

No. 24-

IN THE
Supreme Court of the United States

T-MOBILE US, INC., F/K/A T-MOBILE USA, INC.,
T-MOBILE USA, INC.,
Petitioners,

v.

SIMPLY WIRELESS INC.,
Respondent.

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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QUESTION PRESENTED

Under the Lanham Act, an unregistered common law mark must be in “use[]” in order to be protectible. 35 U.S.C. § 1127 (2006). This case arises from Respondent’s efforts to enforce a purported common law trademark that it concededly did not use for years at a time and was not using at the time Petitioners began the activities that Respondent contends constitute trademark infringement. The Fourth Circuit panel in this case held that “use” under Section 1127 of the Lanham Act need not be continuous, and that once common law trademark rights are established through use over some unspecified period of time in the past, those rights persist until abandoned as defined by Section 1127.

The question presented is:

Whether the “use” that creates a common law trademark right under Section 45 of the Lanham Act, 35 U.S.C. § 1127 (2006), must be continuous—at least up until the point at which the trademark defendant begins the assertedly infringing activities—for the purported holder of a common law trademark to maintain its rights and preclude another from use.

PARTIES TO THE PROCEEDING

Petitioner is T-Mobile USA, Inc. Respondent is Simply Wireless Inc.

CORPORATE DISCLOSURE STATEMENT

T-Mobile USA, Inc. is a subsidiary of T-Mobile US, Inc. T-Mobile US, Inc. is a publicly traded company listed on the NASDAQ Global Select Market of NASDAQ Stock Market LLC (“NASDAQ”). Deutsche Telekom Holding B.V. (“DT B.V.”), a limited liability company organized and existing under the laws of the Netherlands, owns more than 10% of the shares of T-Mobile US, Inc.

DT B.V. is a direct wholly-owned subsidiary of T-Mobile Global Holding GmbH, a Gesellschaft mit beschränkter Haftung organized and existing under the laws of the Federal Republic of Germany (“Holding”). Holding is in turn a direct wholly-owned subsidiary of T-Mobile Global Zwischenholding GmbH, a Gesellschaft mit beschränkter Haftung organized and existing under the laws of the Federal Republic of Germany (“Global”). Global is a direct wholly-owned subsidiary of Deutsche Telekom AG, an Aktiengesellschaft organized and existing under the laws of the Federal Republic of Germany (“Deutsche Telekom”). The principal trading market for Deutsche Telekom’s ordinary shares is the trading platform “Xetra” of Deutsche Börse AG. Deutsche Telekom’s ordinary shares also trade on the Frankfurt, Berlin, Düsseldorf, Hamburg, Hannover, München and Stuttgart stock exchanges in Germany. Deutsche Telekom’s American Depositary Shares (“ADSs”), each representing one ordinary share, trade on the OTC market’s highest tier, OTCQX International Premier (ticker symbol: “DTEGY”).

STATEMENT OF RELATED PROCEEDINGS

The petition arises from the following proceedings:

- *Simply Wireless, Inc. v. T-Mobile US, Inc., f/k/a T-Mobile USA, Inc.; T-Mobile USA, Inc.*, No. 22-2211 (4th Cir. Aug. 13, 2024)
- *Simply Wireless, Inc. v. T-Mobile US, Inc., f/k/a T-Mobile USA, Inc., et al.*, No. 1:21-cv-00597 (E.D. Va. Nov. 1, 2022)

Counsel for Petitioners is not aware of any other proceedings that are directly related to this case within the meaning of Rule 14.1 (b)(iii).

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OPINIONS BELOW

The Fourth Circuit's opinion (App.1a-36a) is reported at 115 F.4th 266. The court's order denying rehearing and rehearing *en banc* is unreported. App.73a. The order of the U.S. District Court for the Eastern District of Virginia granting T-Mobile's motion for summary judgment (App.37a-72a) is reported at 638 F. Supp. 3d 644.

JURISDICTION

The Fourth Circuit entered judgment on August 13, 2024 (App.1a) and denied T-Mobile's petition for

rehearing and rehearing *en banc* on September 10, 2024. (App. 73a). This Court has jurisdiction under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

Section 45 of the Lanham Act, 35 U.S.C. § 1127 (2006), provides in relevant part:

The term “trademark” includes any word, name, symbol, or device, or any combination thereof—

(1) used by a person, or

(2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter,

to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.

INTRODUCTION

This case presents a clear circuit split regarding a fundamental question of trademark law: Can the putative holder of a common law trademark maintain rights to a mark that it elects not to use on a continuous basis? The majority of circuits answer—correctly—that it cannot. The Fourth Circuit, by contrast, has joined a handful of district courts in holding the opposite. This split has injected significant uncertainty into the law (as acknowledged by the leading trademark law treatise, *see* 2 *McCarthy on Trademarks and Unfair Competition* § 16:9 (5th ed.)), and this Court should grant certiorari to resolve the circuit split created by the Fourth Circuit’s decision and clarify the proper scope of common law trademark rights.

The Fourth Circuit’s position—that the common law does not require continuous use of a trademark to establish ownership rights—could incentivize plaintiffs to bring trademark claims in pursuit of a windfall, rather than to prevent marketplace confusion that may arise from two parties actually using the same mark. That is, plaintiffs could do exactly what the Respondent has done here: point to intermittent *past* use of a mark as a basis for targeting another company’s *present* activities, and seeking a windfall (here, the damages demand exceeds a *billion* dollars). Common law trademark rights are intended to provide a mechanism for preventing marketplace confusion—not a mechanism for enabling opportunistic lawsuits.

Moreover, the Fourth Circuit’s ruling undermines critical public-notice considerations. By registering a mark, the trademark registrant places the marketplace on notice that it claims ownership of that mark in connection with its business. For unregistered marks, however, there is no such formal system to place the industry on notice of a putative trademark holder’s claim. As this Court has recognized, the right to a common law mark grows out of its use in connection with an existing business. *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 97 (1918) (“[T]he right to a particular mark grows out of its use, not its mere adoption; its function is simply to designate the goods as the product of a particular trader and to protect his good will against the sale of another’s product as his; and it is not the subject of property except in connection with an existing business.”). Most circuit courts have interpreted this to require a putative common law trademark holder to establish that its initial use of the mark is “followed by continuous commercial utilization.” *Blue Bell, Inc. v. Farah Mfg. Co.*, 508 F.2d 1260, 1265 (5th Cir. 1975). The Third,

Sixth, Ninth, and Eleventh Circuits have all required a showing of continuous use to establish common law trademark rights. See *Airs Aromatics LLC v. Victoria's Secret Stores Brand Mgmt., Inc.*, 744 F.3d 595, 599 (9th Cir. 2014); *Commerce Nat'l Ins. Servs., Inc. v. Commerce Ins. Agency, Inc.*, 214 F.3d 432, 438 (3d Cir. 2000); *Homeowners Grp., Inc. v. Home Mktg. Specialists, Inc.*, 931 F.2d 1100, 1105 (6th Cir. 1991); *Tally-Ho, Inc. v. Coast Cmty. Coll. Dist.*, 889 F.2d 1018, 1022-1023 (11th Cir. 1989) (per curiam). The actual, continuous use of a trademark gives the marketplace notice of another's use of that mark.

Rather than require “continuous use,” however, the Fourth Circuit panel held that ownership over a common law mark could be established by “extensive use” of the mark at some unspecified point in time before the junior user's first use—even where that use takes place only sporadically, with lengthy periods of non-use, and where that episodic use has ceased altogether at the time of the junior user's first use. In such circumstances, the public lacks proper notice of the asserted trademark. And without proper notice, there is a significant risk of companies wasting resources in developing products and services that will later be subject to opportunistic lawsuits.

STATEMENT OF THE CASE

In 2021, Simply Wireless sued T-Mobile in the Eastern District of Virginia asserting that T-Mobile infringed Simply Wireless's purported common law trademark, “SIMPLY PREPAID.” It is undisputed that Simply Wireless did not register SIMPLY PREPAID in the Patent and Trademark Office, and failed to make any use of SIMPLY PREPAID between at least the beginning of 2009 and July 31, 2012; between April 25, 2013

and October 4, 2015; and from March 31, 2018 to the present. App.41a-47a. It is also undisputed that T-Mobile first began using the term SIMPLY PREPAID in June 2014—at a time when Simply Wireless was making no use of SIMPLY PREPAID at all. App.67a-68a.

T-Mobile sought summary judgment, arguing that, among other things, Simply Wireless could not show ownership of SIMPLY PREPAID because it could not prove continuous use before T-Mobile’s use. *See* App.10a. Specifically, T-Mobile argued that because SIMPLY PREPAID was not registered, Simply Wireless was not entitled to the presumptions that the mark had been in continual use nationwide or that it owned the mark. App.39a-40a. Instead, to establish common law rights in SIMPLY PREPAID, Simply Wireless was required to show continuous use of SIMPLY PREPAID at least until T-Mobile’s first use. App.54a-55a. Although Simply Wireless claimed to have made sales using SIMPLY PREPAID intermittently between 2008 and 2018, it did not dispute that it had also periodically ceased use. App.43a-45a. Thus, T-Mobile asserted that Simply Wireless could not establish common law ownership of SIMPLY PREPAID as of the date T-Mobile began using the mark. App.51a. In addition, T-Mobile separately argued that even if Simply Wireless could establish ownership of SIMPLY PREPAID, it had abandoned those rights by failing to use the mark for three years with no intent to resume use. *Id.*

The district court rejected T-Mobile’s summary judgment argument that Simply Wireless failed to meet its burden to show continuous use, finding that the term “continuous” only applied to the “initial accrual of trademark rights.” App.58a. The district court held, at the summary judgment stage, that Simply Wireless had provided evidence that it used SIMPLY PREPAID in the

past and thereby “accrued common law ownership.” App.58a-59a. However, the district court found the mark was later abandoned, and granted judgment in favor of T-Mobile on that basis. App.59a-69a.

Simply Wireless appealed, arguing that disputed issues of material fact precluded summary judgment of abandonment. App.16a. In response, T-Mobile explained that the district court’s abandonment decision was correct, *see* C.A. T-Mobile Br. 1-3, and that the decision could alternatively be affirmed because Simply Wireless had not established common law trademark ownership because its alleged use of SIMPLY PREPAID was not deliberate and continuous. *Id.*; *see also* C.A. T-Mobile Br. 44-58. T-Mobile emphasized that it was undisputed that prior to T-Mobile’s use in June 2014, Simply Wireless had made no use of SIMPLY PREPAID between at least 2009 and July 2012 and beginning in April 2013. *See* C.A. T-Mobile Br. 1-2, 10.

The panel vacated and remanded, concluding that genuine disputes of material fact existed on abandonment. App.17a-28a. The panel did not indicate that Simply Wireless was likely to prevail on that defense—indeed, the concurrence noted that Simply Wireless had “barely” established the requisite fact dispute. App.33a-36a.¹

On T-Mobile’s alternative ground for affirmance (the subject of this petition), the panel held that “Simply Wireless’s extensive use of the trademark SIMPLY PREPAID—as the district court recognized in its

¹ Although T-Mobile maintains that Simply Wireless abandoned the SIMPLY PREPAID trademark, this Petition does not address the Fourth Circuit’s decision regarding abandonment, which is currently on remand before the district court.

Summary Judgment Order—resulted in Simply Wireless’s legal ownership of SIMPLY PREPAID as a valid ‘common law trademark.’” App.8a n.6. The panel reached this determination despite the fact that, in that district court’s words, Simply Wireless had used the mark “in only essentially nine of the approximately sixty-five months that preceded T-Mobile’s first use,” and then in only a “transitory, limited, and economically marginal manner.” App.37a-38a. Under the district court’s approach, adopted by the panel opinion, Simply Wireless’s sporadic and transitory *past* use of SIMPLY PREPAID was sufficient to maintain common law trademark rights—with continuous use relevant “only to the initial accrual of trademark rights, not whether a common law owner has maintained such rights.” App.58a. The panel held, as Simply Wireless had urged it to, that “the § 1127 statutory abandonment test is the *only* proper inquiry for a judicial assessment of whether ownership rights in a trademark have been lost.” App.30a (emphasis added). The court thus rejected T-Mobile’s argument that Simply Wireless’s “transitory, limited, and economically marginal” use of its purported mark was insufficient to maintain ownership of that mark. App.38a.²

² Judge Rushing concurred in the judgment, writing separately “to clarify the applicable legal standard for abandonment cases at summary judgment and to explain how that standard applies here.” App.33a. Judge Rushing’s concurrence did not address the continuous-use requirement. *Id.*

REASONS FOR GRANTING THE PETITION

I. THE FOURTH CIRCUIT’S ELIMINATION OF THE CONTINUOUS-USE REQUIREMENT FOR COMMON LAW MARKS CREATES A CIRCUIT CONFLICT

The Fourth Circuit’s decision creates a split in authority that upsets the uniformity of national trademark law, and unduly dilutes the requirements for asserting common law trademark rights. The Fourth Circuit held that a purported common law trademark owner seeking to exclude another’s use need not show continuous use of a common law mark up until the time of the allegedly infringing use to establish legal ownership. That holding conflicts with policy considerations that lie at the heart of the trademark system—policy considerations that other Circuits have properly recognized, but the Fourth Circuit did not.

The core purpose of trademark law is to protect consumers from confusion regarding marks in actual use in the marketplace. *See United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 97 (1918) (“[T]he right to a particular mark grows out of its use, not its mere adoption; its function is simply to designate the goods as the product of a particular trader and to protect his good will against the sale of another’s product as his; and it is not the subject of property except in connection with an existing business.”). In accordance with this principle, numerous courts have held that a common law owner must demonstrate that it has “continue[d] to use” the mark in commerce when it seeks to exclude others from use. *See Department of Parks & Recreation v. Bazaar del Mundo*, 448 F.3d 1118, 1127 (9th Cir. 2006) (rejecting common law ownership and holding that even if the plaintiff “acquired seniority of use at one time, its failure to continue to use the marks in commerce ... allowed

[defendant] as a junior user to acquire priority”); *see also* 2 *McCarthy on Trademarks and Unfair Competition* § 16:9 (5th ed.) (“To establish ownership and priority of use of a mark, the user must establish not only that at some date in the past it began use of the mark, but that there has been a continuity of use up to the present.”).

1. In accordance with the plain meaning of “continuous,” the Ninth Circuit has expressly held that a purported common law trademark owner must show “such use has continued to the present.” *Airs Aromatics LLC v. Victoria’s Secret Stores Brand Mgmt., Inc.*, 744 F.3d 595, 599 (9th Cir. 2014) (quoting *Watec Co. v. Liu*, 403 F.3d 645, 654 (9th Cir. 2005)). In *Airs Aromatics*, as here, the Ninth Circuit assessed whether an alleged common law mark holder had adequately pleaded an infringement claim against a junior user. *See* 744 F.3d at 599-600. The Ninth Circuit concluded that the plaintiff failed to show “the kind of continuous, public usage of a trademark that serves to identify the marked goods to the public as those of the mark’s owner.” *Id.* at 600. Similarly, in *Bazaar del Mundo*, 448 F.3d at 1127, the Ninth Circuit rejected a senior user’s effort to assert ownership in a common law mark, finding its prior use was “merely transitory” and holding that even if the plaintiff “acquired seniority of use at one time, its failure to continue to use the marks in commerce ... allowed [defendant] as a junior user to acquire priority.”

Several other circuits likewise have recognized that to prove ownership of a common law trademark, a plaintiff must show continuous use up through the point at which it seeks to exclude another’s use of the mark. In *Kars 4 Kids Inc. v. America Can!*, the Third Circuit held: “[W]ith respect to ownership of an unregistered mark, the first party to adopt a mark can assert ownership so long as it continuously uses the mark in

commerce.” 8 F.4th 209, 219 (3d Cir. 2021). The continuous-use requirement has also been cemented in precedent from the Fifth, Sixth, and Eleventh circuits, each of which have described continuous use as requiring ongoing use. See *Homeowners Grp., Inc. v. Home Mktg. Specialists, Inc.*, 931 F.2d 1100, 1105 (6th Cir. 1991) (holding that a claim of infringement requires a plaintiff to demonstrate “continuous use of the service mark”); *Tally-Ho, Inc. v. Coast Cmty. Coll. Dist.*, 889 F.2d 1018, 1022-1023 (11th Cir. 1989) (per curiam) (“[A]ctual and continuous use is required to acquire and retain a protectible interest in a mark.”); *Blue Bell, Inc. v. Farah Mfg. Co.*, 508 F.2d 1260 (5th Cir. 1975) (“[E]ven a single use in trade may sustain trademark rights if followed by continuous commercial utilization.”).

2. The Fourth Circuit, however, held that common law trademark ownership can be shown by “extensive” use at some point in the past—even where the purported mark owner has halted use of the mark for long stretches of time, including non-use at the time the junior user began the allegedly infringing activities. App.7a-8a & n.6, 30a-31a. This approach departs from the consensus of other circuits and untethers common law ownership rights from actual use in commerce. By disconnecting rights from use, the Fourth Circuit has opened the door to opportunistic lawsuits based on *past* use, and has undermined the ability of the public to have fair notice of trademarks.

The Fourth Circuit held that “when common law ownership of a trademark has accrued, those rights persist until—and unless—they are legally abandoned.” App.30a-31a. That is, the court agreed with Respondent that once a purported common law trademark holder has shown use at some point in the past, “the § 1127 statutory abandonment test is the only proper inquiry.”

App.30a. And under that abandonment test, it suffices that a purported mark holder merely “intended to resume use of its trademark” at some point in the future, even if it has ceased use of that trademark for years. App.17a. In cabining the continuous-use test to the initial acquisition of ownership rights at some point in the past—and declaring it irrelevant to the question whether a mark holder has retained its rights to the present—the Fourth Circuit effectively rewrote the continuous-use requirement as “continuous use *for a period of time in the past.*”

That logic had previously appeared only in a handful of district court decisions. *See, e.g., Rosenshine v. A. Meshi Cosms. Indus. Ltd.*, 2020 WL 1914648, at *8 (E.D.N.Y. Mar. 30, 2020) (argument that plaintiffs lacked “common law right to a trademark through actual and continuous use of the mark’ ... is more properly characterized as an abandonment argument”); *George Nelson Found. v. Modernica, Inc.*, 12 F. Supp. 3d 635, 645 (S.D.N.Y. 2014) (“Defendant does not assert the initial use was insufficient to establish rights to the mark, but instead asserts Plaintiff has failed to use the mark through the present period. This argument is more properly framed as a question of abandonment, rather than a failure to establish rights to the mark.”). The Fourth Circuit’s adoption of this approach created a circuit-level split of authority.

The Fourth Circuit held that the Third Circuit’s decision in *Kars 4 Kids* and the Ninth Circuit’s decision in *Airs Aromatics*, each of which inquired into whether the purported mark holder had continuously used the mark in commerce, should be “cabined to the initial accrual of ownership rights in a common law trademark.” App.30a n.15. But neither the Third Circuit nor the Ninth Circuit takes such a narrow view. Indeed, as the Ninth Circuit

stated fifty years ago, “argu[ing] that there is a continuing use unless the user has abandoned the mark creates a false issue.” *Casual Corner Assocs., Inc. v. Casual Stores of Nev., Inc.*, 493 F.2d 709, 712 (9th Cir. 1974). In the Third and Ninth circuits—as well as several others—a mark holder attempting to demonstrate it has retained its rights to a common law mark must show that it has continuously used a mark in commerce *and* overcome any evidence of abandonment.³ See *Commerce Nat’l Ins. Servs.*, 214 F.3d at 438 (“With respect to ownership of an unregistered mark, the first party to adopt a mark can assert ownership *so long as it continuously uses the mark in commerce.*” (emphasis added)); *Tally-Ho*, 889 F.2d at 1022-1023 (“actual and continuous use is required to acquire *and retain* a protectible interest in a mark” (emphasis added)). The Fourth Circuit now dispenses with the first of those inquiries. The Fourth Circuit has now lowered the bar for legal ownership of common law trademarks by limiting the continuous-use requirement to use in the past.

The circuit conflict just described means businesses seeking to use a trademark within the Third, Fifth, Sixth, Ninth, and Eleventh Circuits can rely on the

³ As a practical matter, the continuous-use requirement for common law marks means that it may not always be necessary to reach abandonment in cases involving common law trademarks; if a mark is not continuously used, that will end the inquiry and moot the need to analyze abandonment. But the continuous-use requirement does not preclude the relevance of abandonment in common law trademark cases. For example, if a party continuously used a mark up until the point at which the junior user began the allegedly infringing activities, but then later affirmatively abandoned the mark, that party could maintain a trademark claim against the junior user up until the point of abandonment. That is, the party could properly bring suit against the junior user, but the damages period would be circumscribed by the abandonment.

trademark registry and a search of marks in actual use by active businesses to learn what trademarks are available. In the Fourth Circuit, these businesses will never have certainty that an unregistered mark without indications of active business use is available for adoption. For example, as is common in the industry, in this case T-Mobile conducted a comprehensive clearance search before adopting the name SIMPLY PREPAID. C.A.J.A.3596. This search consisted of reviewing both registered marks and marks in actual use in commerce. *Id.* Through that search, T-Mobile concluded that SIMPLY PREPAID was not registered, was not in use, and was available for adoption. *Id.* It then invested substantial resources to bring stores and prepaid cellular plans to market using that name, only to have Simply Wireless bring suit and seek over a billion dollars in purported damages. To remedy the circuit split created by the Fourth Circuit's decision, this Court should grant the petition and require plaintiffs seeking to exclude others from use to demonstrate continuous use to establish ownership in a common law trademark.

II. THE DECISION BELOW IS WRONG

The Fourth Circuit's decision departing from the majority view was incorrect. It ignores two core principles of trademark law: the law's central purpose of preventing consumer confusion, and the importance the law places on notice to the marketplace of trademark rights.

First, the Fourth Circuit's decision to abandon a continuous-use requirement is detached from the "primary mission" of trademark law: preventing consumers from being "confuse[d] ... about source," i.e., ensuring they do not "think that one producer's products are another's." *Jack Daniel's Props., Inc. v. VIP Prods. LLC*, 599 U.S. 140, 156-157 (2023). Few consumers are likely

to be confused as to the source of a good simply because the mark was once—years ago, and only sporadically—used on another good. The continuous-use requirement ensures that the enforcement of a common law trademark in fact serves consumers’ interests in avoiding confusion of the sources of goods and services, rather than a sporadic trademark user’s interest in obtaining a wind-fall in court.

Second, the Fourth Circuit’s opinion ignores the importance of notice in trademark law. Because a trademark registration places the marketplace on notice that the registrant claims ownership of that mark in connection with its business, the act of registration creates a presumption of validity and shifts the burden to the party challenging validity of the mark. *See* 15 U.S.C. § 1057(b). And in the case of registered, incontrovertible marks under 15 U.S.C. § 1115—those marks registered for more than 5 years for which the owner has filed an affidavit of incontestability, *see id.* § 1065—this presumption of validity becomes conclusive, with only a set number of defenses against the validity of the mark remaining pursuant to § 1115(b), including abandonment. By contrast, for unregistered marks, no formal vehicle exists to place the industry on notice of a putative trademark holder’s claim to rights in the mark. For that very reason, courts have long noted that establishing rights in a common law mark may require more extensive use than that necessary to register the mark with the Patent and Trademark Office. *See, e.g., Lucent Info. Mgmt., Inc. v. Lucent Techs., Inc.*, 986 F. Supp. 253, 258-259 (D. Del. 1997) (“The ‘use’ that satisfies the registration requirement may not be sufficient ‘if [the] owner seeks to use the mark to stifle the efforts of others.’ Thus, the standard for determining which activities will establish ownership of a trademark without registration is much

stricter than the standard for determining whether a mark is registrable.” (internal citations omitted), *aff’d*, 186 F.3d 311 (3d Cir. 1999). And correspondingly, until the panel’s decision, the circuit courts—including the Fourth Circuit—agreed that to establish ownership of a common law trademark, the alleged trademark holder’s use must be “deliberate and continuous, not sporadic, casual or transitory.” *Larsen v. Terk Techs. Corp.*, 151 F.3d 140, 146 (4th Cir. 1998); *see also George & Co., LLC v. Imagination Ent. Ltd.*, 575 F.3d 383, 400-401 (4th Cir. 2009) (“[S]o long as a person is the first to use a particular mark ... and so long as that owner continues to make use of the mark, he is entitled to prevent others from using the mark.”) (quotation marks omitted); *Airs Aromatics*, 744 F.3d at 599; *Kars 4 Kids*, 8 F.4th at 219.

The Fourth Circuit’s decision discards these principles, effectively conferring on common law trademark claimants one of the powerful protections until now reserved for trademark registrants. Despite contravening longstanding principles of trademark law, the Fourth Circuit rested its departure on a slender legal thread. In rejecting T-Mobile’s argument as to the continuous-use requirement, the Fourth Circuit cited two cases from other circuits analyzing abandonment for a common law trademark. *See* App.32a (citing *Vais Arms, Inc. v. Vais*, 383 F.3d 287, 293-294 (5th Cir. 2004); *Natural Answers, Inc. v. SmithKline Beecham Corp.*, 529 F.3d 1325, 1329-1330 (11th Cir. 2008)). However, the question whether abandonment can apply to common law trademarks was not in dispute here, and neither *Vais Arms* nor *Natural Answers* rejects the requirement of continuous use to establish common law ownership rights. In *Vais Arms*, the alleged common law trademark owner made his intent to abandon a mark explicit by selling the mark and moving to a foreign country. *See* 383 F.3d at 290 (finding

“no genuine issue of material fact existed as to whether [defendant] had abandoned the ... mark in selling his business ... and leaving the country.”). And similarly, in *Natural Answers*, the defendant’s evidence of abandonment was un rebutted save for the defendant’s CEO’s “bare assertion ... that it intended to resume use” if certain “inchoate and speculative” conditions were satisfied. 529 F.3d at 1330. Nothing in those fact patterns negates the continuous-use requirement—an owner’s expressed intent to abandon could cause loss of trademark rights even where an owner can show continuous use. *See also supra* note 4.

Rather than confronting the weight of authority establishing that continuous use is required to establish common law rights, the Fourth Circuit simply presumed that common law ownership is established through allegedly “extensive” use at some point in the past. *See* App.7a-8a & n.6, 30a-31a. But as several circuits have held, a party seeking to exclude others from use of a mark can demonstrate ownership of the mark only by continuing to use it in commerce. *See supra* pp. 9-10. This standard aligns with the core purposes of trademark law and avoids fundamental unfairness. Where a company fails to register a mark (and thus fails to place the public on notice of its claim to exclusive use), the continuous-use requirement rightly requires that the company actually use the mark that it claims to own, and thereby ensures that companies seeking to adopt a mark may ascertain what is available and what has been claimed. The Court should grant certiorari in order to correct the Fourth Circuit’s erroneous elimination of the continuous-use requirement.

III. THE QUESTION PRESENTED IS EXCEPTIONALLY IMPORTANT, AND THIS IS AN EXCELLENT VEHICLE TO RESOLVE IT

The question presented also warrants this Court's review because of its exceptional importance. As explained in the preceding section, the Fourth Circuit's decision unmoors common law trademark rights from trademark law's two most important animating principles: the avoidance of consumer confusion, and the provision of notice to the marketplace. By allowing a putative common law trademark holder to preclude another's use based on sporadic past use, the Fourth Circuit allowed for such exclusionary rights even where (as in this case) there is no present marketplace confusion—and even where (as in this case) a party conducting a diligent clearance search would be unable to find evidence of those rights. The conceptual importance of the Fourth Circuit severing the link between common law trademark rights and the core principles of the trademark system is alone reason to grant certiorari, and further cause for certiorari is the likelihood of significant practical problems arising from the Fourth Circuit's decision.

First, the Fourth Circuit's decision is likely to generate wasteful expenditures by many firms in situations like T-Mobile's. Absent the continuous-use requirement, companies—like T-Mobile in this case—could invest in a mark, only to find those resources wasted when an alleged prior user later asserts common law rights to a sporadically used mark. Under the Fourth Circuit's legal framework, businesses adopting marks will be under constant risk of litigating those marks if a supposedly senior mark-holder who used the mark in the past in a “sporadic, casual or transitory” manner emerges to capitalize on its unused mark. *Larsen*, 151 F.3d at 146. For example, under the Fourth Circuit's new standard,

a “senior” mark holder could begin using a mark to identify its goods, cease use for years, and then bring suit when a “junior” user, unaware of this earlier use and having confirmed the mark is neither registered nor in use in commerce, enters the market. The “junior” user would then be faced with a choice—forefeit its investment in the mark and cease use to avoid litigation or incur the cost of litigation in the hopes that an abandonment defense can be established. The continuous-use requirement prevents that unfair dilemma by requiring either (a) truly continuous use or (b) registration of the mark.

Second, the Fourth Circuit’s rejection of the continuous-use requirement threatens to create opportunistic litigation over sporadically used trademarks. Indeed, it incentivizes businesses to eschew the formal registration system entirely, in favor of common law protection allowing ownership of a mark to be maintained notwithstanding non-use. A trademark claimant that chooses the common law path can lay a trap for unwary firms, who can no longer “rely on a search of the trademark registry and their own knowledge of whether the mark has been used” when choosing how to invest their own resources in promoting their goods. *Natural Footwear Ltd. v. Hart, Schaffner & Marx*, 760 F.2d 1383, 1395 (3d Cir. 1985). That is contrary to the purpose of trademark law, which is meant “to encourage trademark owners to register their marks,” not only because such registration serves the interest of market participants but also because it benefits consumers by “help[ing] to prevent confusion about the source of products.” *In re International Flavors & Fragrances, Inc.*, 183 F.3d 1361, 1367 (Fed. Cir. 1999) (quoting *Natural Footwear*, 760 F.2d at 1395). If the Court does not step in to end the confusion the Fourth Circuit’s decision has generated, the Fourth Circuit could become a haven for forum-shopping for

common law trademark holders seeking to enforce dubious marks against unsuspecting businesses. That is not a result consistent with prior precedent or the basic policies underlying trademark law.

Because the Fourth Circuit’s decision is so out of step with the approach of other circuits, it has injected significant uncertainty into the law, as recognized by the leading trademark treatise following the district court’s ruling. *See McCarthy on Trademarks and Unfair Competition* § 16:9 (“The case law is unclear as to which of two possible rules apply to priority and ownership of unregistered, common law trademarks: (1) Having once properly used and acquired a trademark, to maintain it, the owner must continue that use at some indeterminate level of ‘continuity,’ or (2) Having once properly used and acquired a trademark, the owner cannot lose that priority unless it satisfies the requirements of trademark abandonment.” (citing *Simply Wireless, Inc. v. T-Mobile US, Inc.*, 638 F. Supp. 3d 644, 654, 658 (E.D. Va. 2022))). This Court can and should resolve that uncertainty.

This case is the ideal vehicle to do so. The key factual issue—whether Simply Wireless continuously used the SIMPLY PREPAID name prior to T-Mobile’s use—is undisputed. It did not. The parties agree that Simply Wireless ceased using the name SIMPLY PREPAID for at least three years prior to T-Mobile’s adoption of the name and repeatedly engaged in significant periods of non-use thereafter. App.7a, 11a n.12; App.37a. As a result, the question presented is plainly outcome-determinative: If continuous and uninterrupted use of a common law mark is required to retain common law ownership, there is no dispute that Simply Wireless lacks rights in SIMPLY PREPAID. Indeed, there is little doubt that the other circuits that have addressed “continuous use”

would have reached a different result here, and that this fact pattern presents a clearcut vehicle for addressing this important legal issue.

The Court should accordingly take this opportunity to resolve the question.

CONCLUSION

For the foregoing reasons, the petition for a writ of certiorari should be granted.

Respectfully submitted.

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