

No. 24-637

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

REPLY BRIEF FOR PETITIONERS

BRITTANY B. AMADI	JOSEPH J. MUELLER
WILMER CUTLER PICKERING	<i>Counsel of Record</i>
HALE AND DORR LLP	MICHAELA P. SEWALL
2100 Pennsylvania Ave., NW	WILMER CUTLER PICKERING
Washington, DC 20037	HALE AND DORR LLP
	60 State Street
GIDEON HANFT	Boston, MA 02109
WILMER CUTLER PICKERING	(617) 526-6000
HALE AND DORR LLP	joseph.mueller@wilmerhale.com
250 Greenwich Street	
New York, NY 10007	

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INTRODUCTION

This case raises a core question of trademark law with an ideal factual record for resolving that question. It is undisputed that Simply Wireless filed this suit—and ultimately sought over a billion dollars in damages—for a mark it was *not using* when T-Mobile initiated its use of the mark. Thus, the critical legal question presented is whether a putative *common law* mark owner seeking to preclude another’s use must demonstrate “continuous use” of the mark—as multiple Circuits have stated—or whether mere *past* use suffices unless forfeited through abandonment identical to that for *registered* marks, as the Fourth Circuit held here?

The answer stems from the Lanham Act and its provisions providing that mark ownership depends on actual “use.” It stems from differences the Act establishes between registered and common law marks—including the lack of any mechanism to assess whether someone claims ownership of a common law mark not being used at the time. And it stems from the basic policies underpinning the trademark system, including preventing marketplace confusion, as there can be no confusion between *current use* by one company, and *no current use* by another. These all compel a continuous use requirement to prove common law mark ownership. By contrast, no similar requirement is necessary for registered marks, as registration gives notice of an ownership claim in the mark, even during periods of the registrant’s non-use.

The Fourth Circuit’s holding in this case permits common law mark-holders to claim ownership during periods of their non-use *without* any corresponding notice. That decoupling of common law trademark rights from continuous use degrades companies’ ability to determine who holds trademark rights before making investments,

and invites opportunistic lawsuits targeting *current* activities by defendants based solely on *past* activities by plaintiffs. Neither the Lanham Act nor the common law supports that outcome.

This case presents an important legal question at the heart of trademark law, and the undisputed facts make this an ideal vehicle to resolve the Circuit split created by the Fourth Circuit’s decision.

I. A CIRCUIT SPLIT EXISTS CONCERNING WHETHER MAINTAINING OWNERSHIP OF A COMMON LAW MARK REQUIRES CONTINUOUS USE

Simply Wireless claims that “T-Mobile seeks to manufacture a circuit split where none exists.” Opp.11. Indeed, according to Simply Wireless, *no court* has applied a continuous use requirement to assess ongoing ownership of a common law mark. Opp.2.

But the authority Simply Wireless has labeled the “seminal treatise on trademark law,” *McCarthy*, (Dist.Dkt. 226-5 at 14), confirms the split’s existence. *McCarthy* cites *this case* as giving rise to “case law [that] is unclear” and “two possible rules” for determining whether a common law mark owner has maintained rights in the mark: (1) one rule providing that “to maintain [ownership], the owner must continue that use at some indeterminate level of ‘continuity’” (the test in the Third, Fifth, Sixth, Ninth, and Eleventh Circuits), and (2) the other rule providing that “the owner cannot lose [ownership] unless it satisfies the requirements of trademark abandonment” (as the Fourth Circuit held here). 2 *McCarthy on Trademarks and Unfair Competition* § 16:9 & nn.6-7 (5th ed.). Simply Wireless ignores this text—despite citing *other* portions of *McCarthy*—because it confirms the circuit split it now claims does not exist.

Citing a different treatise, Simply Wireless proclaims “[it] is uncontroversial that ‘once common-law mark rights are established, gaps in use are irrelevant unless they constitute abandonment.’” Opp.2. However, Simply Wireless fails to mention the treatise’s cited authority for that text: a “But see” signal to a decision described as “requiring plaintiff to show ‘continuous’ use of the mark” and holding the “two standards” of “continuous use” and “abandonment” are not “synonymous.” 3 *Callmann on Unfair Competition, Trademarks and Monopolies* § 20:7 n.10 (4th ed.). Thus, *Callmann* only reinforces that a circuit split exists.

Simply Wireless’s case law discussion fares no better.¹ The Ninth Circuit in *Airs Aromatics LLC v. Victoria’s Secret Stores Brand Management, Inc.*, 744 F.3d 595, 599 (9th Cir. 2014), held that ownership of a common law mark requires proof “such use *has continued to the present.*” Pet.9 (emphasis added). Simply Wireless urges the Court to disregard that decision based on a claim it “would ... have come out the same way” under an abandonment analysis. Opp.14. But the Ninth Circuit found no ownership for lack of continuous use, and Simply Wireless cannot escape that result just because other unas-
serted grounds—like abandonment—might have prevailed too.²

¹ Simply Wireless cites decisions that “applied the abandonment test to unregistered marks.” Opp.10 & n.6. But those decisions are consistent with T-Mobile’s position, as common law ownership rights can be forfeited through lack of continuous use alone, abandonment alone, or both. Pet.12 n.3.

² Perhaps appreciating the weakness of its position, Simply Wireless pivots to argue any circuit split is not “mature.” Opp.14. But Simply Wireless does not explain how the split purportedly needs to develop—because it is ripe now.

Department of Parks & Recreation v. Bazaar del Mundo, 448 F.3d 1118, 1127 (9th Cir. 2006) confirms the Ninth Circuit’s position that “[t]he [party’s] failure to establish continuous use of the marks in commerce also undermines its claim to ownership.” Pet.9. Simply Wireless’s only response is to argue the court “relied on a misreading of [its] own precedent.” Opp.15 & n.8. It did not. In fact, since the filing of the Petition, courts have continued to trace the Ninth Circuit’s long history of applying a continuous use test separate from an abandonment test to assess common law mark ownership. See *Jacobsen Outdoor Grp., LLC v. Rocky Mountain Hunting Calls & Supplies, LLC*, 2025 WL 315905, at *5 (D. Idaho Jan. 24, 2025) (describing Ninth Circuit precedent under which “[o]ne need not show abandonment to prove another party failed to continuously use a mark” (citing *Casual Corner Assocs., Inc. v. Casual Stores of Nev., Inc.*, 493 F.2d 709, 712 (9th Cir. 1974))).

For the Sixth and Eleventh Circuits, Simply Wireless admits that *Homeowners Group, Inc. v. Home Marketing Specialists, Inc.*, 931 F.2d 1100 (6th Cir. 1991), and *Tally-Ho, Inc. v. Coast Community College District*, 889 F.2d 1018 (11th Cir. 1989), state “that prior continuous use is a requirement of a claim for infringement of an unregistered mark.” Opp.13. However, it incorrectly dismisses those statements because they supposedly use “‘continuous use’ as a shorthand for non-abandonment.” *Id.* In the footnote tethered to *Tally-Ho’s* statement that “actual and continuous use is required to acquire *and retain* a protectible interest in a mark,” the court identifies “abandonment” and “non-use” as *two different ways* to lose ownership rights. 889 F.2d at 1022-1023 & n.6 (“Rights in a mark can be lost through *abandonment, non-use, or [license].*” (emphases added)).

Moreover, *Homeowners* does not address an abandonment defense.

For the Fifth Circuit, Simply Wireless notes that *Vais Arms, Inc. v. Vais*, 383 F.3d 287 (5th Cir. 2004) found abandonment, without separately finding no continuous use. Opp.10-11. But unlike here, the *Vais* defendant did not raise a no continuous use defense. Nor did *Vais* hold that ownership rights in a common law mark exist without continuous use. Instead, the Fifth Circuit has held that “[t]he gist of trademark rights is actual use in trade” and a party “may sustain rights” in a mark only if its initial use is “followed by continuous commercial utilization.” *Blue Bell, Inc. v. Farah Mfg. Co.*, 508 F.2d 1260, 1265, 1267 (5th Cir. 1975).³

For the Third Circuit, Simply Wireless tries to dismiss *Kars 4 Kids Inc. v. America Can!*, 8 F.4th 209 (3d Cir. 2021) because the party found to own the disputed mark “had continuously used its mark,” and thus “non-use” was not at issue. Opp.13. But finding continuous use of a mark as a predicate to ownership is consistent with the Third Circuit’s stated rule (and T-Mobile’s position here) that “[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.*” *Kars 4 Kids*, 8 F.4th at 219 (emphasis added); *Commerce Nat’l Ins. Servs., Inc. v. Commerce Ins. Agency, Inc.*, 214 F.3d 432, 438 (3d Cir. 2000) (same).

Finally, Simply Wireless wrongly suggests (Opp.11) that the Federal Circuit rejected T-Mobile’s position in *West Florida Seafood, Inc. v. Jet Restaurants, Inc.*, 31

³ Simply Wireless describes *Blue Bell* as “consistent with the Fourth Circuit’s case law” (Opp.12), but points to nothing in that decision rejecting a continuous use requirement for common law trademark ownership.

F.3d 1122, 1128 (Fed. Cir. 1194). That decision involved the burden of proof for whether a mark can be *registered* under 15 U.S.C. § 1052(d), and not whether *ownership* rights in an *unregistered* common law mark can be lost through no continuous use—i.e., the sole issue here.

In sum, multiple Circuits have held that ongoing ownership of a common law mark cannot exist without continuous use, while the Fourth Circuit alone has ruled to the contrary. This case presents a perfect vehicle to resolve this circuit split and confirm that ongoing ownership of a common law mark requires proof of continuous use.

II. THE CONTINUOUS USE REQUIREMENT IS EMBEDDED IN FEDERAL TRADEMARK LAW

Simply Wireless contends that applying a continuous use requirement to common law marks—just as every Circuit to reach the issue has, except the Fourth Circuit—is contrary to the Lanham Act. None of its arguments has merit.

First, Simply Wireless incorrectly states that “T-Mobile seeks to displace the abandonment test.” Opp.6. Rather, as Simply Wireless later concedes, T-Mobile’s statement of the law—consistent with Third, Fifth, Sixth, and Eleventh Circuits—provides “that *both* the abandonment [and continuous use] tests apply to unregistered marks.” Opp.7.

Simply Wireless relatedly alleges that a continuous use requirement for ownership of common law marks “has no common law pedigree” and would “read into statutes words that aren’t there.” Opp.7, 9-10. As detailed in the Petition, however, a continuous use requirement is well-grounded in the Lanham Act, which makes clear that rights in a “trademark” depend on *actual use of the mark*. See 15 U.S.C. § 1127 (“The term ‘trademark’ includes any

word, name, symbol, or device, or any combination thereof—(1) *used by a person ...*” (emphasis added)); see also *id.* (providing there must be “*bona fide use* of such mark made in the ordinary course of trade, *and not made merely to reserve a right in a mark*” (emphases added)). It also finds support in this Court’s longstanding pronouncement that “the right to a particular mark grows out of its use, not its mere adoption ...” *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 97 (1918). Requiring continuous use is thus firmly rooted in both the statute and more than a century of case law.

Second, Simply Wireless points to various statutory provisions using the term “continuous use.” Opp.8-9. But every cited provision deals with *registered marks*—and none deals with *unregistered common law marks*, the only type of mark at issue here. See 15 U.S.C. § 1052(d) (requirements to register); *id.* § 1065 (how registered marks become incontestable); *id.* § 1115(b)(5) (defenses to incontestable registered marks). Moreover, Section 1115(b)(5) actually confirms *T-Mobile’s* position by providing that a party with common law rights in a mark can *defend* against an infringement claim brought by a registrant of the mark only if the common law user “continuously used” the mark. It logically follows that continuous use also is required for common law ownership rights needed to *assert* a claim of infringement.

Moreover, substantive differences have always existed between registered and unregistered marks, including a higher burden of proof when trying to claim ownership over a common law mark. *E.g.*, *Zazu Designs v. L’Oreal*, 979 F.2d 499, 503 (7th Cir. 1992) (“[U]se sufficient to register a mark ... is not necessarily enough to acquire rights in the absence of registration.”); *Lucent Info. Mgmt., Inc. v. Lucent Techs., Inc.*, 986 F. Supp. 253, 258-259 (D. Del. 1997) (confirming proof of “ownership of

a trademark without registration is much stricter than the standard for determining whether a mark is registrable”), *aff’d*, 186 F.3d 311 (3d Cir. 1999); *McDonald’s Corp. v. Burger King Corp.*, 107 F. Supp. 2d 787, 789-790 (E.D. Mich. 2000) (describing burden to prove common law trademark rights as “even higher when ... the plaintiff is seeking to stifle the efforts of others to use a similar mark”).

Finally, Simply Wireless wrongly maintains that a continuous use requirement would render the “statutory abandonment analysis redundant.” Opp.7-8. Not so: While facts giving rise to a finding of no continuous use may sometimes justify a finding of abandonment too, the two tests are not coextensive. This case presents a fact pattern in which non-continuous use is conceded, but abandonment is contested; inverse fact patterns are also possible.⁴

Indeed, multiple courts have identified continuous use and abandonment as independent inquiries. *See Tally-Ho*, 889 F.2d at 1023 n.6 (describing “abandonment” and “non-use” as two separate ways “[r]ights in a mark can be lost”); *Herb Reed Enters., LLC v. Florida Ent. Mgmt., Inc.*, 2014 WL 1305144, at *4 (D. Nev. Mar. 31, 2014) (“The Court does not agree ... that demonstrating Reed did not abandon the mark is sufficient to establish continuous use. Were the two standards synonymous, establishing a single-instance of use, and thus negating abandonment, would satisfy the requirements for continuous use.”).

⁴ T-Mobile provided a practical illustration in which a plaintiff continuously uses a common law mark until when the defendant commences use—thus satisfying the continuous use requirement—but during the lawsuit abandons use (which could circumscribe damages). Pet.12 n.3.

Therefore, the abandonment doctrine will have continuing vitality for common law marks if this Court holds that a putative common law mark holder must have continuously used the mark up to when it initiates suit.

III. CRITICAL ISSUES OF PUBLIC POLICY FURTHER SUPPORT GRANTING CERTIORARI

The split in authority resulting from the Fourth Circuit's decision implicates important policy considerations. Pet.17-19. Simply Wireless calls them “immaterial.” Opp.15-16. But as detailed in Section II, T-Mobile's position is rooted in statutory text and common law doctrine. And both bodies of law, in turn, support important public policy considerations—which the Fourth Circuit's decision threatens to upset.

Simply Wireless contends that no policy issues would arise from leaving the Fourth Circuit's ruling intact because the Lanham Act effectively provides “the same protection” to registered and unregistered marks, including by preventing confusion. Opp.16. But Simply Wireless does not address—much less deny—the Petition's point that the Fourth Circuit's decision gives a party considering use of a mark *no way* to determine whether someone not using the mark nonetheless claims to have common law ownership rights in the mark—unlike with registered marks, where registration provides actual notice to the world of ongoing rights, even during a period of the registrant's non-use. Pet.14.

Protecting a party's ownership claim over a common law mark the party is no longer using also would weaken the basic purpose of trademark law: preventing consumers from being “confuse[d] ... about source.” *Jack Daniel's Props., Inc. v. VIP Prods. LLC*, 599 U.S. 140, 156-157 (2023). Confusion arises from competing uses of a mark. If, as here, common law rights may persist even

after a plaintiff ceases using the mark before the defendant commences use, common law rights would move away from the animating goal of trademark law.

Simply Wireless says that T-Mobile “overstates” the risk of opportunistic litigation under the Fourth Circuit’s ruling because “[t]he law already contains safeguards that balance the rights of prior common law trademark owners against those of newcomers.” Opp.17. In support, however, it merely relies on the abandonment defense (for which a presumption does not arise until three years of non-use), the need to do more than merely “reserve a right in a mark[,]” and to the “longstanding likelihood-of-confusion test.” Opp.17-18. None of those things prevent the type of opportunistic litigation identified in the Petition in which a party engaged in some past use of a mark realizes that some other party is engaged in current use of the same mark—and sues to seek a windfall. Again, that is what happened here.

Registered marks and common law marks are treated differently—and properly so. If a party registers a mark, it gains certain benefits,⁵ and if it does not,

⁵ Simply Wireless claims that T-Mobile proposes an “‘any gap in use’ test,” but the test requires “continuous use” *at least as of the time the defendant initiates its own use*. Simply Wireless refers to those who “pause” use of a mark, suggesting they need to be able to do so without forfeiture of rights. Opp.18-19. But these users can help maintain ownership rights by registering the mark, and moreover courts remain free to assess the relevant industry in deciding whether a specific use is continuous or not. *See Jackpocket, Inc. v. Lottomatrix NY LLC*, 645 F. Supp. 3d 185, 231 (S.D.N.Y. 2022) (holding sufficiency of trademark “use” involves “considering the totality of the circumstances surrounding the alleged use”); *see also Trademark Manual of Examination Procedure* § 901.02 (Nov. 2024) (noting Congressional desire for flexibility when assessing sufficiency of trademark use, including “for an industry that sells expensive or seasonal products to make infrequent sales”).

it lacks those benefits. One difference is that a party who fails to register must continuously use the mark or lose ownership rights.

Accordingly, this Court should enforce the continuous use requirement for common law marks and prevent the various policy problems created by the Fourth Circuit's departure from that requirement.

CONCLUSION

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

Respectfully submitted.

BRITTANY B. AMADI
WILMER CUTLER PICKERING
HALE AND DORR LLP
2100 Pennsylvania Ave., NW
Washington, DC 20037

GIDEON HANFT
WILMER CUTLER PICKERING
HALE AND DORR LLP
250 Greenwich Street
New York, NY 10007

JOSEPH J. MUELLER
Counsel of Record
MICHAELA P. SEWALL
WILMER CUTLER PICKERING
HALE AND DORR LLP
60 State Street
Boston, MA 02109
(617) 526-6000
joseph.mueller@wilmerhale.com

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