

No. 23-1922

**UNITED STATES COURT OF APPEALS
FOR THE FIRST CIRCUIT**

CLEMENTE PROPERTIES, INC.; 21 IN RIGHT, INC.; ROBERTO CLEMENTE,
JR.; LUIS ROBERTO CLEMENTE; ROBERTO ENRIQUE CLEMENTE,
Plaintiffs – Appellants,

v.

HON. PEDRO R. PIERLUISI-URRUTIA, Governor of Puerto Rico, in his official
and individual capacity and as representative of the Commonwealth of Puerto
Rico; THE COMMONWEALTH OF PUERTO RICO; EILEEN M. VÉLEZ-
VEGA, Secretary of the Department of Transportation and Public Works, in her
official and individual capacity; FRANCISCO PARÉS ALICEA, Secretary of the
Department of the Treasury, in his official and individual capacity; RAY J.
QUIÑONES-VÁZQUEZ, Secretary of the Department of Sports and Recreation, in
his official and individual capacity; PUERTO RICO CONVENTION CENTER
DISTRICT AUTHORITY,
Defendants – Appellees,

JOHN DOE; CONJUGAL PARTNERSHIP DOE-VELEZ; JANE DOE;
CONJUGAL PARTNERSHIP QUINONES-DOE,
Defendants.

On Appeal from the United States District Court for the District of Puerto Rico,
San Juan, Honorable Gina R. Méndez-Miró, District Judge

APPELLANTS' OPENING BRIEF

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CORPORATE DISCLOSURE STATEMENT

Clemente Properties, Inc. and 21 In Right, Inc. do not have parent corporations, and no publicly held company has a 10% or greater ownership interest in them.

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REASONS WHY ORAL ARGUMENT SHOULD BE HEARD

Oral argument is warranted because this case raises important and complex issues involving sovereign immunity, the Takings Clause of the Fifth Amendment, and the Lanham Act. Co-counsel for Plaintiffs-Appellants (“the Clemente Family” or “the Clementes”), Mr. Fa and Ms. Padilla-Rodríguez, intend to move this Court to divide argument time evenly among them so that they can address different aspects of the case for which they were responsible. Mr. Fa will present argument on the Takings Clause, whether sovereign immunity is a bar to just compensation under the Takings Clause, and whether Puerto Rico is entitled to sovereign immunity. Ms. Padilla-Rodríguez will present argument on the Lanham Act, whether the Lanham Act abrogates sovereign immunity, and whether Defendants-Appellees are entitled to qualified immunity.

JURISDICTIONAL STATEMENT

The district court had jurisdiction over the federal questions here pursuant to 28 U.S.C. § 1331 and 15 U.S.C. § 1121. The Declaratory Judgment Act, 28 U.S.C. §§ 2201, 2202, furnishes the basis for declaratory relief, and the district court had jurisdiction to consider the state-law claims pursuant to 28 U.S.C. § 1367.

This Court has jurisdiction because the Clementes appeal from a final judgment disposing of the claims. *Id.* § 1291. The district court entered judgment on September 22, 2023. Add. 70. The Clementes timely appealed on October 19, 2023.

STATEMENT OF THE ISSUES

1. Does Sovereign Immunity bar the Clementes' claims under the Takings Clause and the Lanham Act?
2. Are the Clementes entitled to prospective relief?
3. Does the Clementes' complaint properly state a claim that Defendants' actions violate the Takings Clause of the Fifth Amendment?
4. Does the Clementes' complaint properly state a claim that Defendants' infringement of their trademark violates the Lanham Act?
5. Are Defendants entitled to qualified immunity?

INTRODUCTION

Plaintiffs—three adult children of baseball legend Roberto Clemente and the late Doña Vera Clemente—brought this case to protect their family’s legacy. For decades, the Clementes have used the Roberto Clemente trademark to continue the family’s humanitarian efforts after Roberto Clemente’s untimely death in 1972 while en route to deliver aid for earthquake victims in Nicaragua. The goodwill they built for decades was destroyed, however, when Puerto Rico appropriated the trademark for its own use in Roberto Clemente license plates and registration labels that it forced Puerto Ricans to buy during hard economic times. Even worse, Puerto Rico intends to use the money to create a Roberto Clemente Sports District that the Clementes never approved and replace a sports district that Roberto Clemente helped create.

After repeated pleas to Puerto Rico officials fell on deaf ears, the Clementes raised Takings Clause and Lanham Act claims in federal court. Yet the district court dismissed the case based on its mistaken belief that Puerto Rico’s immunity allowed it to take trademarks and property without having to provide a penny in compensation. The district court’s analysis on the merits fared no better. It concluded that the sale of Roberto Clemente trademark embedded in license plates and vehicle tags cannot be considered commercial use merely because it is “clear government activity,” and that the Clementes could not plead a takings claim because the

Clementes were still free to use their trademark. That reasoning is not only incompatible with the governing precedent but would eviscerate important protections for trademarks and other property rights. This Court should reverse.

STATEMENT OF THE CASE

I. The Clementes and the Roberto Clemente trademark

Roberto Clemente is a baseball legend. A native of Puerto Rico, Clemente won several batting titles, Gold Glove awards, two World Series championship trophies, a Most Valuable Player award in 1966, and a World Series Most Valuable Player award in 1971. A13 (¶ 3.2). Over his nearly two decades with the Pittsburgh Pirates, Clemente amassed over 3,000 hits and became the first Latin-American player inducted into the National Baseball Hall of Fame. *Id.*

Roberto Clemente's work as a humanitarian was just as important. In 1972, Clemente was en route to Nicaragua to deliver aid to earthquake victims in Nicaragua. A14 (¶ 3.9). He died at 38 when the plane crashed into the Atlantic Ocean. *Id.*

His widow, Doña Vera Clemente, dedicated her life to preserving the legacy and humanitarian efforts of her late husband. *Id.* (¶ 3.10). Doña Vera died in 2020, leaving her sons Roberto, Luis Roberto, and Roberto Enrique—all of whom Doña Vera raised to serve as leaders in the community and protectors of Roberto Clemente's legacy. A14–15 (¶¶ 3.11, 3.18). Through the hard work of the

Clementes,¹ Roberto Clemente continues to enjoy worldwide recognition as a sports hero, humanitarian, and champion for justice. A15 (¶ 3.12).

Roberto Clemente’s continued fame and philanthropy can be attributed to his longstanding trademark. That mark has been in use since 1955, A14 (¶ 3.3), and the Clementes have undertaken several measures to protect the trademark from misuse. *Id.* Roberto Clemente Jr., Luis Roberto Clemente, and Roberto Enrique Clemente are the sole owners of Clemente Properties, Inc., a Delaware corporation that registered the Roberto Clemente trademark with the United States Patent and Trademark Office. A13–14 (¶¶ 3.1, 3.3). The Clementes are also the sole owners of 21 In Right, Inc., a Pennsylvania corporation with the right to license the Roberto Clemente trademark. A12, A15 (¶¶ 2.2, 3.16). The Clementes retained the services of a leading intellectual property management agency, CMG Worldwide, Inc., as the family’s exclusive, worldwide business representative for Clemente Properties, Inc. and 21 in Right, Inc. A16 (¶ 3.19). The Clementes entrust CMG with the duty to monitor and address unauthorized use of the Roberto Clemente mark and to license such mark to select companies for high-quality merchandise and endorsements. *Id.* CMG recently secured the domain name RobertoClemente.com from an unauthorized user. *Id.* (¶ 3.20).

¹ For ease of reference, this brief refers to all Appellants as the Clemente family or the Clementes and the Puerto Rico government defendants as “Puerto Rico.” The brief also uses “trademark” to denote “trademark, name, image, and likeness.”

The Clemente family’s efforts have maintained the value of the Roberto Clemente trademark. Today, the mark is routinely licensed for all kinds of initiatives, including events, products, awards, and so on. A15 (¶ 3.14). The trademark appears not only in commerce, but also promotes the Clementes’ humanitarian efforts. The Roberto Clemente Foundation and the Roberto Clemente Museum in Pittsburgh are two examples of the work that the Clementes have initiated—in joint ventures with other respectable members of society—to use, promote, and exalt the Roberto Clemente trademark. *Id.* (¶¶ 3.13, 3.14).

II. Puerto Rico’s trademark theft

In 2021, Puerto Rico enacted two resolutions that authorized government officials to use the Roberto Clemente trademark without his family’s permission. Under Joint Resolution No. 16, Puerto Rico residents who acquired a license plate had to pay an additional \$21 dollars for an image of Roberto Clemente with the number “21” (for Clemente’s jersey number), the number “50,” the word “anniversary,” and the phrase “3,000 hits.” A17–18 (¶¶ 3.27–3.29). Puerto Rico transferred the revenue generated from the sale of the Clemente trademark patterned in the license plates to the Roberto Clemente Sports District Fund, which is unaffiliated with the Clementes but is instead administered by the Puerto Rico Department of Treasury for the exclusive use of the Department of Sports and Recreation. A18 (¶ 3.30).

Resolution No. 17 further imposed an extra charge of five dollars for the trademark pattern in the commemorative vehicle registration labels to celebrate the 50th anniversary of Roberto Clemente’s 3,000th hit. A18–19 (¶ 3.33). The Department of Transportation and Public Works issued vehicle permits that referred to a Roberto Clemente fund, which is not associated with the Clemente family, next to the five-dollar charge. A19 (¶ 3.39).

Puerto Rico also enacted Law 67-2022. A25 (¶ 3.69). That law created the Roberto Clemente Sports District, which will be overseen by the Department of Sports and Recreation. A25–26 (¶ 3.72). Law 67-2022 also allocates \$150,000 per year to the Puerto Rico Convention District Authority, so that it can plan and organize the facilities in the sports district. A27 (¶ 3.74). The same law calls for a transfer of land from Ciudad Deportiva Roberto Clemente, Inc.—which Roberto Clemente himself created to provide a sports facility to children—to the Roberto Clemente Sports District. A25, 28 (¶¶ 3.71, 3.80).

These laws shocked the Clementes. Law 67-2022 stated that Puerto Rico will create the Roberto Clemente Sports District to honor the memory of Roberto Clemente and implies that Clemente would have wholeheartedly endorsed the project. A29 (¶ 3.84). But the Clementes—who possess the right to use the Roberto Clemente mark and endorse the project—have made it abundantly clear to

government officials that they oppose Puerto Rico’s creation of the district. *Id.* (¶ 3.85).

Worse yet, Puerto Rico funds one unauthorized misuse of the Roberto Clemente trademark with two others. The Clementes have always been opposed to the fees imposed by Resolutions 16 and 17—particularly when many people in Puerto Rico were going through difficult economic times. A21 (¶ 3.46). Before Puerto Rico proposed Resolution No. 16, the Clementes had authorized Ciudad Deportiva to raise funds by issuing commemorative license plates, which would be available to the people of Puerto Rico in exchange for a *voluntary* donation of \$2.10. *Id.* (¶ 3.50). The Clementes informed Governor Pierluisi of this plan in February 2021, and less than one month later, Puerto Rico proposed an earlier version of Resolution No. 16. *Id.*

The Clementes still made every effort to resolve the issue with government officials. Luis Roberto Clemente informed Governor Pierluisi—before Pierluisi signed the resolutions into law—that no one from the government had sought approval to use Roberto Clemente’s trademark in license plates or registration labels. A22 (¶ 3.52). Governor Pierluisi then signed the joint resolutions into law—despite knowing that they called for the unauthorized use of the Roberto Clemente trademark. A23 (¶¶ 3.55–3.57). Puerto Rico made around 15 million dollars from its

misuse of the Roberto Clemente trademark in license plates and vehicle registration labels. A34 (¶ 3.110).

Puerto Rico’s misuse tarnished the Roberto Clemente trademark. Puerto Rico citizens resented the Clementes for contributing to the impoverishment of Puerto Rico by collecting money during financial crisis—even though the Clementes had *opposed* Puerto Rico’s Roberto Clemente license plate and registration label program and received none of its proceeds. A21 (¶ 3.47). But Puerto Ricans were understandably confused—given that Puerto Rico had used the Roberto Clemente trademark—and attacked the Clementes in the press, social network, events, and other activities. A20–21 (¶¶ 3.45, 3.47). What’s more, the Clemente trademark had become embroiled in the dispute between the government and the Clementes—one which the Clementes sought to avoid through private conversations with the Governor’s office. A32 (¶ 3.99). Puerto Rico’s misuse of the Clemente trademark limits the Clementes’ ability to do business, generate income, and protect Roberto Clemente’s legacy. A32–33 (¶¶ 3.103, 3.108).

III. Proceedings below

The Clementes filed their lawsuit in the United States District Court for the District of Puerto Rico. The amended complaint alleges that Puerto Rico’s previous misuse of the Roberto Clemente trademark in Resolution Nos. 16 and 17, and its plan to further misuse the trademark under Law 67-2022 violates the Takings Clause

of the Fifth Amendment, the Lanham Act, and the laws of Puerto Rico. The Clementes sought injunctive relief, declaratory relief, damages, and just compensation against Puerto Rico officials in their individual and official capacities, and the Puerto Rico Convention District Authority. *See* Dkt. 27. The Authority, the Secretary of the Department of Sports and Recreation, and the other Puerto Rico officials filed three motions to dismiss, *see* Dkt. 36, 38, 42,² and the Clementes filed three responses. *See* Dkt. 44, 45, 53.

The district court granted the motions to dismiss. Add. 69. Although the court acknowledged that the Supreme Court recently reserved the issue, it noted that it was bound by circuit court precedent extending the doctrine of state sovereign immunity to Puerto Rico even though Puerto Rico is not a state. *Id.* at 21–25. The court then recognized that neither the First Circuit nor the Supreme Court has squarely addressed whether the Takings Clause abrogates sovereign immunity but held that neither the Takings Clause nor the Lanham Act abrogated Puerto Rico’s sovereign immunity. *Id.* at 25–30 (Lanham Act); *id.* at 51–56 (Takings Clause). As for the Clementes’ request for prospective relief, the district court ultimately sidestepped Law 67-2022’s planned trademark infringement and declared that the Clementes had “provided the Court with no basis from which it can infer any possibility of an

² Unless otherwise noted, citations to the docket refer to the district court proceedings in this case.

ongoing violation of federal law.” *Id.* at 35–36. The court also dismissed both the Lanham Act and the Takings Clause claims on the merits. As for the Lanham Act, the court cited a First Amendment case as support for its conclusion that “issuing motor vehicle license plates and tags cannot be considered commercial use, as it is a clear government activity.” *Id.* at 43 (citing *Walker v. Texas Div., Sons of Confederate Veterans, Inc.*, 576 U.S. 200 (2015)). The court then dismissed the Takings claim because Joint Resolutions Nos. 16 and 17 did not deprive the Clemente family of “all economically beneficial use” and because the Clementes “remained free to use their trademark.” *Id.* at 56. The court declined to allow the Clementes’ claims against the government officials in their personal capacity to proceed because of the court’s determination that the complaint’s allegations do not plausibly establish a claim. *Id.* at 63. And the court dismissed the state-law claims without prejudice given its dismissal of the federal claims that justified the federal court’s exercise of supplemental jurisdiction. *Id.* at 69–70. This appeal follows.

SUMMARY OF ARGUMENT

Puerto Rico appropriated the Roberto Clemente trademark and sold it through license plates and vehicle registration labels over the Clementes' objections. Even worse, Puerto Rico used the proceeds from one trademark infringement to support another: Puerto Rico sought to create a Roberto Clemente Sports District that was never authorized by the Clementes, and replaces the sports district created by Roberto Clemente himself.

First, the district court erred in holding that the Commonwealth of Puerto Rico had sovereign immunity over the claims here. Although an *en banc* First Circuit (or the Supreme Court) should hold that Puerto Rico is not entitled to sovereign immunity, a panel of this Court should hold that Puerto Rico cannot use immunity to evade liability under the Takings Clause or Lanham Act.

Second, the Clementes are entitled to an injunction preventing Puerto Rico and the Sports Authority from using the trademark in connection with the Roberto Clemente Sports District in the future.

Third, the Clementes properly pleaded claims under the Lanham Act. The district court's conclusion that the use of trademarks on license plates and vehicle certificate tags "cannot be considered commercial use, as it is a clear government activity" defies both common sense and the facts here, which involves roughly 15

million dollars in *sales* of license plates and vehicle registration labels that bear the Roberto Clemente trademark.

Fourth, the Clementes pleaded a claim under the Fifth Amendment. Trademarks are entitled to protection under the Takings Clause. The district court erred in focusing on the fact that the Clementes can still use their trademark rather than Puerto Rico's destruction of the Clementes' ability to exclude others from using the Roberto Clemente trademark.

Fifth, the doctrine of qualified immunity does not shield the government officials, who had both constructive and actual knowledge that their actions infringed on the Roberto Clemente trademark, from liability.

STANDARD OF REVIEW

The Court reviews de novo the district court's dismissal of a complaint. *Maloy v. Ballori-Lage*, 744 F.3d 250, 252 (1st Cir. 2014). In deciding whether the district court properly dismissed a claim, this Court determines whether the complaint states a plausible claim to relief on its face, accepting the plaintiffs' factual allegations and drawing all reasonable inferences in the plaintiffs' favor. *Id.* (citations and quotation marks omitted). To cross the plausibility threshold, the plaintiffs must plead factual content that allows the court to draw the reasonable inference that the defendants are liable for the misconduct alleged. *Id.* (citations and quotation marks omitted).

ARGUMENT

I. The Clementes' request for retrospective relief is not barred by sovereign immunity

a. *States cannot invoke sovereign immunity to defeat the self-executing Just Compensation guarantee of the Fifth Amendment*

Neither this Court nor the Supreme Court has ruled on the interplay between the Constitution's express guarantee of just compensation and its implicit provisions for state sovereign immunity. *See Bay Point Props., Inc. v. Mississippi Transp. Comm'n*, 937 F.3d 454, 456 n.1 (5th Cir. 2019) (acknowledging that “the tension” between state sovereign immunity and the right to just compensation . . . is [an issue] for the Supreme Court”); Add. 52–54 (noting that “the Supreme Court has not addressed whether Eleventh Amendment immunity applies to takings claims against states or territories” and that “the First Circuit has not dwelled on this thorny subject.”). Yet a faithful application of text, history, purpose, and precedent all lead to the same conclusion: when the government takes property, it can't rely on sovereign immunity to evade its constitutional duty to compensate the property owner.

Text, history, and purpose specify that sovereign immunity doesn't obviate the need for government to provide just compensation when it takes an individual's property. The text of the Eleventh Amendment only prohibits a court from extending the “judicial power of the United States” to any suit “against one of the United States

by Citizens of another State, or by Citizens or Subjects of any Foreign State.” U.S. Const. amend. XI. The Supreme Court has explained that the Eleventh Amendment does not limit “the sovereign immunity of the States.” *Alden v. Maine*, 527 U.S. 706, 713 (1999). Instead, “as the Constitution’s structure, and its history, and the authoritative interpretations” by the Supreme Court make clear, “the States’ immunity from suit [in state and federal court] is a fundamental aspect of the sovereignty which the States enjoy[] . . . except as altered by the plan of the Convention or certain constitutional Amendments.” *Id.*

The Fifth Amendment contains the only self-executing provision in the Bill of Rights. *See* U.S. Const. amend. V. (“[N]or shall private property be taken for public use, without just compensation.”). That means that the Takings Clause is unique among the provisions in the Bill of Rights in that it not only acknowledges limitations on government power, but also sets forth the remedy if government fails to abide by them. *Davis v. Burke*, 179 U.S. 399, 403 (1900) (“A constitutional provision may be said to be self-executing if it supplies a sufficient rule by means of which the right given may be enjoyed and protected, or the duty imposed may be enforced.”) (citation and internal quotation marks omitted). The Fifth Amendment’s text thus dictates that, when the government takes private property, it may not use sovereign immunity to escape its duty to provide just compensation.

It could hardly be otherwise.³ The Takings Clause “was designed to bar Government from forcing some people alone to bear public burdens which, in all fairness and justice, should be borne by the public as a whole.” *Armstrong v. United States*, 364 U.S. 40, 49 (1960). Yet a rule that allows the government to assert sovereign immunity in takings cases would make matters worse not only by depriving property owners of their property, but also by forcing them to shoulder all of the costs.

The Fourteenth Amendment incorporated the protections of the Takings Clause against the states. *See Chicago, B. & Q.R. Co. v. City of Chicago*, 166 U.S. 226, 239–41 (1897). A leading proponent of the Fourteenth Amendment explained that the Takings Clause must be applied against the states to protect “citizens of the United States, whose property, by State legislation, has been wrested from them, under confiscation.” Akhil Reed Amar, *The Bill of Rights: Creation and Reconstruction* 268 (1998). This history suggests that just as “the principle of state sovereignty” is “necessarily limited by the enforcement provisions of § 5 of the Fourteenth Amendment,” *Fitzpatrick v. Bitzer*, 427 U.S. 445, 456 (1976), so too is that principle necessarily limited by the Fourteenth Amendment’s application of the

³ The remedy for a Takings Clause violation, unlike the remedy for violations of other provisions in the Bill of Rights, is generally “just compensation” rather than injunctive relief. *See Knick v. Twp. of Scott*, 139 S. Ct. 2162, 2176–77 (2019).

self-executing Takings Clause to the states. Because the states agreed to ratify the Fifth and Fourteenth Amendments, they necessarily consented to the just compensation mechanism that is “inherent in the constitutional plan.” *PennEast Pipeline Co., v. New Jersey*, 141 S. Ct. 2244, 2262 (2021); *cf. Allen v. Cooper*, 140 S. Ct. 994, 1003 (2020) (“the Bankruptcy Clause itself abrogated sovereign immunity” because “the States had already ‘agreed in the plan of the Convention not to assert any sovereign immunity defense’ in bankruptcy proceedings”) (quoting *Cent. Va. Cmty. Coll. v. Katz*, 546 U.S. 356, 377 (2006)).

A long line of Supreme Court precedent leads to the same conclusion. In *Monongahela Navi. Co. v. United States*, the Supreme Court rebuffed the Congress’s efforts to determine the measure of compensation it wished to pay for the taking of private property. 148 U.S. 312, 327 (1893). The Court observed that “[t]he legislature may determine what private property is needed for public purposes,” but that it “does not rest with the public, taking the property, through Congress or the legislature, its representative, to say what compensation shall be paid, or even what shall be the rule of compensation.” *Id.* On the contrary, the “Constitution has declared that just compensation shall be paid, and the ascertainment of that is a judicial inquiry.” *Id.*

The Supreme Court’s decision in *First Eng. Evangelical Lutheran Church of Glendale v. County of Los Angeles* provides yet more support. 482 U.S. 304, 315–

16 (1987). There, the Supreme Court refuted the argument of the United States that the Constitution does not, of its own force, furnish a basis for a court to award money damages against the government, and explained that its precedents “make clear that it is the Constitution that dictates the remedy for interference with property rights amounting to a taking.” *Id.* at 316 (citing *San Diego Gas & Elec. Co. v. San Diego*, 450 U.S. 621, 655, n. 21 (1981) (Brennan, J., dissenting)).

More recently in *Knick v. Township of Scott*, the Supreme Court overruled a prior decision requiring property owners to seek just compensation in state court before bringing a federal takings claim. 139 S. Ct. 2162, 2169 (2019). Although the government entity in that case was not entitled to sovereign immunity, the Court’s reasoning severely undermined the notion that any government may use sovereign immunity to avoid paying compensation. For one, the Court in *Knick* reasoned that “because a taking without compensation violates the self-executing Fifth Amendment at the time of the taking, the property owner can bring a federal suit at that time.” *Id.* at 2172. The Court also soundly rejected the notion that federal courts must play second fiddle to state courts in takings cases. *See id.* at 2173.

Knick thus undermines the logic of the court of appeals’ decisions allowing state governments to mount sovereign immunity defenses to takings claims. *Id.* at 54–55 (citing cases). Those decisions pointed to the fact that the property owners

may seek just compensation in state court.⁴ *See Hutto v. S.C. Ret. Sys.*, 773 F.3d 536, 552 (4th Cir. 2014). Yet *Knick* rejected a system that would “relegate[] the Takings Clause to the status of a poor relation among the provisions of the Bill of Rights.” *Knick*, 139 S. Ct. at 2169 (internal quotation marks omitted). Plaintiffs “asserting any other constitutional claim are guaranteed a federal forum,” but sovereign immunity effectively “hands authority over federal takings claims” against a state “to state courts.” *Id.* at 2169–70 (internal quotation marks and brackets omitted).

The appellate court decisions cited by the district court also took a sharp misstep in relying on the Supreme Court’s decision *Reich v. Collins*, 513 U.S. 106 (1994). *See, e.g., Hutto*, 773 F.3d at 552 (noting that the court’s conclusion followed by reasoning analogously from *Reich*). In *Reich*, the Supreme Court held that the Due Process Clause provides a refund remedy for unconstitutionally appropriated taxes in state court, but opined in dicta that sovereign immunity would “generally bar” a refund claim in federal court. *Reich*, 513 U.S. at 110. As the Supreme Court reiterated in *Knick*, “the analogy from the due process context to the takings context is strained.” 139 S. Ct. at 2174. The Due Process Clause doesn’t expressly provide for a self-executing remedy; the Takings Clause does. *See id.* at 2170-72.

⁴ The district court in this case remarked that sovereign immunity would bar the Clemente family’s takings claim even if there were “no local remedy to redress” that claim. Add. 55.

b. Puerto Rico is not entitled to sovereign immunity

The Clementes recognize that this Court has held that Puerto Rico is entitled to sovereign immunity, *see, e.g., Maysonet-Robles v. Cabrero*, 323 F.3d 43, 48 n.3 (1st Cir. 2003), but that holding has been cast into doubt by recent Supreme Court opinions. *See Fin. Oversight & Mgmt. Bd. for P.R. v. Centro de Periodismo Investigativo, Inc.*, 143 S. Ct. 1176, 1186–88 (2023) (Thomas, J., dissenting) (observing that Puerto Rico’s argument that it has sovereign immunity “appears untenable”); *Puerto Rico v. Sanchez Valle*, 579 U.S. 59, 71 (2016) (the Supreme Court “concluded in the early decades of the last century that U.S. territories — including an earlier incarnation of Puerto Rico itself — are not sovereigns distinct from the United States.”). The Clementes assert that Puerto Rico does not enjoy sovereign immunity to preserve that argument for further review. *Cf. United States v. Padilla*, 415 F.3d 211, 215 (1st Cir. 2005) (noting an instance in which the court, sua sponte, to rehear a question en banc).

Puerto Rico does not enjoy sovereign immunity. The Supreme Court has observed that the *states*’ sovereign immunity emanates from their sovereignty, which they “enjoyed before the ratification of the Constitution, and which they retain today” *Alden*, 527 U.S. at 713.

But Puerto Rico is a federal territory, which unlike a state, does not enter the Union “with [its] sovereignty intact.” *Blatchford v. Native Vill. of Noatak*, 501 U.S.

775, 779 (1991). Federal territories “are not sovereigns distinct from the United States” and instead derive their powers from the United States. *Sánchez Valle*, 579 U.S. at 71; *cf. id.* at 72 & n.5 (“The States (*all* of them) are separate sovereigns for double jeopardy purposes not (as the dissent claims) because they exercise authority over criminal law, but instead because that power derives from a source independent of the Federal Government.”) (emphasis in original).

As a result, Congress may “legislate for the [territories] in a manner with respect to subjects that would exceed its powers, or at least would be very unusual, in the context of national legislation enacted under other powers delegated to it under Art. I, § 8.” *Palmore v. United States*, 411 U.S. 389, 398 (1973). The Constitution itself provides that “Congress shall have Power to dispose of and make all needful Rules and Regulations respecting the Territory or other Property belonging to the United States.” U.S. Const. Art. IV, § 3, Cl. 2. And this Court has recognized Congress’s authority to “not only abrogate laws of the territorial legislatures,” but “legislate directly for the local government.” *Nat’l Bank v. County of Yankton*, 101 U.S. 129, 133 (1880).

Puerto Rico enjoys some immunity with respect to its own laws and courts. *See Porto Rico v. Rosaly*, 227 U.S. 270, 273 (1913) (Puerto Rico “is of such nature as to come within the general rule exempting a government sovereign in its attributes from being sued without its consent”). But this limited immunity, which rests on

Puerto Rico's *delegated* power to self-governance rather than the *inherent* immunity of a sovereign state, is not enforceable against the federal laws or federal courts, and may be abrogated by Congress as part of its plenary control over territories.

c. The Lanham Act abrogates the immunity of Puerto Rico and its officials

To the extent that a clear statement is needed to abrogate Puerto Rico's limited immunity, Congress has provided it in the Lanham Act. *See Fin. Oversight & Mgmt.*, 1143 S. Ct. at 1183 (Congress "must make its intent to abrogate sovereign immunity 'unmistakably clear in the language of the statute'").⁵ The text of the Lanham Act makes it unmistakably clear that Congress intended to abrogate or waive immunity for *all* governmental entities, officials, and individuals in the United States, including Federal, State and Territorial government. 15 U.S.C. § 1122(a), entitled "Waiver of sovereign immunity by the United States," provides a waiver of sovereign immunity for the "United States, all agencies and instrumentalities thereof, and all individuals, firms, corporations, other persons acting for the United States and with the authorization and consent of the United States." For purposes of

⁵ The facts in this case underscore that the United States manages Puerto Rico's affairs in ways that would be unimaginable if Puerto Rico were a state. Congress set up a system "for overseeing Puerto Rico's finances," and a board that "approves and enforces the Commonwealth's fiscal plans and budgets, and supervises the Commonwealth's borrowing." *Fin. Oversight & Mgmt. Bd.*, 143 S. Ct. at 1181. The Act requires Puerto Rico to send the Board the text of each new law and allows the Board to prevent the enforcement of laws significantly inconsistent with its fiscal plan. 48 U.S.C. § 2144(a).

the Lanham Act, the United States includes Puerto Rico because “United States includes and embraces all territory which is under its jurisdiction and control.” *Id.* § 1127. All this reflects Congress’s intent in enacting the Lanham Act “to protect registered marks used in such commerce from interference by State, or territorial legislation.” 15 U.S.C. § 1127.

Even if Puerto Rico is viewed as more like a state, the Lanham Act provides a clear statement that Congress intended to waive Puerto Rico’s Immunity. § 1125(b) provides that “Any State, instrumentality of a State or any officer or employee of a State or instrumentality of a State acting in his or her official capacity, shall not be immune, under the eleventh amendment of the Constitution of the United States or *under any other doctrine of sovereign immunity.*” *Id.* (emphasis added).

As stated above, the fact that Puerto Rico is a Territory subject to the plenary power of Congress makes the abrogation doctrine employed in *Coll. Sav. Bank v. Florida Prepaid Postsecondary Educ. Expense Board*, 527 U.S. 666 (1999), inapplicable to this case. But even if Puerto Rico were entitled to sovereign immunity similar to the immunity that states enjoy, Congress has properly abrogated it here. In *College Savings Bank*, the Supreme Court concluded that Congress intended to abrogate sovereign immunity of States in the Lanham Act, but lacked the authority to do so under the Fourteenth Amendment regarding the false advertisement cause of action in 15 U.S.C. § 1125.

When considering if State immunity was validly abrogated under the Fourteenth Amendment, the Supreme Court explained that “[t]he Lanham Act may well contain provisions that protect constitutionally cognizable property interests—notably, its **provisions dealing with infringement of trademarks, which are the ‘property’ of the owner because he can exclude others from using them.**” *College Savings Bank*, 527 U.S. at 673 (emphasis added). There was no deprivation of property in *College Savings Bank* that allowed an abrogation of State immunity.

According to the expressions in *College Savings Bank*, the abrogation of States’ sovereign immunity regarding the provisions of the Lanham Act dealing with infringement of trademarks, as a protection of property rights under the Fourteenth Amendment, is valid. In this case, the Defendants’ conduct constitutes trademark infringement, and some *also* constitutes false-advertising. Therefore, even if Puerto Rico were treated as having the sovereign immunity of a State, no dismissal is in order.

Likewise, the Court’s other decision in *Florida Prepaid Postsecondary Educ. Expense Board v. College Sav. Bank*, 527 U.S. 627 (1999), does not preclude the claims here. In that case, the Supreme Court made a detailed and specific analysis of the Patent Remedy Act and concluded that its historical record and the scope of coverage made it clear that the Patent Remedy Act cannot be sustained under the Fourteenth Amendment. *Id.* at 646, 647. No similar analysis was made in *College*

Savings Bank regarding the Lanham Act, and the analysis cannot be extrapolated to trademark legislation because trademarks are a form of a property right that predates the Constitution. *B&B Hardware, Inc. v. Hargis Indus., Inc.*, 575 U.S. 138, 142 (2015).⁶

In any case, the historical record analysis to determine the remedial or preventive nature of a statute under the Fourteenth Amendment is a doctrine to protect federalism and the sovereign immunity of the States that predated the Constitution, and it is inapplicable to Puerto Rico.

Finally, the Lanham Act abrogates *any* immunity, including qualified immunity, of government officials or governmental entities. The Lanham Act provides that remedies are available against the United States and state officers to the same extent that they are available against “any person,” and that such remedies include injunctive relief, damages, profits, costs, attorneys’ fees, and “any other remedies” provided in the Lanham Act. 15 U.S.C. § 1122(c). The Act also states that “any instrumentality, officer, or employee, shall be subject to the provisions of this chapter in the same manner and to the same extent as any nongovernmental entity.” 15 U.S.C. § 1127.

⁶ Likewise, *Allen v. Cooper*, 140 S. Ct. 994 (2020), is not controlling because it deals with copyrights and not trademarks, and because the State Defendant there presented the Court with federalism concerns that are inapplicable here.

It has long been established that Congress can abolish common law immunities, such as qualified immunity if specifically provided. *Pierson v. Ray*, 386 U.S. 547, 554–55 (1967) (“we presume that Congress would have specifically so provided had it wished to abolish the doctrine.”); *Wyatt v. Cole*, 504 U.S. 158, 164 (1992). And the qualified immunity doctrine has been developed in connection with §1983, which does not contain a comprehensive scheme for liability of officials or individuals acting under color of law. On the contrary, the Lanham Act specifically regulates the liability of such individuals making it clear that Congress abrogated any immunity.

In addition, there is no important governmental function that requires *any* use, even legal or fair, of a private trademark, making the qualified immunity doctrine superfluous regarding trademark infringement. Therefore, the qualified immunity defense cannot be raised regarding violations of the Lanham Act.

II. The Clementes are entitled to prospective relief

The Clementes are entitled to prospective relief. First, the Clementes are entitled to prospective relief against all defendants to prevent the *continued* implementation of Law 67-2022. Second, prospective relief is appropriate to require Defendants to provide just compensation to the Clementes as that is the only way by

which Defendants can stop their unconstitutional taking of the Roberto Clemente trademark.

It is well-settled that the Court can issue injunctive relief to prevent defendants from continuing to violate a plaintiff's rights. For instance, the doctrine of *Ex parte Young*, 209 U.S. 123 (1908), provides for injunctive relief against government officials to cease an ongoing violation of federal law, including the federal Constitution. *Verizon Maryland, Inc. v. Pub. Serv. Comm'n of Maryland*, 535 U.S. 635, 645 (2002). *Ex parte Young* also allows a plaintiff to seek prospective injunctive relief *before* government officials violate that plaintiff's federal constitutional or statutory rights. *Kanuszewski v. Mich. Dep't of Health & Hum. Servs.*, 927 F.3d 396, 417 (6th Cir. 2019).

Although the district court's opinion barely mentioned Puerto Rico Law 67-2022, the Clementes are plainly entitled to an injunction preventing defendants from implementing that law. After all, the Clementes seek forward-facing relief enjoining Defendants from the unauthorized use of the Roberto Clemente trademark in connection with the Roberto Clemente Sports District—a project that the Clementes neither endorsed nor approved. The Roberto Clemente Sports District illegally uses the trademark in the name with which it is identified. The revenues to be made by the use of the Roberto Clemente trademark in the enormous project of the Roberto Clemente Sports District as described in Law 67-2022, are immeasurable. The

Clementes' request to enjoin the creation and development of the Roberto Clemente Sports District is proper.

Additionally, the Clementes are entitled to an injunction ordering the government defendants to prevent the continued violation of the Clementes' Fifth Amendment rights by paying just compensation. That's because the Takings Clause doesn't prohibit all takings, but prohibits takings "without just compensation." U.S. Const. amend. V. The government defendants here have already improperly used the Roberto Clemente trademark through their enforcement of Resolution Nos. 16 and 17. They cannot undo the taking of the trademark. Therefore, compensation is "required by the Constitution," *First Eng.*, 482 U.S. at 316, because it is the only way by which the Court can stop the constitutional violation.

Sovereign immunity does not bar injunctive relief just because it will include payment of some government funds. In *Milliken v. Bradley*, for instance, the Supreme Court required state officials to pay for a comprehensive education program for school children who had been subjected to past acts of de jure segregation. 433 U.S. 267, 269 (1977). Sovereign immunity did not block an *Ex Parte Young* action seeking "the payment of state funds" because it was a "a necessary consequence of compliance *in the future* with a substantive federal-question determination." *Id.* at 289 (quoting *Edelman v. Jordan*, 415 U.S. 651, 668 (1974)).

Additionally, the government of Puerto Rico has no power to constitutionally take a property right that exists in the rest of the United States. Puerto Rico Const. Art. I, § 3, provides that “[t]he political authority of the Commonwealth of Puerto Rico shall extend to the Island of Puerto Rico and to the adjacent islands within its jurisdiction.” Puerto Rico’s Constitution and laws are intended to resolve internal situations. *Green Giant Co. v. Tribunal Superior*, 104 D.P.R. 489, 496 (1975). Therefore, a trademark registered in the United States Patent and Trademark Office, that is a property right enforceable nationally, cannot be validly taken by the government of Puerto Rico. And there’s no public use justification that would allow the government to take a registered trademark, because no governmental function requires any use of a private trademark. In absence of a valid taking for public use and given that in this case the taking cannot be undone, just compensation must be paid.

III. The Clementes stated a plausible claim for relief under the Lanham Act

- a. The District Court improperly dismissed the Clementes’ claim under 15 U.S.C. § 1114, 1225(a)(1)(A), 1125(c) and in relation with Law 67-2022 sua sponte.*

The Court of Appeals reviews “the granting of a motion to dismiss for lack of subject matter jurisdiction *de novo*.” *Román-Cancel v. United States*, 613 F.3d 37, 41 (1st Cir. 2010). But since the district court *sua sponte* dismissed several claims

against the government and the government officials, the standard of review is the harshest against the dismissal.

“*Sua sponte* dismissals are strong medicine, and ... are erroneous unless the parties have been afforded notice and an opportunity to amend the complaint or otherwise respond.” *Chute v. Walker*, 281 F.3d 314, 319 (1st Cir. 2002) (internal quotations and references omitted). A plaintiff who encounters an argument on a motion to dismiss has notice of the argument and the opportunity to amend. *See* Fed. R. Civ. Proc. 15(a). By contrast, a *sua sponte* dismissal of a plaintiff’s claims deprives that plaintiff of the core protections to amend or respond. It will thus be “the rare case” in which a *sua sponte* dismissal without leave to amend will be upheld. *González-González v. United States*, 257 F.3d 31, 36–37 (1st Cir. 2001).

In this case, Defendants did not raise any argument for dismissal regarding violation of 15 U.S.C. § 1114, concerning the unauthorized use of a registered mark, which make them liable in a civil action by the registrant for damages under 15 U.S.C. § 1117. They made no argument on false association, § 1125(a)(1)(A) or dilution § 1125 (c). And their argument for dismissal revolved on the issue of the motor vehicle license plates and registration labels and omitted the Roberto Clemente Sports District.⁷

⁷ Regarding the Roberto Clemente Sports District, the Secretary of the Department of Sports and Recreation in his official capacity, only alleged that he has not yet executed any functions, and consequently, no relief may be granted. Dkt. 42.

Therefore, the *sua sponte* dismissal of all those claims must be reversed. But even if the Court proceeds to the merits, the Clementes have stated a claim under several provisions of the Lanham Act.

b. Violation of 15 U.S.C. § 1114

Under the Lanham Act, any person who shall, without the consent of the registrant use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or reproduce, counterfeit, copy, or colorably imitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive, is liable. 15 U.S.C. § 1114.

The district court concluded that each Lanham Act claim, including trademark infringement claims under Section 1114, “requires proof of use in commerce and commercial use.” Add. 37. But, although the term “use in commerce” is defined in 15 U.S.C. § 1127,⁸ that restrictive definition does not apply to infringement. “When

Likewise, the District Authority only alleged that its involvement is tangential, that it will act according to Puerto Rico law and that PR Act 139-2011 governs. Dkt. 36.
⁸ The term “use in commerce” means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. For purposes of this chapter, a mark shall be deemed to be in use in commerce--

the Trademark Act was amended in 1988 to authorize federal registration based on ‘intent to use,’ as well as actual use in commerce, the legislative reports explicitly recognized that this statutory definition of ‘use in commerce’ applies to the use of a trademark for purposes of federal registration, and reaffirmed that an infringing use may be ‘use of any type’:

[T]he revised definition [of use in commerce] is intended to apply to all aspects of the trademark registration process, from applications to register, whether they are based on use or on intent-to-use, and statements of use filed under Section 13 of the Act, to affidavits of use filed under Section 8, renewals and issues of abandonment. Clearly, however, use of any type will continue to be considered in an infringement action.

S. Rep. No. 100–515, at 45 (1988).” *VersaTop Support Sys., LLC v. Georgia Expo, Inc.*, 921 F.3d 1364, 1369 (Fed. Cir. 2019). But here, the trademark was illegally used even applying the standard most favorable to Defendants.

“[A] plaintiff must establish (1) that its mark is entitled to trademark protection, and (2) that the allegedly infringing use is likely to cause consumer

(1) on goods when--

(A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and

(B) the goods are sold or transported in commerce, and

(2) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are rendered in more than one State or in the United States and a foreign country and the person rendering the services is engaged in commerce in connection with the services. 15 U.S.C. § 1127.

confusion. *Bos. Duck Tours, LP v. Super Duck Tours, LLC*, 531 F.3d 1, 12 (1st Cir. 2008); *DeCosta v. Viacom Int'l, Inc.*, 981 F.2d 602, 605 (1st Cir. 1992).

There is no controversy that the Roberto Clemente trademark, as a registered trademark, is entitled to protection under the Lanham Act. Add. 42. That is because “[r]egistration of a mark on the principal register ... shall be constructive notice of the registrant’s claim of ownership thereof” 15 U.S.C. § 1072, and “[t]his system of federal registration helps to ensure that trademarks are fully protected.” *Matal v. Tam*, 582 U.S. 218, 225 (2017).

Nor there is controversy that in this case there is a use of the trademark. Add. 42. This is the “[t]he typical situation in a trademark case involv[ing] the defendant’s having passed off another’s mark as its own.” *Century 21 Real Est. Corp. v. LendingTree, Inc.*, 425 F.3d 211, 217 (3d Cir. 2005); *Swarovski Aktiengesellschaft v. Bldg. No. 19, Inc.*, 704 F.3d 44, 49 (1st Cir. 2013). The use of the trademark is undeniable. “[W]hen ... marks are ‘legal equivalents’ ... they create the same, continuing commercial impression.” *Hana Fin., Inc. v. Hana Bank*, 574 U.S. 418, 420 (2015). The doctrine of legal equivalents recognizes that “a word mark can infringe a picture mark if the word mark evokes the picture mark, and a picture mark can infringe a word mark where the picture is a depiction of the word.” *Fleischer Studios, Inc. v. A.V.E.L.A., Inc.*, 925 F.Supp.2d 1067, 1077 (C.D. Cal. 2012). A pictorial depiction can be the legal equivalent of a word mark. Legal

equivalents are likely to impress the same mental image. A design mark may be found to be confusingly similar to a word mark consisting of the design's literal equivalent. *See Trademark Manual of Examining Procedure* (TMEP), United States Patent and Trademark Office, July 2022, section 1207.01(c)(i) Legal Equivalents – Comparison of Words and Their Equivalent Designs. Therefore, the use of a pictorial depiction of the Roberto Clemente trademark is a use of the trademark.

The only remaining issue is if the use of the trademark infringes the Lanham Act. It does. Defendants' actions establish liability under 15 U.S.C. § 1114 because a trademark like Roberto Clemente has such an intrinsic value separate from any product it endorses. The registered trademark itself was the good or service for which the infringer charged and made a profit through its unauthorized use.

As stated above, the government charged fees not for any typical license plate or vehicle registration label, but for *the Roberto Clemente trademark* imprinted on specialized license plate and vehicle registration labels—which trademark netted the government roughly 15 million dollars.

This Court need not analyze consumer confusion because the infringer is not making a profit from the sale of a good or service by misleading the consumer about its origins, it is making a profit using the trademark itself.

But in any case, the confusion naturally happened. Because it is common knowledge that the Clementes are the owners of the Roberto Clemente trademark,

the People of Puerto Rico inferred that the Clementes were recipients of monies from the sale of the trademark. The contempt of the People of Puerto Rico against the Clementes for apparently charging those monies flooded televised, written and on-line press, social networks, events, everyday social activities, and so on. The Roberto Clemente trademark and the Clementes were perceived as blameworthy actors for the growing impoverishment of the People of Puerto Rico. A23, A25.⁹

In general terms, Defendants and the district court rejected that the unauthorized use of the trademark infringed the Lanham Act, because of the nature of the goods and services in question. Again, the good or service for which the government charged was the trademark itself, not the vehicle license plates and labels.

Regardless, the district court conclusion that motor vehicle license plates and tags are not the classes of products that trademark law protects is plainly wrong. Vehicle registration goods and services are specifically listed as examples in classes 6, 20 and 35, all of which are included in the Roberto Clemente Trademark

⁹ The district court deemed these facts as false when concluding that there is not likelihood of confusion, even though confusion actually happened. Add. 48–49. That is contrary to the legal standard that must be applied when resolving a motion to dismiss.

Registration.¹⁰ Class 20 includes any kind of plastic label,¹¹ and labels, signs, prints are examples of infringement cited in 15 U.S.C. § 1114. To support its contrary conclusion, the lower court cited *Walker v. Texas Div., Sons of Confederate Veterans, Inc.*, 576 U.S. 200 (2015), which is a First Amendment case involving government speech and does not even mention trademarks. Add. 43.

In any case, the Lanham Act's construction of the term commercial use for purposes of infringement must be very broad to secure the purposes of the act. *See VersaTop Support Sys.*, 921 F.3d at 1369. The Lanham Act has been applied to a wide variety of non-commercial public and civic benefits, for example, non-profit solicitations, political activities, and non-profits disseminating information. *United We Stand Am., Inc. v. United We Stand, Am. N.Y., Inc.*, 128 F.3d 86, 90 (2d Cir. 1997). Placing products in the stream of commerce is unnecessary for the Lanham Act to protect against the improper use of a trademark. *Id.*, (citation omitted). In all, the Lanham Act is not restricted to profit-making activities or to commercial organizations. *See Trusted Integration v. United States*, 679 F.Supp.2d 70, 80–81 (D.D.C. 2010) (concluding that the Department of Justice can violate the statute).

¹⁰ Some examples are: vehicle registration plates of metal are item 006-1797; state vehicular registration and title transfer are item 035-93; registration plates, not of metal are item 020-1787; registration of written communications and data in the field of state vehicular registrations is item 035-2891. <https://tmidm.uspto.gov/id-master-list-public.html>.

¹¹ Plastic labels are item 020-288. <https://tmidm.uspto.gov/id-master-list-public.html>.

Defendants also infringed the Roberto Clemente trademark thorough Law 67-2002, which created the Roberto Clemente Sports District and contemplates the use of the trademark in the name of the sports facility.¹²

Roberto Clemente Sports City (“Ciudad Deportiva Roberto Clemente”) is one of the most iconic good and service endorsed by the trademark. It’s a sports facility created by Roberto Clemente himself before his death. Now, under Law 67-2022, the government uses the Roberto Clemente trademark in the name of a sports facility (unaffiliated with Clemente) to be developed in the same lands of Roberto Clemente Sports City. Basically, the government uses the registered trademark to identify a good or service that is a knock-off of the most iconic good and service of the registered trademark. *Leathersmith of London, Ltd. v. Alleyn*, 695 F.2d 27, 30 (1st Cir. 1982) (noting that the use of the very words of a trademark is enough to show likelihood of confusion or mistake, “where the goods are identical and are marketed in the same channels of trade”).

Additionally, the Roberto Clemente trademark registration includes class 41, which contains providing sports facilities as item 041-370.

¹² Surprisingly, the district court did not include any analysis of trademark infringement under the Lanham Act regarding the creation of the Roberto Clemente Sports District. Therefore, the *sua sponte* dismissal of that claim must be reversed. The Roberto Clemente Sports District is a fully commercial profit-making project. *See* Law 67-2022 (detailing all the commercial activity that will be taking place, such as sales contracts, leases, joint ventures, partnerships, developments, operations, constructions, etc.).

<https://tmidm.uspto.gov/id-master-list-public.html>; Nice Classification, Eleventh Edition, version 2022 (NCL 11-2022). That means there is no doubt that the Roberto Clemente trademark is protected from the unauthorized use in relation with sports facilities, among other sport related goods and services.¹³

In sum, Resolution 16-2022, Resolution 17-2022 and Law 67-2022 provide for trademark infringement under 15 U.S.C. § 1114.

c. Violation of 15 U.S.C. § 1125 (a)

Any person who, on or in connection with any goods or services, uses in commerce any word, term, name, symbol, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which is likely to cause confusion, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or

¹³ The Lanham Act protects registered and unregistered trademarks in registered and unregistered classes. The difference is the level of protection and the legal analysis of infringement. A registered trademark in specific classes like the Roberto Clemente trademark, is vested with the highest level of protection. *See Kotabs, Inc., v. Kotex Co.*, 50 F.2d 810, 812 (3d Cir. 1931) (“there is more in a trade-mark infringement case than class determination”); *Yale Elec. Corp. v. Robertson*, 26 F.2d 972, 974 (2d Cir. 1928) (“a merchant may have a sufficient economic interest in the use of his mark outside the field of his own exploitation to justify interposition by a court. His mark is his authentic seal; by it he vouches for the goods which bear it; it carries his name for good or ill. If another uses it, he borrows the owner’s reputation, whose quality no longer lies within his own control. This is an injury, even though the borrower does not tarnish it, or divert any sales by its use; for a reputation, like a face, is the symbol of its possessor and creator, and another can use it only as a mask.”).

approval of his or her goods, services, or commercial activities by another person, or in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, of his or her goods or services, is liable to any person who believes that he or she is or is likely to be damaged by such act. 15 U.S.C. § 1125 (a).

This section of the Lanham Act protects trademarks regardless of registration. The main protection is from false advertisement and false association.

In *Lexmark Int'l, Inc. v. Static Control Components, Inc.*, 572 U.S. 118, 134 (2014), the Supreme Court rejected the argument that only direct competitors may sue for false advertisement. The Court also rejected other restrictive interpretations of the law and recognized a cause of action for false advertisement, even though the case did not involve a typical commercial advertisement. Therefore, the interpretation of commercial advertising or promotion for purposes of false advertisement claims is broad and guided by the purpose of the Lanham Act.

The intent of Lanham Act is to make actionable the deceptive and misleading use of marks in commerce; to protect registered marks used in commerce from interference by State, or territorial legislation; to protect persons engaged in commerce against unfair competition and to prevent fraud and deception in commerce by the use of reproductions, copies, counterfeits, or colorable imitations of registered marks, among others. 15 U.S.C. § 1127. Liability for commercial advertising within the meaning of 15 U.S.C. § 1125(a) could take many forms as

long as it relates to a commercial activity and clashes with the principles protected in the Lanham Act.¹⁴

“The fact that the injury is to a company’s reputation or goodwill, rather than directly to its sales, does not render the confusion any less actionable.” *Beacon Mut. Ins. Co. v. OneBeacon Ins. Grp.*, 376 F.3d 8, 15 (1st Cir. 2004). And, “[i]f the advertisement is literally false, the court may grant relief without considering evidence of consumer reaction.” *Clorox Co. Puerto Rico v. Proctor & Gamble Com. Co.*, 228 F.3d 24, 33 (1st Cir. 2000).

Here, Defendants used the trademark and made misleading and false descriptions of facts and representations of facts, in relation to the charges for the imprint of the Roberto Clemente name, image, likeness and trademark in the license plates and registration labels, and in relation to the Roberto Clemente Sports District project that would generate significant revenue for the government. The unauthorized use of the trademark and the misleading and false descriptions of fact and representations of facts were made in the laws, in the license plates and registration labels, in the document of permit for motor vehicles, to the press, and so

¹⁴ Commercial activity is an activity conducted to make a profit. Black’s Dictionary, tenth edition, p. 41.

on. A19, A24 (¶¶ 3.39, 3.66). All methods that communicate information to the public.¹⁵

Those uses of the trademark and the misleading and false descriptions of facts and representations of facts constitute false advertisement and false association because they misled the public to believe that the Clementes endorsed the charges for the trademark in license plates and registration labels, and the new sports district. This cause commercial injury to the trademark because the initiatives were repudiated by the People.¹⁶ Therefore, the claim under 15 U.S.C. § 1125 (a) must proceed.

15 U.S.C. § 1125 (a) is also the federal equivalent protection of the right of publicity, which protects image, name and likeness. *ETW Corp. v. Jireh Pub., Inc.*, 332 F.3d 915, 924 (6th Cir. 2003). The right of publicity had been described as a right emanating from state law, but the doctrine has evolved. The unauthorized use of the general components of the right of publicity, like name, photograph, portrait,

¹⁵ In fact, “Class 035-Advertising and business,” includes state vehicular registration and title transfer, item 035-93, and registration of written communications and data in the field of state vehicular registrations is item 035-2891. <https://tmidm.uspto.gov/id-master-list-public.html>. Naturally, the purpose of those goods is to communicate the information displayed because the goods themselves have no significant value without the information imprinted on them. Therefore, these are recognized methods of advertising, within the meaning and scope of protection of the Lanham Act.

¹⁶ The “likelihood of confusion inquiry is not limited to actual or potential purchasers, but also includes others whose confusion threatens the trademark owner’s commercial interest in its mark.” *Beacon Mut.*, 376 F.3d at 16.

voice, signature, attribute or any representation of a person that serves to identify that person, can violate the Lanham Act. *Álvarez Guedes v. Marcano Martínez*, 131 F.Supp.2d. 272 (D.P.R. 2001).

This section of the law can protect an individual's image or likeness from unauthorized use, even if there's no trademark registration, if the requirements of the federal statute are met. The analysis differs from the state's law of the right for publicity. *See Electra v. 59 Murray Enterprises, Inc.*, 987 F.3d 233, 257(2d Cir. 2021); *see also Parks v. LaFace Recs.*, 329 F.3d 437, 445 (6th Cir. 2003) ("§ 43(a) ... permits celebrities to vindicate property rights in their identities against allegedly misleading commercial use by others). Celebrities have standing to sue under this provision because they possess an economic interest in their identities akin to that of a traditional trademark holder. *See Waits v. Frito Lay, Inc.*, 978 F.2d 1093, 1110 (9th Cir. 1992) (abrogated on other grounds); *see also* 4 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 28:15 (4th ed. 2002) (discussing cases).

According to Puerto Rico Law 139-2011, Art. 5, the Clementes (as the heirs of Roberto Clemente) were vested with the ownership of Roberto Clemente's image, name and likeness. That property right, once attained, is protected by the Lanham Act, and cannot be taken or violated under local statutes. *See* U.S. Const. art. VI, cl. 2. Therefore, Resolution 16-2022, Resolution 17-2022 and Law 67-2022, which

provide for the unauthorized use of Roberto Clemente's image, name and likeness, violate 15 U.S.C.A. § 1125 (a).

d. Violation of 15 U.S.C. § 1125 (c)

Subject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, must be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury. 15 U.S.C. § 1125 (c).

This section of the Lanham Act protects famous marks, like Roberto Clemente, from dilution by blurring or dilution by tarnishment, regardless of the presence of actual or likely confusion, of competition, or of actual economic injury. *Jack Daniel's Properties, Inc. v. VIP Prod. LLC*, 143 S. Ct. 1578, 1584 (2023). It contains an injunctive remedy, but is also a basis for civil liability. 15 U.S.C. § 1117.

In a dilution case, the question is whether the reputation of the famous trademark was harmed. *Jack Daniel's*, 143 S. Ct. at 1579. "The overriding purpose of anti-dilution statutes is to prohibit a merchant of noncompetitive goods from selling its products by trading on the goodwill and reputation of another's mark."

L.L. Bean, Inc. v. Drake Publishers, Inc., 811 F.2d 26, 30 (1st Cir. 1987). Therefore, classes of goods or competitor status are not dispositive for these claims.

“A trademark owner may obtain relief under an anti-dilution statute if his mark is distinctive and there is a likelihood of dilution due to (1) injury to the value of the mark caused by actual or potential confusion, (2) diminution in the uniqueness and individuality of the mark, or (3) injury resulting from use of the mark in a manner that tarnishes or appropriates the goodwill and reputation associated with plaintiff’s mark.” *Id.* “The threat of tarnishment arises when the goodwill and reputation of a plaintiff’s trademark is linked to products which are of shoddy quality or which conjure associations that clash with the associations generated by the owner’s lawful use of the mark.” *Id.* at 31. “The harm occurs when a trademark’s identity and integrity—its capacity to command respect in the market—is undermined due to its inappropriate and unauthorized use by other market actors.” *Id.* Where confusion “injured the trademark holder’s goodwill and business reputation, no further showing of injury is necessary.” *Beacon Mut.*, 376 F.3d at 20.

As explained, the contempt of the People of Puerto Rico against the Clementes for apparently charging for the impression of the trademark in license plates and registration labels flooded televised, written and on-line press, social networks, events and everyday social activities. the Roberto Clemente trademark was perceived as blameworthy for the growing impoverishment of the People of Puerto

Rico and as an unstable trademark rejected in Puerto Rico, the birthplace of Roberto Clemente. A23, A25, A32. Defendants' unauthorized use plainly tarnished the Roberto Clemente trademark.

In sum, Defendants violated the Clementes' rights under the Lanham Act. Therefore, The Clementes are entitled to the remedies provided for in 15 U.S.C. § 1117 and the injunctive remedies included in 15 U.S.C. § 1116 and 1125 (c).

IV. The Clementes stated a plausible claim for relief under the Takings Clause of the Fifth Amendment

a. The Roberto Clemente Trademark is a constitutionally protected property right under the Fifth Amendment's Takings Clause

Although the district court did not conclusively decide whether trademarks were cognizable under the Fifth Amendment's Takings Clause, Add. 55, trademarks merit protection under the Takings Clause. The Fifth Amendment's Takings Clause states that "nor shall private property be taken for public use, without just compensation." U.S. Const. Amend. V. The Fifth Amendment protects "'private property' without any distinction between different types." *Horne v. Dep't of Agric.*, 576 U.S. 351, 358, (2015). This includes tangible and intangible property rights. *See, e.g., Ruckelshaus v. Monsanto Co.*, 467 U.S. 986, 1003 (1984). The Constitution itself does not create property rights. *Phillips v. Wash. Legal Found.*, 524 U.S. 156, 164, (1998). Rather, the existence of a property right derives from "existing rules or understandings that stem from an independent source such as state law." *Id.* While

state law is a common source of recognized property interests, it is not the only source. Courts also examine “traditional property law principles,” historical practices, and Supreme Court precedent. *Tyler v. Hennepin Cnty.*, 143 S. Ct. 1369, 1375 (2023).

Trademarks satisfy the requirements of what constitute constitutionally protected property under the Takings Clause. First, both state and common law recognize trademarks as protected property. Second, trademarks embody traditional property law principles found in real and personal property. Trademarks are thus cognizable under the Fifth Amendment’s Takings Clause.

1. Trademarks derive from state and common law

Trademarks have been protected as property rights since the founding and originally derive from common law. “Trademarks and their precursors have ancient origins, and trademarks were protected at common law and in equity at the time of the founding of our country.” *Tam*, 582 U.S. at 224. State common law has long recognized the right of an individual or business to adopt or use a symbol to distinguish the use and sale of goods or property to the exclusion of all others. *Trade-Mark Cases*, 100 U.S. 82, 92 (1879). One of the functions of trademarks as a property interest is to protect the reputation and goodwill that flows from using the mark. *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 413 (1916); *Tam*, 582 U.S. at 224. Goodwill is also a protected property right. *Coll. Sav. Bank*, 527 U.S. at 675.

Trademarks under the common law are “classed among property rights.” *Hanover Star Milling Co.*, 240 U.S. at 413; *Trade-Mark Cases*, 100 U.S. at 92.

The territory of Puerto Rico also recognizes trademarks as property and protects both registered and unregistered marks. *Dorpan, S.L. v. Hotel Meliá, Inc.*, 728 F.3d 55, 63 (1st Cir. 2013) (*citing* 10 L.P.R.A. § 223a). The right of likeness and the right to one’s image is also a distinct property right in Puerto Rico. *Cortés Camacho v. Quizno’s Sub, Inc.* 173 D.P.R. 254, 266-67. Puerto Rico’s recognition of trademarks as property rights also shows that the Clementes’ property right in the Roberto Clemente trademark derives from an independent source similar to state law.

Trademarks can therefore be distinguished from copyrights and patents as trademarks are not created under federal law.¹⁷ *B&B Hardware, Inc.*, 575 U.S. at 142; The Lanham Act did not create the property right of a trademark; rather, the owner of the mark already has the property right established by prior use. *Id.*; *In re Int’l Flavors & Fragrances, Inc.*, 183 F.3d 1361, 1366 (Fed. Cir. 1999)¹⁸; 15 U.S.C.

¹⁷ Unlike copyrights and patents which are created by the Constitution’s Intellectual Property Clause, trademarks as property rights rest exclusively on the laws of the states, and federal legislation on trademarks is created under the Commerce Clause. *Trade-Mark Cases*, 100 U.S. at 93-94. Trademarks as a property interest derive from state and common law, not federal law. *Id.*

¹⁸ The district court improperly cited *Int’l Flavors* to support the notion that a trademark may not be a property right “[t]he federal registration of a trademark does not create an exclusive property right in the mark.” Add. 52 (quoting *In re Int’l*

§ 1501(a) (Owner acquires rights in the trademark through use of the mark.). The Lanham Act was designed to “to secure to the owner of the mark the goodwill of his business and to protect the ability of consumers to distinguish among competing producers.” *Park’n Fly v. Dollar Park & Fly*, 469 U.S. 189, 198 (1985). The Lanham Act further solidifies the protection of a trademark by providing a national registry and expanding the protections afforded to owners of trademarks. *See In re Int’l Flavors*, 183 F.3d at 1366–67. Although the Lanham Act does not create the property interest of a trademark, the Lanham Act’s protection of trademarks bolsters the common law understanding that trademarks are distinct property rights.

Trademarks therefore meet the constitutional definition of property under the Fifth Amendment because their existence as a property right derives from independent sources such as state and common law.

2. Trademarks bear the hallmark of constitutionally protected property and adhere to traditional property law principles

The Clementes’ property interest in their trademark grants them the right to exclude others from using the Roberto Clemente mark. “The hallmark of a constitutionally protected property right is the right to exclude others.” *Coll. Sav. Bank*, 527 U.S. at 673; *Kaiser Aetna v. United States*, 444 U.S. 164, at 176 (1979).

Flavors, 183 F.3d at 1366). Yet the quote merely states that registration of the trademark itself doesn’t create the property interest. On the contrary, a property interest arises from the trademark holder’s use of the trademark.

Under common law, the property right in a trademark grants the right of the owner to exclude all others from using the mark. *S.F. Arts & Ath., Inc. v. United States Olympic Comm.*, 483 U.S. 522, 534, (1987) (citing *Trade-Mark Cases*, 100 U.S. at 92). “Trademark law, like contract law, confers private rights, which are themselves rights of exclusion.” *K Mart Corp. v. Cartier*, 485 U.S. 176, 185, (1988); *Hanover Star Milling Co.*, 240 U.S. at 413. The Lanham Act also grants the holder of a trademark the exclusive use of the mark. 15 U.S.C. §§ 1057(b), 1065, 1115(b); see also *Coll. Sav. Bank*, 527 U.S. at 673 (noting that the owner of trademark has the right to exclude others and that the Lanham Act’s section on trademark infringement likely protects a cognizable property interest due to the owner’s right to exclude). Trademarks thus contain one of the primary and most important attributes of a protected property interest: the right to exclude others.

The intangible nature of trademarks does not diminish the traditional property law principles inherent in a trademark. The Supreme Court has elaborated that when intangible forms of property, such as trade secrets, contain similar traits to tangible property, a protected property right exists. See, e.g., *Ruckelshaus*, 467 U.S. at 1002. Trademarks, like trade secrets, also resemble tangible property. A trademark is assignable, 15 U.S.C. § 1060, and perpetual (provided renewal applications are timely filed). 15 U.S.C. § 1059. As discussed above, trademarks are established by an individual’s or business’s use of the mark—through labor—which is another

traditional principle of what constitutes property. *Ruckelshaus*, 467 U.S. at 1002 (citing 2 W. Blackstone, Commentaries 405; J. Locke, *The Second Treatise of Civil Government*, ch. 5 (J. Gough ed. 1947)). Trademarks thus bear the common characteristics found in tangible property and merit protection under the Taking Clause. *Id.*, at 103.

In all, trademarks embody all the traditional characteristics of property rights and derive from independent sources such as state and common law. The Roberto Clemente trademark is therefore a cognizable property right under the Fifth Amendment's Takings Clause.

b. Puerto Rico's appropriation and unauthorized use of the Roberto Clemente trademark is a categorical taking requiring just compensation

Puerto Rico by using the Roberto Clemente trademark under Resolution 16 and 17, and Act 67-2022 against the wishes of the Clementes, appropriated the Roberto Clemente trademark. The district court concluded that there was no taking because the Clementes could still use the Roberto Clemente mark, and that the mark retained economic value. Add. 55-56. But when governments directly appropriate private property for their own use, it is a classic taking and they have the categorical duty to compensate the owner. *Tahoe-Sierra Pres. Council, Inc. v. Tahoe Reg'l Plan.*

Agency, 535 U.S. 302, 322 (2002); *Cedar Point Nursery v. Hassid*, 141 S. Ct. 2063, 2077–78 (2021) (defining “appropriation” as “taking as one’s own.”).

Puerto Rico has taken the Roberto Clemente trademark to use as its own. Under Resolutions 16 and 17, Puerto Rico charged drivers for the Roberto Clemente trademark embedded in license plates and vehicle registration labels, and obtained around 15 million dollars for its unauthorized use. A17–18 (¶¶ 3.27; 3.33). Also, under Act 67-2022, Puerto Rico intends to further use and rely on the Roberto Clemente mark, against the express wishes of the Clemente family, for the development of the Roberto Clemente Sports District. Puerto Rico’s actions show that it used, and will continue to use, the Roberto Clemente trademark to obtain revenue from the people of Puerto Rico at the expense of the Clementes and Roberto Clemente’s legacy.

The district court’s analysis on whether the Clementes could still use the Roberto Clemente trademark focused on the wrong property right taken from the Clementes. The owner of a trademark has the right to exclude others from using the mark. *K Mart Corp*, 485 U.S. at 185. The Supreme Court has conclusively established that the right to exclude “falls within [the] category of interests that the Government cannot take without compensation.” *Cedar Point*, 141 S. Ct. at 2073 (quotations omitted).

Puerto Rico’s use of the Roberto Clemente mark deprived the Clementes of their right to exclude others from using the mark and destroyed the goodwill and image of Roberto Clemente. A20–21 (¶¶ 3.44–47). “If the law will not protect one’s claim of right to exclude others from using an alleged trademark, then he does not own a ‘trademark,’ for that which all are free to use cannot be a trademark.” *In re Deister Concentrator Co.*, 48 C.C.P.A. 952, 963 n.6, 289 F.2d 496, 501 (C.C.P.A. 1961). In effect, Puerto Rico has taken the Roberto Clemente mark and has destroyed the essence of the trademark—the right to exclude others from using the mark to protect the goodwill and reputation of Roberto Clemente’s legacy. The Clementes’ right to exclude others from using the Roberto Clemente mark is so fundamental that it “cannot be balanced away” by claiming that the Clementes can still use the Roberto Clemente mark or that it retains economic value. *Cedar Point*, 141 S. Ct. at 2077.

That the Roberto Clemente mark still retains economic value after Puerto Rico’s use of the mark is irrelevant when the government appropriates property for its own use. *See Horne*, 576 U.S. at 363. When the government takes away the right of a property owner to exclude others and appropriates the property for its use, the remaining economic value or benefit from the property does not relieve the government from the categorical duty to compensate the owner. *Id.* The Supreme Court in *Loretto* held that the government took a property right even when the

infringement arguably increased the market value of the property.¹⁹ *Phillips*, 524 U.S. at 170 (citing *Loretto v. Teleprompter Manhattan CATV Corp.*, 458 U.S. 419, 437 n.15 (1982)). And even if the appropriation is not permanent there is still a taking of property. See *Cedar Point*, 141 S. Ct. at 2074 (“the duration of an appropriation—just like the size of an appropriation, bears only on the amount of compensation.”) (citation omitted).

Nor does the fact that the Clementes can still use the Roberto Clemente mark defeat their categorical takings claim. That a property owner may retain the use of the property does not defeat the government’s obligation to pay just compensation. *Loretto*, 458 U.S. at 430. The district court’s logic that a categorical taking does not occur when the government appropriates property private if the property owner can still use their property, is contrary to Supreme Court precedent. For example, in *Cedar Point*, the access regulation at issue only allowed union organizers to enter the growers’ land for 3 hours per day, 120 days per year. *Cedar Point*, 141 S. Ct. at 2072. The growers still had use of their land and retained an interest in their property, even if union organizers could access their land on limited occasions. But the Supreme Court held that since the access regulation took the right of the growers to exclude others from their property, it was still a categorical taking. *Id.* at 2077.

¹⁹ The taking committed by Puerto Rico has tarnished and damaged the Roberto Clemente trademark and the goodwill associated with the mark. App. 32 (¶¶ 3.99–104).

Likewise, in *Loretto*, the fact that the government installed only a small cable box on Loretto's rooftop did not stop the Supreme Court from finding a taking. *Horne*, 576 U.S. at 363 (citing *Loretto*, 458 U.S. at 430); see also *United States v. Causby*, 328 U.S. 256, 262, (1946) (even though the property owner still retained some use and enjoyment of the property, the government's appropriation of the property constituted a taking). This is particularly true with trademarks, because the core value of a trademark is the exclusive right to use it. A trademark that can be used by everyone ceases to be a trademark. In sum, the Clementes' amended complaint properly pleaded a claim under the Takings Clause.

V. Defendants are not entitled to qualified immunity for their appropriation of the Roberto Clemente trademark

As discussed above (on pages 24–25), the Lanham Act abrogated any qualified immunity that territorial government officials could have had. Additionally, the qualified immunity defense was waived because the argument was not properly developed. *United States v. Zannino*, 895 F.2d 1, 17 (1st Cir.1990).

Defendants only allege that a reasonable public official in their situation could have concluded that no trademark or proprietary rights were being violated, since requisites of commercial advertising or promotion and intention to influence potential customers are missing from the pleadings,²⁰ and there is no relief under the

²⁰ It is clear from the preceding discussion that there are no legal bases for the supposed requirements, and in any case, they would have been met.

Lanham Act because PR Law-139-2011 controls. Defendants didn't raise the qualified immunity defense in connection with the unauthorized use and misappropriation of the Roberto Clemente trademark in the creation of the Roberto Clemente Sports District, nor the false advertising claim regarding that issue. Hence, the qualified immunity defense was waived regarding all the other Lanham Act claims. *Gómez v. Toledo*, 100 S. Ct. 1920, 1924 (1980) ("Since qualified immunity is a defense, the burden of pleading it rests with the defendant); *Guillemard-Ginorio v. Contreras-Gómez*, 490 F.3d 31, 37 (1st Cir. 2007) (qualified immunity issues adverted to in a perfunctory manner, unaccompanied by some effort at developed argumentation, are deemed waived).

In any case, the territorial government officials are not entitled to qualified immunity. The qualified immunity defense in §1983 claims stems from the tenet that "government officials performing discretionary functions generally are shielded from liability for civil damages insofar as their conduct does not violate clearly established statutory or constitutional rights of which a reasonable person would have known." *Harlow v. Fitzgerald*, 457 U.S. 800, 818 (1982). To evaluate whether a defendant deserves qualified immunity, the court must consider "(1) whether plaintiff's allegations, if true, establish a constitutional violation; (2) whether that right was clearly established at the time of the alleged violation; and (3) whether a similarly situated reasonable official would have understood that the challenged

action violated the constitutional right at issue.” *Mihos v. Swift*, 358 F.3d 91, 102 (1st Cir. 2004) (citing *Suboh v. District Att’y’s Off. of Suffolk Dist.*, 298 F.3d 81, 90 (1st Cir. 2002)). The analysis is no different when officials are acting according to an invalid or unconstitutional law, if “a reasonable official in their position would have known” that the law violated constitutional or federal rights. *Guillemard-Ginorio*, 490 F.3d at 40–41.

To resolve a qualified immunity issue raised in a motion to dismiss, the initial inquiry or threshold question is: “Taken in the light most favorable to the party asserting the injury, do the facts alleged show the officer’s conduct violated a constitutional right?” *Saucier v. Katz*, 533 U.S. 194, 201 (2001). When the defense is raised by way of a Rule 12(b)(6) motion, the level of specificity of the allegations doesn’t have to be too high. *Riverdale Mills Corp. v. Pimpare*, 392 F.3d 55, 61 (1st Cir. 2004).

Therefore, even if the court conducts the qualified immunity analysis—and it should not—Defendants are not entitled to qualified immunity. The Clementes’ registration of the Roberto Clemente trademark constitutes “constructive notice of the Clementes’ claim of ownership thereof.” 15 U.S.C. § 1072; *see also Tam*, 582 U.S. at 226–227. Federal registration “confers important legal rights and benefits on trademark owners” and serves as “prima facie evidence of the validity of the registered mark and of the registration of the mark, of the owner’s ownership of the

mark, and of the owner’s exclusive right to use the registered mark.” *Tam*, 582 U.S. at 226–27. “Registration serves as constructive notice to the public of the registrant’s ownership of the mark . . . and thus prevents another user of the mark from claiming innocent misappropriation as a trademark infringement defense.” *In re Int’l Flavors & Fragrances, Inc.*, 183 F.3d 1361, 1367 (Fed. Cir. 1999); *see also Value House v. Phillips Mercantile Co.*, 523 F.2d 424, 429 (10th Cir. 1975); *Geoffrey, Inc. v. Toys ’R Us (Nosotros Somos Los Juguetes), Inc.*, 756 F. Supp. 661, 665 (D.P.R. 1991). The statute prohibits thus the defense of good faith in which qualified immunity is rooted. *See Harlow*, 457 U.S. at 807. (“Nonetheless, we held that a governor and his aides could receive the requisite protection from qualified or good-faith immunity.”). In the end, Defendants are not entitled to qualified immunity because the registration of the Roberto Clemente trademark eliminated any possible good faith defense.

It is clearly established that a registered trademark cannot be used by another and that a reasonable officer would have understood that the use of the registered trademark violated the Clementes’ constitutional and statutory rights. Defendants do not dispute actual knowledge of the registered trademark and that they violated the general prohibitions of the Lanham Act.²¹ That should be the end of the analysis. Defendants’ after-the-fact rationalization that one of the officers could have thought

²¹ The Amended Complaint, A14, A23, explains that Defendants had constructive and actual knowledge of the registered trademark.

that its use was covered by an exception to trademark infringement does not suffice. *See* Dkt. 38 at 45–46. Qualified immunity shields from liability an officer that acts in good faith, not an officer that acts with knowledge of the violation and gambles to find an exception that will allow the conduct—particularly where the exception has no basis in the law. If to be entitled to qualified immunity, a defendant has only to invent some extremely far-fetched situation in which his conduct may have not violated a constitutional or statutory right, no cause of action would ever survive qualified immunity.

Additionally, the involvement of the individual Defendants in the violation of the Clementes’ rights is unquestionable. This case presents a comprehensive governmental scheme, implemented by three laws, that violates Clementes’ constitutional and statutory rights. Defendants are the leaders of the agencies invested by the laws to execute the governmental scheme. And the Governor, as the principal officer of the executive branch, implements the laws, and signed these laws giving them effectiveness and enforceability.

The complaint shows how most of the unlawful conduct were facilitated by the heads of the pertinent agencies. A17–20, 25–30 (listing the most relevant allegations).²² The Clementes’ other allegations against individual Defendants show

²² Defendants failed to consider the entirety of the allegations in the *Amended Complaint* regarding the individual Defendants involvement, therefore the argument

that their involvement in the Lanham Acts violations surpasses a mere compliance with a law. *See id.*

For example,²³ before Governor Pierluisi signed into law Joint Resolutions No. 16 and No. 17, he was specifically informed by Luis Roberto Clemente that the name Roberto Clemente and its image was a registered trademark and its use required prior authorization and that they had not received communication or design of the proposal license plate or tag for approval. Therefore, Governor Pierluisi signed the laws knowing they constituted an unauthorized use of the trademark and were illegal. A21–23.

On her part, Secretary Vélez issued written comments to the legislature, before the approval of Joint Resolution No. 16, in which she favored the approval as long as it was amended to make the purchase of the commemorative license plate of Roberto Clemente mandatory for all license plates purchased during 2022. Therefore, she was directly responsible for the monies collected through the unauthorized use of the Roberto Clemente trademark, name and likeness in license plates. Additionally, Secretary Vélez made false statements in an interview televised on January 17, 2022, that the monies collected were destined to the Roberto

was not properly developed and it should be considered waived. *Zannino*, 895 F.2d at 17.

²³ The Clementes include only a few examples to sustain their position, but more can be found in their amended complaint. *See* A11.

Clemente Foundation (a foundation backed by the trademark) and the charge was for the restoration of Ciudad Deportiva Roberto Clemente (project backed by the trademark). A24–25.

Secretary Quiñones also endorsed H.R. 489, which was enacted as Law 67-2022, and indicated that he envisions its development as the most advanced sports training center, as well as a source of jobs and tourist attraction for those who enjoy sports tourism. He is in the particular position of being one of the members of the Board of Directors of Ciudad Deportiva Roberto Clemente and therefore, has firsthand knowledge of how Ciudad Deportiva Roberto Clemente is one of the most valuable and recognizable endeavors backed by the Roberto Clemente trademark. Therefore, Secretary Quiñones is directly responsible for the creation of the Roberto Clemente Sports District which is an unauthorized use of the Roberto Clemente trademark and name, and is an imitation of Ciudad Deportiva Roberto Clemente, making the infringement even more blatant. A31.

Finally, the District Authority endorsed H.R. 489, asked to be the entity that develops the administration of the projects carried out in the Roberto Clemente Sports District and recommended itself to be responsible for the planning and organization of the Roberto Clemente Sports District, which will perpetually infringe the Roberto Clemente trademark. All of the Authority's requests were granted and, as a part of the comprehensive scheme here, the Authority receives,

from Puerto Rico, an annual income of one hundred and fifty thousand dollars (\$150,000.00) from the monies the Commonwealth collected through the unauthorized sale of the Roberto Clemente trademark in license plates and vehicle registration labels. A25–32. Defendants are not entitled to qualified immunity.

CONCLUSION

This Court should reverse the district court’s judgment and remand the case for further proceedings.

Dated: March 4, 2024.

Respectfully submitted,

s/ Wencong Fa

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CERTIFICATE OF COMPLIANCE

I hereby certify that this document complies with this Court's order granting Appellants leave to file an oversized brief because, excluding the parts of the document exempted by Fed. R. App. P. 32(f), this document contains 14,289 words. This document complies with the typeface requirements of Fed. R. App. P. 32(a)(5) and the type-style requirements of Fed. R. App. P. 32(a)(6).

Dated: March 4, 2024.

s/ Wencong Fa
Wencong Fa
Counsel for Appellants

CERTIFICATE OF SERVICE

I hereby certify that on March 4, 2024, I submitted the foregoing motion to the Clerk of the Court via the CM/ECF system, which served those documents on all counsel of record.

s/ Wencong Fa

Wencong Fa

Counsel for Appellants