

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



LODESTAR ANSTALT, A LIECHTENSTEIN COMPANY,
Petitioner,

v.

BACARDI & COMPANY LIMITED, A LIECHTENSTEIN COMPANY;
BACARDI U.S.A., INC., A DELAWARE CORPORATION; AND
BACARDI LIMITED, A BERMUDA COMPANY,
Respondents.

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

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

In an action for trademark infringement under Section 32 or unfair competition under Section 43 of the Lanham Act, the plaintiff is required to demonstrate that (a) it has a protectable ownership interest in its mark and (b) that, without its consent, the defendant used the plaintiff's mark in commerce in such a way that is likely to cause consumer confusion. 15 U.S.C. §§ 1114(1), 1125(a)(1). Nothing in either section requires the plaintiff to make a separate, threshold showing concerning the specific uses the plaintiff has made of its mark before those uses may be considered in the likelihood of confusion analysis.

The question presented is:

Whether a plaintiff in a trademark enforcement action must prove that each use of its mark meets Section 45 of the Lanham Act's "use in commerce" definition before that use can be considered in the likelihood of confusion analysis.

**PARTIES TO THE PROCEEDING AND
CORPORATE DISCLOSURE STATEMENT**

Petitioner is Lodestar Anstalt. Petitioner has no parent corporation, and no publicly held company owns 10% or more of its stock.

Respondents, the named defendants below, are Bacardi & Company Limited, Bacardi U.S.A., Inc., and Bacardi Limited.

LIST OF PROCEEDINGS

United States District Court (C.D. Cal.):

Lodestar Anstalt v. Bacardi & Company Ltd., et al.,
Case No. 2:16-cv-06411-CAS-FFM (July 23,
2019) (judgment granting motion for summary
judgment pursuant to Fed. R. Civ. P. 56)

Lodestar Anstalt v. Bacardi & Company Ltd., et al.,
Case No. 2:16-cv-06411-CAS-FFM (July 3, 2019)
(ruling on motions for summary judgment)

United States Court of Appeals (9th Cir.):

Lodestar Anstalt v. Bacardi & Company Ltd., et al.,
No. 19-55864 (April 21, 2022)

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OPINIONS BELOW

The opinion of the United States Court of Appeals for the Ninth Circuit (App.1a-60a) is reported at 31 F.4th 1228. The opinion of the United States District Court for the Central District of California (App.61a-109a) is unreported.



JURISDICTION

The court of appeals entered judgment on April 21, 2022. A petition for rehearing was denied on June 1, 2022. (App.110a-111a.) This Court granted an extension (Sup. Ct. No. 22A153) in which to file this petition until September 29, 2022. This Court has jurisdiction under 28 U.S.C. § 1254(1).



STATUTORY PROVISIONS INVOLVED

15 U.S.C. § 1114(1), Lanham Act Section 32

Section 1114(1) of Title 15 of the United States Code, Section 32 of the Lanham Act, provides, in relevant part:

- (1) Any person who shall, without the consent of the registrant—
 - (a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or
 - (b) reproduce, counterfeit, copy, or colorably imitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive, shall be liable in a civil action by the registrant for the remedies hereinafter provided. Under subsection (b) hereof, the registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such imita-

tion is intended to be used to cause confusion, or to cause mistake, or to deceive.

15 U.S.C. § 1125(a), Lanham Act Section 43

Section 1125(a) of Title 15 of the United States Code, Section 43 of the Lanham Act, provides, in relevant part:

(a) Civil action

(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which—

(A) is likely to cause confusion, or to cause mistake, or to deceive as to the 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, or

(B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

15 U.S.C. § 1127, Lanham Act Section 45

Section 1127 of Title 15 of the United States Code, Section 45 of the Lanham Act, provides, in relevant part:

In the construction of this chapter, unless the contrary is plainly apparent from the context—

* * *

The term “use in commerce” means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. For purposes of this chapter, a mark shall be deemed to be in use in commerce—

- (1) on goods when—
 - (A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and
 - (B) the goods are sold or transported in commerce, and

* * *



STATEMENT

A. Background

Under modern trademark law, the one who first uses a distinct mark in commerce acquires the rights to that mark, including the right to prevent others from using it. *See* 2 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 16:1 (5th ed. 2022) (explaining the “basic rule of ownership in the United States is priority of use,” *i.e.* “first-in-time, first-in-right”). Consequently, federal law does not create trademarks—only use in the marketplace does. *B & B Hardware, Inc. v. Hargis Indus., Inc.*, 575 U.S. 138, 142 (2015) (“Though federal law does not create trademarks, *see, e.g., In re Trade-Mark Cases*, 100 U.S. 82, 92, 25 L.Ed. 550 (1879), Congress has long played a role in protecting them.”).

The Lanham Act, enacted in 1946, is the current federal scheme designed to protect trademarks. *Matal v. Tam*, 137 S.Ct. 1744, 1752 (2017). It provides a system of national trademark registration that “helps to ensure that trademarks are fully protected and supports the free flow of commerce.” *Id.*

Registration is important, as it confers on registered trademark owners benefits and significant legal rights that assist in protecting one’s trademarks. *B & B Hardware*, 575 U.S. at 142-143. Among others, registration provides “prima facie evidence . . . of the owner’s exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the certificate.” *Id.* (quoting 15 U.S.C.

§ 1057(b)). Registration establishes the first element of a trademark enforcement action (protected mark).

The Madrid Protocol, implemented in Title XII of the Lanham Act, is one registration method. It is an international system for obtaining trademark protection in numerous countries through a single application. *See generally* 15 U.S.C. § 1141. A foreign applicant may obtain an “extension of protection” in the United States despite never having used the mark in U.S. commerce. *Id.* § 1141f. Registration under the Lanham Act is separate and distinct from the owner’s ability to protect, or enforce, its rights in its mark.

The owner of a mark—registered or unregistered—may bring a federal cause of action under the Lanham Act “if another is using a mark that too closely resembles the plaintiff’s.” *B & B Hardware*, 575 U.S. at 144. The district court must decide whether the defendant’s use of a mark in commerce “is likely to cause confusion, or to cause mistake, or to deceive” with regards to the plaintiff’s mark. 15 U.S.C. §§ 1114(1)(a), 1125(a)(1)(A). Importantly, the “district court considers the full range of a mark’s usages, not just those in the application[]” in addressing this question. *B & B Hardware*, 575 U.S. at 144-145.

In a reverse confusion case, like this, the question is “whether consumers doing business with the senior user might mistakenly believe that they are dealing with the junior user.” *Dreamwerks Prod. Grp. v. SKG Studio*, 142 F.3d 1127, 1130 (9th Cir. 1998). The Ninth Circuit applies an eight-factor test—the *Sleekcraft* factors—to answer this question:¹

¹ Nearly every circuit applies a similar set of factors. *Dorpan, S.L. v. Hotel Melia, Inc.*, 728 F.3d 55, 65 (1st Cir. 2013); *Hamilton*

(1) strength of the mark; (2) proximity or relatedness of the goods; (3) similarity of sight, sound, and meaning; (4) evidence of actual confusion; (5) marketing channels; (6) type of goods and purchaser care; (7) intent; and (8) likelihood of expansion.

Id. at 1129 (citing *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-349 (9th Cir. 1979)). The test is fluid. A “plaintiff need not satisfy every factor, provided that strong showings are made with respect to some of them.” *Survivor Media, Inc. v. Survivor Prods.*, 406 F.3d 625, 631 (9th Cir. 2005).

The eighth *Sleekcraft* factor expressly recognizes that trademark owners can expand their use of a mark, even in the face of then-existing competing infringing uses. *Sleekcraft*, 599 F.2d at 354. “Inasmuch as a trademark owner is afforded greater protection against competing goods, a strong possibility that either party may expand his business to compete with the other will weigh in favor of finding that the present use is infringing.” *Id.* (internal quotations omitted).

This factor accounts for the possibility that a subsequent user’s actions may hinder the original user’s expansion plans. *Survivor*, 406 F.3d at 634. It also

Int’l Ltd. v. Vortic LLC, 13 F.4th 264, 272 (2d Cir. 2021); *Arrowpoint Cap. Corp. v. Arrowpoint Asset Mgmt., LLC*, 793 F.3d 313, 319 (3d Cir. 2015); *Perry v. H. J. Heinz Co. Brands, L.L.C.*, 994 F.3d 466, 471 (5th Cir. 2021); *Kellogg Co. v. Exxon Corp.*, 209 F.3d 562, 568 (6th Cir. 2000); *Packman v. Chicago Tribune Co.*, 267 F.3d 628, 643 (7th Cir. 2001); *ZW USA, Inc. v. PWD Sys., LLC*, 889 F.3d 441, 446 (8th Cir. 2018); *Water Pik, Inc. v. Med-Sys., Inc.*, 726 F.3d 1136, 1143 (10th Cir. 2013); *Wreal, LLC v. Amazon.com, Inc.*, 38 F.4th 114, 127 (11th Cir. 2022); *In re I.AM.Symbolic, LLC*, 866 F.3d 1315, 1322 (Fed. Cir. 2017).

embodies the understanding that the original user “possesses superior rights in the mark,” regardless of “whether or not [it] has actually expanded its use of its mark, after the commencement of the subsequent user’s use, to goods or services which are the same as or closely related to those of the subsequent user.” *Mason Eng’g & Design Corp. v. Mateson Chem. Corp.*, 225 U.S.P.Q. 956, 1985 WL 72027, at *6 (T.T.A.B. 1985); see also *Carnival Brand Seafood Co. v. Carnival Brands, Inc.*, 187 F.3d 1307, 1310-1311 (11th Cir. 1999).

The latter is known as the natural expansion doctrine. *Carnival*, 187 F.3d at 1310. That doctrine “contemplates that the goods need not be exactly alike, and that the senior user may reasonably expand into related goods.” *Id.* at 1312. As this Court recognized in *Beech-Nut Packing Company v. P. Lorillard Company*, 273 U.S. 629 (1927), the owner of a mark may allow a mark to become “dormant” for a limited period of time without destroying the right to use, and accordingly enforce, it. 273 U.S. at 631-632.

A successful plaintiff in a trademark enforcement action is entitled to injunctive and monetary relief, along with the costs of suit. See 15 U.S.C. §§ 1116, 1117; 5 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 30:1 (5th ed. 2022) (“A permanent injunction is the usual and normal remedy once trademark infringement has been found in a final judgment.”).

B. Facts and Procedural History

1. Lodestar is a small, independent developer of award-winning whiskey and rum. Lodestar owns and

has the exclusive right to use the trademark “UNTAMED” for its liquor. It has done so in advertising and product labels beginning in 2009, specifically in connection with its The Wild Geese Soldiers & Heroes whiskey and rums. (App.12a.) “Wild Geese” is a reference to the Irish diaspora and the name for those who were forced to leave Ireland in 1691. (App.65a.)

In 2011, the Patent and Trademark Office granted Lodestar’s requested extensions of protection under the Madrid Protocol. (App.13a.) That extension gave Lodestar the exclusive right to use the following marks in the United States:



UNTAMED

(App.13a.)

From 2011 to 2013, Lodestar in fact used “UNTAMED” on its products and in its advertisements. For example:



(App.68a.)



(App.69a.)

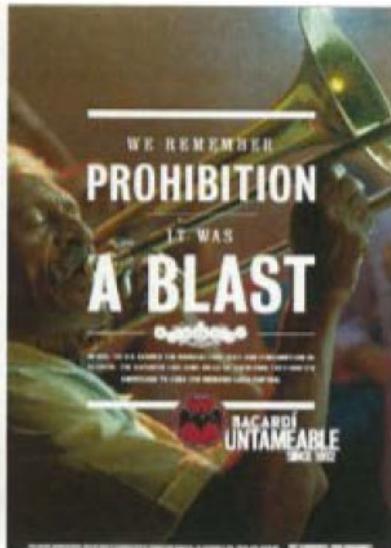


(App.70a.)

In 2013, Bacardi, with knowledge of Lodestar’s “UNTAMED” mark and its backstory, began marketing its rum in advertisements with the word “UNTAME-ABLE.” (App.97a-98a.) Bacardi accompanied that tagline with a story undeniably similar to the story of the Wild Geese and the Irish diaspora: the Bacardi family’s exile from Cuba in the 1960s. (App.71a.)

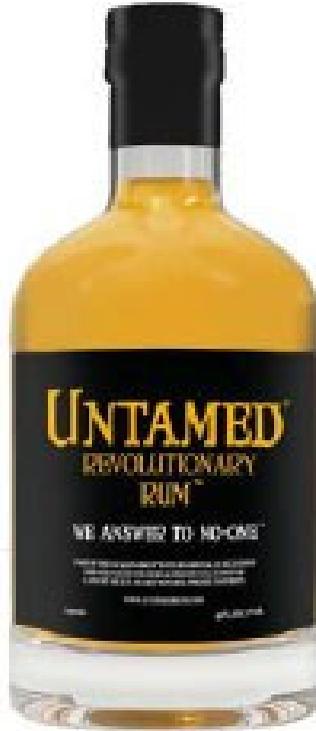


(App.72a.)



(App.73a.)

In late 2013 and early 2014, after Bacardi began using the UNTAMEABLE trademark, Lodestar rebranded one of its rums as “Untamed Revolutionary Rum,” prominently displaying UNTAMED on the front of the bottle:



(App.76a.)

Lodestar shipped 2,000 cases of the Untamed Revolutionary Rum to the United States. Its purpose was two-fold: to introduce Lodestar’s UNTAMED rum into the country, and to protect its UNTAMED mark and The Wild Geese Soldiers & Heroes products given Bacardi’s infringing advertisement campaign. (App.76a.) Lodestar also revived previously suspended plans to distribute the original The Wild Geese

Soldiers & Heroes rums in the United States around the same time. (App.21a.) By January 2015, both products were sold to U.S. retailers. (App.21a.) Prior to filing an infringement action, Lodestar opposed Bacardi's then-pending request for an extension of trademark protection in the United States under the Madrid Protocol, for Bacardi's Liechtenstein-registered trademark for BACARDI UNTAMEABLE, arguing that the mark would cause confusion with Lodestar's UNTAMED mark in the United States.² (App.71a.) Bacardi refused to stop using the confusingly similar marks.

2. In August 2016, Lodestar sued Bacardi for trademark infringement and unfair competition under Sections 32 and 43 of the Lanham Act and asserted related state law claims. (App.63a-64a.) It sought injunctive, equitable, and monetary relief. (App.24a.)

Lodestar pled Bacardi's use of UNTAMEABLE as a quintessential case of reverse confusion. Simply put, this meant Bacardi's use of the mark would likely confuse customers into thinking that Lodestar's products were in fact Bacardi's products. Lodestar argued that the value of its trademark, product identity, and control over its goodwill were harmed by Bacardi's UNTAMEABLE campaign.

The district court granted summary judgment in Bacardi's favor as to the Lanham Act claims. (App. 99a-100a.) Before applying the *Sleekcraft* factors, the district court excluded from its analysis Lodestar's use of its UNTAMED mark on Untamed Revolutionary

² Further proceedings before the Trademark Trial and Appeal Board "have been suspended pending the resolution of this suit." (App.18a.)

Rum. It held that because it was created after Bacardi's infringing campaign, it was not a "fair representation of Lodestar's products and how the UNTAMED mark was used at the time of Bacardi's alleged infringement." (App.84a-86a.) In other words, under the district court's rationale, post-infringement expansion of use or more prominent placement of a mark could never be considered in the likelihood of confusion analysis. The district court then applied the *Sleekcraft* factors and found that there was no likelihood of confusion between Bacardi's use of UNTAMEABLE and Lodestar's The Wild Geese Soldiers & Heroes rum. (App. 82a-99a.)

The district court alternatively granted partial summary judgment in Bacardi's favor with respect to Lodestar's claims for reasonable royalty and corrective advertising damages. (App.100a-108a.) It also granted summary judgment on the remaining state law claims. (App.108a-109a.)

3. Lodestar appealed the district court's order granting summary judgment to the court of appeals. (App.24a.)

The appellate court acknowledged Lodestar's priority in the right to use the UNTAMED mark, holding that "a foreign applicant who obtains a registration [under the Madrid Protocol] without showing actual use in the U.S. has a right of priority, as of the relevant 'constructive use' date, over another company who first uses the mark in the U.S." (App.36a.) "And once that registrant begins actually using the mark in the U.S.—and does so even after the competing user has begun using the mark—the registrant may bring an infringement action (subject to any applicable defense) based on that superior right of priority." (App.36a

(emphasis in original).) The appellate court rejected the district court’s temporal rule, holding that a registrant under the Madrid Protocol may change and expand its use in the United States even after infringement begins. (App.41a-44a.)

The appellate court continued. “The fact that new, post-infringement uses are not categorically excluded from the likelihood-of-confusion analysis does not mean, however, that such post-infringement uses necessarily stand on the same footing as the senior user’s pre-infringement uses.” (App.44a-45a (emphasis in original).) Acknowledging that an original user’s use affects how the various *Sleekcraft* factors apply, “more fundamentally the Lanham Act generally limits enforceable trademark rights to bona fide uses that reflect genuine commercial endeavors rather than merely efforts to retain rights in the mark.” (App.45a (italics omitted).)

The appellate court anchored this conclusion in Section 45’s definition of “use in commerce,” defined as “the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark.” (App.45a (citing 15 U.S.C. § 1127).) “That definition expressly describes the uses that are ordinarily needed to register a mark,” the court observed. (*Id.* (citing 15 U.S.C. § 1051(a)(3)(C)).) “[I]t analogously delimits the relevant uses that may give rise to enforceable trademark rights in the context of a regime, such as Title XII, in which registration may be granted in advance of any such use.” (*Id.* (emphasis added).) Extension of Section 45’s definition to enforcement claims, the court believed, was necessary to prevent “token use” from improperly establishing trademark rights. (*Id.*) It hinged this conclusion entirely on the

text of Section 45’s definition of “use in commerce,” which it held “expressly distinguishes between use that is ‘merely to reserve a right in a mark’ and a ‘bona fide use of a mark in the ordinary course of trade.’” (App.45a-46a (quoting 15 U.S.C. § 1127).)

a. It drew three conclusions from this statutory language, principally relying on its recent opinion in *Social Technologies LLC v. Apple Inc.*, 4 F.4th 811 (2021).³ First, that “by specifying that the use must be ‘in the ordinary course of trade,’ the statute requires ‘commercial use of the type common to the particular industry in question.’” (App.46a (quotations in original).)

“Second, the requirement that the use be ‘bona fide’ means that it is done ‘for genuine commercial reasons’ and not ‘merely to reserve its rights for a lawsuit.’” (App.46a (emphasis and quotations in original).) This meant, the court believed, “that an otherwise genuine commercial use is ‘bona fide’ even though one of the purposes of the use is to ‘reserve a right in a mark.’” (*Id.* (emphasis and quotations in original).) “[T]he mere existence of such a purpose,” the court continued, “without more, is not itself sufficient to show that the use of the mark is not ‘bona fide.’” (*Id.*)

And finally, “and conversely, a purely ancillary commercial aspect to the use of the mark does not establish a ‘bona fide’ use.” (*Id.* (emphasis and quotations in original).) The court attempted to define an ancillary commercial use. (*Id.*) “Token or other insubstantial uses of a mark that are merely undertaken

³ *Social Technologies* was announced after this matter was fully briefed and argued. The court of appeals did not request supplemental briefing.

to reserve rights in a mark,” the court observed, “will not be ‘bona fide’ even if they generate some non-zero amount of sales revenue.” (*Id.*) Rather, the court believed that under Section 45 “the use must involve activity of a scope and character that reflects ‘the ordinary course of trade.’” (*Id.* (quotations in original).)

b. The court identified the dispositive question: whether the record contains sufficient evidence to allow a reasonable jury to find that Lodestar’s post-November 2013 sales activities extend beyond merely reserving rights in a mark and instead reflect ordinary commercial use that is ‘common to the particular industry in question.’” (App.47a.)

Citing Section 45’s reference to “sale of goods,” the court determined that a sale sufficient to satisfy a bona fide use occurs when the good “is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto” and “the goods are sold or transported in commerce[.]” (App.47a.) The appellate court acknowledged that its precedent had previously determined that a single sale “may suffice to establish use in commerce.” (App.47a-48a (emphasis in original, quotations omitted).) The court distinguished that precedent, concluding that to qualify as a bona fide use in an enforcement action a “modest initial sale” must have been made in a “bona fide transaction,” and “accompanied or followed by activities which would tend to indicate a continuing effort or intent to continue such use and place the product on the market on a commercial scale within a time demonstrated to be reasonable in the particular trade.” (App.48a.)

c. Applying these principles, the court first determined that a reasonable jury could conclude

that Lodestar’s use of the Untamed Word Mark on the back of The Wild Geese Soldiers & Heroes Premium Rum and Golden Rum was a bona fide use in commerce. (App.49a.) Key to that determination was Lodestar’s “substantial preparatory activities” in developing and marketing those rums, which the court believed “support a reasonable conclusion” that subsequent sales of those rums was “undertaken at least in part for ‘genuine commercial reasons’ and not ‘merely to reserve a right’ in the Untamed Word Mark.” (App. 49a.) “[E]ven if the immediate cause of Lodestar’s resumption of” those substantial efforts was Bacardi’s November 2013 campaign and were of limited success, they “still reflected a bona fide use of the Untamed Word Mark in commerce.” (App.50a.)

The court determined the “circumstances are different” regarding Lodestar’s rebranding of its golden rum as its Untamed Revolutionary Rum product. (*Id.*) Lodestar’s use “does not reflect a bona fide use of the mark and should be excluded from the likelihood-of-confusion analysis[.]” (App.45a.) It found three circumstances salient. First, “there can be no dispute that at least one of the purposes for Lodestar’s sales . . . of Untamed Revolutionary Rum was to reserve Lodestar’s rights in the Untamed Word Mark.” (App.46a.) Second, the product had not been conceived before Bacardi’s campaign and there were no “substantial steps” taken towards marketing it. (App.47a.) And third, acknowledging that Lodestar had in fact sold 576 bottles in late 2014, it found that “[n]o other sales were reflected for the entire five-year period from 2014-2018” and only 19 sample bottles were delivered in that time period. (App.50a.) “Viewing the totality of these circumstances, the inference is inescapable that Untamed Revolu-

tionary Rum was not a serious effort to develop a product ‘for genuine commercial reasons,’ but rather merely an attempt merely to reserve Lodestar’s rights in the mark and ‘provide a basis’ for an eventual suit against Bacardi.” (App.50a-51a.)

d. The court then analyzed the remaining *Sleekcraft* factors as to The Wild Geese Soldiers & Heroes rums. It concluded that the district court had erred “in certain respects in its consideration of two of these factors, but those errors do not alter the ultimate conclusion that no reasonable jury could find a likelihood of confusion here.” (App.52a-53a.) Specifically, the court of appeals concluded first that the district court improperly found that the strength-of-the-mark factor weighed against confusion because it was “conceptually weak,” noting that marks like Lodestar’s were inherently distinctive. (App.56a.) It then concluded that the district court “erred in concluding that the intent factor did not weigh, on balance, in Lodestar’s favor,” noting it “was undisputed that Bacardi knew about the Untamed Word Mark prior to its campaign[.]” (App.58a.)

e. The court of appeals affirmed the summary judgment order dismissing Lodestar’s claims under Sections 32 and 43 in a published unanimous decision. It declined to address Lodestar’s arguments as to the district court’s damages analysis. (App.60a, n.12.) The court of appeals subsequently denied Lodestar’s petition for rehearing en banc.



REASONS FOR GRANTING THE PETITION

Compelling reasons exist to grant Lodestar’s petition. The court of appeals’ decision incorrectly assumes that Section 45’s definition of “use in commerce” applies in trademark enforcement actions. It then applies it by analogy to the elements a plaintiff must show in such an action, requiring that each use the plaintiff makes of a mark be bona fide before it can be considered in the likelihood of confusion analysis. It determined, as a matter of law, an original user’s post-infringement use of its mark (like Lodestar’s) cannot be bona fide where at least one purpose of that use is to protect against infringement.

The law is presently unclear, both within the Ninth Circuit and among the circuits, as to whether Section 45’s definition applies to enforcement actions. The court of appeals’ decision below increases the confusion among these courts and intensifies the need for clarity. The decision grafts, by analogy, that definition into trademark enforcement actions, imposing a post-registration, bona fide use requirement for plaintiffs in enforcement actions that the Act’s plain text does not support. And the decision is contrary to this Court’s opinions.

For these reasons, this Court should grant Lodestar’s petition and review the decision below.

I. THERE IS CONFUSION WITHIN THE NINTH CIRCUIT AND A SPLIT AMONG THE COURTS OF APPEALS AS TO WHETHER SECTION 45’S DEFINITION OF “USE IN COMMERCE” APPLIES AT ALL IN TRADEMARK ENFORCEMENT ACTIONS.

The central assumption underlying the court of appeals’ decision below is that Section 45’s definition of “use in commerce” applies in trademark enforcement actions under Sections 32 and 43. That assumption is far from settled, both within the Ninth Circuit and among several circuits.

1. To begin, the decision below is inconsistent with nearly twenty years of Ninth Circuit precedent holding that Section 45’s definition does not apply to trademark enforcement actions.

a. In *Playboy Enterprises, Inc. v. Netscape Communications Corporation*, 354 F.3d 1020 (9th Cir. 2004), the Ninth Circuit concluded that a claim for infringement required a showing that the plaintiff owned the marks in question and the defendants used the marks in commerce without the plaintiff’s permission. 354 F.3d at 1024. In confirming those elements, the court concluded that Section 45’s “use in commerce” definition “applies to the required use a plaintiff must make in order to have rights in the mark, as defined by 15 U.S.C. § 1051.” *Id.* at 1024 n.11 (emphasis added). It did not apply that definition to the required use a plaintiff must make of its already-registered mark to ensure its consideration in the likelihood of confusion analysis.

Subsequently, in *Bosley Med. Institute, Inc. v. Kremer*, 403 F.3d 672 (9th Cir. 2005), the Ninth Circuit held that the district court’s application of Section

45's "use in commerce" definition in the infringement context was incorrect. Section 32's reference to "use in commerce" was "simply a jurisdictional predicate to any law passed by Congress under the Commerce Clause." 403 F.3d at 677.

The *Kremer* court noted that the definition is expressly prefaced with a caveat: "unless the contrary is plainly apparent from the context." *Id.* The court applied the caveat to the infringement context, concluding that the appropriate issue for consideration in such actions was instead whether the use was "in connection with the sale of goods or services." *Id.* at 678. Accordingly, *Kremer* disregarded altogether Section 45's first sentence, including its bona fide use requirement, and determined the second sentence provided the sole applicable definition of "use" in trademark enforcement cases. *Id.*

In *Network Automation, Inc. v. Advanced Systems Concepts, Inc.*, 638 F.3d 1137 (9th Cir. 2011), the Ninth Circuit revisited whether trademark enforcement actions required a "use in commerce" showing as defined in Section 45. There, the use at issue was use of another's trademark as a search engine keyword to trigger one's own product advertisement. *Id.* at 1148. The court characterized *Playboy Enterprises* as assuming without deciding that such a use is a "use in commerce" under the Lanham Act." *Id.* at 1144. "We now agree with the Second Circuit," the court concluded, "that such use is a 'use in commerce' under the Lanham Act." *Id.* at 1145. (citing *Rescuecom Corp. v. Google Inc.*, 562 F.3d 123, 127 (2d Cir. 2009)). The Ninth Circuit therefore appeared to hold that Section 45's "use in commerce" language applied in enforcement actions.

b. Yet courts applying *Playboy Enterprises* and *Network Automation*—as recently as three years ago—reach a different conclusion. *VersaTop Support Sys., LLC v. Georgia Expo, Inc.*, 921 F.3d 1364, 1369-1370 (Fed. Cir. 2019) (applying Ninth Circuit law and exercising jurisdiction pursuant to 28 U.S.C. § 1295 (a)(1)). “The Ninth Circuit has had occasion to refer to the distinction between ‘use in commerce’ as a requirement for federal trademark registration—as defined in Section [45]—and infringing uses of a mark.” *Id.* The court concluded the district court below “incorrectly applied the definition of ‘use in commerce’ that is included in the statute for purposes of trademark registration.” *Id.* at 1370. The court unequivocally, and citing both *Playboy Enterprises* and *Network Automation*, held that “[t]his definition does not apply to trademark infringement.” *Id.*; *see also*, e.g., *New Balance Athletics, Inc. v. USA New Bunren Int’l Co. Ltd. LLC*, 424 F.Supp.3d 334, 344 (D. Del. 2019) (citing *Versatop* when saying that “several courts have held that the definition of ‘use in commerce’ in [Section 45] sets the standard for a mark to qualify for protection or registration, not the standard for proving infringement.”).

This confusion as to whether Section 45’s definition applies to trademark enforcement claims at all is sufficient to warrant clarification from this Court. The fact that the confusion extends to other circuits, however, compounds the need for this Court’s review.

2. The Second Circuit sits in juxtaposition to *Playboy Enterprises* and *VersaTop*. It holds that Section 45’s definition defines the use necessary to show infringement, yet simultaneously questions its own conclusion.

a. In *United We Stand America, Inc. v. United We Stand, America New York*, 128 F.3d 86 (2d Cir. 1997), the Second Circuit determined that Section 32's reference to "use in commerce" reflected Congress's intent to legislate to the limits of its authority under the Commerce Clause, rather than to limit the Lanham Act to profit-seeking uses of a trademark." *Id.* at 92. It thus implicitly rejected Section 45's application.

Then, in *1-800 Contacts, Inc. v. WhenU.com, Inc.*, 414 F.3d 400 (2d Cir. 2005), the Second Circuit concluded the district court had wrongly granted a preliminary injunction in the plaintiff's favor because the plaintiff failed to show the defendant made a sufficient "use in commerce" within the meaning of Section 45. *Id.* at 406-409 (applying the definition in the infringement context). The Second Circuit assumed the definition applied, without further explanation. *Id.*

b. In *Rescuecom Corporation v. Google Inc.*, the Second Circuit again "assumed" that Sections 32 and 43 incorporated Section 45's definition as to the type of showing that must be made for an infringing use. 562 F.3d at 128-129, 140. The basis for its assumption was *1-800 Contacts. Id.* at 140.

However, in a lengthy appendix expressly designated as "dictum and not a binding opinion of the court[.]" the Second Circuit contradicted itself. *Id.* at 131-141. In exploring the meaning of "use in commerce" as it appears in Sections 32 and 43, the Second Circuit questioned the premise that Section 45's definition applied at all to these claims. Concluding that "the restrictive definition of 'use in commerce' set forth in Section 45 never was intended as a restriction on the types of conduct that could

result in liability[.]” the Second Circuit opined that the Lanham Act’s use of the term could arise in “two very different contexts.” *Id.* at 133-134.

The first context concerned the “standards and circumstances under which the owner of a mark can qualify to register the mark and to receive the benefits and protection proved by the Act.” *Id.* at 133 (emphasis in original). The second context—occurring at the “opposite pole”—appears “as part of the Act’s definition of reprehensible conduct, *i.e.*, the conduct which the Act identifies as infringing of the rights of the trademark owner, and for which it imposes liability.” *Id.*

Considering “the entire definition of ‘use in commerce’ set forth in [Section 45], it becomes plainly apparent that this definition was intended to apply to the Act’s use of that term in defining favored conduct, which qualifies to receive the protection of the Act.” *Id.* It rejected importing the same definition into the liability provisions of Sections 32 and 43. *Id.* at 134.

“[T]he history of the development of the Lanham Act confirm[ed] what is also indicated by a common-sense understanding of the provisions[.]” the Second Circuit concluded. “The definition of the term ‘use in commerce’ provided by [Section 45], was intended to continue to apply, as it did when the definition was conceived in the 1941 bill, to the sections governing qualification for registration and for the benefits of the Act.” *Id.* at 138. The “eventual appearance of that phrase” in Section 32 “did not represent an intention that the phrase carry the restrictive definition which defined an owner’s entitlement to registration.” *Id.* at 138-39. Rather, it was “happenstance,” and because

Section 45 makes plain that its definition applies “unless the contrary is plainly apparent from the context[.]” another definition was intended. *Id.* at 139. It left unresolved what that definition should be, given its “assumption” that its prior precedent controlled, but proposed two options. *Id.* at 140-41.

The first is that “the entire definition now no longer applie[s] to the sections defining infringement.” *Id.* at 140 (offering this definition because the definition’s first sentence altered the second sentence’s meaning, making both inapplicable). The second, and “seemingly preferable” interpretation would continue to apply the definition’s second sentence, *i.e.*, the remainder of the ‘use in commerce’ definition relating to good and services, in enforcement cases. It would disregard the ‘bona fide use’ language in such cases, reserving its application solely to the registration context.” *Id.* at 140-141.

As a result of *Rescuecom*, there is significant confusion today as to Section 45’s applicability to the Lanham Act’s liability provisions in the Second Circuit. *See, e.g., Soter Techs., LLC v. IP Video Corp.*, 523 F.Supp.3d 389, 398 n.3 (S.D.N.Y. 2021) (applying the same assumption as *Rescuecom*, “although it should be noted that the applicability of [Section 45]’s definition of ‘use in commerce’ to sections of the Lanham Act proscribing infringement appears not to be definitively settled in this Circuit.”); *Can’t Live Without It, LLC v. ETS Express, Inc.*, 287 F.Supp.3d 400, 414-415 (S.D.N.Y. 2018) (recognizing “the confusion (in every sense) generated by the competing discussion in *1-800 Contacts* and *Rescuecom Corp.*”); *Adecco USA, Inc. v. Staffworks, Inc.*, No. 6:20-CV-744 (MAD/TWD), 2021 WL 2593304, at *16 n.7 (N.D.N.Y.

June 23, 2021) (rejecting plaintiffs’ *Rescuecom* argument because the appendix was dictum and instead finding that *1-800 Contacts* “remains binding precedent”). And again, that confusion bleeds into the Ninth Circuit, which favorably cited *Rescuecom*’s assumed definition of “use in commerce” from *1-800* with approval in *Network Automation*. *Network Automation*, 638 F.3d at 1144-1146 (citing *Rescuecom*, 562 F.3d at 127).

3. The Eighth and Eleventh Circuits agree confusion exists.

The Eighth Circuit observes that whether Section 45’s definition of “use in commerce” applies to infringement actions is undecided, but has not taken the opportunity to address the issue. *See Sensient Techs. Corp. v. SensoryEffects Flavor Co.*, 613 F.3d 754, 760-762 (8th Cir. 2010) (detailing the disputed interpretation among circuits and assuming, without holding, that Section 45’s definition applies to infringement actions).

The Eleventh Circuit agrees that “a” use in commerce is necessary to sustain a Section 32 infringement action. *North Am. Med. Corp. v. Axiom Worldwide, Inc.*, 522 F.3d 1211, 1218-1219 (11th Cir. 2008). Its reasoning rests on the “plain language of § 1114(1)(a), which . . . requires a use in commerce . . . of a registered mark in connection with the sale . . . or advertising of any goods.” *Id.* at 1219-1220 (internal quotations omitted); *see also id.* at 1220 (relying on “the plain meaning of the statutory language”). The Eleventh Circuit observes that several cases “refer to 15 U.S.C. § 1127 with respect to the definition of ‘use in commerce’ in the infringement context.” *Id.* at 1220 n.7. While not expressly rejecting that interpretation, the

Eleventh Circuit makes clear that leading commentators reject it and cite with favor the Ninth Circuit’s *Kremer* and *Playboy Enterprises* opinions. *Id.*; see also *BTG Patent Holdings, LLC v. Bag2Go, GMBH*, 193 F.Supp.3d 1310, 1322 (S.D. Fla. 2016) (“Although the Eleventh Circuit in *Axiom* did not directly decide whether § 1127’s definition of ‘use in commerce’ applies to the Lanham Act’s infringement and unfair competition provisions, other Circuits considering the issue have reached conflicting conclusions.”).

4. Indeed, commentators cannot agree as to whether Section 45’s definition applies in an infringement action. MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION explains that the “use in commerce” definition in Section 45

was clearly drafted to define the types of “use” that are needed to qualify a mark for federal registration—not as a candidate for infringement. It defines the kind of “use” needed to acquire registerable trademark rights—not infringe them.

4 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 23:11.50 (5th ed. 2022) (emphasis added and footnote omitted); see *id.* (“This statutory anachronism certainly was never intended to limit the scope of “uses” that would constitute infringement.”).

In contrast, in *Trademarks and Digital Technologies: “Use” on the Net*, Margreth Barrett (Emerita Professor of Law at University of California Hastings) observes that “the Lanham Act’s legislative history makes it clear that Congress intended this statutory definition to apply in the infringement context[.]” 13 No. 11 J.

Internet L. 1, 9 (2010) (citing *Sensient*, 613 F.3d at 761-762); *see also id.* at n.15 (observing that until 2009, no court undertook to review the Lanham Act’s legislative history as to the “trademark use” requirement and noting that the Second Circuit reached a similar conclusion in *Rescuecom*, albeit through a significantly different line of reasoning).

5. This Court should take this opportunity to resolve this confusion and adopt a uniform rule concerning Section 45’s application in trademark enforcement cases.

“[I]t would make no sense whatsoever for Congress to have insisted” that an infringing user that causes confusion “will be liable to the registrant only if his use of the counterfeit was a bona fide use of the mark” in the ordinary course of trade. *Rescuecom*, 562 F.3d at 133-134 (emphasis in original). “Such a statute would perversely penalize only the fools while protecting the knaves, which was surely not what Congress intended.” *Id.* at 134. Indeed, imposing such a rule “would mean that an accused infringer would escape liability notwithstanding deliberate deception, precisely because he acted in bad faith.” *Id.* at 132 (emphasis in original).

That rule, consistent with the Second Circuit’s *Rescuecom* dicta, should therefore hold that the first sentence of Section 45’s “use in commerce” definition applies only in the context of registration. *Id.* at 140.

Such a rule is consistent with Section 45’s express direction that its definitions apply “unless the contrary is plainly apparent from the context.” 15 U.S.C. § 1127. In context, it is readily apparent that the Section 45 definition is intended to apply solely in

the registration context. *See id.* §§ 1051, 1058, 1065, 1091, 1112, 1062. The court of appeals expressly recognized as much in its citation to the Lanham Act's registration provision as the source for its decision. (App.45a.) Limiting the bona fide use requirement to the registration context "sensibly insures that one who in good faith places his mark on goods or services in commerce qualifies for the Act's protection." *Rescuecom*, 562 F.3d at 133.

Whether a use is bona fide, and the extent to which *Social Technologies* further defines that term, are inquiries restricted solely to whether a mark is entitled to protection. Only Section 45's second sentence, requiring that the defendant's use of the mark be placed on "goods sold or transported in commerce," applies in trademark enforcement cases. *See* 15 U.S.C. § 1127.

6. Consequently, under the correct approach, the court of appeals' decision cannot stand. The court below expressly applied the bona fide language in Section 45's definition and prohibited consideration of Lodestar's use of its mark on the Untamed Revolutionary Rum because it deemed that use not to be bona fide. (App.45a-52a.)

The harm to trademark enforcement plaintiffs (like Lodestar) from this misapplication of the Lanham Act is real. It further incentivizes and rewards infringement that begins before a Madrid Protocol registrant or intent-to-use applicant has used its mark in commerce. It increases the burden on a plaintiff to succeed in a trademark enforcement action, disparate from other circuits and in contradiction of the Lanham Act's plain language, creating problems (due process among them). Moreover,

the decision leads to a result that the Lanham Act is meant to prevent—consumer confusion. Two companies are now authorized to use the same mark on the same goods and neither company can stop the other from doing so.

The court of appeals’ refusal to even consider Lodestar’s use of its mark that was most similar to Bacardi’s alleged infringing use made all the difference in this case’s outcome. (App.57a.) For example, the court of appeals rejected the likelihood of confusion between Lodestar’s The Wild Geese & Soldiers rum and Bacardi’s rum because “UNTAMED” appeared only in small letters on the back of the bottle. Yet “UNTAMED” was prominently displayed on the front of the excluded product and in the product’s name. (App.20a, 57a.)

This Court should therefore grant the petition, reverse the court of appeals decision below, and remand this case to the district court with directions to vacate its summary judgment order and analyze the likelihood of confusion between Lodestar’s and Bacardi’s marks with Lodestar’s use on the Untamed Revolutionary Rum product included.

II. THE DECISION BELOW CONFLICTS WITH THE LANHAM ACT’S PLAIN LANGUAGE.

The court of appeals’ novel decision grafts solely by analogy into the Lanham Act a bona fide use requirement for pursuing trademark enforcement claims under Sections 32 and 43 that does not exist in the Act. This Court’s review is required to ensure the Lanham Act is applied as codified, without judicial modification.

1. To show trademark infringement or unfair competition under the Lanham Act, a plaintiff must demonstrate that the alleged infringer used the registrant’s protected mark in commerce that is likely to cause confusion. 15 U.S.C. §§ 1114 (1)(a)-(b), 1125(a)(1).

Section 45 of the Lanham Act expressly defines “use in commerce.” *Id.* § 1127. It means “the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark.” *Id.* As to goods, a mark “shall be deemed” to be used in commerce when “(A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and (B) the goods are sold or transported in commerce[.]” *Id.*

The Lanham Act also typically requires “use in commerce” to register a mark.⁴ *Id.* § 1051(a)(3)(c)-(d). Thus, to have a mark capable of protection from consumer confusion under the Act, a senior user must have already demonstrated a use in commerce or established a protected right to use the mark (*i.e.*, under the Madrid Protocol). This satisfies the first requirement to a trademark enforcement action—a protected mark.

2. Nowhere in either Sections 32 or 43 of the Lanham Act does Section 45’s “use in commerce”

⁴ Constructive use of a mark is also sufficient to register a mark where, as here, the mark was previously registered in a foreign country and is registered on the principal register under the Madrid Protocol. 15 U.S.C. § 1141f(b).

definition appear in connection with a registrant's, or plaintiff's, uses.

Specifically, neither Section includes a requirement that each use a registrant makes of its already-protected mark must be “in commerce” or bona fide. Indeed, nowhere in either section is a registrant’s use of its mark even mentioned. *See generally id.* §§ 1114, 1125.

Rather, Congress was clear and intentional with its use of that phrase in those Sections, using the definition solely to define the type of infringing use that will create liability. Specifically, Section 32 imposes liability on one who “without the consent of the registrant—(a) use[s] in commerce any reproduction . . . [or] copy . . . of a registered mark . . . in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive[.]” *Id.* § 1114(1)(a) (emphasis added). Section 43 similarly imposes liability on “any person who, on or in connection with any goods or services, . . . uses in commerce any word, term, name symbol, or device . . . which—(A) is likely to cause confusion[.]” *Id.* § 1125(a)(1) (emphasis added).

Congress’s intent is thus plain from the statutes’ clear language and a court cannot add its own requirements. *Dean v. United States*, 556 U.S. 568, 572 (2009). Only an infringer’s use must be made “in commerce” to create liability for infringement or unfair competition. A registrant’s uses of its mark that are likely to cause confusion need not meet that same standard. *See Iancu v. Brunetti*, 139 S.Ct. 2294, 2302 (2019) (refusing to adopt a statutory interpretation when the interpretation urged was “not to interpret the statute Congress enacted, but to fashion a new one.”).

This interpretation also avoids an absurd result. See *Griffin v. Oceanic Contractors, Inc.*, 458 U.S. 564, 575 (1982). A registrant will already have demonstrated a bona fide use in commerce of its mark by obtaining registration. To require such a showing for each use would improperly tie the protection to the product on which the mark is used, rather than the mark itself. See section C, *infra*.

3. Despite the lack of statutory support, and in the face of contrary plain language, the court of appeals below still improperly grafted Section 45's definition into the lack of confusion analysis, requiring that Lodestar demonstrate each use of its mark was bona fide before it could even be considered.

a. The court of appeals concluded that "the Lanham Act generally limits enforceable trademark rights to bona fide uses that reflect genuine commercial endeavors rather than merely efforts to retain rights in a mark." (App.45a.) The appellate court observed that Section 45's "definition expressly describes the uses that are ordinarily needed to register a mark[.]" (*Id.* (citing 15 U.S.C. § 1051(a)(3)(C)).) The court of appeals, by analogy, concluded that "the relevant uses that may give rise to enforceable trademark rights in the context of a regime, such as Title XII, in which registration may be granted in advance of any such use" were subject to similar standards. (*Id.* (emphasis added).) And it defined bona fide to mean that each use a registrant makes of its mark must be a use typical of the industry in which it is used for genuine (rather than ancillary) commercial purposes. (App.46a.)

Put more simply, the appellate court assumed that the registration requirements for protecting a

mark also applied to require a plaintiff to demonstrate that each use of its mark satisfied the same standard before it could be considered in the likelihood of confusion analysis.

b. The court of appeals cited its own decision in *Social Technologies LLC v. Apple Inc.*, as the near-exclusive rationale for this novel interpretation of Sections 32 and 43. (App.43a-52a.) Examination of that decision reveals the error in the court of appeals' analysis.

Social Technologies addressed whether the senior user of the mark had in fact used its mark in commerce “such that its registration is valid, and the mark is entitled to protection under the Lanham Act.” 4 F.4th at 817 (emphasis added). The entirety of the opinion’s analysis addresses the meaning Section 45’s term as it relates to the first element of a trademark enforcement case—whether the plaintiff has a protected mark to begin with. It does not (nor could it in the case’s context) extend that analysis to a plaintiff’s required showing under the second element—whether a likelihood of confusion exists.

4. This Court should accept review of this case to ensure that the Lanham Act’s plain language is enforced as Congress intended. The fact that the court of appeals hinges its analysis almost entirely on *Social Technologies*—a factually and legally distinguishable case concerning solely trademark registration—reveals the paucity of support for its interpretation of Sections 32 and 43.

a. Limiting the use in commerce showing to an infringer in this context ensures that only truly infringing uses create liability, while ensuring the

senior user maximum latitude to enforce its rights. If the opinion below is left to stand, trademark owners within the Ninth Circuit have less protection of their mark than anywhere else in the country. This is a problem of great significance.

This problem is particularly acute for owners who obtain protection through the Madrid Protocol. 15 U.S.C. § 1141k (providing up to six years under Madrid Protocol's extension of protection to file affidavit of use). Because the Madrid Protocol does not require actual use prior to obtaining registration, there is a significant risk that a trademark owner will never establish uses a court will consider in the likelihood of confusion analysis. Stated differently, no use the trademark owner made would ever be bona fide because it would likely always occur after the alleged infringement.

The Lanham Act's purpose in extending protection to marks based on this type of registration would therefore be eviscerated. Such an owner who brings suit, or is subject to a declaratory judgment action in the Ninth Circuit, now faces an additional hurdle in its ability to stop infringing uses that occur between registration and use, directly contrary to the Lanham Act.

b. Even more problematic, under the opinion below, the initial controversy generating the lawsuit—the same marks on the same type of product by different producers—is not, and cannot, be resolved. Nothing in the opinion prevents Lodestar from continuing to use UNTAMED on its Untamed Revolutionary Rum or Bacardi from using UNTAMEABLE on its rum products. Because the court below determined that a comparison of these uses could not

occur as a matter of law, two separate companies are now authorized to use the same or likely confusingly similar trademarks on the same goods without any consideration of whether they are confusing (they are). Neither can prevent or enjoin the other's use. This creates a regime problematic for both senior and junior users. And it wholly disregards the Lanham Act's express provision of procedures to resolve these types of conflicting uses.

Incorporation of a use in commerce requirement for a plaintiff in a trademark enforcement action thus incentivizes infringement as early as possible. And it ultimately leads to a result that the Lanham Act was specifically designed to prevent—consumer confusion.

This Court should therefore reverse the court of appeals' decision and remand to the district court with directions that the likelihood of confusion analysis be revisited in totality with consideration of Lodestar's Untamed Revolutionary Rum product.

III. THE DECISION IS CONTRARY TO THIS COURT'S RELEVANT DECISIONS.

The court of appeals' conclusion reveals a flawed assumption about how trademarks operate that this Court must clarify. The court of appeals excluded Lodestar's use of the Untamed Word Mark on Untamed Revolutionary Rum from the likelihood of confusion analysis because it believed the rum was not a "serious effort" to develop a product for genuine commercial reasons. (App.50a-51a.) Yet it is the mark, not the specific product on which it appears, that is entitled to protection. *See* 3 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*

§ 17:23 (5th ed. 2022) (recognizing that there is no “break in the chain of priority of use merely because use of the mark is shifted from one line of goods or services to another similar line”). Stated differently, a trademark holder is free to update its use of its mark on any number of goods if they are within the class of goods to which the mark is registered.

1. As this Court has repeatedly recognized, trademarks are intended to “secure to the owner of the mark the goodwill” a business develops with consumers, and “protect the ability of consumers to distinguish among competing producers.” *Park ‘N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 198 (1985); *see also United States Patent & Trademark Office v. Booking.com B.V.*, 140 S.Ct. 2298, 2302 (2020) (explaining that a trademark “distinguishes one producer’s goods or services from another’s” and protects goodwill).

2. Another longstanding and fundamental concept of trademark law is that a trademark owner “may change the display of his [word] mark at any time because whatever rights he may possess in the mark reside in the term itself rather than in any particular form or arrangement thereof.” *Vacuum-Elec. Corp. v. Elec. Eng’g Co.*, 150 U.S.P.Q. 215, 216 (T.T.A.B. 1966); *see also Humble Oil & Ref. Co. v. Sekisui Chem. Co.*, 165 U.S.P.Q. 597, 603 (T.T.A.B. 1970) (same).

This Court’s opinion in *Beech-Nut* makes this plain. *Beech-Nut* concerned Beech-Nut Packing Company’s claim against P. Lorillard Company for infringement of its registered trademark, “Beech-Nut.” 273 U.S. at 630. Beech-Nut Packing had used the mark, registered in 1912, initially on ham and bacon, and eventually extended its use to chewing gum, peanut butter, and ginger ale, always with a promise of “Beech-

Nut Quality.” *Id.* Lorillard also used the words “Beech-Nut” on chewing tobacco and cigarettes. *Id.* Lorillard claimed it acquired rights to “Beech-Nut” through assignments from various successors in interest prior to Beech-Nut Packing Company’s registration of its mark. *Id.* at 631. However, Lorillard’s use of the mark on tobacco had not been continuous. Beech-Nut Packing challenged Lorillard’s rights, in part, because there was a period of non-use and Lorillard had subsequently rebranded the “Beech-Nut” mark on updated tobacco products with new labels. *Id.*

This Court noted that a trademark “is not only a symbol of an existing good will.” *Id.* at 632 (emphasis added). It is a “distinguishable token devised or picked out with the intent to appropriate it to a particular class of goods and with the hope that it will come to symbolize good will.” *Id.* Thus, Lorillard had not lost the right to protection of its mark simply through “the mere lapse of time.” *Id.* “Therefore the fact that the good will once associated” with the former product “has vanished does not end at once the preferential right of the proprietor to try it again upon goods of the same class with improvements that renew the proprietor’s hopes.” *Id.*

This Court then found no error in the district court’s analysis. *Id.* at 633. That analysis concluded that Lorillard had not lost the protection of its mark simply because it redecorated its label, keeping the word “Beech-Nut” but abandoning other features. *Beech-Nut Packing Co. v. P. Lorillard Co.*, 299 F. 838, 850-851 (D.N.J. 1924).

3. The court of appeals’ decision below runs afoul of these cases.

It excluded the Untamed Revolutionary Rum product from the likelihood of confusion analysis because Lodestar rebranded its golden rum and updated the label after Bacardi began its campaign. That improperly ties Lodestar's trademark rights to a particular product or label, rather than the goodwill developed in the mark as to general classifications of goods or services.

Like Lorillard, Lodestar initially used its UNTAMED mark for a period of time in connection with its The Wild Geese Soldiers & Heroes whiskey and then expanded into rum before Bacardi's use of Lodestar's trademark. Even prior to Bacardi's UNTAMEABLE campaign, Lodestar was rebranding its existing rum products with a more prominent display of the UNTAMED mark, as its prominent display at the Miami Rum Renaissance in April 2013 showed. (App.16a-17a.)



(App.70a.)

It then decided to rebrand its award-winning rum product as Untamed Revolutionary Rum, to complement its existing Wild Geese Soldiers & Heroes line

and to capitalize on the goodwill established through those products. (App.76a.) It successfully did so, selling the old and new rum products thereafter. The court of appeals' determination that these facts excluded, rather than encouraged, consideration of the mark's use on Untamed Revolutionary Rum in the likelihood of confusion analysis was inconsistent with this Court's precedent.

4. This Court's review is therefore necessary to ensure that trademarks are afforded consistent protection in this country and to protect the natural expansion doctrine.

Absent this Court's review, the eighth *Sleekcraft* factor—considering the likelihood of expansion of the product lines—is eroded from the likelihood of confusion analysis. *Sleekcraft*, 599 F.2d at 354. Senior users are free to rebrand, update labels, and reasonably expand the use of their marks to related goods, including for the purpose of combatting or preventing infringing uses. *Cf., e.g., Carnival Brand*, 187 F.3d at 1310, 1312-1313. As every circuit recognizes, in some form or another, a “strong possibility” that either party may expand his business to compete with the other will weigh in favor of finding that the present use is infringing.” *Sleekcraft*, 599 F.2d at 354; fn. 1, *supra*.

By expressly excluding Lodestar's new or expanded product lines from the likelihood of confusion analysis based on a finding that the use could not be bona fide as a matter of law, the Ninth Circuit now stands apart from every other circuit. *See* fn.1, *supra*. As a practical matter, any rebranding or new use of the mark after the date of the junior user's use would be excluded as per se ancillary to an effort to “reserve a right in the mark” and will be excluded. (App.45a-

52a.) This outcome is inconsistent with the purpose of the Lanham Act and the protections afforded thereunder.

This Court should therefore grant the petition, reverse the court of appeals decision below, and remand this case to the district court with directions to vacate its summary judgment order and analyze the likelihood of confusion between Lodestar's and Bacardi's marks with Lodestar's use on the Untamed Revolutionary Rum product included.



CONCLUSION

The petition for writ of certiorari should be granted.

Respectfully submitted,

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