

No. 21-415

IN THE
Supreme Court of the United States

CARMEN ELECTRA, *et al.*,

Petitioners,

v.

59 MURRAY ENTERPRISES, INC.,
DBA NEW YORK DOLLS GENTLEMEN'S CLUB, *et al.*,

Respondents.

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

REPLY TO BRIEF IN OPPOSITION

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The issue Petitioners presented before the district court was straightforward enough: did emblazoning each Petitioner's image in a strip club advertisement create the possibility of confusion among consumers as to each Petitioner's association, affiliation, connection, sponsorship, or promotion of that club, or concerning that Petitioner's agreement to license her mark thereto?

The question Petitioners put to this Court is equally straightforward: does the Second Circuit's decision requiring §1125(a)(1)(A) plaintiffs prove some undetermined level of "public prominence" offend the plain meaning and purpose of the Lanham Act, impermissibly engraft an additional standing requirement onto the statute, and ignore this Court's admonition against requiring that the holder of a distinctive trademark establish secondary meaning before the mark is entitled to Lanham Act protection?

Petitioners submit this Court should take the opportunity to bring clarity and finality to this bedrock issue of statutory construction and standing and address the widening split between lower courts' evaluation of §1125(a)(1)(A) claims brought by individuals with commercial interests in their images.

ARGUMENT¹**I. ABSENT INSTRUCTION FROM THIS COURT THE DIVIDE ON THE INTERPRETATION OF §1125(a)(1)(A) WILL PERSIST AND DEEPEN**

Though conceding Petitioners' chief argument that courts around the country are issuing significantly and dispositively different interpretations of §1125(a)(1)(A), Opp. at 5, Respondents tell the Court Petitioners have raised no "cert-worthy" issue *Id.* at 2-3. This is inaccurate, for a few reasons:

First, the Ninth Circuit has held that a likelihood of confusion determination is based on an eight-factor evaluation, *see Downing*, 265 F.3d at 1007, and when the mark at issue is an individual's image, "the 'strength' of the mark refers to the level of recognition that the celebrity has among the segment of the public to whom the advertisement is directed." *Id.* (citations omitted). The Third Circuit is in accord. *See Facenda v. N.F.L. Films, Inc.*, 542 F.3d 1007 (3d Cir. 2008). In contrast, the Second Circuit's statement that the "district court properly analyzed the record of each Appellant's public prominence," when coupled with its decision to ignore each confusion factor the district court held weighed in Petitioner's favor, has already been interpreted to mean that §1125(a)(1)(A) claims rise and fall on a single issue: a plaintiff's public prominence. *See Souza*, 2021 WL 3501162, at *4 ("[T]he absence of recognition would suffice to defeat a false endorsement claim.") Such holding –

1. Petitioners respectfully incorporate by reference all arguments and case abbreviations in their Petition.

which reduces the multi-factor likelihood of confusion tests employed by every other circuit to a single factor – cannot be squared with *Downing, Facenda*, or other appellate decisions from around the country which emphasize “[f]ame cannot overwhelm” other factors for purposes of a confusion analysis. *Coach Services*, 668 F.3d at 1367.

Considering this, the Second Circuit’s affirmance of the district court’s public prominence analysis highlights a significant Circuit split with outcome dispositive consequences for parties asserting essentially identical claims in different parts of the country. Ninth Circuit juries evaluate strength of mark as one of eight factors that weigh on likelihood of confusion, and district courts there have made clear it is ultimately left to the factfinder to determine whether quantifiable recognition levels suffice for strength of mark purposes. *See, e.g., Gray v. LG&M Holdings, LLC*, No CV-18-2453-SRB, 2020 WL 6200165, at *7 (D. Ariz. Aug. 10, 2018) (“The jury could conclude that since 16% of respondents recognized Plaintiffs, Plaintiffs are sufficiently recognizable; or it could conclude that since 84% of respondents did not recognize Plaintiffs, Plaintiffs are too obscure.”) In contrast, the Second Circuit has now taken the likelihood of confusion analysis away from the factfinder by mandating that unless a plaintiff can demonstrate some nebulous level of public prominence sufficient to satisfy a particular district judge, a plaintiff’s claim the misleading use of her mark could cause consumer confusion will never get before a jury.²

2. There is no question the advertisements at issue in this case are false and the district court did not hesitate to so hold. *See Toth*, 2019 WL 95564, at *5. (“[T]he prominent display of plaintiffs’ images in the Clubs’ advertising constitutes false or misleading representations of fact for purposes of a false endorsement claims.”).

This new standing requirement limits the protections of §1125(a)(1)(A) to only the publicly prominent while allowing district judges to serve a gatekeeping role concerning which marks are, in their opinion, prominent enough to be worthy of protection. Here, professional models who were deemed less prominent than Carmen Electra in the opinion of a district judge have been left without Lanham Act recourse, meaning any business in the Second Circuit is now free to exploit their marks *ad infinitum*. Protection of the publicly prominent was not the purpose of the Lanham Act, and this Court should carefully evaluate any decision to narrow statutory protections by way of judicially-devised standing requirements.

Second, there is an overriding need for federal courts to interpret federal statutes consistently, as it is “hard to dispute that, in a country with a national government such as ours, Congress should not be held to have laid down one rule in North Carolina and another rule in North Dakota simply because the Court of Appeals for the Fourth Circuit and Court of Appeals for the Eighth Circuit disagree with one another on the meaning of a federal statute.” William H. Rehnquist, *The Changing Role of the Supreme Court*, 14 *Fla. St. U.L.Rev.* 1, 11-12 (1986). Indeed, “one of the Court’s duties is to do its best to see that federal law is not being applied differently in the various circuits around the country,” *Taylor v. United States*, 504 U.S. 991 991 (1992) (White, J. dissenting), because whether “federal law, statutory or constitutional, [is] being interpreted and

Under entrenched Second Circuit precedent such determination should have at minimum entitled Petitioner’s to a jury trial, as there is no value in protecting advertisers who intentionally emit into commerce misleading advertisements.

enforced differently in different sections of the country[.]... has been an important criterion for the exercise of the Court's powers since most of the Court's jurisdiction was made discretionary in 1929." *Brown Transp. Corp. v. Atcon, Inc.*, 439 U.S. 1014, 1017 (1978) (White, J., dissenting from denial of certiorari).

Petitioner Lina Posada has brought identical §1125(a)(1)(A) claims based on identical illicit advertising activity in district courts sitting in the Eleventh and Second Circuits: in the Eleventh Circuit, Ms. Posada went to trial on this claim, a jury found the defendant's use of her image was likely to cause consumer confusion, and she was awarded damages. *See Canas v. Flashdancers, Inc.*, 16-cv-393-TJC-JRK (M.D. Fla.) In the Second Circuit, the infringing defendants, whom the district court determined as a matter of law had published a false and misleading advertisement containing her image, were awarded summary judgment on Ms. Posada's §1125(a)(1)(A) claim, not because no reasonable jury could determine the use of her image could cause confusion, but because she was not publicly prominent enough to assert such claim in the first place. *See Toth*, 2019 WL 95564.³ Such split on this central issue of Lanham Act interpretation and standing

3. What's more, a different district court in the Eleventh Circuit *granted* Ms. Posada summary judgment on her §1125(a)(1)(A) claim based on identical misuse of her mark in advertising on the grounds that there was no material dispute that the use of her image in advertising caused consumer confusion. *See Edmondson v. Velvet Lifestyle, LLC*, No., 15-cv-24442, 2017 U.S. Dist. LEXIS 219419 (S.D. Fla. July 28, 2017) (wherein the court held that "[c]ourts specifically addressing the question of whether celebrity status is required to prevail on a Lanham Act false endorsement claim have answered in the negative.")

is untenable. *See Shapiro v. United States*, 335 U.S. 1, 4 (1948) (noting that certiorari was granted “[b]ecause this conflict involves an important question of statutory construction.”)⁴

Third, though this Court will sometimes allow a split among lower courts to “percolate” to “allow[] a period of exploratory consideration and experimentation ... before the Supreme Court ends the process with a nationally binding rule,”⁵ this issue is now ripe for intervention, as it presents a unique and perhaps singular circumstance where the same plaintiff is suing under the same Lanham Act provision for basically indistinguishable infringements

4. Similarly, and underscoring the fact that the divide on this issue persists, in August 2021 the *Souza* court granted summary judgment on the §1125(a)(1)(A) claim of a professional model named Alana Souza on the grounds that since she was not publicly prominent enough, no jury could possibly conclude there was likelihood of confusion concerning her affiliation association, or sponsorship of a strip club. *Souza*, 2021 WL 3501162. Earlier this month, however, following a jury trial in the District of Arizona, a jury found for Ms. Souza on her §1125(a)(1)(A) claim on the grounds that defendant’s use of her image in advertising did in fact create a likelihood of consumer confusion. *See Pepaj v. Paris Ultra Club, LLC*, 19-cv-1438-PHX-MTL (D. Ariz.). The court denied in *Pepaj* plaintiffs’ Rule 50 motion for a directed verdict on their false association claim on the grounds that the Ninth Circuit’s multi-factor test *required* a jury analysis. *See also, Pepaj*, 2021 WL 632623, at *9-10 (D. Ariz. Feb. 18, 2021) (denying cross-motions for summary judgment on plaintiff’s false association claim and evaluating each of the eight factors that bear on a jury’s likelihood of confusion analysis).

5. Samuel Estreicher & John E. Sexton, *A Managerial Theory of the Supreme Court’s Responsibilities: An Empirical Study*, 59 *N.Y.U. L.Rev.* 681, 716 (1984).

in two or more circuits.⁶ Every day, litigants are being denied federal protection in one Circuit they would be afforded in another and there is no indication that this issue will be resolved through further litigation in the lower courts. Since this is no fact-bound dispute, but rather turns exclusively on differing interpretations of Lanham Act standing and the protections thereunder, review by this Court is warranted.

II. RESPONDENTS MISCONSTRUE *ELECTRA* AND THE DISTINCTIVENESS REQUIREMENT

Evidently on notice of the unsustainable ramifications of *Electra's* narrowing of Lanham Act protections, Respondents take a stab at rewriting it, and invest much of their opposition in the fiction that the Second Circuit deemed no Petitioner's mark "distinctive."⁷ Respondents are (at best) seriously confused.

The Second Circuit held that to succeed on a "false endorsement" claim, "a plaintiff must prove (1) that the mark ... is distinctive as to the source of the good or

6. "The Court's job is to make law...[and] the Court prefers to take cases in which the facts are simple and clear and the legal issue is presented crisply." Stewart A. Baker, *Symposium on Supreme Court Advocacy: A Practical Guide to Certiorari*, 33 *Cath U.L.Rev.* 611, 616 (1984).

7. See, e.g., Opp. Br. at 3 ("Petitioners failed to adduce any competent evidence that they were sufficiently well known and recognizable *to be able to show a distinctive mark*, and as a result they could not show a likelihood of consumer confusion."); Opp. at ii (under *Electra* a "plaintiff must show that she has a distinctive mark *such that she can establish* a likelihood of confusion.") (Emphases added).

service at issue, **and** (2) that there is the likelihood of confusion between the plaintiff's good or service and that of the defendant." *Electra*, 987 F.3d at 257 (citations and quotations omitted) (emphasis added). After issuing this test, the court launched directly into an analysis of whether the subject advertisements were likely to cause consumer confusion. *Id.* The only way to read this is that each Petitioner of course has a "distinctive" mark required under the first prong; if not, there would have been no need to evaluate likelihood of confusion under the second. Whether Petitioners have distinctive marks was never once argued or questioned by Respondents at either the district or appellate court, nor did either court dispute the distinctiveness of Petitioners' marks.

And how could they? Petitioners' marks, which each has spent years cultivating, are their images and likenesses; since each is inherently distinctive, it is entitled to Lanham Act protection. *See Two Pesos*, 505 U.S. at 769 ("The general rule regarding distinctiveness is clear: An identifying mark is distinctive and capable of being protected if it either (1) is inherently distinctive *or* (2) has acquired distinctiveness through secondary meaning.") (Emphasis added). The obvious reason Respondents are invested in the fiction Petitioners' marks are not distinctive (or that the Second Circuit so held) is because it is the only way they can support the district court's contradictory holding, central to its grant of summary judgment, that Respondents' illicit use of Petitioners' marks could under no circumstances cause consumer confusion.

According to the Second Circuit, the reason Respondents' exploitation of Petitioner's marks could not cause confusion was because Petitioners were not

publicly prominent *enough*. But such decision effectively mandates an inherently distinctive mark must also obtain an undisclosed level of public prominence before it is afforded Lanham Act protection, which runs afoul of this Court's precedent:

Engrafting onto §43(a) a requirement of secondary meaning for inherently distinctive trade dress would also undermine the purpose of the Lanham Act. Protection of trade dress, no less than that of trademarks, serves the Act's purpose to "secure to the owner of the mark the goodwill of his business and to protect the ability of consumers to distinguish among competing producers. National protection of trademarks is desirable, Congress concluded, because trademarks foster competition and the maintenance of quality by securing to the producers the benefits of good reputation." *Park 'N Fly [Inc. v. Dollar Park & Fly, Inc.]*, 469 U.S. [189,] at 198, citing S. Rep. No. 1333, 79th Cong., 2d Sess., 3-5 (1946).

Two Pesos, 505 U.S. at 774. By requiring the owner of a distinctive mark to also demonstrate public prominence, the Second Circuit has ignored the twin lessons of *Two Pesos*: *one*, that the economic benefit and goodwill emanating from Petitioner's mark belongs to her and her alone; and *two*, that the purpose of the Lanham Act is to secure for a mark's owner that goodwill and economic benefit against exploitation by "pirates and cheats." *Two Pesos*, 505 U.S. at 781-82, n.15.

Moreover, and considering the Second Circuit's elevation of public prominence into an outcome

determinative component of establishing §1125(a)(1)(A) standing and liability, the question must be asked: what sort of confusion did Congress aim to stamp out through §1125(a)(1)(A)? Though it was only seven years ago in *Lexmark* this Court held §1125(a) “creates two distinct bases of liability: false association, § 1125(a)(1)(A), and false advertising, §1125(a)(1)(B),” 572 U.S. at 122, courts in the Second Circuit have persisted in labeling §1125(a)(1)(A) claims those of “false endorsement.” This when the statute specifically bars advertising activity likely to cause confusion as to “affiliation, connection or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person,” 15 U.S.C. §1125(a)(1)(A), and says nothing about “endorsement.”⁸

Since (the theory goes) only publicly prominent plaintiffs have endorsing power, unless a Lanham Act plaintiff has achieved such prominence, no §1125(a)(1)(A) claim can stand. This line of reasoning withstands scrutiny only if the confusion the Lanham Act intended to address was exclusively confusion as to endorsement, as Respondents claim. *See* Opp. at 13 (“Evidence that consumers were likely to have been confused and deceived as to whether the person depicted endorsed the service is ... required.”) But just as Congress made §1125(a)(1)(A) available to “any person,” and not just the publicly prominent, Congress also created a cause of action against

8. Taking their cue from the lower courts, Respondents offer this Court an abridged version of the statute throughout their opposition. *See, e.g.*, Opp. at 8 (“15 U.S.C. §1125(a)(1)(A) prohibits the use of a protected mark in a way that is likely to cause confusion ‘as to the origin, sponsorship, or approval of [the plaintiff’s] [sic] goods.’”)

use of marks that stoked confusion as to “affiliation, connection, or association,” not just “endorsement,” and the Second Circuit’s decision to narrow the type of protections and class of protected people is particularly offensive to §1125(a)(1)(A) considering its broad remedial purpose. *See CBS, Inc. v. Springboard Int’l Records*, 429 F. Supp. 563, 566 (S.D.N.Y. 1976).

Had the courts below not eschewed the plain language of §1125(a)(1)(A) in favor of the narrower “endorsement” catch-all, it would have found Petitioners entitled to protection under the statute:

That more than 90% of respondents believed that the models agreed to promote the Clubs or be in the advertisements may demonstrate that the advertisements are impliedly false, but do not speak to recognition or endorsement.

Toth, 2019 WL 95564, at *9. Put another way: 90% of respondents believed Plaintiffs were affiliated, connected, or associated with the clubs, *i.e.*, the exact type of confusion §1125(a)(1)(A) was enacted protect against. Since neither “recognition” nor “endorsement” appear anywhere in §1125(a)(1)(A), the above portion of the district court’s decision highlights the pitfalls of ignoring the plain language Congress employed in a statutory scheme and in judicial decisions to swap out specific statutory language. Indeed, and underscoring the significant lower court split necessitating certiorari review, it is no accident that courts in Circuits that adhere to the plain language of §1125(a)(1)(A) correctly allow a jury to determine whether a defendant’s misuse of a plaintiff’s mark is likely to cause confusion as to affiliation, connection, or association,

and not just endorsement, and have declined to engraft a standing requirement onto a Lanham Act plaintiff based on her perceived public prominence. *See Pepaj*, 2021 WL 632623, at *9-10 (labeling the claim one of false association not endorsement and applying a multi-factor test to determine likelihood of confusion). It is time for this Court to address this serious split.

CONCLUSION

This Court should grant certiorari.

Dated: October 29, 2021

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