci. & Tech. L. 304, 305 (2017) (cited at 27, 33); *see also* 5 McCarthy § 29:1. And, while Belmora cites commentary by Professors McKenna and Niemann, those professors explain that "*Belmora* makes some sense" if section 43(a) is understood to encompass unfair competition claims beyond mere trademark infringement. Mark P. McKenna &

Shelby Niemann, *2016 Trademark Year in Review*, 92 Notre Dame L. Rev. 112, 118 (2016). As explained above, this Court has already held that section 43(a) "goes beyond trademark protection." *Dastar*, 539 U.S. at 29.

b. Belmora's second question is similarly unworthy of this Court's attention. Not only is there no split, *see supra* pp.18-20, the question is fact-intensive and infrequently outcome-dispositive. As discussed above, courts presume that laches will bar a claim outside the state-law statute of limitations. *See supra* p.19. This question will be outcome-dispositive only in the subset of cases in which a plaintiff filed suit after the state-law statute of limitations expired but can nevertheless rebut the presumptive laches bar.

**CONCLUSION**

For the foregoing reasons, the Court should deny the petition.

Respectfully submitted,

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# STATUTORY APPENDIX

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## 15 U.S.C. § 1116. Injunctive Relief

### (a) Jurisdiction; service

The several courts vested with jurisdiction of civil actions arising under this chapter shall have power to grant injunctions, according to the principles of equity and upon such terms as the court may deem reasonable, to prevent the violation of any right of the registrant of a mark registered in the Patent and Trademark Office or to prevent a violation under subsection (a), (c), or (d) of section 1125 of this title. Any such injunction may include a provision directing the defendant to file with the court and serve on the plaintiff within thirty days after the service on the defendant of such injunction, or such extended period as the court may direct, a report in writing under oath setting forth in detail the manner and form in which the defendant has complied with the injunction. Any such injunction granted upon hearing, after notice to the defendant, by any district court of the United States, may be served on the parties against whom such injunction is granted anywhere in the United States where they may be found, and shall be operative and may be enforced by proceedings to punish for contempt, or otherwise, by the court by which such injunction was granted, or by any other United States district court in whose jurisdiction the defendant may be found.

* * * * *

## 15 U.S.C. § 1117. Recovery for violation of rights

### (a) Profits; damages and costs; attorney fees

When a violation of any right of the registrant of a mark registered in the Patent and Trademark Office, a violation under section 1125(a) or (d) of this title, or a willful violation under section 1125(c) of this title, shall have been established in any civil action arising under this chapter, the plaintiff shall be entitled, subject to the provisions of sections 1111 and 1114 of this title, and subject to the principles of equity, to recover (1) defendant's profits, (2) any damages sustained by the plaintiff, and (3) the costs of the action. The court shall assess such profits and damages or cause the same to be assessed under its direction. In assessing profits the plaintiff shall be required to prove defendant's sales only; defendant must prove all elements of cost or deduction claimed. In assessing damages the court may enter judgment, according to the circumstances of the case, for any sum above the amount found as actual damages, not exceeding three times such amount. If the court shall find that the amount of the recovery based on profits is either inadequate or excessive the court may in its discretion enter judgment for such sum as the court shall find to be just, according to the circumstances of the case. Such sum in either of the above circumstances shall constitute compensation and not a penalty. The court in exceptional cases may award reasonable attorney fees to the prevailing party.

*        *        *        *        *