No. 16-1365

In the Supreme Court of the United States

LEE JASON KIBLER, d/b/a DJ LOGIC, PETITIONER,

v.

ROBERT BRYSON HALL, II; VISIONARY MUSIC GROUP, INC.; WILLIAM MORRIS ENDEAVOR ENTERTAINMENT, LLC; THREE OH ONE PRODUCTIONS, LLC; UMG RECORDINGS, INC., d/b/a DEF JAM RECORDINGS, RESPONDENTS.

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

REPLY BRIEF FOR PETITIONER

AL J. DANIEL, JR.
Counsel of Record
Daniel Law PLLC
305 Broadway, 7th Floor
New York, NY 10007
(212) 721-0902
ajd@daniellawpllc.com

July 27, 2017

TABLE OF CONTENTS

TABLE OF AUTHORITIES

CASES:

STATUTES AND RULES:

MISCELLANEOUS:

REPLY BRIEF FOR PETITIONER

Introduction

Petitioner Lee Jason Kibler is a turntablist, a performing and recording musical artist who uses his registered trademark DJ LOGIC and the common law mark LOGIC. Respondent Hall is a young rapper and junior user of the mark LOGIC. *See* Pet. 4-5, 11-13. Petitioner sued respondents for trademark infringement, but his claims were dismissed on summary judgment after the lower courts balanced the conflicting likelihood of confusion factors as a matter of law, rather than allowing the various factors and the ultimate finding to be resolved as issues facts at trial.

The Court should grant the petition to resolve the long-standing conflict in the circuits whether the *balancing* of the likelihood of confusion factors in a trademark infringement case is a question of law for the court, as the courts below held, or is a question of fact for the trier of fact, as the vast majority of circuits hold. Pet. 1-3. Only the Second, Sixth, and Federal circuits treat *balancing* the factors as a question of law. This minority view has become untenable in light of *Hana Financial, Inc. v. Hana Bank*, 574 U.S. ___ (No. 13-1211, Jan. 21, 2015) (rejecting the minority view that the issue of "tacking" in a trademark infringement case is a question of law). The leading trademark law treatises agree that after *Hana Financial*, there is little support for the view that *balancing* the likelihood of confusion factors is a legal question. 4 J. Thomas McCarthy, *Trademarks and Unfair*

Competition § 23:71 (4th ed. 2016); 2 Anne Gilson Lalonde, *Gilson on Trademarks* § 8.05, at 8-159-8-173 (2016). The Court has long rejected any distinction between so-called "subsidiary" facts and "ultimate" facts. *Pullman-Standard v. Swint*, 456 U.S. 263, 287 (1982).

The circuits agree that a finding of likelihood of confusion is the result of balancing a number of fact-intensive factors. Pet. 8-9. This Court explained: "we have long recognized across a variety of doctrinal contexts that, when the relevant question is how an ordinary person or community would make an assessment, the jury is generally the decisionmaker that ought to provide the fact-intensive answer." *Hana Financial*, *supra*, slip op. 4.

Failure of the courts below to apply the correct likelihood of confusion test also resulted in misapplication of the accepted test for summary judgment, *i.e.*, the absence of triable issues of material fact. Pet. 30-31. A court cannot properly determine whether summary judgment is warranted without applying the correct substantive law governing the claims at issue. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986). Here, the courts below did not properly apply substantive trademark law in deciding whether there were material facts to be tried because the courts mistakenly applied the rule that courts – not factfinders – balance the conflicting factors to determine likelihood of confusion. Pet. 5-6.

Justice White first urged the Court to address

this issue in *Frisch's Restaurants, Inc. v. Elby's Big Boy, Inc.*, 670 F.2d 642 (6th Cir.), *cert. denied*, 459 U.S. 916 (1982) (White, J., dissenting, citing conflicting decisions). The likelihood of confusion issue arises is almost every trademark infringement case. In light of *Hana Financial*, it is time for this important conflict to be resolved so that the test is uniformly applied by the courts of appeals at trial or on summary judgment. *DePierre v. United States*, 564 U.S. 70, 78 (2011); *Clay v. United States*, 537 U.S. 522, 524 (2003).

ARGUMENT

Respondents contend that the petition should be denied on four grounds: (1) the conflict is not presented here because the case was decided on summary judgment (Opp. 11 *ff.*); (2) petitioner waived any circuit conflict (Opp. 17-18); (3) the petition focused on individual confusion factors, not on balancing them (Opp. 18); and (4) the petition claimed that the clearly erroneous standard should have been applied by the court of appeals (Opp. 19-21).

These contentions are without merit.

1. Respondents incorrectly contend that this case does not present the circuit conflict because "[t]he Sixth Circuit analyzed the balancing of the factors here as an issue of fact ..." and that "there is no circuit split on whether the likelihood of confusion should be analyzed as a question of law or a question of fact on ... summary judgment." Opp. 12-13.

Respondents mistakenly state that "the Sixth Circuit did not rely upon or even cite the standard Petitioner seeks to challenge ...." Opp. 12. In fact, both courts below identified the eight so-called "'*Frisch*' factors" that determine likelihood of confusion in trademark cases in the Sixth Circuit and expressly stated that the court balances the factors as a question of law. Pet. App. 5a-6a, 35a. The case that first articulated the Sixth Circuit's *Frisch* factors was *Frisch's Restaurants, Inc. v. Elby's Big Boy, supra*, 670 F.2d at 648 (borrowing the factors from the Ninth Circuit).

The Sixth Circuit explained that applying and reviewing the factors is a two-step process:

> [T]he determination of what is the state of affairs regarding each factor (a "foundational fact") is a finding of fact reviewed on the clearly erroneous standard, but the further determination of likelihood of confusion based on those factors is a legal conclusion.

Frisch's Restaurants, Inc. v. Elby's Big Boy, supra, 670 F.2d at 651. "Because the ultimate determination of 'likelihood of confusion' is a legal conclusion reviewable de novo by this court, it is unnecessary to remand this case to the district court for further consideration." *Id.*

Justice White would have granted certiorari in that *Frisch* case in 1982 because there was then a circuit split "whether a district court's finding of a likelihood of confusion ... is reviewable under the 'clearly erroneous' standard, as a question of fact, or

de novo, as a legal conclusion." *Elby's Big Boy of Steubenville, Inc. v. Frisch's Restaurants, Inc.*, 459 U.S. 916 (1982).

Much time has passed and a minority of circuits – including the Sixth – still adhere to the mistaken view that the *balancing* of the likelihood of confusion factors is a question of law for the court, not a fact question for a jury or judge as factfinder at trial. Pet. notes 1 and 2; 4 *McCarthy* § 23:71; 2 *Gilson* § 8.05, at 8-159-8-173.

The Sixth Circuit's erroneous rule – that *balancing* likelihood of confusion factors is a question of law – results in erroneous application of the established test for summary judgment. As a result of this erroneous rule, the courts below both balanced the conflicting factors as a matter of law, rather than recognizing that the balancing itself is a job for the trier of facts, not a question of law, as the vast majority of circuits hold. Pet. 2; 4 McCarthy § 23:71; 2 *Gilson* § 8.05, at 8-159-8-173.

Both courts below clearly balanced the various likelihood of confusions factors as an issue of law to be decided by them. Pet. App. 27a ("we have a duty to consider and weigh the relevant facts in light of the *Frisch* factors"); 40a-41a ("In the Court's estimation, the *Frisch* balancing inquiry in this case boils down to weighing Plaintiff's evidence of actual confusion, which supports Plaintiff, against the strength of Plaintiff's mark and its similarity to Defendant Hall's mark, which supports Defendants").

The courts below did not ask whether a reasonable jury or judge *as trier of fact* could have found likelihood of confusion based on the conflicting factors presented. In doing so, they usurped the function of a jury or a judge at a plenary trial. *Anderson*, *supra*, 477 U.S. at 249.

This Court's analysis and holding in *Hana Financial* fully support the majority circuit rule that balancing the likelihood of confusion factors is a fact question for the jury or a judge at a plenary trial. The balancing of these individual fact-bound factors "operates from the perspective of an ordinary purchaser or consumer ...," just like the factual issue of "tacking" in *Hana Financial*, *supra*, slip op. 1.

2. Petitioner has not waived the circuit split issue presented in the petition, Question 1, as respondents erroneously contend. Opp. 11-12, 17-18. The Court has plenary jurisdiction to review decisions of federal courts of appeals under 28 U.S.C. 1254(1). Stephen M. Shapiro *et al.*, *Supreme Court Practice* Ch. 2.2 at 78 (10th ed. 2013). There is a prudential rule that "ordinarily, this Court does not decide questions not raised or involved in the lower court." *Youakim v. Miller*, 425 U.S. 231, 234 (1976) (vacating and remanding for reconsideration in light of new issue). But this is not a jurisdictional rule and there are a variety of circumstances in which this prudential rule does not apply or does not preclude "new arguments." *Supreme Court Practice* Ch. 6.26(b) at 465-466.

This prudential rule does not apply here. Respondents filed motions for summary judgment in

the district court which petitioner opposed on the ground that there were triable issues of material fact which precluded summary judgment and required a trial. Petitioner invoked Fed. R. Civ. P. 56(a), *Anderson*, *supra*, 477 U.S. at 248, and *Matsushita Elec. Indus. Co., Ltd. v. Zenith Radio Corp.*, 475 U.S. 574, 587 (1986), and submitted evidence to show there were genuine issues of material fact pertaining to his trademark infringement claims. Petitioner also cited the Sixth Circuit's *Frisch* factors applicable to likelihood of confusion determinations, *Frisch's Restaurants, Inc. v. Elby's Big Boy, Inc.*, *supra*. Ps. Resp. to Hall Defs. Mot. for Summ. Judg. 10-11. Petitioner presented the same argument and support before the court of appeals. Br. of Pl.-Appellant 11-13.

The Questions Presented involve the same legal issues. Pet. i. Question 1 presents the question whether the courts below erred in determining and applying the likelihood of confusion test for trademark infringement in light of circuit conflicts and this Court's recent decision in *Hana Financial*. Question 2 presents the question whether the summary judgment test was misapplied as a result of the error regarding the likelihood of confusion test.

The prudential rule does not foreclose petitioner's reliance on the conflict in the circuits on the correct application of the likelihood of confusion test for trademark infringement claims. *Supreme Court Practice* Ch. 6.26(b) at 466 ("Although the Court generally declines to review *issues* not pressed or passed upon by the lower courts, it has allowed

petitioners to make new *arguments* in support of claims properly presented below.").

In addition, the prudential rule does "not limit our power to decide important questions not raised by the parties." *Blonder-Tongue Labs., Inc. v. University of Ill. Found.*, 402 U.S. 313, 320 n. 6 (1971); *Supreme Court Practice* Ch. 6.26(e) at 467-468. The conflict presented here has existed at least since Justice White's dissent in 1982. *Elby's Big Boy*, *supra*. Further percolation is not needed.

The correct rule to determine likelihood of confusion – including the issue whether this test is ultimately determined as a question of fact or a question of law – arises in almost every trademark infringement case. It is thus a very important legal issue in an important and widely litigated field. The leading trademark treatises have contended that the minority circuit rule on this issue should not withstand this Court's unanimous decision and analysis in *Hana Financial*.

Thus, respondents' contention that this Court should not address the issues raised by petitioner on the basis of waiver is wrong.

3. Respondents mistakenly assert that petitioner focused on the individual likelihood of confusion factors rather than the balancing of the factors. Opp. 18. The petition's Statement, Pet. 20-25, summarized how the courts below had discussed each of the likelihood of confusion factors and balanced them – as a question of law – under the Sixth Circuit's minority rule. But the issues

presented by petitioner address how the courts below misapplied the likelihood of confusion test by treating the *balancing* of factors as a job for the court rather than the finder of fact on a plenary record at trial, contrary to the majority circuit rule and the analysis in *Hana Financial*.

The flaws of the minority Sixth Circuit rule are evident from its discussion of the individual likelihood of confusion factors. The court of appeals below acknowledged the established rule that *actual* confusion is the best evidence of *likelihood* of confusion and acknowledged that petitioner had presented evidence of at least 10 instances of actual confusion. Pet. App. 17a-19a; *see* Pet. App. 38a-39a, 50a-51a. The courts below also considered petitioner's registered mark DJ LOGIC to be "at least as conceptually strong as a finding of incontestability would." Pet. App. 7a. But the courts concluded that petitioner's mark was commercial weak compared to respondent Hall primarily because Hall had a record deal with a major label and had sold more records than petitioner, despite the fact that petitioner performed live in venues throughout the United States and elsewhere and was recognized as DJ LOGIC and LOGIC in newspaper and magazine articles. Both artists employ social media and the internet to promote their live performances and recordings. Pet. App. 9a-14a, 35a-37a. *See* Pet. App. 46a-55a (Kibler Decl.).

The record in this case includes ample evidence which would allow a jury or a judge at a bench trial to find a likelihood of confusion on petitioner's claims.

Petitioner was deprived of the opportunity to present his case at trial by the erroneous conclusion of the courts below that it was their function to *balance* the likelihood of confusion factors as a matter of law.

4. Petitioner does not contend that the court of appeals should have applied the clearly erroneous test on appeal from the district court's summary judgment, as respondents contend. Opp. 19-20. Petitioner instead contends that both lower courts applied the wrong substantive test for determining likelihood of confusion in this trademark infringement case which resulted in their misapplication of the established summary judgment test, *i.e.* determining whether there are facts to be tried. Pet. 30-31.

On a motion for summary judgment, a court must first determine what facts are material based on the substantive law that governs the claims in the case, here, trademark infringement. The majority rule in the circuits, and the rule supported by the leading treatises, is that the *balancing* of the likelihood of confusion factors is a fact question, just like the evaluation and determination of the individual factors. Pet. 2; 4 McCarthy § 23:71; 2 *Gilson* § 8.05, at 8-159-8-173.

Petitioner nowhere contends that the court of appeals should have applied the clearly erroneous standard of review in Fed. R. Civ. P. 52(a)(6) to its review of the district court's summary judgment. The petition refers to Rule 52 simply to explain that the Sixth Circuit's erroneous rule – that the *balancing* of likelihood of confusion factors is a

question of law – deprives a jury (or judge in a bench trial) of the right and obligation to find the facts relevant to the confusion issue *and* to balance those competing factors. Pet. 29. When those conflicting factual issues are properly decided by a jury or a judge after a bench trial, those findings of fact are then subject to review only under the deferential "clearly erroneous" standard in Rule 52.

The point is that the courts below misapplied the summary judgment standard by treating the *balancing* of the confusion factors as a question of law rather than an issue of fact.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted.

AL J. DANIEL, JR.
Counsel of Record
Daniel Law PLLC
305 Broadway, 7th Floor
New York, NY 10007
(212) 721-0902
ajd@daniellawpllc.com

July 27, 2017