No. 21-________

In The
Supreme Court of the United States

BELMORA LLC AND JAMIE BELCASTRO,

Petitioners,

v.

BAYER CONSUMER CARE AG
AND BAYER HEALTHCARE LLC,

Respondents.

**On Petition For A Writ Of Certiorari
To The United States Court Of Appeals
For The Fourth Circuit**

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

Trademarks are territorial. Their existence, and the protection that they provide to trademark owners, do not extend beyond the borders of the nations in which they are registered or used.

The Lanham Act, 15 U.S.C. § 1051 *et seq.*, provides protection for trademarks that their owners register with the United States Patent and Trademark Office (USPTO) or otherwise use in U.S. commerce. Under § 43(a) of the Act, 15 U.S.C. § 1125(a), however, trademark owners can be sued for false association and/or false advertising. Along the same lines, section 14(3) of the Act, 15 U.S.C. § 1064(3), authorizes the filing of a petition with the USPTO to cancel a registered trademark if it is being used to mispresent the source of goods.

The questions presented are—

1. Whether, in view of the principle of trademark territoriality, the zone of interests encompassed by Lanham Act §§ 43(a) and 14(3) extends to the foreign owner of a foreign trademark that has not registered or used the mark in the United States.

2. Whether, in the absence of an express limitations period in the Lanham Act, the timeliness of a § 43(a) suit for false association and false advertising is governed by the most analogous state-law statute of limitations, or instead, by laches.

PARTIES TO THE PROCEEDING

Petitioner Belmora LLC was a plaintiff-appellee below. Belmora LLC and its founder, Petitioner Jamie Belcastro, were consolidated defendants-appellees in Respondents' cross-appeal.

Respondents Bayer Consumer Care AG and Bayer Healthcare LLC were the defendants-consolidated plaintiffs-appellants in the cross-appeals below.

Does 1-10 were unnamed consolidated defendants in Respondents' cross-appeal, and are not parties in this petition.

Michelle K. Lee, Director of the U.S. Patent and Trademark Office, was an Intervenor only in the first Fourth Circuit appeal. Neither she nor her current successor is a party in this petition.

RULE 29.6 DISCLOSURE STATEMENT

Petitioner Belmora LLC has no parent company, and no publicly held corporation own 10% or more of its stock.

RELATED PROCEEDINGS

1. United States Court of Appeals for the Fourth Circuit:

(a) *Belmora LLC v. Bayer Consumer Care AG & Bayer Healthcare LLC*, No. 18-2183 (Feb. 2, 2021), 987 F.3d 284, *reh'g denied* Mar. 16, 2021.

(b) *Belmora LLC v. Bayer Consumer Care AG & Bayer Healthcare LLC*, No. 15-1335 (Mar. 23, 2016), 819 F.3d 697, *cert. denied*, No. 16-548 (Feb. 27, 2017), 137 S. Ct. 1202.

2. United States District Court for the Eastern District of Virginia:

(a) *Belmora, LLC v. Bayer Consumer Care AG & Bayer Healthcare LLC*, No. 1:14-cv-00847-CMH-JFA, 338 F. Supp. 3d 477 (Sept. 6, 2018).

(b) *Belmora LLC v. Bayer Consumer Care AG & Bayer Healthcare LLC*, No. 1:14-cv-00847-GBL-JFA, 84 F. Supp. 3d 490 (Feb. 6, 2015).

TABLE OF CONTENTS

Page

APPENDIX

TABLE OF AUTHORITIES

Page(s)

Cases

Statutes

Other Authorities

PETITION FOR A WRIT OF CERTIORARI

Petitioners Belmora LLC and Jamie Belcastro respectfully request the Court to issue a writ of certiorari to review the judgments of the U.S. Court of Appeals for the Fourth Circuit in this litigation.

OPINIONS BELOW

The Fourth Circuit's 2021 opinion is reported at 987 F.3d 284. App. 1a-27a. The Eastern District of Virginia's 2018 opinion is reported at 338 F. Supp. 3d 477. App. 62a-81a. The Fourth Circuit's 2016 opinion is reported at 819 F.3d 697. App. 28a-61a. The Eastern District of Virginia's 2015 opinion is reported at 84 F. Supp. 3d 490. App. 82a-140a. The USPTO Trademark Trial and Appeal Board (TTAB) opinion is published at 110 U.S.P.Q.2d 1623. App. 148a-186a.

JURISDICTION

The Fourth Circuit denied Belmora's petition for rehearing on March 16, 2021. App. 141a-143a. This Court's jurisdiction is invoked under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

Section 43 of the Lanham Act, 15 U.S.C. § 1125, states in relevant part as follows:

> **False designations of origin, false descriptions, and dilution forbidden**
>
> **(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.

Section 14 of the Lanham Act, 15 U.S.C. § 1064, states in relevant part as follows:

Cancellation of Registration

> A petition to cancel a registration of a mark, stating the grounds relied upon, may, upon payment of the prescribed fee, be filed as follows by any person who

> believes that he is or will be damaged . . .
>
> (3) At any time if the registered mark . . . is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services on or in connection with which the mark is used.

INTRODUCTION

This appeal presents the Court with an ideal opportunity to address two fundamental questions of trademark law that continue to divide the circuits, create significant legal and commercial uncertainty for owners of U.S. trademarks, and expose American businesses to anticompetitive Lanham Act attacks by foreign corporations.

Petitioner Belmora, a small, Virginia-based pharmaceutical company, applied for, and in February 2005 obtained, a U.S. trademark registration for FLANAX, an FDA-approved, over-the-counter (i.e., non-prescription) analgesic containing naproxen sodium. Belmora uses the FLANAX name in commerce throughout the United States, particularly in Hispanic neighborhoods, where Belmora's Flanax Pain Reliever Tablets are sold with unique bilingual packaging and labeling for the benefit of Spanish-speaking consumers. In addition, Belmora's trademarked name, its distinctive, registered "cupped hands" logo, and its specially designed medical pictographs appear on the packaging of the company's Flanax products, which also include Flanax Liniment and Flanax Cough Lozenges. *See* flanaxusa.com.[1]

Respondent Bayer Consumer Care AG, a Swiss corporation, acquired the Mexican trademark for FLANAX from Hoffmann-La Roche in September 2005, and since that time has used the FLANAX name to sell, through a Mexican affiliate, a high-strength, over-the-counter naproxen sodium product in Mexico, where Syntex, an unrelated company, introduced Flanax to Mexican consumers in 1976. Neither Bayer Consumer Care AG nor any other subsidiary of its German parent, Bayer AG, ever has registered or used, or attempted to register or use, the FLANAX name in the United States. Instead, a different Bayer AG subsidiary, Respondent Bayer Healthcare LLC, markets naproxen sodium products in the United States under the brand name ALEVE.

Since 2007 Respondents ("Bayer" unless otherwise indicated) have pursued Lanham Act actions intended to put Belmora out of business. The Lanham Act questions presented by this appeal arise from the two published Fourth Circuit opinions issued in this long-running litigation. *See* App. 1a-27a & 28a-61a.

The ***first*** question is whether the owner of a foreign trademark that has deliberately chosen *not* to use or register the mark in the United States—here, the name FLANAX—is entitled to bring false association and false advertising (i.e., unfair

[1] This Petition utilizes all-caps when referring to a trademark (e.g., FLANAX), and initial-caps when referring to the product itself (e.g., Flanax).

competition) claims under Lanham Act § 43(a), 15 U.S.C. § 1125(a), and to file a trademark cancellation petition under § 14(3), 15 U.S.C. § 1064(3), on the theory that its *foreign* trademark has been damaged by a U.S. company that has followed the procedures to obtain a U.S. registration for the same mark and uses that mark to sell products exclusively in the United States.

The recurring question of what rights, if any, §§ 43(a) and 14(3) afford owners of foreign trademarks is an issue that has divided at least four circuits, including the Federal and Fourth circuits, where many trademark appeals are heard. It is an issue that implicates one of U.S. trademark law's first principles: that trademark protection is territorial, i.e., that "because a trademark has a separate legal existence under each country's laws, ownership of a mark in one country does not confer upon the owner the exclusive right to use that mark in another country." *ITC Ltd. v. Punchgini*, *Inc.*, 482 F.3d 135, 155 (2d Cir. 2007); *see also Park 'N Fly, Inc. v. Dollar Park 'N Fly, Inc.*, 469 U.S. 189, 198 (1985) (the Lanham Act provides "national protection of trademarks"); *Person's Co., Ltd. v. Christman*, 900 F.2d 1565, 1568-69 (Fed. Cir. 1990) ("The concept of territoriality is basic to trademark law; trademark rights exist in each country solely according to that country's statutory scheme."); J. Thomas McCarthy, 5 *McCarthy on Trademarks and Unfair Competition* § 29.1 (5th ed.) (World priority—Territoriality principle) ("Under the territoriality doctrine, a trademark is recognized as having a separate existence in each sovereign territory in which it is registered or legally recognized as a mark.").

This Court never has addressed the right to sue a U.S. trademark owner for unfair competition under Lanham Act §43(a), or to petition the USPTO for trademark cancellation under § 14(3), against the backdrop of the trademark territoriality principle.

In *Lexmark International, Inc. v. Static Control Components, Inc.*, 572 U.S. 118 (2014), the Court identified a two-part test (zone of interests and proximate cause) for determining whether a particular plaintiff falls within the class of plaintiffs that Congress authorized to sue for false advertising under § 43(a). *See id.* at 129, 132, 139. But *Lexmark* involved claims brought by one U.S. company against another. The Court referred to the Lanham Act's statement of intent concerning regulation of commerce "within the control of Congress," *id.* at 131 (quoting 15 U.S.C. § 1127), but was not called upon to consider the trademark territoriality question presented by this appeal—whether the "zone of interests" covered by § 43(a) (and by § 14(3)) extends to claims brought by the owner of a foreign trademark that has neither registered the mark nor used it, or seeks to do so, in the United States.

This issue potentially affects a multitude of registered trademark owners across the entire spectrum of U.S. businesses and industries that may be targeted by foreign competitors, particularly competitors supported by economic behemoths such as China, which is engaged in "economic aggression [that] now threatens . . . the U.S. economy." W.H.

Office of Trade and Mfg. Policy, *How China's Economic Aggression Threatens the Technologies and Intellectual Property of the United States and the World* (June 2018), Part I. At the very least, the circuits' conflicting views invite forum shopping by multinational corporations like Bayer, which on the pretense of alleged damage to their *foreign* trademarks (e.g., Mexican FLANAX), seek to utilize the Lanham Act for the purpose of extinguishing or suppressing competition against the *American*-branded products (e.g., ALEVE) that they sell in the United States.

In its 2016 opinion the Fourth Circuit held that "the Lanham Act's plain language contains no unstated requirement that a § 43(a) plaintiff have used a U.S. trademark in U.S. commerce to bring a Lanham Act unfair competition claim." App. 49a. Although the court of appeals purported to heed *Lexmark*'s "primary lesson" that "courts must interpret the Lanham Act according to what the statute says," App. 44a, the Fourth Circuit's decision was *utterly oblivious* to the trademark territoriality principle. This startling and profound failure overlooks the Court's teaching in *Lexmark* that "a straightforward question of statutory interpretation" does not require that a statute—and specifically § 43(a)—be "[r]ead literally," but instead, should be interpreted "in light of . . . relevant background principles." *Lexmark*, 572 U.S. at 129. The principle of trademark territoriality is unquestionably a background principle that is relevant to any interpretation of § 43(a). *See, e.g.*, Mark P. McKenna

& Shelby Niemann, *2016 Trademark Year in Review*, 92 Notre Dame L. Rev. Online 112, 122 (2016) ("Few concepts are more fundamental in trademark law than the notion that rights are territorial in nature.").

Ignoring the principle of trademark territoriality, the Fourth Circuit held that Bayer can proceed under Lanham Act §§ 43(a) and 14(3) merely based on allegations that sales of its *Mexican* FLANAX in *Mexico* are adversely affected by Belmora's use of the FLANAX mark within the United States along the Southern border. *See* App. 51a-52a. Although Bayer's flimsy and speculative economic and reputational harm is narrowly focused on Hispanic consumers who supposedly "buy the Belmora FLANAX in the United States instead of purchasing [Bayer's] FLANAX in Mexico," *id.* at 51a, it is hardly a coincidence that Belmora's FLANAX directly competes against Bayer's ALEVE for Hispanic-American consumers in 15,000 retail outlets throughout 40 States and Puerto Rico.

Petitioners filed a timely petition for a writ of certiorari after the Fourth Circuit issued its 2016 opinion. The International Trademark Association ("INTA") supported Belmora's petition, explaining in its amicus brief that "this case presents *critical questions* about standing to assert Lanham Act claims," and that the "Fourth Circuit's ruling *widens an already-existing split of authority* among the Circuit Courts of Appeals on the issue of whether a foreign trademark owner has standing to pursue claims under the Lanham Act." INTA Br. at 3 (No. 16-548) (emphasis added). INTA urged this Court "to provide clarity and guidance on an issue of great importance to trademark owners," *id.* at 4, but the Court denied review.

Although the USPTO's Director argued against review, her brief recognized that "[i]f the district court enters a judgment against petitioners on remand, they will have the opportunity to raise the issues they currently press, together with any other issues that may arise from the further proceedings, in a single petition for a writ of certiorari." Br. for Fed. Resp. at 24 (No. 16-548). This is that petition.

The ***second*** fundamental question presented by this appeal is whether the limitations period for bringing § 43(a) claims is governed by the most analogous state-law statute of limitations or by laches. In its second opinion, rendered in February 2021, the Fourth Circuit held, contrary to other circuits' opinions, that "laches, rather than a statute of limitations, is the appropriate defense to . . . § 43(a) claims." App. 4a. But engrafting a vague, flexible laches standard onto § 43(a) would enable foreign or multinational corporations that have elected to market American-branded rather than foreign-branded products in the United States to launch Lanham Act suits as anticompetitive weapons virtually whenever products sold by U.S. trademark owners pose marketplace threats. This type of Lanham Act abuse appears to be Bayer's strategy for promoting Aleve in U.S. Hispanic neighborhoods, where that product and Belmora's Flanax compete for a rapidly growing number of Hispanic consumers.

The Court should grant certiorari and bring clarity and uniformity to both of these important and still-unresolved questions of U.S. trademark law.

STATEMENT

1. a. The Lanham Act is the "foundation of current federal trademark law." *Matal v. Tam*, 147 S. Ct. 1744, 1752 (2017). It was enacted against the backdrop of centuries-old common-law trademark protection. *See id.* at 1751; *Park 'N Fly*, 469 U.S. at 194. This included the principle of territoriality, which "is basic to American trademark law," *Punchgini*, 482 F.3d at 155, and "has a long history in the common law." *Grupo Gigante S.A. de C.V. v. Dallo & Co.*, 391 F.3d 1088, 1097 (9th Cir. 2004); McCarthy, *supra*, § 29.1. "United States trademark rights are acquired by, and dependent upon, priority of use . . . The territoriality principle requires the use to be in the United States for the owner to assert priority rights to the mark under the Lanham Act." *Punchgini*, 482 F.3d at 155.

"Though federal law does not create trademarks, Congress has long played a role in protecting them." *B & B Hardware, Inc. v. Hargis Indus., Inc.*, 135 S. Ct. 1293, 1299 (2015) (internal citation omitted). "[F]ederal trademark protection, supplementing state law, 'supports the free flow of commerce' and 'foster[s] competition.'" *PTO v. Booking.com B.V.*, 140 S. Ct. 2298, 2302 (2020) (quoting *Matal*, 137 S. Ct. at 1752). "It helps consumers identify goods and services that they wish to purchase, as well as those they want to avoid." *Matal*, 137 F.2d at 1751.

Trademarks include product names as well as symbols. *See* 15 U.S.C. § 1127. "Without federal registration, a valid trademark may still be used in commerce." *Matal*, 137 S. Ct. at 1752. But "[u]nder the Lanham Act, the PTO administers a federal registration system for trademarks [that] gives trademark owners valuable benefits." *Iancu v. Brunetti*, 139 Sup. Ct. 2294, 2297 (2019); *see also B & B Hardware*, 135 S. Ct. at 1317 ("Registration is a creature of the Lanham Act, which confers important legal rights and benefits on trademark owners who register their marks.") (internal quotation marks omitted).

b. Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), "creates two distinct bases of liability: false association, § 1125(a)(1)(A), and false advertising, § 1125(a)(1)(B)." *Lexmark*, 572 U.S. at 122. "Most of the [Act's] enumerated purposes are relevant to false-association cases; a typical false-advertising case will implicate only the Act's goal of protecting persons engaged in commerce within the control of Congress against unfair competition." *Id.* at 131 (internal punctuation omitted) (citing 15 U.S.C. § 1127).

"While Lanham Act § 43(a)(1)(A) does not explicitly require that the plaintiff be the owner of a protectable mark, the vast majority of plaintiffs suing under this subsection do own a valid mark" in the United States. McCarthy, *supra*, § 27:13; *see Matal*, 137 S. Ct. at 1752 ("even if a trademark is not federally registered, it may still be enforceable under § 43(a)"); *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992) ("[I]t is common ground that § 43(a) protects qualifying unregistered trademarks, and that the general principles qualifying a mark for registration under § 2 of the Lanham Act are, for the most part, applicable in determining whether an unregistered mark is entitled to protection under § 43(a)."); *compare* 15 U.S.C. § 1114 (civil action for infringement of registered trademarks).

In addition, § 43(a) "creates a federal remedy that goes beyond trademark protection." *POM Wonderful LLC v. Coca-Cola Co.*, 573 U.S. 102, 147 (2014) (internal quotation marks omitted). That "broader remedy" is a "cause of action for unfair competition through misleading advertising or labeling." *Id.* But "§ 43(a) does not have boundless application as a remedy for unfair trade practices [and] can apply only to certain unfair trade practices prohibited by its text." *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 29 (2003) (internal quotation marks omitted). Thus, "to come within the zone of interests in a suit for false advertising under [§ 43(a)], a plaintiff must allege an injury to a commercial interest in reputation or sales." *Lexmark*, 572 U.S. at 131-32. Similarly, to demonstrate proximate cause, "a plaintiff suing under [§ 43(a)] ordinarily must show economic or reputational injury flowing directly from the deception . . . that occurs when deception of consumers causes them to withhold trade from the plaintiff." *Id.* at 133. Thus, "the cause of action is for competitors, not consumers." *POM Wonderful*, 573 U.S. at 147.

c. The Lanham Act contains no express limitations period governing the filing of unfair competition claims under § 43(a). In contrast, § 14(3), 15 U.S.C. § 1064(3), provides in relevant part that "[a] petition to cancel the registration of a mark" can be filed with the USPTO "[a]t any time" on the grounds specified in that provision, including "if the registered mark is being used by . . . the registrant so as to misrepresent the source of the goods [on] which the mark is used."

2. a. Respondent Bayer Consumer Care AG purchased the rights to the Mexican FLANAX trademark in September 2005 from Hoffman-La Roche AG, which had acquired the original Mexican trademark owner, Syntex, in 1994. App. 6a n.3; 168a-169a. Syntex began selling Flanax in Mexico in 1976. App. 168a. Since 2005, a Bayer affiliate, Bayer de Mexico, S.A. de C.V., has distributed Flanax in Mexico, where it is a "top-selling pain reliever." App. 5a; 168a. Mexican Flanax, however, is sold over-the-counter to Mexican consumers at a high strength (275 mg per tablet) that is approved by the FDA *only for prescription use* in the United States. The FDA has approved non-prescription (over-the-counter) sale and use of Belmora's Flanax and Bayer's Aleve at the lower strength of 220 mg per tablet.

In the United States, Respondent Bayer Healthcare LLC acquired the rights to ALEVE from Proctor & Gamble, and began distributing that over-the-counter naproxen sodium product here in 1994. Respondents explained to the Fourth Circuit that "Bayer has made a conscious business decision not to compete against itself by offering its FLANAX medicine in the United States." Br. for Appellants at

46, *Belmora LLC v. Bayer Consumer Care AG & Bayer Healthcare LLC*, 819 F.3d 697 (4th Cir. 2016) (No.15-1335). Bayer complained, however, that "Belmora's FLANAX products compete directly with [Bayer Healthcare's] ALEVE products." *Id.* at 12.

b. Petitioner Jamie Belcastro, a registered pharmacist, established Belmora LLC in 2002 "to provide a user-friendly menu of OTC drug products for common ailments to U.S. residents of Hispanic background." App. 167a. "Given the familiarity with FLANAX among a large subset of consumers in the United States, Belmora saw an opportunity to sell naproxen sodium pain relievers under the FLANAX name to American consumers." App. 5a. Belmora was motivated in part by the fact that high-strength Mexican Flanax—a strength not approved by the FDA for over-the-counter use in the United States—nonetheless is being illegally imported by third parties and used by some Hispanic-American consumers who have experienced serious adverse effects that have been reported to the FDA. *See* App. 20a ("Given the widespread availability of Bayer's FLANAX in Mexico, it is small wonder that the product has occasionally made it way across the border."); *see also* FDA Adverse Events Reporting System (FAERS) Public Dashboard (listing serious cases involving U.S. consumers' use of Bayer's Flanax).[2]

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[2] Available at https://tinyurl.com/6pyafzb4 (data reported as of March 31, 2021) (search for "Flanax naproxen").

In October 2003 Belmora petitioned the USPTO to register the FLANAX mark. App. 6a. USPTO granted Belmora's trademark registration for FLANAX in February 2005—7 months prior to Bayer Consumer Care AG's acquisition of the Mexican FLANAX trademark. *Id.* Meanwhile, a U.S. affiliate of Hoffmann-La Roche AG had filed a competing application with the USPTO, *see* App. 6a n.3., which refused that application since Belmora's had been filed first. After Hoffman-La Roche failed to submit any evidence or arguments in response to the refusal, the USPTO deemed the company's application abandoned. App. 6a.

Utilizing bilingual (Spanish and English) packaging and labeling, and Spanish advertising, Belmora began selling its FDA-approved Flanax Pain Reliever Tablets in 2004, primarily in neighborhoods with 10% or higher minority populations. App. 5a-6a; 32a. In addition, Belmora's trademarked name, its distinctive, copyrighted "cupped hands" company logo, and its specially designed medical pictographs appear on the packaging of the company's Flanax products, which also include Flanax Liniment and Flanax Cough Lozenges. *See* flanaxusa.com.

3. In June 2007 Bayer Consumer Care AG petitioned the USPTO's Trial and Appeal Board (TTAB) under Lanham Act § 14(3) to cancel Belmora's FLANAX registration. App. 6a. Seven years later, in April 2014, and following a hearing, the TTAB issued a decision cancelling the registration. App. 148a-186a. The TTAB found that although Bayer Consumer Care AG does not have a U.S. trademark

registration for FLANAX, or sell a product with that name in the United States, it had standing to petition for cancellation of Belmora's FLANAX registered trademark. App. 171a. Further, the TTAB granted the cancellation petition based on a finding that Belmora "is using the mark FLANAX so as to misrepresent the source of the goods on which the mark is used." App. 186a.

4. Belmora has continued to sell its products in the United States, using the FLANAX name, bilingual packaging and labeling, and Spanish-language advertising, throughout the course of this litigation.

a. In July 2014 Belmora challenged the TTAB's decision by filing a district court suit against Bayer Consumer Care AG in the Eastern District of Virginia under 15 U.S.C. § 1071(b)(4). A month earlier, both Respondents sued Belmora in California under Lanham Act § 43(a) and corresponding state law for false association and false advertising. Over its objection, Bayer's district court suit was transferred under 28 U.S.C. § 1404(a) from the Central District of California to the Eastern District of Virginia, and then consolidated with Belmora's suit. *See* Civil Minutes, *Bayer Consumer Care AG v. Belmora, LLC,* No. 2:14-cv-04433 (C.D. Cal. July 11, 2014), Doc. 37 at 5 ("Plaintiffs' filing of an action against Defendants in a forum approximately 3000 miles from both their own and Defendants' headquarters, raises the potential that Plaintiffs chose an inconvenient forum to unfairly increase Defendants' defense costs and obtain an advantage in this litigation. The interests of justice therefore weigh in favor of transfer to the Eastern District of Virginia.").

Citing *Lexmark*'s zone of interests/proximate cause test, *see* 572 U.S. at 129, 132, the district court granted Belmora's motion to dismiss Bayer's § 43(a) claims (and also Bayer's pendent California state-law claims). App. 84a-85a. The district court held that the Lanham Act does not "allow the owner of a foreign mark that is not registered in the United States and further has never used the mark in United States commerce [to] assert priority rights over a mark that is registered the United States by another party and used in United States commerce." App. 84a. The court explained that allowing Bayer to proceed "would eviscerate the territoriality principle of trademark law; a principle that has been accepted by the Supreme Court for nearly one hundred years and remains essentially unassailable in each circuit court except for the Ninth Circuit." App. 122a.

For the same reason, the district court reversed the TTAB cancellation decision rendered under § 14(3). App. 136a; 140a.

b. Bayer appealed to the Fourth Circuit under 28 U.S.C. § 1291. Reversing the district court, the panel held in its 2016 opinion that "the Lanham Act's plain language contains no unstated requirement that a § 43(a) plaintiff have used a U.S. trademark in U.S. commerce to bring a Lanham Act unfair competition claim." App. 49a. Relying on *Lexmark*, the court of appeals then concluded that Bayer had adequately pleaded § 43(a) unfair competition claims, App. 56a, and remanded the case to the district court for further proceedings. According to the Fourth Circuit, although Belmora's Flanax is sold in thousands of retail outlets throughout the nation, Bayer satisfied *Lexmark*'s zone of interests and proximate cause requirements by alleging that its sales of Mexican Flanax are adversely affected by Mexican consumers who "cross into the United States and may purchase Belmora FLANAX here before returning to Mexico," and by "Mexican-Americans [who] may forego [sic] purchasing the FLANAX they know when they cross the border to visit Mexico." App. 52a.

Noting that "§ 14(3) pertains to the same conduct targeted by § 43(a) false association actions," the panel, "[a]pplying the framework from Lexmark," also concluded that "the Lanham Act authorizes [Bayer Consumer Care AG] to bring its § 14(3) action against Belmora." App. 60a, 61a. The Fourth Circuit denied rehearing en banc, App. 144a-145a, and this Court denied Belmora's petition for a writ of certiorari. 137 S. Ct. 1202 (2017).

c. On remand Belmora filed Lanham Act and state-law counterclaims against Bayer, and the parties filed cross-motions for summary judgment. App. 69a-70a. The district court granted both Belmora's and Bayer's summary judgment motions, and dismissed the litigation. App. 81a.

As to Bayer's unfair competition claims, "[b]ecause the Lanham Act does not contain an express statute of limitations, the [district] court follow[ed] the traditional practice of borrowing the most analogous statute of limitations from state law"—in this case, the law of California, where Bayer originally filed its

§ 43(a) claims. App. 72a. The court held that "[w]hether a three or four-year statute of limitations is applied in this case is immaterial," because Bayer's "filing of this action misses the statute of limitations by almost a decade." App. 72-73a; *id.* at 73(a) ("There are at least six different dates that establish that Bayer knew or should have known of its Lanham Act rights."). For this reason district the court concluded that "Bayer's claims fail." App. 75a.

In addition the district court dismissed each of Belmora's counterclaims for lack of adequate evidence, App. 75a-80a, and affirmed the TTAB's trademark cancellation determination on the ground that Belmora had not offered any new evidence that would require a de novo review of the TTAB record. App. 81a.

d. Bayer again appealed to the Fourth Circuit, and Belmora filed a cross-appeal, under 28 U.S.C. § 1291. The court of appeals held in its February 2021 opinion that applying the most analogous state statute of limitations is the "incorrect legal standard" for determining the timeliness of Bayer's § 43(a) claims. App. 16a. Instead, the panel held that "laches is the appropriate defense to § 43(a) claims." App. 15a. The court vacated the grant of summary judgment to Belmora and remanded to the district court to determine whether Bayer's § 43(a) claims "are barred by laches and to make any further factual findings to support that determination." App. 16a. The court also remanded for a district court determination as to whether the California limitations period for Bayer's state-law unfair competition claims was tolled while

Bayer's cancellation petition was pending before the TTAB. App. 18a.

In addition the court of appeals affirmed the district court's dismissal of Belmora's counterclaims, App. 18a-24a, and also the TTAB's trademark cancellation decision, which the United States supported as *amicus curiae*. App. 27a. Belmora's timely petition for rehearing en banc was denied. App. 141a-143a.

5. At Belmora's request, the district court has entered an Order staying further proceedings while Belmora appeals to this Court. App. 146a-147a.

REASONS FOR GRANTING THE PETITION

I. The Circuits Are Divided On Both Questions Presented

A. Four circuits follow three conflicting approaches regarding whether the owner of a foreign trademark can pursue claims under Lanham Act §§ 43(a) & 14(3)

In its 2016 opinion the Fourth Circuit held—without anywhere acknowledging the principle of trademark territoriality—that Lanham Act §§ 43(a) and 14(3) extend to owners of foreign trademarks that do not use, or have any intention of using, their foreign marks in the United States. *See* App. 45a, 49a, 59a-60a. The ensuing five years only have solidified the inter-circuit divisions, and perpetuated the resultant marketplace uncertainty, regarding whether §§ 43(a) and 14(3) leave U.S. trademark owners vulnerable to the anticompetitive efforts of foreign trademark owners such as Bayer.

A prominent intellectual property law professor recently explained that

> [i]n *Belmora*, the central issue was the extent of Section 43(a)'s unfair competition protection in the absence of a protectable mark. One may wonder how such a *staggeringly basic question could still be unclear* fifty years after passage of the Lanham Act.

Christine Haight Farley, *The Lost Unfair Competition Law*, 110 Trademark Rep. 739, 743 (2020) (emphasis added). And another leading intellectual property scholar expressed concern that the Fourth Circuit's 2016 opinion "*deepened the split* that existed in the circuits and added *more confusion* to a *critically important question of trademark law* in a global marketplace." Connie Davis Powell Nichols, *Article 6bis of the Paris Convention for Well-Known Marks: Does It Require Use or a Likelihood of Consumer Confusion for Protection? Did Belmora LLC v. Bayer Consumer Care AG. Resolve This Question?*, 30 Ind. Int'l & Comp. L. Rev. 235, 248 (2020) (emphasis added).

This Court's 2014 *Lexmark* opinion addressed "a straightforward question of statutory interpretation: Does the cause of action in [§ 43(a)] extend to plaintiffs like Static Control?" 572 U.S. at 129. But unlike Bayer, Static Control was not the owner of a foreign trademark seeking to pursue § 43(a) unfair competition claims (or § 14(3) trademark cancellation claims) against the owner of a USPTO-registered trademark. In fact, *Lexmark* is not a trademark case at all. The Court explained in *Lexmark* "that a statutory cause of action extends only to plaintiffs whose interests fall within the zone of interests protected by the law invoked," *id.* at 129 (internal quotation marks omitted), and that "a statutory cause of action is limited to plaintiffs whose injuries are proximately caused by violations of the statute." *Id.* at 132. *Lexmark* makes clear that a § 43(a) plaintiff must fall within that provision's zone of interests, *id.* at 129-32, but does not address whether, in light of U.S. trademark law's territoriality principle, that zone of interests extends to owners of foreign trademarks. Four circuits, both before and after *Lexmark*, have considered this question and/or the parallel zone-of-interests question under § 14(3). These four circuits have adopted three different and conflicting approaches to the issue of foreign trademark owners' "standing," i.e., eligibility, to pursue § 43(a) actions.

- In *Person's Co., Ltd. v. Christman*, 900 F.2d 1565 (Fed. Cir. 1990), the Federal Circuit affirmed the TTAB's dismissal of a petition filed by a Japanese company (Person's) to cancel a U.S. trademark registration for use of the Person's logo on a line of sportswear. Christman, an American entrepreneur, obtained a trademark registration for the Person's logo, and began using it on clothing sold by his company (Team Concepts), after seeing it on apparel that Person's sold in Japan. After Person's decided to expand into the United States, it filed a petition with the TTAB to cancel Christman's trademark registration. *See id.* at 1566-67.

"All the sportswear marketed by Team Concepts bore either the mark 'PERSON'S' or a copy of [Person's] globe logo; many of the clothing styles were apparently copied directly from [Person's] designs." *Id.* at 1567. Nonetheless, explaining that "the concept of territoriality is basic to trademark law," *id.* at 1568-69, the Federal Circuit agreed with the TTAB that Person's could not "rel[y] on its use of the mark in Japan in an attempt to support its claim for priority in the United States." *Id.* at 1568. The court of appeals explained that "[s]uch foreign use has no effect on U.S. commerce and cannot form the basis for a holding that [Person's] has priority here." *Id.*

In *Person's* "Christman was the first to use the mark in United States commerce and the first to obtain a federal registration." *Id.* at 1569. Here, the facts supporting the territoriality principle are even *more compelling* since unlike Person's, which sought a U.S. trademark registration, Bayer represented to the court of appeals that it has no intention of using its FLANAX mark in the United States. Similarly, Bayer is different from the foreign plaintiff in *Australian Therapeutic Supplies Pty. Ltd. v. Naked TM, LLC*, 965 F.3d 1370, 1374, 1375 (Fed. Cir. 2020), which was able "to demonstrate a real interest" in a § 14(3) cancellation proceeding based on likelihood of confusion, and a "reasonable belief of damage," because unlike Bayer, it had advertised and sold a product bearing its unregistered trademark in the

United States and had submitted a USPTO trademark registration application that was refused.

The Federal Circuit in *Person's* also rejected that company's contention that Christman had adopted the logo in bad faith, explaining that "adoption of the mark occurred at a time when [Person's] had not yet entered U.S. commerce." *Id.* at 1570. The court indicated that "Christman's conduct in appropriating and using [Person's] mark in a market where he believed the Japanese manufacturer did not compete can hardly be considered unscrupulous commercial conduct." *Id.*

• Like the Federal Circuit in *Person's*, the Ninth Circuit in *Grupo Gigante S.A. de C.V. v. Dallo & Co.*, 391 F.3d 1088 (9th Cir. 2004), recognized that § 43(a) unfair competition claims brought by a foreign trademark owner "implicate [a] well-established principle of trademark law, the 'territoriality principle.'" *Id.* at 1093. Specifically, "[e]arlier use in another country usually just does not count." *Id.* (citing *Person's*, 900 F.2d at 1569-70). But the Ninth Circuit unequivocally held in *Grupo Gigante* that "there is a famous marks exception to the territoriality principle." *Id.* at 1094. Acknowledging that "[t]here is no circuit-court authority — from this or any other circuit — applying a famous mark exception to the territoriality principle," the court nonetheless held that "when foreign use of a mark achieves a certain level of fame for that mark within the United States, the territoriality principle no longer serves to deny priority to the earlier foreign user." *Id.* at 1093; *see also San Miguel Pure Foods Co. v. Ramar Int'l Corp.*, No 13-55537, slip op. at 6 (9th Cir. Aug. 27, 2015) (unpublished) ("the Ninth Circuit recognizes the 'famous-mark' exception") (citing *Grupo Gigante*).

The Mexican corporate plaintiff, Grupo Gigante, operated a chain of "Gigante" grocery stores in Mexico, and had obtained a Mexican trademark registration for the GIGANTE name. After the U.S. defendant opened two San Diego grocery stores using the name "Gigante Market," Grupo Gigante opened three Los Angeles stores under the "Gigante" name. Neither party held a U.S. trademark registration for GIGANTE. *See id.* at 1091-92. The parties filed § 43(a) unfair competition claims against each other. *See id.* at 1092 n.3 & 4.

The Ninth Circuit asserted, as a matter of public policy, that "[w]hile the territoriality principle is a long-standing and important doctrine within trademark law. . . [a]n absolute territoriality rule without a famous-mark exception would promote consumer confusion and fraud. . . . There can be no justification for using trademark law to fool immigrants into thinking that they are buying from the store they liked back home." *Id.* at 1094. The court of appeals remanded the case for a determination regarding whether its newly adopted famous-mark exception applied under the facts of the case. *Id.* at 1098-99.

- The Second Circuit in *ITC Ltd. v. Punchgini, Inc.*, 482 F.3d 135 (2d Cir. 2007), "considered the Ninth Circuit's opinion in *Grupo Gigante* and *expressly rejected* the rationale of the court," explaining that the "Ninth Circuit based its decision on policy and not on a federal law." Nichols, *supra*, at 246 (emphasis added). Analogous to *Gigante*, *Punchgini* involved, *inter alia*, § 43(a) unfair competition claims brought by the foreign owner of a well-known, international chain of "Bukhara" restaurants against the owners of two New York restaurants named "Bukhara Grill." The court noted that "[q]uite apart from the obvious similarity in name, defendants' restaurants mimic the ITC Bukharas' logos, decor, staff uniforms, wood-slab menus, and red-checkered customer bibs." *Punchini*, 482 F.3d at 144.

The Second Circuit held that despite certain non-self-executing multinational treaties that recognize a "famous marks" exception to trademark territoriality (e.g., Article 6*bis* of the Paris Convention for the Protection of Industrial Property), "no famous marks rights are independently afforded by the Lanham Act." *Punchgini*, 482 F.3d at 163. "[M]indful that Congress has not hesitated to amend the Lanham Act to effect its intent with respect to trademark protection," the court of appeals explained that "the absence of any statutory provision expressly incorporating the famous marks doctrine . . . is all the more significant." *Id.* at 164. The court also observed that *Grupo Gigante* "did not reference . . . the language of the Lanham Act," but instead, "it appears that the Ninth Circuit recognized the famous marks doctrine as a matter of sound policy." *Id.* at 160. Unlike the Ninth Circuit, however, the Second Circuit concluded that "although a persuasive policy argument can be advanced in support of the famous marks doctrine," the court cannot "grant judicial recognition to the famous marks doctrine simply as a matter of sound policy." *Id.* at 165. As the Court recently explained in *Romag Fasteners, Inc. v. Fossil, Inc.*, 140 S. Ct. 1492, 1497 (2020), a case involving interpretation of § 43(a), "the place for reconciling competing and incommensurable policy goals . . . is before policy makers."

● The Fourth Circuit's 2016 opinion in the present litigation purported to "consider whether the Lanham Act permits the owner of a *foreign trademark* and its sister company to pursue false association, false advertising, and trademark cancellation claims against the owner of the same mark in the United States." App. 30a (emphasis added). Yet, the court of appeals "sidestepped altogether the territoriality doctrine that concerned the other three circuits' rulings," and "on its face is a complete break from the tenets of territoriality." Nichols, *supra*, at 248, 249. "[W]hat is especially notable about *Belmora* is its failure to recognize the implications of its decision for the territoriality of trademark rights." McKenna & Niemann, *supra*, at 122. "In fact [the Fourth Circuit's opinion] did not even once mention the territoriality doctrine . . . . the Fourth Circuit failed to acknowledge that its ruling challenged fundamental principles of trademark law." Christine Haight Farley, *No Trademark, No Problem*, 23 B.U. J. Sci. & Tech. L. 304, 312-13 (2017). Nor did the Fourth Circuit "discuss, distinguish, or cite to either *Grupo Gigante*, *Punchgini*, or *Person's*." *Id.* at 312; *see also* McCarthy, *supra*, at § 29:1 n. 14.50 ("The court made no mention of the territoriality principle.").

Instead, expressly disclaiming at least one of its own prior precedents, App. 47a, the Fourth Circuit held that "§ 43(a) actions do not require, implicitly or otherwise, that a plaintiff have first used its own mark in United States commerce." *Id.* 49a. In so doing, the Fourth Circuit simply assumed that *Lexmark*'s analytical framework applies to owners of foreign trademarks. *Id.* 44a, 45a. According to the court of appeals, Bayer satisfies *Lexmark*'s zone of interest and proximate cause requirements merely because its complaint alleges that Belmora "has caused BCC [Bayer Consumer Care AG] customers to buy the Belmora FLANAX in the United States instead of purchasing BCC's FLANAX in Mexico." *Id.* 51a.

The Fourth Circuit's 2016 opinion, therefore, not only "made the waters murky," but also "further expands the divergent case law" on whether Lanham Act unfair competition and trademark cancellation claims can be pursued by owners of foreign trademarks that are not registered or used in the United States. Nichols, *supra*, at 248, 249.

B. The circuits also are divided on what governs the timeliness of § 43(a) claims

In its second opinion in this litigation, the Fourth Circuit panel (composed of the same three circuit judges who issued the 2016 opinion) was called up to "decide whether to apply a statute of limitations borrowed from the most analogous state law or instead some other 'timeliness rule[] drawn from federal law' to claims under § 43(a) of the Lanham Act, which does not expressly contain a limitations period for those claims." App. 13a (quoting *DelCostello v. Int'l Brotherhood of Teamsters,* 462 U.S. 151, 162 (1983)). Reversing the district court—which held that under the most analogous California law, Bayer "misse[d] the statute of limitations by almost a decade," App. 72a-73a—the panel held in its 2021 opinion that § 43(a) is a "federal law for which a state statute of limitations would be an unsatisfactory vehicle for enforcement." App. 14a. Instead, according to the court of appeals, because "§ 43(a) claims for damages are 'subject to the principles of equity,'" App. 15a (quoting 15 U.S.C. § 1117(a)), "laches is the appropriate defense to § 43(a) claims." *Id.* (The ruling is limited to § 43(a) because § 14(3) trademark cancellation petitions can be filed "[a]t any time." 15 U.S.C. § 1064(3).)

The court's conclusion that laches, not the most analogous state statute of limitations, governs the timeliness of § 43(a) claims exacerbates the already mature split of authority on this issue. Coupled with the same panel's 2016 opinion discarding the principle of trademark territoriality, the 2021 opinion affords foreign owners of foreign trademarks virtually free rein to use § 43(a) as a lethal weapon against U.S. competitors.

In *DelCostello*, this Court explained that

> [a]s is often the case in federal civil law, there is no federal statute of limitations expressly applicable to [a] suit. In such situations we do not ordinarily assume

> that Congress intended that there be no time limit on actions at all; rather, our task is to "borrow" the most suitable statute or other rule of timeliness from some other source. *We have generally concluded that Congress intended that the courts apply the most closely analogous statute of limitations under state law.*

462 U.S. at 158 (emphasis added). "In some circumstances, however, state statutes of limitations can be unsatisfactory vehicles for the enforcement of federal law," and the Court has "instead used timeliness rules drawn from federal law — either express limitations periods drawn from related federal statutes, or such alternatives as laches." *Id.* at 161-62.

At least two circuits have applied analogous state-law statutes of limitations to determine the timeliness of § 43(a) claims. For example, in *Island Insteel Sys., Inc. v. Waters*, 296 F.3d 200, 206 (3rd Cir. 2002), a § 43(a) trademark infringement case, the Third Circuit—applying the Virgin Islands statute of limitations governing deceptive trade practices—indicated that "[b]ecause the Lanham Act does not contain an express statute of limitations, we follow the traditional practice of borrowing the most analogous statute of limitations from state law." *See also Beauty Time, Inc. v. VU Skin Sys., Inc.*, 118 F.3d 140, 143 (3rd Cir. 1997) (a "claim for fraud under the Lanham Act conforms to [the] general rule" that "when a federal statute provides no limitations for suits, the court must look to the state statutes of limitations for analogous types of actions").

Similarly, in *Karl Storz Endoscopy-America, Inc. v. Surgical Techs., Inc.*, 285 F.3d 848, 857 (9th Cir. 2002), where the plaintiff alleged § 43(a) trademark infringement and other Lanham Act claims, the Ninth Circuit—citing the California statute of limitations governing fraudulent business practices—indicated that the plaintiff's "Lanham Act claims are subject to a three-year statute of limitations." *See also Gen. Bedding Corp. v. Echevarria*, 947 F.2d 1395, 1397 n.2 (9th Cir. 1991) (noting that "federal claims, such as plaintiff's Lanham Act claim . . . borrow state statutes of limitations").

Other circuits, however, apply laches, sometimes informed by an analogous state statute of limitations, to determine the timeliness of a § 43(a) claim. For example, in *Kehoe Component Sales, Inc. v. Best Lighting Prods., Inc.*, 796 F.3d 576, 584 (6th Cir. 2015), the Sixth Circuit indicated that "determining whether a Lanham Act claim is time-barred depends upon the defendant's ability to show that the claim is barred by laches." *See also Tandy Corp. v. Malone & Hyde, Inc.*, 769 F.2d 362, 365 (6th Cir. 1985) ("Under equitable principles the statute of limitations applicable to analogous actions at law is used to create a 'presumption of laches.'"). The Eleventh Circuit "in trademark cases . . . has followed the Sixth Circuit, which applies the period for analogous state law claims as the touchstone for laches." *Kason Indus., Inc. v. Component Hardware Grp., Inc.*, 120 F.3d 1199, 1203 (11th Cir. 1997); *see also Hot Wax, Inc. v. Turtle*

Wax, Inc., 191 F.3d 813, 822-23 (7th Cir. 1999) ("conclud[ing] that whether a Lanham Act claim has been brought within the analogous state statute of limitations is not the sole indicator of whether laches may be applied in a particular case").

In its 2021 opinion, the Fourth Circuit held that the district court, which looked to the most analogous (California) state statutes of limitations, applied "an incorrect legal standard," but that "state law will continue to play an important role" since "[l]aches is presumed to bar § 43(a) claims filed outside the analogous limitations period." App. 16a, 17a. In reaching this conclusion, the court of appeals acknowledged conflicting precedent within the Fourth Circuit court of appeals on the standard governing timeliness. *See* App. 15a n.7.

II. The Questions Presented Are Exceptionally Important

The key, indisputable fact in this litigation—the fact that makes the territoriality issue in this case so important to trademark owners both in the United States and abroad—is that Bayer never has registered or used its Mexican FLANAX mark in the United States.

> In dispensing with use of a mark in the United States as a "condition precedent" to a Section 43(a) claim, *Belmora* is a *watershed in the development of unfair competition law*. . . .
>
> *Belmora*'s decoupling of unfair competition law from trademark law could

> *enlarge the reach of unfair competition law exponentially* . . . .

Farley, *The Lost Unfair Competition Law*, *supra*, at 797 (emphasis added). "[T]he major impact of the Fourth Circuit's decision in *Belmora* is that the principle of territoriality—the notion that trademark rights are national in character—has essentially been abrogated in unfair competition cases." Farley, *No Trademark, No Problem*, *supra¸* at 317. As a result, the Fourth Circuit's "decision enables foreign parties, which neither have a U.S. trademark nor use the mark in the U.S., *to strip U.S. trademark owners of his or her rights*" (emphasis added). *Id.* at 307. As the district court explained prior to the Fourth Circuit's 2016 opinion, "cases make it is clear to the Court that although Section 43(a)(1)(A), by its terms, does not require use of the mark, courts have consistently required a plaintiff to use the mark *in United States commerce* in order to state a claim under that statute." App. 136a (emphasis added).

The Fourth Circuit's radical departure from the principle of trademark territoriality has sparked significant debate among intellectual property scholars. *See, e.g.*, McKenna & Niemann, *supra*, at 119 ("*Belmora* has important implications for the territoriality of trademark rights."); Nichols, *supra*, at 249 ("[T]here is light at the end of this diverging case law tunnel. At least the *Belmora* court looked at the plain language of the Lanham Act and abandoned the territoriality principle, which enabled the court to enforce a foreign trademark owner's trademark."); Barton Beebe, *What Trademark Law Is Learning from* *the Right of Publicity*, 42 Colum. J.L. & Arts 389, 394 (2019) (*Belmora* "suggests that the language of section 43(a) refers to any entity in the world, regardless of whether it is actually using a trademark within the territorial borders of the United States"); Mark P. McKenna, *Property and Equity in Trademark Law*, 23 Marq. Intell. Prop. L. Rev. 117, 135 (2019) ("[W]hat Bayer wanted was the best of both the new and old legal orders. It wanted the benefits of treating § 43(a) as a version of old unfair competition, so that it could bring a claim when the alleged confusion was caused by something other than use of Bayer's trademark (since it did not own the trademark). At the same time, Bayer did not want the limited remedies offered by unfair competition.")

Law review editors also have found the Fourth Circuit's 2016 opinion to be a worthy subject for scholarly research and commentary. *See, e.g.*, Deepa Singh, Comment, *Article 6bis of the Paris Convention: How the United States Court of Appeals for the Second Circuit is Violating International Law*, 35 Am. U. Int'l L. Rev. 577, 596 (2020) ("Essentially, the Ninth Circuit [in *Grupo Gigante*] and TTAB [in *Belmora*] allowed foreign trademark owners, who have never used their marks in commerce in the United States, to prohibit registration and use of U.S. trademark owners who have used the mark first and have followed all other requirements necessary for registration with the USPTO."); Su Li, Note, *Belmora LLC v. Bayer Consumer Care AG*: *Unfair Competition as an Alternative Approach to Penetrate the Territorial Principle in U.S. Trademark Law*, 31 Berkeley Tech.

L.J. 1145, 1171 (2019) ("Empirical data in trademark law litigation and registration shows that refraining from resolving the circuit split may lead to forum shopping and also increase the confusion of the large volume of foreign trademark owners who hope to get protected under the U.S. Lanham Act."); Gwen Wei, Note, *Taking Care of Article 6bisness: How Belmora LLC v. Bayer Consumer Care AG Made the Well-Known Mark Doctrine Inevitable in the U.S.*, 12 Wash. J. L. Tech. & Arts 501, 524 (2017) ("Wholly avoiding the territoriality principle in the *Belmora* tradition is impractical."); Wee Jin Yeo, *Belmora LLC v. Bayer Consumer Care AG—The Well-Known Marks Doctrine Reconsidered*, 73 Wash. & Lee L. Rev. Online 188 (2016) (the *Belmora* opinion "provides useful insight on how the circuit split should be resolved, but cautions future courts not to mechanically apply the Fourth Circuit's decision").

Many online commentaries also reflect the practical significance of the Fourth Circuit's 2016 opinion. *See, e.g.*, Jones Day, *Standing to Enforce Foreign Trademark Rights After Belmora v. Bayer Certiorari Denial*, Commentaries (Mar. 2017) ("[A] trademark owner without use of its mark in U.S. commerce should look to courts in the Fourth Circuit to file Lanham Act claims").[3]

Professor Christine Farley, Faculty Director of the American University Washington College of Law's Program on Information Justice and Intellectual Property, has explained why the Fourth Circuit's

[3] Available at https://tinyurl.com/bpzahkf7.

literally *global* reading of the Lanham Act's zone of interests not only has "surprised the legal community" and "and received considerable attention," but also, as a practical matter, "broadens the reach of *Belmora* . . . to any party without a mark." Farley, *No Trademark, No Problem*, *supra*, at 304, 317.

> [Under] Section 21(b) of the Lanham Act [15 U.S.C. § 1071(b)], a litigant may forgo an appeal to the Federal Circuit and opt instead to appeal a TTAB decision via a civil action. Such a suit, according to the act, shall be brought in the Eastern District of Virginia. Significantly, *Belmora* is now controlling precedent in the Eastern District of Virginia. As a result, foreign mark owners like Bayer, who lack U.S. trademarks would be wise to take the option of bringing their appeal to the Eastern District of Virginia. This strategy has the dual benefit of coming within the controlling precedent of *Belmora*, and avoiding the Federal Circuit and its precedent of *Person's*. . . .
>
> [T]he *Belmora* precedent is not just binding in the Fourth Circuit . . . any party that can bring a Section 14(3) cancellation petition in the TTAB can then bring an appeal in the Eastern District Court of Virginia and in this way bypass an initial action in a district court outside of the Fourth Circuit. . . .

> This combination enables a party to bring an unfair competition case styled as a Section 14(3) misrepresentation of source cancellation proceeding in the TTAB, then move the case to the Fourth Circuit.

Id. at 317.

Increasing globalization of commerce, including foreign and multinational corporations' aggressive marketing of American-branded products in the United States (e.g., Aleve), makes the need for this Court to address the reach of Lanham Act §§ 43(a) & 14(3) more compelling than ever. For example, the Chinese Government, as a matter of foreign policy, is engaged in destabilizing American businesses to achieve global economic dominance. Were Chinese state-owned companies to exploit the Lanham Act in the manner now allowed by the Fourth Circuit, the economic impact on American businesses and consumers could be catastrophic.

The Court also should address the standard for judging the timeliness of § 43(a) unfair competition claims. As the Fourth Circuit indicated in its 2021 opinion, laches is a flexible standard that affords district courts broad leeway when claims, as here, are filed well beyond the time allotted by analogous state statutes of limitations. *See* App. 14a-15a. Requiring Lanham Act claimants to adhere to such limitations periods would establish a uniform and predicable standard for the timely filing of § 43(a)) claims. The need for such a standard is particularly evident when the Fourth Circuit's expansive reading of the zone of interests encompassed by § 43(a) is considered.

This appeal is an excellent vehicle for considering the two fundamental trademark law questions presented by this petition. There is no reason to delay this Court's review in order to await a possible *third* Fourth Circuit appeal under a timeliness standard that at least two circuits view as incorrect, and in litigation which owners of foreign trademarks such as Bayer would be unable to pursue in at least two other circuits. The Fourth Circuit's published 2016 opinion extending §§ 43(a) and 14(3) to owners of foreign trademarks that have not registered or used those marks in the United States is a final ruling, subject only to this Court's review. Even if Belmora were to persuade the district court that laches bars Bayer's § 43(a) claims, cancellation of Belmora's FLANAX trademark will remain in place unless this Court rules that the trademark territoriality principle circumscribes the Lanham Act's zone of interests by precluding foreign trademark owners such as Bayer Consumer Care AG from petitioning under § 14(3) for cancellation of U.S. trademarks.

Meanwhile, other courts are citing the Fourth Circuit's *Belmora* rulings. *See, e.g.*, *Palleteria La Michoacana, Inc. v. Productos Lacteos Tacumbo S.A. de C.V.*, No. 17-1075, slip op. at 9 (D.C. Cir. Aug. 10, 2018), (discussing "*Belmora*'s reading of Section 43(a)(1)(A)" in litigation between Mexican and American companies selling similar products in the United States); *see also Industria de Alimentos Zenu, S.A.S. v. Latinfood U.S. Corp.*, 2017 WL 6940696, at *13 (D.N.J. Dec. 29, 2017) (finding the Fourth Circuit's 2016 opinion "persuasive," and declining to dismiss a Colombian company's § 43(a) claims alleging that the U.S. defendant was competing unfairly by registering and using the same company name); *Coca-Cola Co. v. Meenaxi Ent., Inc.*, Canc. Nos. 92063353 & 92064398, slip op. at 51 (TTAB June 28, 2021) (citing *Belmora*). As to laches, *see, e.g.*, *WorkingFilms, Inc. v. Working Narratives, Inc.*, 2021 WL 1196189, at *4 (E.D.N.C. Mar. 29, 2021) (citing *Belmora*'s holding that § 43(a) violations are "subject to the doctrine[] of laches").

This protracted litigation, which began in 2007 with the TTAB proceeding, has deepened inter-circuit divisions, engendered scholarly debate, and created commercial uncertainties. Further, were Bayer ultimately to succeed, the nation's large and expanding Hispanic population would be deprived of an FDA-approved, bilingually packaged and labeled alternative to higher-priced Aleve.

The Court has not been reluctant to revisit Lanham Act § 43(a) to provide trademark owners with much-needed clarification or guidance. *See, e.g.*, *Lexmark*; *Romag Fasteners*; *POM Wonderful*; *Two Pesos*; *Dastar*. This is such a case. The Court should grant review and address both important questions presented.

CONCLUSION

The petition for a writ of certiorari should be granted.

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