No. 16-548

In the Supreme Court of the United States

BELMORA LLC, ET AL., PETITIONERS

v.

BAYER CONSUMER CARE AG, ET AL.

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

BRIEF FOR RESPONDENTS BAYER CONSUMER CARE AG AND BAYER HEALTHCARE LLC IN OPPOSITION

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QUESTION PRESENTED

Whether Sections 14(3), 43(a)(1)(A), and 43(a)(1)(B) of the Lanham Act contain an unstated requirement limiting the class of foreign plaintiffs authorized to bring suit challenging a defendant's actions and statements, including the defendant's confusing or misleading use of a trademark, to those who have themselves used or registered a trademark in the United States.

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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OPINIONS BELOW

The opinion of the court of appeals (Pet. App. 1a-32a) is reported at 819 F.3d 697. The opinion and order of the district court (Pet. App. 33a-89a) is reported at 84 F. Supp. 3d 490. The opinion of the Trademark Trial and Appeal Board granting the petition to cancel the trademark registration of petitioner Belmora LLC (Pet. App. 90a-127a) is reported at 110 U.S.P.Q.2d 1623.

JURISDICTION

The judgment of the court of appeals was entered on March 23, 2016. A petition for rehearing was denied on May 23, 2016 (Pet. App. 128a). On August 2, 2016, the Chief Justice extended the time within which to file a petition for a writ of certiorari to and including September 22, 2016. On September 12, 2016, the Chief Justice further extended the time within which to file a petition for a writ of certiorari to and including October 20, 2016, and the petition was filed on that date. The jurisdiction of this Court is invoked under 28 U.S.C. 1254(1).

STATEMENT

This case concerns petitioner Belmora LLC's misleading actions and statements, including its use of the FLANAX trademark for naproxen sodium pain relievers it sold in the United States. Respondent Bayer Consumer Care AG (BCC) has sold naproxen sodium pain relief tablets in Mexico under the trademark "FLANAX" since 1976, where it has long been the most popular brand of pain reliever. In 2004, Belmora began to use the FLANAX mark to sell naproxen sodium tablets in the United States, closely mimicking BCC's Mexican packaging and implying that its brand is the same as BCC's in its advertising. BCC successfully petitioned the Trademark Trial and Appeal Board (Board) to cancel Belmora's registration for the FLANAX mark based on deceptive use.

Belmora then filed suit in the United States District Court for the Eastern District of Virginia, challenging the Board's cancellation of the registration. As is relevant here, BCC separately brought a claim against petitioners for false association under Section 43(a)(1)(A) of the Lanham Act; along with respondent Bayer HealthCare LLC (BHC), an affiliated American company that sells naproxen sodium tablets in the United States under its trademark "ALEVE," BCC also brought a claim for false advertising under Section 43(a)(1)(B) of the Lanham Act. After the two cases were consolidated, the district court dismissed the Bayer respondents' claims and reversed the Board's cancellation decision on the ground that the Bayer respondents did not use the FLANAX trademark in the United States. But the court of appeals vacated the district court's order, concluding that, under this Court's recent decision in *Lexmark International, Inc.* v. *Static Control Components, Inc.*, 134 S. Ct. 1377 (2014), a plaintiff need not use a trademark in the United States before bringing suit under the provisions of the Lanham Act at issue here.

Petitioners now seek this Court's review, alleging a circuit conflict concerning whether certain foreign trademark holders have priority rights in the United States. But petitioners ignore the actual basis for the decision below: namely, that, under *Lexmark*, a plaintiff seeking relief for a defendant's misleading actions and statements, including the defendant's use of a trademark, need not itself register or use a trademark in the United States at all. The court of appeals thus had no occasion to address the circumstances in which a foreign trademark holder could satisfy any such use requirement.

Nor did the court of appeals address the principle of trademark territoriality invoked by petitioners at every turn. That principle provides simply that, as a general matter, "a trademark is recognized as having a separate existence in each sovereign territory in which it is registered or legally recognized as a mark." 5 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 29:1, at 29-5 (4th ed. 2016) (McCarthy). The territoriality principle, which defines the scope of a trademark holder's rights, has no bearing in cases where, as here, a plaintiff need not have trademark rights in the first place. The decision below is thus entirely orthogonal to the circuit conflict asserted by petitioners and does not warrant further review—especially given the rarity with which the issue arises and the egregiousness of petitioners' underlying conduct in this case. The petition for a writ of certiorari should therefore be denied.

A. Background

1. The Lanham Act was intended to "make 'actionable the deceptive and misleading use of marks,' and 'to protect persons engaged in commerce against unfair competition.'" *Dastar Corp.* v. *Twentieth Century Fox Film Corp.*, 539 U.S. 23, 28 (2003) (alteration omitted) (quoting 15 U.S.C. 1127). While much of the Lanham Act addresses the registration, use, and infringement of a plaintiff's trademarks, some provisions "go[] beyond trademark protection" to prohibit various unfair trade practices even where the plaintiff does not have trademark rights. See *id.* at 29.

This case involves three of those provisions. The first, Section 14(3), allows "any person who believes that he is or will be damaged" by the registration of a mark to petition the Board for the cancellation of the registration. 15 U.S.C. 1064. One basis for cancellation is that "the registered mark 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." 15 U.S.C. 1064(3). To prevail on a cancellation claim, a petitioner must show that the "registrant deliberately sought to pass off its goods as those of petitioner." 3 McCarthy § 20:60, at 20-170.

The second and third provisions are part of Section 43(a), which creates causes of action for false association and false advertising. Both provisions allow suit by "any person who believes that he or she is or is likely to be damaged" by the challenged act. 15 U.S.C. 1125(a)(1). Section 43(a)(1)(A) creates a cause of action for false association: namely, 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: that is, actions and statements that, *inter alia*, "misrepresent[] the nature, characteristics, qualities, or geographic origin of [defendant's] or another person's goods, services, or commercial activities" in commercial advertising or promotion. 15 U.S.C. 1125(a)(1)(B).

2. Two years ago, in *Lexmark*, this Court addressed the scope of the class of plaintiffs who may sue under Section 43(a). See 134 S. Ct. at 1387-1395. The plaintiff in *Lexmark* manufactured and sold components necessary to refurbish defendant's toner cartridges. See *id.* at 1384. The plaintiff alleged that the defendant had made statements that misled users of its toner cartridges into believing they were legally obligated to return those cartridges to the defendant rather than refurbishing them with the plaintiff's products. See *ibid.*

In addressing the class of plaintiffs authorized to sue under Section 43(a), the Court clarified that the relevant issue was not one of "standing" but rather a "straightforward question of statutory interpretation." 134 S. Ct. at 1387-1388 & n.3. The Court warned that courts "cannot limit a cause of action that Congress has created merely because 'prudence' dictates." *Id.* at 1388. The Court ultimately held that the cause of action in Section 43(a) extended to plaintiffs who fell within the Lanham Act's zone of interests and whose injuries were proximately caused by violations of the Act. See *id.* at 1388, 1390. The Court reasoned that a plaintiff "must allege an injury to a commercial interest in reputation or sales" in order to fall within the zone of interests for a false-advertising claim. *Id.* at 1388-1390. And it explained that the proximate-cause requirement "bars suits for alleged harm that is too remote from the defendant's unlawful conduct." *Id.* at 1390 (internal quotation marks omitted). Applying those requirements, the Court allowed the plaintiff's false-advertising claim to proceed, noting that alleged "lost sales and damage to [a plaintiff's] business reputation[] are injuries to precisely the sorts of commercial interests the Act protects." *Id.* at 1393.

B. Facts And Procedural History

1. Respondent BCC has sold naproxen sodium pain relief tablets in Mexico since 1976 under the trademark "FLANAX," which it has registered there. BCC's Flanax is the top-selling pain reliever in Mexico; the revenues from Flanax total hundreds of millions of dollars annually. Respondent BHC, an American company and affiliate of BCC, sells naproxen sodium tablets in the United States under its ALEVE trademark. Pet. App. 3a-4a, 110a.

In 2004, petitioner Belmora began selling naproxen sodium tablets in the United States, branding them "FLANAX," and using packaging that "closely mimicked" BCC's Mexican packaging in color scheme, typeface, and font size. Pet. App. 4a. The packaging appeared as follows:

BCC

Belmora

Id. at 118a.[1] Several years later, after BCC took legal action, Belmora altered its packaging, but its color scheme, typeface, and type size "remain[ed] similar" to BCC's packaging. *Id.* at 4a, 119a.

What is more, in marketing its product, Belmora made various statements implying that its product was the same as BCC's. For example, in a brochure for potential distributors, Belmora described its newly developed Flanax product as one that Latinos have turned to "[f]or generations." Pet. App. 5a. In a sales script provided to telemarketers, Belmora touted its Flanax product as "a very well known medical product in the Latino American market" because it is "sold successfully in Mexico." *Ibid.* It further asserted that Flanax was "now being produced in the United States by Belmora LLC." *Ibid.* In light of those representations, many purchasers of Belmora's Flanax product believed that it was "the same as, or affiliated with, the Flanax products they knew from Mexico." *Id.* at 5a-6a.

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[1] Ironically, the court of appeals itself confused the two packages, mislabeling which belonged to petitioner and which to respondent. See Pet. App. 4a.

Belmora applied for American trademark protection for "FLANAX" in 2003. In 2005, the Patent and Trademark Office registered Belmora's FLANAX mark. Pet. App. 37a.

2. BCC subsequently petitioned the Trademark Trial and Appeal Board. As is relevant here, BCC sought to cancel Belmora's registration for the FLANAX trademark under Section 14(3) of the Lanham Act. Pet. App. 90a-91a. BCC argued that Belmora was using the mark to misrepresent the source of its goods. *Id.* at 91a.

After a trial, the Board granted BCC's petition and canceled Belmora's registration. Pet. App. 91a, 95a, 127a. The Board first concluded that BCC had standing to bring the cancellation action. The Board explained that Section 14 of the Lanham Act contained no requirement that the party seeking cancellation (as opposed to the party engaging in the alleged misconduct) use a mark in or otherwise engage in commercial activities within the United States. *Id.* at 112a-113a. In so concluding, the Board distinguished Section 14 from another Lanham Act provision, Section 2(d), which contained such a requirement. *Id.* at 92a-93a, 112a. The Board explained that BCC satisfied the standing requirement because Belmora's "misrepresent[ations] to U.S. consumers" deprived BCC of "the ability to control its reputation" and protect the reputation of its Mexican Flanax product. *Id.* at 113a.

Turning to the merits, the Board observed that, while it raised issues of "first impression," this was not a "close case." Pet. App. 115a. The Board concluded that Belmora had engaged in "blatant misuse of 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]." *Id.* at 115a, 124a (internal quotation marks and citation omitted). In reaching that conclusion, the Board found that petitioner Jamie Belcastro, Belmora's founder and owner, had fabricated a document shortly before his deposition to support his false testimony that he had generated the FLANAX mark on his own initiative rather than by copying BCC. *Id.* at 115a-118a.

3. Belmora then filed suit in the United States District Court for the Eastern District of Virginia, challenging the Board's cancellation of registration. As is relevant here, BCC separately brought a claim against petitioners for false association under Section 43(a)(1)(A) of the Lanham Act, and, along with BHC, it also brought a claim for false advertising under Section 43(a)(1)(B). After the two cases were consolidated, petitioners moved to dismiss the Bayer respondents' claims.

The district court granted petitioners' motion to dismiss and reversed the Board's cancellation decision. Pet. App. 33a-89a. In addressing the motion to dismiss, the district court observed that this was likely a "case of first impression" that presented "novel questions" about the Lanham Act. *Id.* at 35a. At the outset, the court also conceded that Belmora's Flanax product "has a similar trade dress" to BCC's and "is marketed in a way that capitalizes on the goodwill of [BCC's] FLANAX." *Ibid.*

The district court nevertheless dismissed the Bayer respondents' claims. As to the false-association claim, the district court, while purporting to apply *Lexmark*, stated that it was conducting a "standing" analysis. Pet. App. 43a, 44a, 59a. The court observed that a key purpose of the Lanham Act was to guard protectable interests in American trademarks. *Id.* at 48a. On that basis, the court proceeded to determine that BCC's claim "fail[ed] the zone-of-interests test" because BCC "[did] not possess a protectable interest in the FLANAX mark in the United States." *Id.* at 46a-50a, 59a. The court also deemed BCC's allegations insufficient to establish proximate causation because the injuries it alleged did not stem either from the infringement of an American trademark or from reputational harm to the holder of an American trademark. *Id.* at 51a, 57a-58a. The court noted in passing that the Fourth Circuit was unlikely to recognize the "famous marks" doctrine, which gives a foreign mark priority over an American mark in certain circumstances, and thus concluded that the doctrine would not provide BCC a basis for its cause of action. *Id.* at 52a.

As to the false-advertising claim, the district court also dismissed that claim for lack of proximate causation. Pet. App. 36a. Although the court acknowledged that the false-advertising cause of action "goes beyond trademark protection," it determined that respondents fell short because their alleged injury was not tied to a protectable interest in an American trademark. *Id.* at 59a-60a (citation omitted).

In addition to granting petitioners' motion to dismiss, the district court reversed the Board's cancellation decision, reiterating its determination that BCC had failed to satisfy both the zone-of-interests and proximate-cause requirements. Pet. App. 36a-37a.

4. Respondents appealed, and the Director of the Patent and Trademark Office intervened in defense of the Board's decision.[2] The court of appeals vacated and remanded. Pet. App. 1a-32a.

At the outset, the court of appeals explained that, while much of the Lanham Act addressed trademark protection, Section 43(a) went beyond that purpose. Pet.

[2] As a party below, the Director is a respondent before this Court and is filing a separate response to the petition for certiorari.

App. 10a. The court of appeals noted that the plain language of Section 43(a) did not require a plaintiff to "possess or have used a trademark in U.S. commerce as an element of the cause of action." *Id.* at 11a. Nothing in this Court's decision in *Lexmark*, the court of appeals continued, "can be read to suggest that [Section] 43(a) claims have an unstated requirement that the plaintiff have first used its own mark * * * in U.S. commerce." *Id.* at 16a.

The court of appeals reasoned that, by asserting such a requirement, petitioners and the district court had "conflated the Lanham Act's infringement provision in [Section] 32 (which authorize[d] suit only 'by the registrant,' and thereby require[d] the plaintiff to have used its own mark in commerce) with unfair competition claims" under Section 43(a). Pet. App. 16a. Petitioners and the district court also ignored two established categories of Section 43(a) cases in which plaintiffs have no protected interest in a mark: those where a plaintiff holds a mark that has become generic, and those where a plaintiff alleges reverse passing-off by the defendant. *Id.* at 18a-20a.

The court of appeals observed that some of its prior cases had treated a plaintiff's use of a mark in United States commerce as a prerequisite to a Section 43(a) claim. Pet. App. 17a-18a. But it declined to follow those cases, on the grounds that they did not "analyze[]" whether the statute in fact contained such a requirement and that they also "predate[d] *Lexmark*." *Id.* at 18a. For similar reasons, the court concluded that Section 14(3) of the Lanham Act contained no unstated use-in-commerce requirement for the plaintiff. *Id.* at 31a.

The court of appeals proceeded to conclude that respondents satisfied the zone-of-interests and proximate-cause requirements from *Lexmark* for each of the three provisions at issue. Pet. App. 21a-27a, 30a-31a. As to the zone-of-interests requirement, the court cited the Lanham Act's enumerated purposes of "'making actionable the deceptive and misleading use of marks' in 'commerce within the control of Congress,'" *id.* at 21a (quoting 15 U.S.C. 1127), and "protecting persons engaged in commerce within the control of Congress against unfair competition," *id.* at 24a-25a (quoting *Lexmark*, 134 S. Ct. at 1389). As to the proximate-cause requirement, the court explained that, because of petitioners' actions, some American consumers purchased Belmora's Flanax product instead of BHC's Aleve, and some consumers traveling between the United States and Mexico purchased Belmora's Flanax product instead of BCC's. *Id.* at 23a-27a, 31a.

5. The court of appeals subsequently denied petitioners' petition for rehearing without recorded dissent. Pet. App. 128a.

ARGUMENT

In their petition for certiorari, petitioners assert a circuit conflict that the court of appeals neither addressed nor resolved in the decision below, concerning whether the so-called "famous marks" doctrine can allow a foreign trademark holder to assert trademark rights in the United States. In the decision below, by contrast, the court of appeals merely held that, under this Court's recent decision in *Lexmark*, the provisions of the Lanham Act at issue did not require the plaintiff to use its mark in United States commerce. Because there is no conflict on the latter question—in fact, the decision below is the first court of appeals decision to address that question since *Lexmark* was decided—this case fails to satisfy the fundamental criterion for the Court's review.

What is more, this case presents a rarely arising circumstance that does not warrant the Court's attention, especially because the behavior at issue in this case was unusually egregious. Nor is this case otherwise a suitable vehicle for review. The petition for a writ of certiorari should therefore be denied.

A. The Decision Below Does Not Conflict With Any Decision Of Another Court Of Appeals

Petitioners primarily contend (Pet. 12-19) that the court of appeals' decision "deepens" a conflict between the Second and Federal Circuits, on the one hand, and the Ninth Circuit, on the other. But the purported conflict addresses only whether an entity that owns a trademark in a foreign country has *trademark* rights in the United States in certain circumstances. The court of appeals did not address that question in the decision below, because it held that, under Sections 14(3) and 43(a) of the Lanham Act, a plaintiff need not have a trademark in the United States (or use its mark in United States commerce) in order to bring suit. Because the decision below does not conflict with any decision of another court of appeals, further review is not warranted.

1. a. In asserting a conflict, petitioners mainly rely on the Second Circuit's decision in *ITC Ltd.* v. *Punchgini, Inc.*, 482 F.3d 135, cert. denied, 552 U.S. 827 (2007). In that case, two Indian companies that owned a restaurant in India called Bukhara sued an American company formed by the restaurant's former employees that opened a similar restaurant in New York called Bukhara Grill. See *id.* at 142-144. The Indian companies had registered and used the Bukhara mark in the United States years earlier. See *id.* at 143. The district court granted summary judgment in favor of the American company. See *id.* at 142.

The Indian companies had brought numerous claims, including claims for false association under Section 43(a)(1)(A) of the Lanham Act and for false advertising under Section 43(a)(1)(B). See 482 F.3d at 145. In addressing the false-association claim, the Second Circuit did state that, among other requirements, a "plaintiff must demonstrate its own right to use the mark or dress in question." *Id.* at 154. Notably, however, neither side disputed that a plaintiff must establish its own trademark rights as a precondition to a false-association claim, and the court did not analyze why that would be required. See *ibid.* The Second Circuit thus simply took this purported requirement for granted.

As a result, instead of analyzing whether a plaintiff's use of a mark in United States commerce is a necessary prerequisite, the Second Circuit considered the question whether the Indian companies "possessed a priority right to the use of the Bukhara mark and related trade dress for restaurants in the United States." 482 F.3d at 154. In answering that question, the court considered whether it should adopt the "famous marks" doctrine as an exception to the principle of "trademark territoriality": that is, the principle that "a trademark has a separate legal existence under each country's laws." *Id.* at 155-156. The court ultimately declined to adopt the "famous marks" doctrine and, on that basis, affirmed the grant of summary judgment as to the false-association claim. See *id.* at 165.

For present purposes, the Second Circuit's analysis of the Indian companies' false-advertising claim is more instructive. The Second Circuit did not assume that a plaintiff proceeding under Section 43(a)(1)(B) was required to use a trademark in the United States, nor did it require an injury to commercial interests in the United States. Instead, the court dismissed the false-advertising claim for lack of standing, applying a pre-*Lexmark* test to determine that the Indian companies had failed to produce evidence that damage to their overseas restaurant was likely; that any consumers would travel to New York to visit the American restaurant instead of purchasing the Indian companies' line of canned products; or that the Indian companies had non-speculative plans to open competing restaurants in the United States in the future. See 482 F.3d at 169-172. Although the Second Circuit's decision predated *Lexmark*, its analysis largely tracks that of the decision below.[3]

b. Petitioners also rely on the Federal Circuit's decision in *Person's Co.* v. *Christman*, 900 F.2d 1565 (1990), but that decision is similarly inapposite. In that case, a Japanese company that marketed and distributed clothing in Japan sought to cancel the mark of an American citizen who marketed clothing in the United States using the same logo. See *id.* at 1567. The Japanese company did not assert claims under any of the sections at issue here; rather, among other grounds, it sought cancellation under Section 2(d) of the Lanham Act. See *id.* at 1566. That provision allows cancellation for certain marks that "so resemble[] a mark registered in the Patent and Trademark Office, or a mark or trade name previously used in the United States by another and not abandoned," as to be confusing or deceptive. 15 U.S.C. 1052(d). The Federal Circuit considered the plaintiff's trademark rights solely in addressing its claim under Section 2(d); that provision plainly requires the plaintiff to have a mark that has

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[3] In addition, because the Second Circuit assumed (albeit without deciding) that the Indian companies' "interest in avoiding reputational damage to [their] overseas restaurants" was an interest "to be protected by United States law," *Punchgini*, 482 F.3d at 171, the International Trademark Association errs when it asserts that the Second Circuit took the contrary position. See INTA Br. 22.

been registered or used in the United States, and the Federal Circuit did not address the existence of that requirement. By contrast, the Federal Circuit has noted that a foreign company need not have such a mark in order to obtain cancellation of a registration under Section 14 of the Lanham Act, a provision that is at issue here. See *Empresa Cubana del Tabaco* v. *General Cigar Co.*, 753 F.3d 1270, 1274-1276, 1278 (2014), cert. denied, 135 S. Ct. 1401 (2015).

Turning to whether the plaintiff had satisfied Section 2(d)'s trademark-use requirement—a requirement that is absent here—the Federal Circuit held that the American citizen, as the first to use the mark in the United States, had priority over the mark. See *Person's*, 900 F.2d at 1568-1570. Contrary to petitioners' contention (Pet. 14-15), far from rejecting the import of foreign use, the court noted that foreign use might establish priority if "the foreign mark is famous" in the United States, but that such a circumstance was not present on the facts of that case. *Id.* at 1570.

c. Petitioners place the Ninth Circuit's decision in *Grupo Gigante SA de CV* v. *Dallo & Co.*, 391 F.3d 1088 (2004), on the opposite side of the asserted conflict. But the Ninth Circuit's decision, like the others in the asserted conflict, addresses the distinct question whether a plaintiff's use of a mark in a foreign country confers priority of trademark rights in the United States. See *id.* at 1093-1094. In *Grupo Gigante*, both parties agreed that a "famous marks" exception to the principle of trademark territoriality existed, but they disputed whether the exception was broad enough to apply to the facts of the case. See *ibid.* The Ninth Circuit adopted a narrower version of the "famous marks" doctrine to ensure it did not "eclipse the territoriality rule entirely," and it remanded the case to the district court to apply that test. *Id.* at 1096-1098.

d. The decision below simply does not implicate any disagreement between the circuits about the scope of a plaintiff's trademark rights in the United States based on its foreign use of a trademark. Indeed, in the decision below, the court of appeals was careful to note that it did not "conclud[e] that BCC has any specific trademark rights to the FLANAX mark in the United States." Pet. App. 27a. Rather, it held that the Lanham Act provisions at issue did not require a plaintiff to have a trademark in the United States (or use its mark in United States commerce) in the first place in order to bring suit. *Id.* at 11a, 15a-16a.

Because the court of appeals did not reach the issue whether BCC had trademark rights in the United States, it had no occasion to discuss the principle of trademark territoriality or the "famous marks" exception to that principle. It is unsurprising, therefore, that the court of appeals saw no need to address or even cite the cases in petitioners' asserted circuit conflict. As a result, this case presents no conflict for the Court to resolve.

2. In any event, even if a conflict existed on the question actually resolved below—and it does not—it would be premature to grant review on that question, because the decision below was the first court of appeals decision to address the question since this Court's decision in *Lexmark*. Notably, the Fourth Circuit declined to follow its own pre-*Lexmark* decisions that treated a plaintiff's use of a mark in United States commerce as a prerequisite to a Section 43(a) claim. Pet. App. 17a-18a. There is every reason to believe that other courts will reach the same conclusion as the Fourth Circuit.

Emphasizing the changed landscape, both the court of appeals and the district court heavily relied on *Lexmark*, Pet. App. 9a-10a, 12a-18a, 20a-28a, 30a-31a, 35a-36a, 43a-48a, 50a, 58a-60a, 75a-77a, 85a-86a, and the Board and the district court expressly stated that the question presented by this case appeared to be one of first impression, *id.* at 35a, 115a. Indeed, even petitioners invoke "uncertainty about the scope and import of this Court's decision in *Lexmark*." Pet. 12. To the extent such uncertainty exists, the Court should allow further percolation so that lower courts have the opportunity to grapple with *Lexmark* for themselves. If a post-*Lexmark* conflict emerges in the lower courts, the Court can grant review then. For now, however, the Court's intervention would be woefully premature.

B. The Decision Below Does Not Conflict With Any Of This Court's Precedents

In addition to asserting a conflict with other courts of appeals, petitioners contend (Pet. 19-24) that the decision below is contrary to this Court's precedents and misreads *Lexmark*. Petitioners are mistaken.

1. Petitioners first contend (Pet. 19-20) that the court of appeals overread *Lexmark*. To be sure, *Lexmark*, much like the decision below, "never commented on principles o[f] territoriality or priority." Pet. 20. But the key takeaway from *Lexmark* is that a plaintiff's trademark rights are irrelevant for a Section 43(a) claim. In *Lexmark*, the Court never analyzed whether the plaintiff had any trademark rights; instead, it considered the plaintiff's injury as a competitor, not as a trademark holder. See 134 S. Ct. at 1393-1394. Just as significantly, the Court emphasized that a plaintiff falls within the zone of interests by satisfying any one of the Lanham Act's purposes (several of which have nothing to do with protecting trademarks). See *id.* at 1389-1390. And it held that a plaintiff satisfies the zone-of-interests test by "alleg[ing] an injury

to a commercial interest in reputation or sales," precisely the injury respondents alleged here. *Id.* at 1390, 1393. By following those teachings, the court of appeals faithfully applied *Lexmark* and reached the correct result in this case.

2. Petitioners also allege error based on the territoriality principle. They first assert that the decision below rested on the "observation that the 'plain text' of Section 43(a) does not expressly incorporate the territoriality principle." Pet. 21. That is flatly incorrect: the court of appeals never mentioned the territoriality principle at all, and it expressed no view as to whether Section 43(a) incorporates that principle.

Wielding territoriality as a sword, petitioners then contend that the court of appeals "should have recognized the importance of the territoriality principle to interpretation of the Lanham Act," following the Second Circuit's advice to avoid "a significant departure from the principle of territoriality." Pet. 22-23 (citation omitted). But the purported departure the Second Circuit lamented was reading the Lanham Act to incorporate the "famous marks" doctrine as an exception to territoriality—a step that the decision below simply did not take. See *Punchgini*, 482 F.3d at 164. The Second Circuit did not invoke the territoriality principle to conclude that a plaintiff must have American trademark rights as a prerequisite to bringing an action under Section 43(a), see *id.* at 154—and little wonder, since the territoriality principle is entirely inapposite to that threshold question. See 5 McCarthy § 29:1, at 29-5. Tellingly, petitioners cite no decision from this Court employing the territoriality principle in that manner. The decision below thus did not derogate from the territoriality principle at all, let alone contravene any decision of this Court.

C. The Petition Does Not Present An Important Question Warranting The Court's Review In This Case

Finally, petitioners contend (Pet. 24-27) that the question presented is exceptionally important and that this case is an ideal vehicle in which to resolve it. Petitioners are wrong on both scores.

1. Petitioners assert that the decision below has a wide-ranging impact that "cannot be overstated." Pet. 24. Far from it. We are aware of fewer than ten federal-court cases in the last decade presenting a similar fact pattern. The true number of cases that could proceed is smaller still, because a plaintiff must allege (and ultimately show) an injury to a "commercial interest in reputation or sales" that is proximately caused by a defendant's misleading actions. *Lexmark*, 134 S. Ct. at 1390. For the reasons discussed in the decision below, the unusual circumstances here allow respondents to make that showing. Pet. App. 21a-27a. But in other cases, doing so will be far more difficult. See *id.* at 20a n.8.

The Second Circuit's decision in *Punchgini* proves the point. Although the Second Circuit applied a pre-*Lexmark* standard, its analysis leaves little doubt that the plaintiffs in that case would fall short of showing the requisite injury. See 482 F.3d at 169-172. And given this Court's intervening decision in *Lexmark* and the dearth of subsequent appellate authority, there is even less reason for the Court's review now than there was nine years ago, when the Court denied review in *Punchgini* itself (which postdated the Ninth Circuit's decision in *Grupo Gigante*, with which petitioners claim it conflicts, as well as the Federal Circuit's decision in *Person's*). This case presents a niche issue with limited practical import, and it does not warrant a place on the Court's docket.

2. This case would be an especially poor vehicle in which to consider the question presented because of the

egregious conduct petitioners seek to vindicate. As the Board found after a trial on the merits, petitioners engaged in "blatant misuse of the FLANAX mark" to trade on BCC's reputation and goodwill; "cop[ied] [BCC's] mark and logo"; "repeatedly h[eld] [Belmora] out as the source in the United States" of BCC's product; and generally engaged in "acts and conduct * * * aimed at deceiving the public." Pet. App. 115a, 124a (internal quotation marks and citation omitted). Petitioner Belcastro, moreover, went so far as to fabricate a document and to testify falsely in his deposition about the origins of Belmora's use of the FLANAX mark, trying to create the false impression that he came up with the mark on his own initiative rather than by copying BCC. See *id.* at 115a-118a. Petitioners' misconduct should not be rewarded—and addressing the question presented on this record could obfuscate nuances that may be relevant to the formulation of the correct legal standard and the application of that standard in closer cases.

Additionally, this case is a particularly unwieldy vehicle for resolving the question presented because petitioners seek review of the decision below as to three discrete provisions of the Lanham Act—each of which could present different considerations under petitioners' theory. Indeed, Section 43(a)(1)(B) was itself at issue in *Lexmark*; there is no indication that the plaintiff in that case identified any trademark rights it had in the United States, nor did the Court require the plaintiff to do so in order to pursue its claim. And petitioners cite no authority at all concerning the misrepresentation-of-source provision of Section 14(3)—a provision that the Federal Circuit has, since *Lexmark*, interpreted consistently with the decision below. See *Empresa Cubana*, 753 F.3d at 1274-1276, 1278.

Further militating against review, this case is in an interlocutory posture because it is on remand after the rejection of petitioners' motion to dismiss. The interlocutory status of a case is itself a "sufficient ground for the denial of the [writ]." *Hamilton-Brown Shoe Co.* v. *Wolf Brothers*, 240 U.S. 251, 258 (1916). After all, petitioners could prevail on various grounds in the ensuing proceedings, rendering the question presented irrelevant to the disposition of the case. See Pet. App. 27a (emphasizing the preliminary nature of the court of appeals' conclusions given the posture of the case). And if respondents prevail, petitioners will have another opportunity to raise the question presented at that time. See *Virginia Military Institute* v. *United States*, 113 S. Ct. 2431, 2432 (1993) (Scalia, J., respecting the denial of certiorari).

Conversely, even if petitioners were successful before this Court, it would not terminate the case. Petitioners limit the question presented to plaintiffs that are "foreign business[es]," thus excluding from the scope of the question respondent BHC—a Delaware company and the holder of the American trademark "ALEVE." See Pet. i. Even if petitioners prevailed before this Court, then, BHC's claim would presumably survive, necessitating much of the same discovery and a similar presentation at trial as on BCC's claims. The presence of BHC as an additional plaintiff adds yet another complication to an already poor vehicle for the Court's review.

* * * * *

The Fourth Circuit's unanimous decision in this case was the first court of appeals decision to address the question presented after *Lexmark*. Because petitioners have not identified a conflict on that question; because the issues raised by this case have not had a chance to percolate in light of the Court's guidance in *Lexmark*; and because this case is a poor vehicle for considering a question of limited importance, further review is not warranted.

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully submitted.

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