

No. 25-

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IN THE  
**Supreme Court of the United States**

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CLEMENTE PROPERTIES, INC., *et al.*,

*Petitioners,*

*v.*

PEDRO R. PIERLUISI-URRUTIA,  
GOVERNOR OF PUERTO RICO, *et al.*,

*Respondents.*

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

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**PETITION FOR A WRIT OF CERTIORARI**

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TANAIRA PADILLA-RODRIGUEZ  
Avenue Ponce de León 1225  
VIG Tower, Suite 1500  
San Juan, PR 00907  
(787) 620-0527  
tanairapadilla@yahoo.com

WENCONG FA  
*Counsel of Record*  
BEN STORMES  
TRAVIS WOODS  
BEACON CENTER OF TENNESSEE  
54 Music Square East,  
Suite 125  
Nashville, TN 37203  
(615) 383-6431  
wen@beacontn.org

*Counsel for Petitioners*

## QUESTIONS PRESENTED

Puerto Rico took the trademark of baseball legend Roberto Clemente to generate roughly 15 million dollars in revenue. The Fifth Amendment protects property “without any distinction between different types.” *Horne v. Department of Agriculture*, 576 U.S. 350, 358 (2015). But the First Circuit refused to apply *per se* principles that would ordinarily apply to an appropriation of a property right—all because the Clementes are seeking redress for a taking of their *intangible* property rights. The First Circuit endowed Puerto Rico with the sovereign immunity of the States and held that the Lanham Act did not properly abrogate that immunity—even though “it is difficult to see how the same inherent sovereign immunity that the States enjoy in federal court would apply to Puerto Rico.” *Fin. Oversight & Mgmt. Bd. for Puerto Rico v. Centro de Periodismo Investigativo, Inc.*, 598 U.S. 339, 354 (2023) (Thomas, J., dissenting).

The questions presented are:

1. Whether the Fifth Amendment exempts intangible property from the *per se* rules that govern takings of tangible property.
2. Whether Puerto Rico enjoys any form of immunity from suit in federal court and, if so, whether the Lanham Act abrogates that immunity.

## **PARTIES**

Petitioners, plaintiffs-appellants below, are Clemente Properties, Inc., 21 In Right, Inc., Roberto Clemente Jr., Luis Roberto Clemente, and Roberto Enrique Clemente. Respondents, defendants-appellees below, are 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; Franciso Parés Alicea, Secretary of the Department of the Treasury, in his official and individual capacity; Ray J. Quioñes-Vázquez, Secretary of the Department of Sports and Recreation, in his official and individual capacity.

The Puerto Rico Convention Center District Authority was a defendant-appellee in the proceedings below. Petitioners believe the District Authority has no interest in the outcome of this petition and has provided the notice required by Rule 12.6.

**CORPORATE DISCLOSURE STATEMENT**

Pursuant to Supreme Court Rule 29.6, Petitioners certify that Clemente Properties, Inc. and 21 In Right, Inc. have no parent corporations and no publicly held company owns 10% or more of the stock of either entity. Petitioners Roberto Clemente Jr., Luis Roberto Clemente, and Roberto Enrique Clemente are natural persons.

**STATEMENT OF RELATED PROCEEDINGS**

The proceedings in the federal district and appellate courts identified below are directly related to the above-captioned case in this Court.

*Clemente Properties, Inc., et al. v. Pierluisi-Urrutia, et al.*, No. 3:22-cv-01373-GMM (D.P.R. Sept. 22, 2023).

*Clemente Properties, Inc., et al. v. Pierluisi-Urrutia, et al.*, No. 23-1922 (1st Cir. Jan. 16, 2026).

*Clemente Properties, Inc., et al. v. Pierluisi-Urrutia, et al.*, No. 23-1922 (1st Cir. Feb. 25, 2026) (en banc).

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## PETITION FOR A WRIT OF CERTIORARI

Roberto Clemente is a baseball legend. Known for his work on and off the field, Clemente accrued his 3,000th hit in September 1972. Three months later, he died in a plane crash while delivering aid to earthquake victims in Nicaragua. Petitioners—the adult sons of Roberto Clemente and their companies—have used the Roberto Clemente trademark to protect their father’s legacy.

Puerto Rico took the trademark for itself. It forced Puerto Rico motorists to pay for the Roberto Clemente trademark imprinted on license plates and tags, generating 15 million dollars for Puerto Rico and resentment toward the Clementes—who Puerto Ricans thought were to blame for a fee levied on them during dire economic times. To make matters worse, Puerto Rico intends to use the money to create a Roberto Clemente Sports District, an unauthorized imitation of a sports district that Clemente himself created long ago.

The First Circuit dismissed the Clementes’ takings claim because it held that *per se* taking rules—which this Court routinely applies in cases involving government appropriation of property—could not apply because the property here is intangible. The panel also held that Puerto Rico officials could not be liable in their official capacities because Puerto Rico had the same sovereign immunity as the states, and the Lanham Act did not properly abrogate that immunity.

Both issues are worthy of this Court’s review. *First*, this Court has never resolved whether *per se* rules that apply to “classic takings” of property cease to exist when

the property the government has taken is intangible. This Court's recent *per se* cases involved tangible property. See *Cedar Point Nursery v. Hassid*, 594 U.S. 139, 143 (2021); *Horne*, 576 U.S. at 354. And its earlier decision in *Ruckelshaus v. Monsanto Co.*, 467 U.S. 986 (1984), has been interpreted in different ways by different jurists. Conflicting decisions from the First Circuit, the Federal Circuit, and the Texas Supreme Court underscore the confusion on a question of undeniable importance. Left unanswered, the First Circuit's ruling would invite government to take trademarks on demand—checked only by a multi-factor balancing test that allows government to destroy much in value and pay nothing in return.

The Fifth Amendment protects both tangible and intangible property, *Monsanto*, 467 U.S. at 1003, “without any distinction between different types.” *Horne*, 576 U.S. at 358. The government may not appropriate a right to exclude without triggering a *per se* requirement of compensation. *Cedar Point*, 594 U.S. at 149. And that right is even more important in the context of trademarks. A trademark reflects its owner's right to exclusive use, so a mark that “all are free to use cannot be a trademark.” *Application of Deister Concentrator Co.*, 289 F.2d 496, 501 n.5 (C.C.P.A. 1961).

This Court should also resolve the immunity issue it reserved three years ago. See *Fin. Oversight & Mgmt. Bd. for Puerto Rico v. Centro de Periodismo Investigativo, Inc.*, 598 U.S. 339, 346 & n.2 (2023). “[I]t is difficult to see how the same inherent sovereign immunity that the States enjoy in federal court would apply to Puerto Rico.” *Id.* at 354 (Thomas, J., dissenting). Puerto Rico is a territory. Although it “may retain common-law sovereign immunity

against claims raised in its own courts under its own local laws,” it cannot rely on immunity to shield it from “a suit in federal court based on federal law.” *Ngiraingas v. Sanchez*, 495 U.S. 182, 205 (1990) (Brennan, J., dissenting). At a minimum, the Lanham Act abrogated Puerto Rico’s common law immunity when it provided a clear statement that the Act waives the sovereign immunity of the United States, 15 U.S.C. § 1122(a), which includes territories like Puerto Rico. *See id.* § 1127.

This case presents the Court with an excellent vehicle to address an important question. This case, unlike *Fin. Oversight & Mgmt. Bd.*, allows the Court to resolve Puerto Rico’s immunity in a case in which Puerto Rico is a party. 598 U.S. at 346 n.2. Citizens in all fifty states know when they can take their government to federal court to redress violations of federal law. Puerto Ricans deserve the same kind of certainty.

### **OPINIONS BELOW**

The court of appeals’ order denying Respondents’ petition for rehearing and rehearing en banc (App. 164a–165a) is unpublished. The panel opinion of the court of appeals (App. 1a–94a) is reported at 165 F.4th 1. The opinion of the district court (App. 95a–161a) is reported at 693 F.Supp.3d 215.

### **JURISDICTION**

The United States Court of Appeals for the First Circuit entered judgment on January 16, 2026, and issued an order denying Respondents’ motion for rehearing and rehearing en banc on February 25, 2026. Justice Jackson

granted an extension to file the Petition for Certiorari to June 25, 2026. This Court’s jurisdiction rests on 28 U.S.C. § 1254(1).

### **CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED**

The Fifth Amendment to the U.S. Constitution provides, “nor shall private property be taken for public use, without just compensation.” U.S. Const. amend. V.

Article IV, Section III of the U.S. Constitution provides, “The 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.”

The Lanham Act specifies that “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, shall not be immune from suit in Federal or State court by any person, including any governmental or nongovernmental entity, for any violation under this chapter.” 15 U.S.C. § 1122(a). The Act further provides that, unless the contrary is plainly apparent from context, “[t]he United States includes and embraces all territory which is under its jurisdiction and control.” 15 U.S.C. § 1127.

## 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. Amended Complaint ¶ 3.2. Over his nearly two decades with the Pittsburgh Pirates, Clemente amassed 3,000 hits and became the first Latin-American player inducted into the National Baseball Hall of Fame. *Id.*; App. 4a.

Clemente was also a champion of humanitarian causes. App. 4a. In 1972, Clemente died in a plane crash while en route to deliver aid to earthquake victims in Nicaragua. *Id.* For the past 54 years, his widow (who passed away before the events in this case) and their three adult sons—Petitioners Roberto Clemente Junior, Luis Roberto Clemente, and Roberto Enrique Clemente—have worked tirelessly to protect Roberto Clemente’s legacy and support the causes he believed in. *Id.*

To that end, the Clementes control two corporations, Petitioners Clemente Properties, Inc. and 21 In Right, Inc., which help to protect the Roberto Clemente trademark, safeguard his legacy, and promote his philanthropy.<sup>1</sup> *Id.*

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1. For ease of reference, this petition refers to Petitioners Roberto Clemente Junior, Luis Roberto Clemente, and Roberto Enrique Clemente as “the Clementes” and all Respondents as “Puerto Rico.” The brief also uses “trademark” to denote “trademark, name, image, and likeness” unless context indicates otherwise.

The Clementes have diligently protected the mark—which has been in use since 1955—from misuse. Amended Compl. ¶¶ 3.3, 3.18–3.19. Clemente Properties registered the trademark with the United States Patent and Trademark Office, and 21 In Right licenses the mark. App. 4a. The Clementes retained the services of a leading intellectual property management agency, CMG Worldwide, Inc., to remedy unauthorized use of the Roberto Clemente mark. ¶ 3.19. The agency recently secured the domain name RobertoClemente.com from an unauthorized user. *Id.* ¶ 3.20. These efforts have maintained the value of the Roberto Clemente trademark, which is now routinely licensed for events, products, awards, and more. *Id.* ¶ 3.14. For instance, the Clementes use the trademark for the Roberto Clemente Foundation and the Roberto Clemente Museum in Pittsburgh to protect Roberto Clemente’s legacy and continue his humanitarian work. *Id.* ¶ 3.13.

## **II. Puerto Rico’s Trademark Theft**

In 2021, Puerto Rico enacted two resolutions that allowed it to use the Roberto Clemente trademark without the Clementes’ permission. App. 6a–7a. Resolution No. 16 forced Puerto Ricans acquiring a new license plate in 2022 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.” App. 6a. Resolution No. 17 added a mandatory \$5 surcharge to registration tags issued in 2022 in return for an image (featured in the tag) that commemorated the 50-year anniversary of Clemente’s 3,000th hit. *Id.* The plate and tag included an image of Roberto Clemente; the words “Clemente,” “anniversary,” and “3000 hits”;

and the numbers “21” and “50.” *Id.* The Department of Transportation issued vehicle permits that referred to a Roberto Clemente fund, which is not associated with the Clemente family, next to the \$5 charge. Amended Compl. ¶ 3.39. The Resolutions placed the money into a Roberto Clemente Sports District Fund, which the Department of Treasury administers for the exclusive use of the Department of Sports and Recreation. App. 6a–7a.<sup>2</sup>

These laws shocked the Clementes, who have been opposed to the fees imposed by Resolutions 16 and 17—particularly when many people in Puerto Rico were going through hard economic times. Amended Compl. ¶ 3.46. They proposed funding Ciudad Deportiva (a sports park created by Roberto Clemente himself) 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 that they never authorized the government to use Roberto Clemente’s trademark in license plates or registration labels. *Id.* ¶ 3.52. Ignoring the Clementes’ pleas, the Governor signed the resolutions into law. *Id.* ¶¶ 3.54–3.55. Puerto Rico’s unauthorized use of the Roberto Clemente trademark netted the government 15 million dollars. *Id.* ¶ 3.110. None of it went to the Clementes.

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2. Puerto Rico claims that it will create the Roberto Clemente Sports District to honor the memory of Roberto Clemente. But the Clementes have made it clear to government officials that they oppose Puerto Rico’s creation of the district, ¶¶ 3.84–3.85, which would be an unauthorized use of the Clemente trademark for a replica of Ciudad Deportiva Roberto Clemente.

Even worse, Puerto Rico tarnished the Roberto Clemente trademark. Confused Puerto Ricans now resented the Clementes for contributing to the impoverishment of Puerto Rico by collecting money during the 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. *Id.* ¶¶ 3.45–3.47. And the trademark has become embroiled in the dispute between the government and the Clementes—one that the Clementes sought to avoid through private discussions with the Governor’s office. *Id.* ¶ 3.99. All in all, Puerto Rico’s misuse of the Clemente trademark hinders the Clementes’ ability to do business, generate income, and protect Roberto Clemente’s legacy. *Id.* ¶¶ 3.103, 3.108.

### III. Proceedings below

The Clementes sued in the United States District Court for the District of Puerto Rico. As relevant here, the Clementes asserted that Puerto Rico’s appropriation of the Roberto Clemente trademark violated the Takings Clause of the Fifth Amendment and several provisions of the Lanham Act. The Clementes sought monetary relief against Puerto Rico and its officials in both their individual and official capacities.<sup>3</sup>

The district court dismissed. The court first noted that it was bound by First Circuit precedent extending

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3. The Authority, the Secretary of the Department of Sports and Recreation, and the other Puerto Rico officials separately moved to dismiss, *see* Dkt. 36, 38, 42, which the Clementes opposed in separate responses. *See* Dkt. 44, 45, 53.

the doctrine of state sovereign immunity to Puerto Rico. App. 117a–18a. The court held that the Clementes’ claims could not go forward against Respondents in their official capacities because it thought that neither the Lanham Act nor the Takings Clause abrogates Puerto Rico’s sovereign immunity. App. 119a–24a, 147a. And the court refused to allow the Clementes’ claims against Respondents in their personal capacities to proceed because the court held that the Clementes didn’t allege a plausible violation of the Fifth Amendment or the Lanham Act. App. 155a. As for the Lanham Act claims, 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.” App. 136a (citing *Walker v. Texas Div., Sons of Confederate Veterans, Inc.*, 576 U.S. 200 (2015)). The court also thought the Clementes’ takings claim could be “easily dismissed.” App. 147a. In a single sentence of analysis, the court reasoned that Puerto Rico’s unauthorized use of the Clemente trademark did not “deprive Plaintiffs of any use of their trademarks” since “Plaintiffs remain free to use their trademarks as they wish.” App. 148a.

The First Circuit affirmed in part and reversed in part. As relevant here, the panel affirmed dismissal against Respondents in their official capacities. The court held that it was bound by circuit precedent that Puerto Rico “has [sovereign] immunity to suits in federal court equal to that of the states.” App. 66a–67a. It also rejected the Clementes’ claim that Section 1122(a), which waives sovereign immunity for the United States and “all territory which is under its jurisdiction and control,” 15 U.S.C. § 1127, waived Puerto Rico’s immunity. App. 77a–82a. Instead, the panel held that it was “more

plausible that Puerto Rico's covered by Section 1122(b)," App. 82a, which waives the immunity of "[a]ny state." 15 U.S.C. § 1122(b).

The panel affirmed dismissal of the takings claim. As the court noted, this Court's precedents distinguish between "physical takings and regulatory takings." App. 55a (citing *Tahoe-Sierra Pres. Council, Inc. v. Tahoe Reg'l Plan. Agency*, 535 U.S. 302, 321 (2002)). Physical takings, which occur when "government physically takes possession of an interest in property for some public purpose," trigger "a categorical duty to compensate the former owner" and "can be resolved via the straightforward application of *per se* rules." App. 55a (quotation marks omitted). "By contrast, regulatory takings generally involve ad hoc, factual inquiries that allow careful examination and weighing of all the relevant circumstances." App. 55a (quotation marks omitted); *see also Penn Cent. Transp. Co. v. City of New York*, 438 U.S. 104, 124 (1978). A less common type of regulatory taking, which also triggers a categorical duty to compensate, occurs where a "regulation denies all economically beneficial or productive use" of the plaintiff's property. App. 56a (citing *Lucas v. S.C. Coastal Council*, 505 U.S. 1003, 1015 (1992)).

The panel rejected the Clementes' argument that Puerto Rico's appropriation of the Clemente trademark triggered Puerto Rico's categorical duty to pay just compensation. As the panel saw it, "infringement of intangible intellectual property" could not "be analyzed using the same categorical approach as takings involving the physical possession or occupation of property." App. 58a. It reasoned that "intrusion onto [physical] property . . . ousts the property owner of their rights in a way

that infringement of intangible property does not.” App. 58. The panel was not persuaded by the Clementes’ argument that Puerto Rico’s appropriation of their trademark destroyed their right to exclude and amounted to a *per se* taking under this Court’s precedent in *Cedar Point Nursery v. Hassid*, 594 U.S. 139 (2021). The panel acknowledged the argument’s “first-blush allure,” App. 59a, but thought it “conceptually meaningful that as long as an organizer was physically present on the property, it meant that the owners could not use or occupy whatever square foot of land that organizer’s boots were planted on.” App. 61a. The panel refused to apply *per se* rules in this case because “the property is intangible.” App. 61a.<sup>4</sup>

The panel reversed other portions of the district court’s decision. The court held that the Clementes pled a plausible violation of several provisions of the Lanham Act. App. 15a–53a. The panel concluded (over a partial dissent) that Respondents waived any argument on qualified immunity because they failed to raise it when they moved to dismiss. *See* App. 83a–87a. It remanded the case to the district court so that the Clementes could press their case against Respondents in their individual capacities. Respondents petitioned the First Circuit for rehearing, which the court summarily denied. App. 165a.

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4. The panel saw no need to decide the immunity issues given its resolution of the takings claims on the merits. App. 54a.

**REASONS FOR GRANTING THE PETITION**

- I. The Panel’s Conclusion That There Can Never be a Categorical Taking of Intangible Property Exacerbates Confusion Among Lower Courts on an Important Issue That is Squarely Presented in This Case**
  - A. This Case Presents a Question That Has Perplexed Lower Courts and That This Court Has Not Conclusively Resolved**

This Court has never resolved whether owners of intangible property can assert *per se* takings claims under the Fifth Amendment. In *Ruckelshaus v. Monsanto Co.*, the Court held that the government’s use and disclosure of trade secrets could constitute a taking under the Fifth Amendment. 467 U.S. 986, 1016 (1984). Although trade secrets were “admittedly intangible,” this Court recounted that it has found many “other kinds of intangible interests to be property for purposes of the Fifth Amendment’s Taking Clause.” *Id.* at 1003 (listing liens and contracts as examples). And the Court emphasized that treating trade secrets as property protected by the Fifth Amendment “is consonant with a notion of property that extends beyond land and tangible goods and includes the products of an individual’s [labor] and invention.” *Id.* (quotation marks omitted).

After concluding that Monsanto had a property interest in the data it had submitted to the EPA, this Court confronted the question of whether the EPA’s use and disclosure of the data constituted a taking. *See id.* at 1004. Although this Court recited the *Penn Central* factors, it

held that the force of one factor was so overwhelming that it disposed of the entire takings claim. *Id.* at 1005.

From 1972 to 1978, the statute prohibited the EPA from disclosing or considering trade secrets from applicants such as Monsanto. *See id.* at 1010–11. This formed the basis of a reasonable investment-backed expectation over Monsanto’s trade-secret data, which EPA would frustrate with use or disclosure. *Id.* at 1011. This Court rejected the notion—now common in regulatory takings cases—that there could be no taking because Monsanto held residual value in its data even after they are disclosed. *See id.* at 1012 (noting that it was “irrelevant” that Monsanto could still use data as bases from which to develop new products or refine old products, as marketing and advertising tools, or as information necessary to obtain registration in foreign countries). Instead, what mattered was that “the right to exclude others is central to the very definition of the property interest” in a trade secret. *Id.* at 1011. The holder thus loses his property interest once the secret is divulged or others are allowed to use it. *Id.* *Monsanto* has confused judges. The panel below thought that it called for a multi-factor balancing test to analyze whether the appropriation of intangible property works a taking. *See* App. 64a (concluding that *Monsanto* analyzed a trade secrets-based claim under the *Penn Central* factors). As another judge saw it, *Monsanto*’s analysis “mirror[ed] a per se takings analysis.” *Philip Morris, Inc. v. Reilly*, 312 F.3d 24, 51 n.26 (1st Cir. 2002) (Selya, J., concurring).

This Court’s more recent cases have not conclusively resolved the question. In *Horne v. Department of Agriculture*, this Court held that a law requiring growers to set aside a portion of their crops for the government

constituted a *per se* taking. 576 U.S. 350, 354, 361 (2015). The Court reinforced “the longstanding distinction between government acquisitions of property and regulations.” *Id.* at 361 (quotation marks omitted). Where the government appropriates (rather than regulates) property, it works a “*per se* taking that requires just compensation.” *Id.* at 358. Citing a precedent involving an alleged appropriation of a patent, this Court rejected the notion that “personal property was any less protected against physical appropriation than real property.” *Id.* at 359 (citing *James v. Campbell*, 104 U.S. 356, 358 (1882)). Instead, the Takings Clause “protects ‘private property’ without any distinction between different types.” *Id.* at 358.

In *Cedar Point Nursery v. Hassid*, this Court held that a regulation requiring agricultural employers to allow union organizers intermittent access onto their property constituted a *per se* taking. 594 U.S. 139, 143, 152 (2021). The Court again distinguished between government appropriation of “private property for itself or a third party” and “regulations that restrict an owner’s ability to use his own property.” *Id.* at 148. “Whenever a regulation results in a physical appropriation of property, a *per se* taking has occurred, and *Penn Central* has no place.” *Id.* at 149. This Court emphasized that it has “long treated government-authorized physical invasions as takings requiring just compensation” *because* of “the central importance to property ownership of the right to exclude.” *Id.* at 150. What mattered was that the growers would have had the right to exclude union organizers without the regulation, and the regulation took that right from the growers. The logic of *Horne* and *Cedar Point* would afford *per se* treatment to government appropriation

of intangible property—particularly where it destroys the owner’s right to exclude. The panel below, however, thought *Horne* and *Cedar Point* should be cabined to cases involving tangible property. App. 58a.

1. The panel decision exacerbates confusion among lower courts of last resort. As reflected in the decision below, the **First Circuit** now recognizes a “meaningful difference” between government appropriation of tangible and intangible property. App. 60a–61a. Although the panel below recognized that the Takings Clause protects both forms of property, App. 63a, it held that *per se* rules were categorically inapplicable to takings involving intangible property. App. 63a–64a.

Judge Selya would have disagreed with that conclusion. *Philip Morris, Inc. v. Reilly*, 312 F.3d 24, 51 (1st Cir. 2002) (Selya, J., concurring). He saw “no principled reason to refrain from extending *per se* takings analysis to alleged takings” of intangible property. *Id.* (trade secrets). Although this Court discussed the *Penn Central* factors in concluding that there was a taking in *Monsanto*, its “actions speak louder than words.” *Id.* at 51 n.26. The *Monsanto* Court’s analysis “mirror[ed] a *per se* takings analysis” because once it found that the “trade secret holder possessed a reasonable investment-backed expectation in its trade secrets, the Court determined that such a taking, if not justly compensated, would be unconstitutional.” *Id.* In Judge Selya’s view, confining “*per se* takings analysis to cases involving real property” establishes “a crude boundary with no compelling basis in the law.” *Id.* at 51.

Like the panel below, the **Supreme Court of Texas** bars intangible property owners from prevailing on a *per se* takings claim. See App. 58a–61a. In *Jim Olive Photography v. University of Houston System*, that court rejected a professional photographer’s claim that a university’s infringement of his copyright amounted to a *per se* taking. 624 S.W.3d 764, 768, 777 (Tex. 2021). The court interpreted *Monsanto* as applying a “multi-factor regulatory taking analysis to determine that a federal statute” effected a taking. *Id.* at 773. The court distinguished this Court’s *per se* taking precedents by positing that they involved “tangible property where rights are more closely bound to the physical thing.” *Id.* at 774. Because the government “does not take possession or control of, or occupy,” a copyright, the court thought it impossible to apply the *per se* taking doctrine in cases of copyright infringement. *Id.*; see also *id.* at 776 (concluding that “copyright is nonrivalrous, meaning that another person can use it without simultaneously depriving anyone else of its use”) (quotation marks omitted).

2. The **Federal Circuit** takes a different view. In *King v. United States*, the court held that a law that reduced the plaintiffs’ pension benefits did not work a taking. 151 F.4th 1348, 1351 (Fed Cir. 2025). In discussing *per se* takings, the court distinguished between “[p]hysical or intangible personal property on the one hand, and third-party contract rights on the other.” *Id.* at 1360. Thus, while the court ruled against the plaintiffs because their case involved the “modification of contractual obligations owed by third parties,” it suggested that the *per se* test would apply in cases involving “the government’s appropriation of specific physical or intangible property for its own use or the use of others.” *Id.* at 1362.

## B. The Fifth Amendment Does Not Exempt Intangible Property from Per Se Takings Rules

The Fifth Amendment protects property “without any distinction between different types.” *Horne v. Department of Agriculture*, 576 U.S. 350, 358 (2015). As this Court has explained, property owners do not lose their Fifth Amendment rights merely because the property they own is intangible. *See Monsanto*, 467 U.S. at 1003 (collecting cases).

The first step in the takings analysis is discerning whether government is “appropriating private property” or merely regulating its use. *Cedar Point Nursery v. Hassid*, 594 U.S. 139, 148 (2021). A court must balance different factors to determine “whether a use restriction effects a taking.” *Id.* (citing *Penn Central*, 438 U.S. at 124). By contrast, government appropriation of private property trigger “a simple, *per se* rule: The government must pay for what it takes.” *Id.*

There is no reason why *per se* taking rules cannot cover takings of intangible property. Government may just as easily take rights in intangible property as it may do so in tangible property. *See id.* at 158 (“[A]ppropriation” means “*taking* as one’s own”) (citing 1 Oxford English Dictionary 587 (2d ed. 1989)) (emphasis in original). This case is a prime example. Trademark owners establish their trademarks through use, *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 413 (1916), and thus possess a valuable property interest in maintaining the goodwill that they have built through their work. *See McLean v. Fleming*, 96 U.S. 245, 252 (1877). This endeavor is dependent on the ability of a trademark owner to exclude

others from using his mark. *See id.* “If the law will not protect one’s 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.” *Application of Deister Concentrator Co.*, 289 F.2d 496, 501 n.5 (C.C.P.A. 1961); *see also Monsanto*, 467 U.S. at 1011 (“[T]he right to exclude” is also “central” to a trade secret). Whenever “a person uses another’s mark, the owner is robbed of the fruits of the reputation that he had successfully labored to earn.” *Vidal v. Elster*, 602 U.S. 286, 306 (2024) (citation omitted).

Here, the Clementes have worked for decades to maintain the goodwill that their father built through athletic achievement and humanitarian work. Puerto Rico took advantage of that goodwill—making roughly 15 million dollars from its year-long campaign to sell the Roberto Clemente trademark. App. 49a. Puerto Rico’s use of the Clemente mark also harmed the Clementes. Angry Puerto Ricans resented the fees and thought (incorrectly) the Clementes were to blame. App. 7a–8a. Puerto Rico’s actions constitute an appropriation of the Clementes’ property rights. No one can seriously dispute that the Clementes had a right to exclude others from using their registered mark and that Puerto Rico enacted resolutions that took that right from them. *See Cedar Point*, 594 U.S. at 155.

By contrast, one could not portray Puerto Rico’s appropriation of the Clemente trademark as a use restriction without “us[ing] words in a manner that deprives them of all their ordinary meaning.” *Nollan v. California Coastal Comm’n*, 483 U.S. 825, 831 (1987). A classic example of a use *restriction* limits what a property

owner can do with her property in efforts to curtail some purported harm. *See Penn Cent. Transp. Co.*, 438 U.S. at 117–18 (preventing the construction of an office tower to preserve a landmark). Here, however, Puerto Rico is itself *using* the Roberto Clemente trademark so that it can benefit from the goodwill that Clemente and his family generated through decades of work.

History confirms that the government may work a *per se* taking of intangible property. All agree that the Fifth Amendment protects tangible and intangible property rights alike. *See Monsanto*, 467 U.S. at 1003. This Court’s *per se* takings doctrine is “as old as the Republic.” *Tahoe-Sierra Pres. Council, Inc. v. Tahoe Reg’l Plan. Agency*, 535 U.S. 302, 322 (2002). Its regulatory takings jurisprudence “is of more recent vintage.” *Id.* Thus, a rule that takings of intangible property are categorically exempt from *per se* rules would mean that the Fifth Amendment protected only tangible property until the 20th century. Not so. In *Monongahela Navigation Co. v. United States*, this Court held that a “vested franchise to receive tolls for its use” was “as much a vested right of property as the ownership of the tangible property.” 148 U.S. 312, 344–45 (1893). Thus, “just compensation requires payment for the franchise to take tolls, as well as for the value of the tangible property.” *Id.* at 345. In *West River Bridge Company v. Dix*, the Court observed that a distinction between an appropriation of corporeal (tangible) property and the like power in government to extinguish intangible property “ha[d] no foundation in reason.” 47 U.S. 507, 533–34 (1848). No historical basis exists for the First Circuit’s conclusion that takings of “intangible intellectual property” could not “be analyzed using the same categorical approach as takings involving

the physical possession or occupation of property.” App. 58a

In holding that *per se* rules are categorically inapplicable in cases involving intangible property, the decision below veered off course in many places. The panel concluded that this Court’s *per se* takings cases “emphasize[] the unique nature of a property owner’s rights over physical property and of any physical possession or intrusion onto such property, which ousts the property owner of their rights in a way that infringement of intangible property does not.” App. 58a. In support, the panel cited a Texas Supreme Court decision, which the panel took to explain “how the ‘nonrivalrous’ nature of copyright undermines any analogy between state copyright infringement and physical takings cases.” App. 58a–59a (citing *Jim Olive Photography*, 624 S.W.3d at 776). But the scholarship that the Texas Supreme Court relies on for that conclusion refutes the conclusion that only owners of physical property can assert a *per se* taking. See Thomas F. Cotter, *Do Federal Uses of Intellectual Property Implicate the Fifth Amendment?*, 50 Fla. L. Rev. 529, 562–63 (1998). As the author acknowledges, some forms of intellectual property, such as the right of a celebrity to “market her image under the right of publicity” or “the right to protect one’s trademark from dilution” may be at least somewhat rivalrous because they “depend[] in part upon the exclusive nature of that right” *Id.* at 563 & n.206.

In any event, no basis exists for fixating on “physical property” and “physical possession.” *But see* App. 58a. The Takings Clause protects rights, not things. See *United States v. General Motors Corp.*, 323 U.S. 373,

377–78 (1945); *see also id.* at 378 (the Takings Clause protects “every sort of interest the citizen may possess.”). Government appropriation of an easement, for example, constitutes a *per se* taking even if “no particular individual is permitted to station himself permanently upon the premises.” *Nollan*, 483 U.S. at 832. Because the taking of an easement destroys the owner’s *right* to exclude, this Court has never suggested that takings of easements would be subject to a multi-factor balancing test only if those who were allowed access declined to enjoy them. The reasoning behind this Court’s *per se* takings cases can easily be applied in cases involving intangible property. Indeed, the government’s destruction of the right to exclude may sometimes cause more harm to owners of intangible property. A small, sporadically used easement on the side of a massive, uninhabited property might do little to deprive the owner of her use. But whenever “a person uses another’s mark,” he robs the owner “of the fruits of the reputation that he had successfully labored to earn.” *Vidal*, 602 U.S. at 306.

The panel took the view that destruction of the right to exclude only constitutes a *per se* taking when it destroys the owner’s entire bundle of property rights. App. 58a–59a. This Court’s cases say otherwise. Both the dissent and the Ninth Circuit’s (later overruled) decision in *Cedar Point* asserted that the plaintiffs “undermine[d] their contention that the access regulation effects a taking because they only allege that the regulation affects ‘one strand of the bundle’ of property rights.” *Cedar Point Nursery v. Shiroma*, 923 F.3d 524, 533 (9th Cir. 2019); *see also Cedar Point*, 594 U.S. at 172 (Breyer, J., dissenting) (concluding that “a taking is not inevitably found just because the interference with property . . . affects the right

to exclude.”). But this Court held that the “right to exclude falls within the category of interests that the Government cannot take without compensation.” *Id.* at 151 (majority opinion) (quotation marks and brackets omitted).<sup>5</sup>

*Monsanto* does not call for a different result. Although that decision recited the balancing factors, this Court ended its analysis once it found a protected trade secret and that the statutory assurances of confidentiality gave rise to reasonable investment-backed expectations. 467 U.S. at 1012–13. This Court’s analysis turned not on a multi-factor balancing test, but on the destruction of a core property right—the right to exclude others from valuable proprietary information. *Id.* Here, too, this Court’s analysis can begin and end with the government’s destruction of a core property right for trademarks: the right to exclude others from using the mark.

In the end, the decision below rests on a distinction between tangible and intangible property that this Court’s precedents have never recognized. The panel’s decision impermissibly relegated intangible property rights to second-tier status. The Takings Clause, however, protects private property “without any distinction between different types.” *Horne*, 576 U.S. at 358. This Court should reverse.

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5. The panel’s premise that Puerto Rico’s appropriation of the trademark did not affect the Clementes’ use strains credulity. A trademark holder possesses a right to *exclusive* use of a trademark. Puerto Rico’s destruction of that right tarnished the mark and obliterated the goodwill that the Clementes have worked to build for decades.

**C. The Issue Presented is Important and This Case is an Excellent Vehicle for Addressing It**

The issue presented is important. Trademarks protect an individual’s “right to the continued enjoyment of his trade reputation and the goodwill that flows from it.” *Hanover Star Milling Co.*, 240 U.S. at 413; *see also Park ‘N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 198 (1985) (trademarks “secure to the owner of the mark the goodwill” of her business). This makes trademarks a valuable form of property. One recent study put the value of the median trademark at over \$20 million. Pranav Desai et al., *The Value of Trademarks 2* (2025). The decision below invites government to act like an unaccountable rival to businesses and nonprofits by appropriating valuable trademarks because it can do so without triggering a categorical duty to compensate the trademark owner.

The technical availability of a *Penn Central* claim provides little comfort to trademark owners. The Ninth Circuit has “observed that diminution in property value because of governmental regulation ranging from 75% to 92.5% does not constitute a taking.” *Colony Cove Properties, LLC v. City of Carson*, 888 F.3d 445, 451 (9th Cir. 2018). The Federal Circuit is “aware of no case in which a court has found a taking where diminution in value was less than 50 percent.” *CCA Assocs. v. United States*, 667 F.3d 1239, 1246 (Fed. Cir. 2011) (citation omitted). Under the *Penn Central* test, trademark holders could lose millions in value and not receive a penny in compensation.

The issue is cleanly presented. The panel below was squarely confronted with the claim that Puerto Rico’s

appropriation of the Clemente trademark constituted a *per se* taking. App. 57a–58a. The Clementes argued that there was no need for the panel to resort to a multi-factor balancing test because Puerto Rico appropriated the Roberto Clemente trademark for itself and destroyed the Clementes’ right to exclude. App. 57a. The panel agreed that the Takings Clause protects intangible property. App. 63a. As the panel saw it, however, this Court’s *per se* takings cases concern the “unique nature of a property owner’s rights over physical property and of any physical possession or intrusion onto such property, which ousts the property owner of their rights in a way that infringement of intangible property does not.” App. 58a. The panel thus affirmed the district court’s dismissal of the takings claim solely because it disagreed with Petitioners on the issue presented.

This case involves the most egregious form of trademark theft. Puerto Rico appropriated the trademark pursuant to laws it enacted and sold the trademark for 15 million dollars over the course of a year. Thus, to the extent that there’s any difference, Puerto Rico’s misconduct was not an “isolated instance[] of infringement” but instead systematic “infringement that prevented the trademark owner from exercising their right to exclude.” App. 62a n.32.

That right is particularly important for trademark holders. “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.*, 289 F.2d 496, 501 n.5 (C.C.P.A. 1961). This is particularly true here because this case involves the trademark of

an international sports and humanitarian hero: Roberto Clemente. The “connection between a trademark and reputation is even stronger when the mark contains a person’s name.” *Vidal*, 602 U.S. at 1521–22.

That this case involves a trademark also makes it a superior vehicle because trademarks, unlike copyrights and patents, are property rights exclusively based on the laws of the states and common law. *In re Trade-Mark Cases*, 100 U.S. 82, 93–94 (1879). Trademarks share even more of the features of traditional property rights because they flow from the goodwill inherent in brand names and services engaged in market competition. *See id.* at 94. And trademarks, unlike copyrights and patents, may provide perpetual rights in the mark. *Qualitex Co. v. Jacobson Products Co., Inc.*, 514 U.S. 159, 165 (1995).

There are no procedural hurdles that impede this Court’s review. Although the panel declined to consider whether sovereign immunity could bar a self-executing takings claim, it held that Respondents waived their qualified immunity defense by failing to properly assert it below. App. 86a; *see also* App. 86a & n.45 (“[T]he only argument made regarding the takings claim in [Respondents’] initial motion [to dismiss] was that it was barred by sovereign immunity.”).<sup>6</sup> Thus, regardless of whether this Court grants review to determine whether sovereign immunity shields Respondents from liability in their official capacities, the parties will litigate the claims

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6. To be sure, the panel states that it does not reach qualified immunity with respect to the takings claim, App. 64a, but its reasoning would doubtless lead to the same conclusion that Respondents failed to preserve any qualified immunity defense to the takings claim.

against Respondents in their individual capacities. This Court should grant review so that Petitioners can press their takings claim alongside their statutory claims on remand.

## II. Sovereign Immunity Does Not Bar the Clementes' Claims

### A. Puerto Rico is Not Entitled to Sovereign Immunity

1. As Justice Thomas recently observed, “it is difficult to see how the same inherent sovereign immunity that the States enjoy in federal court would apply to Puerto Rico.” *Fin. Oversight & Mgmt. Bd. for Puerto Rico v. Centro de Periodismo Investigativo, Inc.*, 598 U.S. 339, 354 (2023) (Thomas, J., dissenting).<sup>7</sup> Sovereign immunity “is a fundamental aspect of the sovereignty which the States enjoyed before the ratification of the Constitution.” *Alden v. Maine*, 527 U.S. 706, 713 (1999). Because States “entered the Union with their sovereign immunity intact,” federal courts may not entertain a person’s suit against a state “absent waiver or valid abrogation.” *Virginia Off. for Prot. & Advoc. v. Stewart*, 563 U.S. 247, 253–54 (2011).

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7. Since “the plain text of the Eleventh Amendment applies only to lawsuits brought against a State by citizens of another State,” Justice Thomas has assumed the First Circuit meant the “sovereign immunity that is inherent in the 50 States” when referring to “Eleventh Amendment immunity.” *Fin. Oversight & Mgmt. Bd. for Puerto Rico*, 598 U.S. at 353–54 (Thomas, J., dissenting); *see also* App. 65a–66a n.34 (using sovereign immunity and Eleventh Amendment immunity to refer to the immunity that states enjoy).

Puerto Rico is different. Because Puerto Rico joined the United States as a territory, *Commonwealth of Puerto Rico v. Sanchez Valle*, 579 U.S. 59, 63 (2016), it did not obtain sovereign immunity by being “admi[tte]d into the Union upon an equal footing with the other States.” *Alden*, 527 U.S. at 713. Territories “are not sovereigns distinct from the United States.” *Sanchez Valle*, 579 U.S. at 71 (citation omitted). They are subject to the plenary power of Congress.<sup>8</sup> See *D.C. v. Carter*, 409 U.S. 418, 430 (1973); see also Art. IV, § 3, cl. 2 (allowing Congress to “make all needful Rules and Regulations respecting the Territory . . . belonging to the United States.”).

2. The First Circuit has never articulated any persuasive reason why Puerto Rico is entitled to the same sovereign immunity as the states. Its earlier decisions concluding that Puerto Rico has sovereign immunity offer little reasoning. In *Ezratty v. Com. of Puerto Rico*, the First Circuit concluded, without explanation, that “principles of the Eleventh Amendment” are “fully applicable to the Commonwealth of Puerto Rico.” 648 F.2d 770, 776 n.7 (1st Cir. 1981). A district court case cited by the First Circuit posits that Puerto Rico had immunity from suit before the creation of the Commonwealth. *Ursulich v. Puerto Rico Nat. Guard*, 384 F. Supp. 736, 737 (D.P.R.

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8. 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.*, 598 U.S. at 342–43. 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).

1974). But the cases the court relies on only support a lesser, common law immunity. In *People of Porto Rico v. Rosaly y Castillo*, for example, this Court concluded that Puerto Rico was immune from a lawsuit concerning Puerto Rico law and in a Puerto Rico court. 227 U.S. 270, 273 (1913). But the case said nothing about whether Puerto Rico had sovereign immunity inherent in *state* sovereignty. *Cf. Fin. Oversight & Mgmt. Bd. for Puerto Rico*, 598 U.S. at 346 (reserving the question).

Justice Brennan understood the difference. Dissenting from a holding that territories are not “person[s]” under 42 U.S.C. § 1983, he explained that *Rosaly* stood for the proposition that territories “may retain common-law sovereign immunity against claims raised in [their] own courts under [their] own *local* laws.” *Ngiraingas v. Sanchez*, 495 U.S. 182, 205 (1990) (Brennan, J., dissenting) (emphasis in original). But territories cannot rely on immunity to shield them from “a suit in federal court based on federal law.” *Id.*

In the alternative, Puerto Rico enjoys common law immunity. *Cf. Michigan v. Bay Mills Indian Cmty.*, 572 U.S. 782, 788 (2014) (describing tribal immunity as a “common-law immunity from suit traditionally enjoyed by sovereign powers” as “a necessary corollary to Indian sovereignty and self-governance”) (citations omitted). That common law immunity, which Puerto Rico would be able to assert in federal court, credits the Commonwealth’s “power of local self-determination.” *Ursulich*, 384 F. Supp. at 737. But it also recognizes Congress’s plenary power over territories, *see* Art. IV, § 3, cl. 2, and allows Congress to abrogate that immunity with a clear statement of abrogation. *Cf. Lac du Flambeau Band of Lake Superior*

*Chippewa Indians v. Coughlin*, 599 U.S. 382, 387–88 (2023) (applying clear statement rule in tribal immunity case).<sup>9</sup>

**B. If Puerto Rico has Some Form of Immunity in Federal Court, the Lanham Act Abrogates It**

Even if Puerto Rico had common law immunity from suit in federal court, the Lanham Act provides a clear statement of Congressional intent to abrogate it. That conclusion holds regardless of whether Congress did so in Section 1122(a), which covers the United States, or Section 1122(b), which covers the states.

1. Section 1122(a) abrogates Puerto Rico’s immunity. The statute provides that the United States, which the Lanham Act elsewhere defines as including “all territory which is under its jurisdiction and control,” 15 U.S.C. § 1127, “shall not be immune from suit in Federal or State court” for violations of the Lanham Act. That language makes congressional intent to abrogate immunity “unmistakably clear,” *Lac du Flambeau*, 599 U.S. at 387, and resembles language that, as this Court noted, “could not have been any clearer” in expressing “Congress’s intent to abrogate.” *Fla. Prepaid Postsecondary Educ. Expense Bd. v. Coll. Sav. Bank*, 527 U.S. 627, 635 (1999) (evaluating

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9. All agree that government can’t rely on sovereign immunity to prevent individuals from seeking prospective relief against government officials in their official capacity. *See Ex Parte Young*, 209 U.S. 123 (1908). The panel’s dismissal of the Clementes’ claim for prospective relief rested on a theory of waiver that overlooked the arguments that the Clementes made below. *See* Pltfs’ Opposition at 19–20, *Clemente Props., Inc. v. Pierluisi Urrutia*, ECF No. 45, No. 22-1373 (D.P.R. Feb. 24, 2023).

the language: “Any State . . . shall not be immune, under the eleventh amendment of the Constitution of the United States or under any other doctrine of sovereign immunity, from suit in Federal court”). Thus, federal courts hear Lanham Act cases against the United States. *See, e.g., Trusted Integration, Inc. v. U.S.*, 679 F.Supp.2d 70, 78–79 (D.D.C. 2010).

The panel below agreed that Section 1122(a) unequivocally waives the United States’s immunity, App. 79a, but concluded that it did not clearly abrogate Puerto Rico’s immunity merely because “territory” was “open to multiple interpretations.” App. 79a. The panel’s conclusion contravened this Court’s instruction that the clear-statement “rule is not a magic-words requirement” and “Congress need not state its intent in any particular way.” *See Lac du Flambeau*, 599 U.S. at 388 (citation omitted). In *Lac du Flambeau*, for example, this Court held that the Bankruptcy Code unequivocally abrogates tribal immunity by abrogating the sovereign immunity of “governmental unit[s].” 599 U.S. at 387–92. In so doing, this Court did not take the clear statement rule to require it to credit every possible interpretation of “government” that did not include tribes. *See id.* at 392–93. Rather, it looked to how Congress and the Court ordinarily characterized tribes. *Id.*

The panel’s analysis was inconsistent with this approach. The language in Section 1127 mirrors Chief Justice Marshall’s description of the territories as being “within the power and jurisdiction of the United States.” *Am. Ins. Co. v. 356 Bales of Cotton*, 26 U.S. 511, 542–43 (1828). It makes no difference that Section 1127 puts “territory” in the singular. *But see* App. 80a. The

Constitution itself allows Congress to “dispose of and make all needful Rules and Regulations respecting the *Territory . . .* belonging to the United States.” Art. IV, § 3, cl. 2 (emphasis added). Under an ordinary reading of Section 1127, “The United States includes and embraces all territory which is under its jurisdiction and control,’ including the Commonwealth of Puerto Rico.” *Windmar PV Energy, Inc. v. Solar Now Puerto Rico, LLC*, No. CV 24-1570 (RAM), 2025 WL 725078, at \*10 n.2 (D.P.R. Mar. 6, 2025).

The decision below asserted that Puerto Rico’s status has changed “from that of a mere territory to the unique status of Commonwealth.” App. 79a–80a. But this Court continues to describe Puerto Rico as a territory. *See United States v. Vaello Madero*, 596 U.S. 159, 162 (2022) (“Congress sometimes legislates differently with respect to the Territories, including Puerto Rico, than it does with respect to the States.”). As this Court explained, Congress approved the Puerto Rico Constitution to “enable a territory’s people to make large-scale choices about their own political institutions.” *Sanchez Valle*, 579 U.S. at 65, 77. But Congress did not fundamentally change Puerto Rico’s status.

The First Circuit’s reliance on its precedent in *Jusino Mercado v. Commonwealth of Puerto Rico*, 214 F.3d 34, 42 (1st Cir. 2000), is also misplaced. *Jusino Mercado* evaluated a provision of the Fair Labor Standards Act that expressly defined “State” to include “any Territory or possession of the United States.” 29 U.S.C. § 203(c). By contrast, the Lanham Act does not mention “territory” in its definition of states, 15 U.S.C. § 1122(b), but in its definition of the United States. 15 U.S.C. § 1127. In all,

to the extent that Puerto Rico has immunity from suit in federal court, Section 1122(a) provides a clear statement of Congress's intent to abrogate it.

2. Even if the panel was correct that Section 1122(b) encompasses Puerto Rico, that provision should have abrogated Puerto Rico's immunity. All agree that Section 1122(b), which provides that states "shall not be immune" from suit in federal court, reflects Congress's "unmistakable intent to abrogate state sovereign immunity for Lanham Act claims." App. 70a (citation omitted). The panel took a wrong turn, however, when it then required the Clementes to establish a proper abrogation of *state* sovereign immunity under Section 5 of the Fourteenth Amendment. App. 72a. Because the Territory Clause gives Congress plenary power over territories, *see* Art. IV, § 3, cl. 2, Congress is not limited to its power to "enforce" the Fourteenth Amendment when it attempts to abrogate Puerto Rico's immunity. *Allen v. Cooper*, 589 U.S. 248, 260 (2020). Thus, if Section 1122(b) applies to Puerto Rico, it also abrogates its immunity by providing a clear statement of Congress's intent to do so.

### **C. This Case Presents an Excellent Vehicle to Address an Issue of Vast Importance**

This case presents an excellent vehicle to determine whether Puerto Rico is immune from suit in federal court. Unlike *Fin. Oversight & Mgmt. Bd. for Puerto Rico v. Centro de Periodismo Investigativo, Inc.*, in which the Court "agreed to tackle only the abrogation question," the Court can grant certiorari to explicitly decide this issue. 598 U.S. 339, 346 n.2 (2023). As the panel acknowledged, the Clementes explicitly preserved this question for

review, App. 67a n.35, and the question is presented here directly. Moreover, unlike *Fin. Oversight & Mgmt. Bd. for Puerto Rico*, which was “a singularly inapt vehicle to resolve Puerto Rico’s immunity” because Puerto Rico did not play a role in that case, Puerto Rico will play a central role here because it and its officials are parties to the suit. 598 U.S. at 346 n.2.

The extent of Puerto Rico’s immunity is extremely important. For decades, the First Circuit has vested Puerto Rico with state sovereign immunity without providing a compelling reason for doing so. The court’s holdings are not just misguided in theory, but harmful in practice. *In re San Juan Dupont Plaza Hotel Fire Litigation* concerned a fire in a hotel in Puerto Rico that resulted in 96 deaths, other severe injuries, and property damage. 888 F.2d 940, 941 (1st Cir. 1989). Thousands of plaintiffs had their claims against the Tourism Company of Puerto Rico dismissed because the First Circuit determined it was an arm of Puerto Rico. *Id.* at 940–41, 943 (1st Cir. 1989). In *Maysonet-Robles v. Cabrero*, homeowners and low-income housing tenants saw their claims based on the presence of asbestos and lead within units dismissed on sovereign immunity grounds. 323 F.3d 43, 46–47 (1st Cir. 2003). According to the court, “the actions of the Puerto Rico executive agencies and legislature here have continued a distressing pattern of activity in seeking to avoid millions of dollars of established or potential liability.” *Id.* at 54. Puerto Rico’s reliance on “Eleventh Amendment immunity” to escape accountability continues. *See, e.g., Miya Water Projects Netherlands B.V. v. Fin. Oversight & Mgmt. Bd. for Puerto Rico*, 138 F.4th 49, 51–52, 54, 56 (1st Cir. 2025) (suit barred by immunity after Financial Oversight and Management Board for Puerto Rico refused

to provide records about a cancelled water infrastructure project).

Puerto Ricans deserve better. Citizens in 50 states know the rules that, for better or worse, dictate the remedies they can obtain against their state governments in federal court. Puerto Ricans, however, do not have clarity on this important issue—which affects the entire political and legal system of the Commonwealth. This Court’s intervention is thus needed to provide them with the certainty that those who live in the 50 states already enjoy. The decision below, predicated on an indefensible view of Puerto Rico’s immunity from suit, defies both constitutional structure and congressional intent. This Court should correct this decades-long folly.

### CONCLUSION

The petition for a writ of certiorari should be granted.

June 2026

Respectfully submitted,

TANAIRA PADILLA-RODRIGUEZ  
Avenue Ponce de León 1225  
VIG Tower, Suite 1500  
San Juan, PR 00907  
(787) 620-0527  
tanairapadilla@yahoo.com

WENCONG FA  
*Counsel of Record*  
BEN STORMES  
TRAVIS WOODS  
BEACON CENTER OF TENNESSEE  
54 Music Square East,  
Suite 125  
Nashville, TN 37203  
(615) 383-6431  
wen@beacontn.org

*Counsel for Petitioners*

## **APPENDIX**

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**APPENDIX A — OPINION OF THE UNITED STATES  
COURT OF APPEALS FOR THE FIRST CIRCUIT,  
FILED JANUARY 16, 2026**

UNITED STATES COURT OF APPEALS  
FOR THE FIRST CIRCUIT

No. 23-1922

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; 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. QUINOÑES-VÁZQUEZ, SECRETARY  
OF THE DEPARTMENT OF SPORTS AND  
RECREATION, IN HIS OFFICIAL AND  
INDIVIDUAL CAPACITY; PUERTO RICO  
CONVENTION CENTER DISTRICT AUTHORITY,

*Defendants, Appellees,*

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JOHN DOE; CONJUGAL PARTNERSHIP  
DOE-VÉLEZ; JANE DOE; CONJUGAL  
PARTNERSHIP QUIÑONES-DOE,

*Defendants.*

APPEAL FROM THE  
UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO

[Hon. Gina R. Méndez-Miró, *U.S. District Judge*]

Before

Barron, *Chief Judge*,  
Lipez and Thompson, *Circuit Judges*.

Filed January 16, 2026

**THOMPSON, *Circuit Judge*.** The sons of a famous Puerto Rico baseball player, Roberto Clemente (“Clemente”), together with two corporations under their control, have sued the Commonwealth of Puerto Rico (the “Commonwealth”) and several related defendants over the use of Clemente’s name and image on commemorative license plates and registration tags. The proceeds from those commemorative items were set aside to fund a “sports district” that will bear Clemente’s name but will replace a similar initiative originally conceived by Clemente and his wife. Clemente’s sons call themselves the “ultimate representatives and protectors of his legacy.” The problem is that the laws they invoke in this

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case – the Lanham Act and the Constitution’s Takings Clause – are designed not to protect legacies but instead to remedy unfair competition, consumer confusion, and the taking of property for public use without just compensation. Moreover, because the opposing parties include the Commonwealth and its officials, Clemente’s heirs, in their quest to vindicate their father’s name, face an obstacle course of doctrinal immunities designed to protect governments and officials from lawsuits.

The district court ruled that the Clementes struck out on all claims and against all defendants when it granted two motions to dismiss. The Clementes, now appellants, want us to overturn several calls from the game below. After a careful review, we think the district court’s grounds for dismissal of some of the claims against Commonwealth officials were off base. We thus vacate dismissal of appellants’ claims under certain provisions of the Lanham Act, 15 U.S.C. §§ 1114(1), 1125(a)(1)(A) and 1125(c), against the individual officials in their personal capacities, and remand for further proceedings, but otherwise affirm dismissal of their claims.

**THE PRE-GAME REPORT (HOW WE GOT HERE)****Roberto Clemente’s Legacy**

Because this case arises from the grant of a Rule 12(b) (6) motion, we present the facts as alleged in the operative complaint. *Aresty Int’l L. Firm, P.C. v. Citibank, N.A.*, 677 F.3d 54, 56 (1st Cir. 2012). Clemente, nicknamed “The Great One” by his fans, was (as we’ve just said) a famous

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Puerto Rico baseball player who played for the Pittsburgh Pirates wearing jersey number 21. Over the course of his successful career, he accumulated 3,000 regular-season hits, a feat achieved by only 33 players in the history of Major League Baseball. In addition to being an athlete, Clemente was also a champion of humanitarian causes. He died in a plane crash in 1972 while en route to Nicaragua to deliver aid to earthquake victims. Since his death, his widow (who passed in 2020) and his three sons (Roberto Clemente Junior, Luis Roberto Clemente, and Roberto Enrique Clemente) have tried to protect his legacy and support the causes that Clemente believed in.

Appellants in the present litigation comprise Clemente's sons and two corporations they control: Clemente Properties, Inc. and 21 In Right, Inc. Clemente Properties registered the trademark "Roberto Clemente" with the United States Patent and Trademark Office ("USPTO," for short). *See* ROBERTO CLEMENTE, Registration No. 5,176,650. And 21 In Right, according to the complaint, "is the corporation with the right to license the Roberto Clemente trademark." 21 In Right licenses the mark for use by "select companies for high quality merchandise and endorsements" and appellants (through management agency CMG Worldwide Inc.) police any unauthorized uses.

The Clemente family has allowed various organizations to operate under the name "Roberto Clemente," including the Roberto Clemente Foundation. Particularly relevant to this litigation is Ciudad Deportiva Roberto Clemente Inc. ("Ciudad Deportiva"). Ciudad Deportiva operates a

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youth sports facility (of the same name) on land donated by the Commonwealth. It appears that, at the time of the key events leading to this lawsuit, Ciudad Deportiva was in such need of repair and further development that it could not be opened to the public. The complaint blames problems with the maintenance of Ciudad Deportiva on the cessation of government funding and on “the public officials that sit in Ciudad [sic] Deportiva’s board of directors” who blocked a “work plan to achieve the reopening of the facilities with private investment.” We note that we cannot tell from the face of the complaint what involvement appellants have, if any, in Ciudad Deportiva, and Ciudad Deportiva is not a party to this litigation. The complaint emphasizes only that Clemente founded Ciudad Deportiva and that Ciudad Deportiva “is one of the most valuable and recognizable endeavors backed by the Roberto Clemente mark.”

**The Alleged Unauthorized Use**

The events leading to the present dispute occurred in 2021 and 2022. Sometime before the events we’re about to recount (the complaint doesn’t specify when), appellants authorized Ciudad Deportiva “to use the trademark, name and likeness of Roberto Clemente” on vehicle license plates. Ciudad Deportiva planned to raise funds by issuing commemorative license plates to members of the public for a voluntary donation of \$2.10. In February 2021, a letter (the complaint doesn’t say from whom) informed Puerto Rico Governor Pedro R. Pierluisi-Urrutia (“Governor Pierluisi”) of this plan.

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As early as March 2021, two pieces of legislation were proposed in the Puerto Rico Legislature, which were eventually enacted as Joint Resolutions Nos. 16 and 17 on August 5, 2021. In final form, Joint Resolution No. 16 required any driver who acquired a new Puerto Rico license plate in calendar year 2022 to purchase a special plate commemorating the 50th anniversary of Roberto Clemente’s 3,000th hit. Drivers were charged an additional \$21 (apparently over and above the usual fees) for this plate. Any member of the public who did not need to acquire a new license plate could also pay \$21 to exchange their existing license plate for the Roberto Clemente commemorative plate. According to the complaint, Secretary of Transportation and Public Works Eileen M. Vélez-Vega (“Secretary Vélez” or “Transportation Secretary”) promoted Joint Resolution No. 16 and particularly advocated for making the purchase of the commemorative plate mandatory for any individual who acquired a new plate in 2022. Joint Resolution 17 added a mandatory \$5 surcharge to registration tags issued in calendar year 2022 in return for a tag that commemorated the same 50-year anniversary of Clemente’s 3,000th hit. The commemorative plate and tag included the following visual elements: an image of Roberto Clemente; the words “Clemente,” “anniversary,” and “3000 hits”; and the numbers “21” and “50.” The money collected from Joint Resolutions Nos. 16 and 17 was to be placed in something called “the Roberto Clemente Sports District Fund.” The Joint Resolutions stated that the Roberto Clemente Sports District Fund would be administered by the Department of the Treasury for the exclusive use of the Department

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of Sports and Recreation.<sup>1</sup> When paying for registration tags, drivers were also presented the opportunity to make a donation to the Roberto Clemente Sports District Fund.

The day before Governor Pierluisi signed Joint Resolutions Nos. 16 and 17 into law, the Governor’s office notified one of Roberto Clemente’s sons, Luis Roberto, of the pending legislation. In response, Luis Roberto emailed the Governor’s Assistant Chief of Staff to inform him that “the name Roberto Clemente and its image was a registered trademark and its use required prior authorization” and that the Clemente family had not been asked “for approval” of the Commonwealth’s planned use. Luis Roberto also attached the February 2021 letter regarding the planned license plates to be issued by Ciudad Deportiva. The Governor nonetheless signed the two Joint Resolutions into law.

Puerto Rico’s citizenry reacted negatively to the new commemorative license plates and registration tags, and the public believed that appellants were receiving some financial benefit for the charges associated with the commemorative items. The complaint claims that

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1. Throughout this opinion, we rely on the complaint’s allegations for the substance of the challenged legislation. Appellants’ addendum includes certified translations of Joint Resolutions Nos. 16 and 17, as well as Law 67-2022 (which we’ll introduce in a moment). But because it appears that such translations were not provided to the district court and thus were not part of the record below, we do not consider the translations here. *See United States v. Guadalupe-Rivera*, 501 F.3d 17, 21 n.4 (1st Cir. 2007).

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this confusion was exacerbated by a couple of additional statements. First, the Transportation Secretary made a televised statement, in January 2022, that the funds collected for commemorative plates and tags would go to “the Roberto Clemente Foundation.” She also “responded in the affirmative when inquired if the charge to restoration [sic] of Ciudad Deportiva Roberto Clemente was mandatory.” In addition, “the document of permit for motor vehicles” (a license issued by the Department of Transportation and Public Works) lists the \$5 surcharge for vehicle registration tags next to the words “Roberto Clemente Fund.” To combat this confusion, Luis Roberto communicated with the public and with the Commonwealth’s government about “the ownership of the trademark, the misappropriation and the unauthorized use.”

A few months later, the Commonwealth enacted Law 67-2022. As described in the complaint, Law 67-2022 transferred Ciudad Deportiva’s land back to the Commonwealth for the purpose of building the “Roberto Clemente Sports District” (the “Sports District”). The Sports District was envisioned “as a sports and recreational facility for the enjoyment of Puerto Ricans and sports tourism.” The law delegated the responsibility for development of the Sports District among several entities. For instance, the Department of Sports and Recreation was given authority over leasing, sub-leasing, and using the Roberto Clemente Sports District Fund (or just the “Fund”) “for everything related to the operation, administration and conservation of the Roberto Clemente Sports District.” The Puerto Rico Convention

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District Authority (the “Authority”) was put in charge of “planning and organization,” including “the development, reconstruction and construction of facilities for its proper functioning.” The law further provided that the Authority would be able to enter into agreements “as it deems necessary to induce third parties to develop” the Sports District. To carry out these responsibilities, the Authority would be allocated \$150,000 from the Fund annually. Appellants allege that Law 67-2022 communicates “some kind of tacit endorsement of Roberto Clemente to this project” by expressly referring to “his vision of building a Sports City for the benefit of our young people and future generations.” In appellants’ view, the Commonwealth is using Clemente’s name and image “to destroy his dream and his creation: Ciudad Deportiva,” and to replace it with an “imitation.”

**District Court Proceedings**

Seeking relief, appellants sued the Commonwealth of Puerto Rico, Governor Pierluisi, Transportation Secretary Vélez, and the Authority in federal district court. They also named as defendants Secretary of the Treasury Francisco Parés-Alicea (presumably based on the Department of the Treasury’s administration of the Roberto Clemente Sports District Fund), and Secretary of the Department of Sports and Recreation Ray J. Quinoñes-Vázquez (whom allegedly endorsed Law 67-2022, was a member of the Ciudad Deportiva Board of Directors, and was “directly responsible for the creation of the Roberto Clemente Sports District”).

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Appellants asserted several causes of action under the Lanham Act; more specifically, they contended that appellees' use of Roberto Clemente's name and image in connection with the license plates, registration tags, and Sports District amounted to trademark infringement, false association, false advertising, and trademark dilution. *See* 15 U.S.C. §§ 1114(1), 1125(a)(1)(A), 1125(a)(1)(B), and 1125(c). Appellants also asserted that the appellees' use of the "Roberto Clemente trademark and likeness" constitutes a taking without just compensation in violation of the Fifth and Fourteenth Amendments.<sup>2</sup>

Two motions to dismiss were filed below: one by the Commonwealth and its officials (the "Commonwealth Defendants") and one by the Authority. Both argued under Rule 12(b)(6) that the complaint failed to state a claim upon which relief could be granted for a variety of reasons. In relevant part, the Commonwealth Defendants' motion invoked sovereign immunity and qualified immunity defenses and challenged the Lanham Act claims on the merits of whether "commercial advertising" was sufficiently alleged. The Authority's motion argued that it was only minimally involved in the allegedly wrongful conduct – that is, the complaint only alleged that the Authority had certain statutory obligations under Law 67-2022 but not that the Authority performed any tasks that would constitute a taking or a Lanham Act violation.

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2. Appellants, in their own words, also asserted counts for a Section 1983 cause of action, a due process claim, claims under Puerto Rico's trademark and right of publicity statutes, and a claim for "unconstitutionality of statutes" under the federal and Puerto Rico constitutions. None of these counts are at issue on appeal.

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The district court granted both motions to dismiss for a number of overlapping reasons, which we’ll discuss in detail as they become relevant to our analysis. For now, it is enough to say the district court grounded dismissal of the federal claims in sovereign immunity, qualified immunity, and the failure to state a plausible claim on the merits – and then declined to exercise subject matter jurisdiction over the non-federal claims. *See Clemente Props., Inc. v. Pierluisi-Urrutia*, 693 F. Supp. 3d 215 (D.P.R. 2023). Appellants appealed the dismissal of only their Lanham Act and takings claims.

**FIRST PITCH (SETTING THE TABLE)**

We review the grant of a motion to dismiss for failure to state a claim under Rule 12(b)(6) de novo, taking the well-pleaded facts in the complaint as true and drawing all reasonable inferences in favor of the plaintiffs. *In re Fin. Oversight & Mgmt. Bd. for P.R.*, 54 F.4th 42, 52 (1st Cir. 2022). “To survive a [Rule 12(b)(6)] motion to dismiss, a complaint must contain sufficient factual matter, accepted as true, to state a claim to relief that is plausible on its face.” *Id.* (alteration in original) (quoting *Ponsa-Rabell v. Santander Sec. LLC*, 35 F.4th 26, 32 (1st Cir. 2022)). Defendants may raise affirmative defenses in a Rule 12(b)(6) motion, as the Commonwealth Defendants did here, “provided that the facts establishing the defense [are] clear ‘on the face of the plaintiff’s pleadings.’”<sup>3</sup> *Zenon v.*

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3. We pause to note that we (and other courts) have sometimes said that the appropriate pleading in which to raise a sovereign immunity defense is a motion to dismiss under Rule 12(b)(1) for lack of subject matter jurisdiction. *See, e.g., Valentín v. Hosp.*

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*Guzman*, 924 F.3d 611, 616 (1st Cir. 2019) (alteration in original) (quoting *Santana-Castro v. Toledo-Davila*, 579 F.3d 109, 114 (1st Cir. 2009)); *see also* *Haley v. City of Bos.*, 657 F.3d 39, 47 (1st Cir. 2011) (recognizing that qualified immunity “can be raised and evaluated on a motion to dismiss”).

Because the Commonwealth Defendants and the Authority write separately on appeal and the district court analyzed the two motions to dismiss separately below, we take the same approach in this opinion. To that end, we first see how appellants stack up against the Commonwealth Defendants and trot out the Authority only when that’s finished. Let’s play ball.

**AGAINST THE STARTING PITCHER  
(CLAIMS AGAINST THE  
COMMONWEALTH DEFENDANTS)**

As we prefaced in our opening remarks, the Commonwealth Defendants ask us to affirm not only because the district court correctly determined that the merits of the Lanham Act claims were not plausibly pled

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*Bella Vista*, 254 F.3d 358, 362–63 (1st Cir. 2001); *Geomatrix, LLC v. NSF Int’l*, 82 F.4th 466, 478 (6th Cir. 2023). *But see* *LeFrere v. Quezada*, 582 F.3d 1260, 1263 (11th Cir. 2009). Yet since the Commonwealth Defendants’ assertion of sovereign immunity did not quibble with the facts alleged in the complaint and poses only “pure . . . questions of law,” we would conduct de novo review even if the motion were styled under Rule 12(b)(1). *Valentín*, 254 F.3d at 363. This discrepancy thus has no bearing on our standard of review here.

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but also because two types of immunity (sovereign and qualified) apply. While our circuit precedent recognizes that sovereign immunity is jurisdictional in one sense, it need not be resolved before other dispositive issues. *See Parella v. Ret. Bd. of R.I. Emps.’ Ret. Sys.*, 173 F.3d 46, 54–56 (1st Cir. 1999). In this case, even if we conclude sovereign immunity applies, we’d still need to consider the substance of the Lanham Act and takings claim. This is because appellants sue the Commonwealth officials in both their personal and official capacities, and sovereign immunity provides no protection against personal-capacity suits.<sup>4</sup> *Lewis v. Clarke*, 581 U.S. 155, 163, 137 S. Ct. 1285, 197 L. Ed. 2d 631 (2017); *Haidak v. Univ. of Mass.-Amherst*, 933 F.3d 56, 76 (1st Cir. 2019). Moreover, a qualified immunity analysis often requires assessing the merits of the claim. *See Pearson v. Callahan*, 555 U.S. 223, 236, 129 S. Ct. 808, 172 L. Ed. 2d 565 (2009)

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4. The Commonwealth Defendants claim that appellants “do not clearly state whether they joined the government officials in their official or individual capacit[ies].” This is flatly contradicted by the allegations of the complaint, which seek damages from “Defendants in their individual capacities.”

Below, the individual Commonwealth officials argued that allegations regarding their personal involvement were not sufficient to state a claim. The district court declined to take a definitive position on this issue. *See Clemente Props.*, 693 F. Supp. 3d at 250. And the Commonwealth Defendants do not squarely present the issue to us again on appeal. We thus treat the Commonwealth Defendants as a collective group and make no attempt to parse the liability of individual officials in this opinion. Nothing we say today prevents the Commonwealth officials from developing or raising arguments regarding their lack of individual liability on remand.

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(explaining that it is “often beneficial” to start a qualified immunity analysis by first determining whether “the relevant facts . . . make out a constitutional violation at all” but recognizing that judges may begin by considering whether a right is “clearly established”). Thus we believe the best approach in this case is to address the merits of appellants’ Lanham Act and takings claims before moving on to sovereign and qualified immunity.

**Lanham Act**

The bulk of appellants’ claims arise from the Lanham Act, a federal statute that protects against a variety of conduct, including trademark infringement, false advertising, and trademark dilution. *See* 15 U.S.C. § 1127 (describing the intent of the Lanham Act). Before proceeding any further in our discussion, we feel obliged to recognize that Lanham Act caselaw is filled with jargon, and there are often multiple names to describe the same or similar concepts. The parties’ briefs and the district court’s opinion sometimes play fast and loose with this terminology. For the sake of both laypersons and legal professionals, we offer a brief primer to make sure that everyone is looking at the same scoreboard.

As an initial matter, when discussing Lanham Act provisions, courts often cite to the section numbering of legislation as enacted, *see* Trademark (Lanham) Act of 1946, Pub. L. No. 79-489, Stat. 427, rather than sections of the United States Code. For example, references to “Lanham Act Section 32” correspond to 15 U.S.C. § 1114 (“Section 1114”) while references to “Section

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43” correspond to 15 U.S.C § 1125 (“Section 1125”). See *Venture Tape Corp. v. McGills Glass Warehouse*, 540 F.3d 56, 59 & nn.1–2 (1st Cir. 2008). This opinion will stick to the codified version of the statute (i.e., Section 1114) for clarity.

The Lanham Act, among its other functions, “provides federal statutory protection for trademarks.” *U.S. Pat. & Trademark Off. v. Booking.com B.V.*, 591 U.S. 549, 552, 140 S. Ct. 2298, 207 L. Ed. 2d 738 (2020). A trademark consists of a word, phrase, image, or other device that identifies goods or services as originating from a particular source. See *Judson Dunaway Corp. v. Hygienic Prods. Co.*, 178 F.2d 461, 464 (1st Cir. 1949) (describing trademarks as “symbols or devices [serving] as identifying marks for goods” and contemplating both word and picture marks); *I.P. Lund Trading ApS v. Kohler Co.*, 163 F.3d 27, 51–52 (1st Cir. 1998) (Boudin, J., concurring) (explaining that trademarks can take the form of names, logos, or even ornamental designs of a product or its packaging, which signal the source of a good or service). The Lanham Act provides causes of action for infringement of a registered mark under 15 U.S.C. § 1114(1) (again, “Section 1114”) and infringement of an unregistered mark under 15 U.S.C. § 1125(a)(1)(A) (again, “Section 1125”). *B & B Hardware, Inc. v. Hargis Indus., Inc.*, 575 U.S. 138, 144, 135 S. Ct. 1293, 191 L. Ed. 2d 222 (2015); see *Borinquen Biscuit Corp. v. M.V. Trading Corp.*, 443 F.3d 112, 117 (1st Cir. 2006). As this statutory scheme suggests, a plaintiff can have rights in a trademark even if it is never registered, though registration does provide certain litigation advantages. See *Borinquen Biscuit*, 443 F.3d at

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117. Rights in a trademark “accrue” when someone uses a mark “in connection with a particular line of business”; they “do not arise out of registration.” *Volkswagenwerk Aktiengesellschaft v. Wheeler*, 814 F.2d 812, 819 (1st Cir. 1987).

Whether the mark is registered or unregistered, the “touchstone” of a trademark infringement case is that the defendant’s use of the same or similar mark is likely to confuse consumers as to the source of the product or service. *Dorpan, S.L. v. Hotel Meliá, Inc.*, 728 F.3d 55, 61 (1st Cir. 2013). For famous trademarks, as appellants say they have here, the Lanham Act provides an additional layer of protection even absent any likelihood of confusion. *See* 15 U.S.C. § 1125(c); *Jack Daniel’s Props., Inc. v. VIP Prods. LLC*, 599 U.S. 140, 147, 143 S. Ct. 1578, 216 L. Ed. 2d 161 (2023). The owner of a famous mark can sue for injunctive relief when someone else uses the mark in a manner that impairs the mark’s distinctiveness (dilution by blurring) or its reputation (dilution by tarnishment). *See* 15 U.S.C. § 1125(c)(1), (c)(2)(B)-(C).

The Lanham Act also prohibits certain methods of unfair competition even when no trademark is involved. Section 1125(a)(1)(A) – which we described above as a vehicle for asserting infringement of an unregistered trademark – can be invoked even when a plaintiff claims protection for something without “all the traditional indicia of a ‘trademark.’” 4 *McCarthy on Trademarks and Unfair Competition* § 28:15 (5th ed. 2025) (discussing false endorsement claims under Section 1125(a)(1)(A)). As will be relevant here, several of our sister circuits have

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recognized what some call a “false endorsement” claim under Section 1125(a)(1)(A), wherein a person’s identity or persona substitutes for the trademark. *See, e.g., Souza v. Exotic Island Enters.*, 68 F.4th 99, 112 (2d Cir. 2023) (noting that “in a false endorsement case . . . the mark in question is the identity of the purported endorser herself” (cleaned up)); *White v. Samsung Elecs. Am., Inc.*, 971 F.2d 1395, 1400 (9th Cir. 1992) (explaining that in false endorsement cases, “‘mark’ means the celebrity’s persona”), *as amended* (Aug. 19, 1992). Though Section 1125(a)(1)(A) is still frequently referred to as a “trademark infringement” provision, courts sometimes account for the broader nature of the provision by using a more general term like “false association.” *See, e.g., Am. Bd. of Internal Med. v. Salas Rushford*, 114 F.4th 42, 64 (1st Cir. 2024) (analyzing a “false association” claim under Section 1125(a)(1)(A)). For a claim under Section 1125(a)(1)(A), the text of the statute itself requires the plaintiff to show a likelihood of confusion. 15 U.S.C. § 1125(a)(1)(A).

Separately, under Section 1125(a)(1)(B), a plaintiff can, speaking at a high level, sue for false advertising if the defendant makes “a false or misleading description of fact or representation of fact in a commercial advertisement about his own or another’s product.” *Cashmere & Camel Hair Mfrs. Inst. v. Saks Fifth Ave.*, 284 F.3d 302, 310–11 (1st Cir. 2002) (identifying elements of false advertising claim); *see* 15 U.S.C. § 1125(a)(1)(B). False advertising claims are limited to acts “in commercial advertising or promotion.” 15 U.S.C. § 1125(a)(1)(B). And unlike a false association claim, a false advertising claim does not necessarily require proof of confusion. *See Cashmere*, 284

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F.3d at 311 (“Where the advertisement is literally false, a violation may be established without evidence of consumer deception.”).

The list of Section 1125(a) nomenclature doesn’t end there, but this covers most of what will be relevant here.<sup>5</sup> We read the parties’ briefs and the district court’s opinion with these overlapping monikers in mind. For clarity, our discussion cites the codified sections (and subsections) of the Lanham Act. We sometimes use the term “false association” to identify claims brought under Section 1125(a)(1)(A), as opposed to “false advertising” claims under Section 1125(a)(1)(B). Where necessary, we’ll specify when we refer to particular varieties of false association, such as trademark infringement and false endorsement.

Appellants’ complaint and appellate briefs claim that the use of Clemente’s name and image in connection with the license plates, registration tags, and Sports District implicate each provision of the Lanham Act we’ve described in this overview: infringement of a registered mark, false association, false advertising, and trademark dilution. Although the district court and the parties all

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5. Sometimes courts refer to Section 1125(a)(1)(A) claims as “false designation of origin” claims, especially if plaintiffs allege that a defendant misrepresented a product’s country of origin on the packaging. *See Societe Des Produits Nestle, S.A. v. Casa Helvetia, Inc.*, 982 F.2d 633, 639 & n.8 (1st Cir. 1992). And it’s not uncommon to see Section 1125(a) (either in whole or in part) described as the “unfair competition” provision of the Lanham Act. *ETW Corp. v. Jireh Publ’g, Inc.*, 332 F.3d 915, 924 (6th Cir. 2003).

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agree that these are the distinct Lanham Act claims at issue, it is not always easy to tell from the district court's decision and the parties' briefing which Lanham Act claim is under discussion at any given point. To compound the problem, the parties' briefs frequently talk past each other, both here on appeal and in the district court. The long and the short of it is that to properly assess the arguments on appeal, we must impose order on chaos and thus spend more time than usual in this opinion summarizing what occurred below and what is argued presently. We beg the gentle reader's patience throughout.

**Use in Commerce and Commercial Use**

The heart of the parties' dispute on the merits of the Lanham Act is whether Clemente's name and image were used in commerce or used in connection with goods and services. This is so because the district court perceived a failure to plead "use in commerce" or use "in connection with goods or services" as a fatal flaw for every Lanham Act claim. *See Clemente Props.*, 693 F. Supp. 3d at 241–43.<sup>6</sup> The district court sometimes referred to one or both requirements as "commercial use." *Id.* at 241, 243; *see also* 3 McCarthy, *supra*, § 23:11.50 (noting that the statutory

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6. The district court analyzed the issue in-depth only with respect to the trademark infringement claim under Section 1114(1). *See Clemente Props.*, 693 F. Supp. 3d at 243–44. But its opinion suggested that it believed the same reasoning applied to claims under both Sections 1125(a) and Section 1125(c). *See id.* at 245 (explaining that appellants' Section 1125(a)(1)(A) claim "again fail[s] to allege 'use in commerce' and 'in connection with goods or services'"); *id.* at 246 (declining to "further analyze Plaintiffs' dilution claim, as it also fails on the same grounds as the other two Lanham Act claims").

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requirement that use be in connection with goods and services is “sometimes referred to as the ‘commercial use’ requirement”).<sup>7</sup>

But before we delve into our analysis, we briefly clear away some underbrush. Appellants take umbrage with the district court’s discussion of commercial use on multiple fronts, including the district court’s reliance on the “restrictive” definition of “use in commerce” provided in 15 U.S.C. § 1127 (“Section 1127”), which they imply sets a standard for commercial use that was too favorable to the Commonwealth Defendants.<sup>8</sup> But given the district court’s bottom-line holding, we need not weigh in on this potential statutory interpretation pitfall because we do

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7. Unfortunately, the district court embarked on this analysis without the benefit of meaningful briefing by the parties on the motion to dismiss. Reaching these issues was not necessarily improper. We’ve previously recognized that “[d]istrict courts retain the power to dismiss complaints *sua sponte* for a failure to state a claim,” especially where a dispositive issue of law exists. *Bazinet v. Beth Israel Lahey Health, Inc.*, 113 F.4th 9, 14 (1st Cir. 2024). But we’ve also warned that dismissing cases without the guiderails of party briefing is “risky business.” *González-González v. United States*, 257 F.3d 31, 37 (1st Cir. 2001).

8. Appellants argue Section 1127’s definition of “use in commerce” only applies when assessing whether an individual sufficiently used a word or phrase in commerce to develop trademark rights and met the requirements for registering said trademark, a position favored by the Ninth Circuit. *See, e.g., Bosley Med. Inst., Inc. v. Kremer*, 403 F.3d 672, 677 (9th Cir. 2005). A thoughtful examination of how the history and text of the Lanham Act militate against the district court’s reliance on Section 1127’s “use in commerce” definition is provided in the appendix to the Second Circuit’s decision in *Rescuecom Corporation v. Google Incorporated*, 562 F.3d 123, 131–41 (2d Cir. 2009) (*dicta*).

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not see (and appellants have not articulated) how this misstep (if one exists) prejudiced or influenced the district court's ultimate view of appellants' case. The primary focus of the district court's commerciality analysis was whether appellants truly alleged "goods or services' in controversy," which is what would be needed to trigger Sections 1114 and 1125's coverage. *See Clemente Props.*, 693 F. Supp. 3d at 243. To that end, the district court seemed to have merely referenced the "use in commerce" definition to bolster the fact that a use in connection with goods or services was statutorily required. *Id.* at 242 (explaining that a use in commerce "can occur when the trademark is used on goods for sale, or 'in the sale or advertising of services'" (quoting 15 U.S.C. § 1127)). Appellants do not dispute that use in connection with "goods" or "services" is, indeed, a necessary element of each of their Sections 1114 and 1125 claims, regardless of what "use in commerce" might mean. And it is telling that the Commonwealth Defendants never refer to Section 1127's definition of "use in commerce" in their defense of the decision below. Therefore, we will focus our opinion on the district court's primary justification for its dismissal, that is, whether the Commonwealth Defendants used Clemente's name or image<sup>9</sup> with a "good" or "service" under Sections 1114 and 1125.<sup>10</sup>

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9. We refer to the use of Clemente's name and image throughout this section rather than the "mark" because the analysis here impacts the claims under Section 1125(a), which do not necessarily require use of a trademark.

10. Unlike Sections 1114(1) and 1125(a), Section 1125(c)(1) does not expressly refer to "goods" or "services." No party

*Appendix A***License Plates and Registration Tags**

The cornerstone of the district court’s commercial use analysis was simply that license plates and vehicle registration tags are “not the classes of products or services that trademark law protects” and that “issuing motor vehicle license plates and tags cannot be considered commercial use, as it is a clear government activity.” *Clemente Props.*, 693 F. Supp. 3d at 243. Appellants assert that license plates and registration tags do fall within the ambit of trademark law and that the “commercial use” required by the Lanham Act is sufficiently broad to cover government activity.<sup>11</sup> Commonwealth Defendants’ discussion of this issue consists almost entirely of quotes from the district court’s opinion, which they say got it right.

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disputes that a defendant must act in connection with goods and services to violate Section 1125(c) or argues that a different test applies for a dilution claim. *See Bird v. Parsons*, 289 F.3d 865, 879 (6th Cir. 2002) (requiring that the accused diluter “engage in the commercial use in commerce” by using the mark as a trademark (cleaned up)). For the purposes of this opinion, we assume that the success of the dilution claim rises and falls with the district court’s determination of whether there was a use in connection with “goods or services” sufficient to sustain the other Lanham Act claims.

11. Appellants argue in the alternative, with respect to their Section 1114 claim, that the registered mark itself is the relevant good or service. We see no need to reach this contention given that Clemente’s name and image appear on license plates and are not being sold unattached to any good or service. *See, e.g., Bos. Pro. Hockey Ass’n v. Dall. Cap & Emblem Mfg.*, 510 F.2d 1004, 1009–10 (5th Cir. 1975) (concerning the sale of cloth reproductions of the trademarks).

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Appellants have the better side of this argument. Courts have interpreted the “in connection with goods or services” requirement to cover a broad range of products. *See United We Stand Am., Inc. v. United We Stand, Am. N.Y., Inc.*, 128 F.3d 86, 89–90 (2d Cir. 1997) (concluding that non-profit political activities fell within the meaning of “services” covered by the Lanham Act, which “applie[s] to defendants furnishing a wide variety of non-commercial public and civic benefits”); *see also Lamparello v. Falwell*, 420 F.3d 309, 314 (4th Cir. 2005) (“[C]ourts have been reluctant to define [use in connection with goods or services] narrowly.”). Judicial attempts to define “goods” have relied on general-purpose definitions from the Uniform Commercial Code and legal dictionaries. *See LegalForce RAPC Worldwide, PC v. LegalForce, Inc.*, 124 F.4th 1122, 1126 (9th Cir. 2024) (“Equity is not a ‘good’ for purposes of the Lanham Act, because it is not a movable or tangible thing.” (citing U.C.C. § 2-105; and then citing *Goods*, *Black’s Law Dictionary* (12th ed. 2024))); *Radiance Found., Inc. v. NAACP*, 786 F.3d 316, 323 (4th Cir. 2015) (defining a good as “a valuable product, physical or otherwise, that the consumer may herself employ” and a service as “an intangible commodity in the form of human effort, such as labor, skill, or advice” (first quoting *Goods*, *Black’s Law Dictionary* (10th ed. 2014); and then quoting *Services*, *Black’s Law Dictionary* (10th ed. 2014))). Those definitions naturally encompass a “wide range of products.” *Radiance Found.*, 786 F.3d at 324.

Here, the complaint alleges that the Commonwealth Defendants collected money in exchange for license plates and registration tags bearing Clemente’s name

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and image. Logic dictates that the license plates and registration tags are the relevant products in this case.<sup>12</sup> Indeed, federal courts have heard Lanham Act cases against defendants who use infringing trademarks on license plates on multiple occasions without questioning whether such items constitute goods or services. *See, e.g., Au-Tomotive Gold Inc. v. Volkswagen of Am., Inc.*, 603 F.3d 1133, 1134 (9th Cir. 2010) (describing two car manufacturers' lawsuit against a company that manufactured automobile accessories including license plates bearing the manufacturers' logos); *OBX-Stock, Inc. v. Bicast, Inc.*, No. 2:04-CV-45-BO, 2006 U.S. Dist. LEXIS 112599, 2006 WL 8442143, at \*1 (E.D.N.C. June 12, 2006) (describing a trademark dispute between companies using similar marks on various products, including license plates), *aff'd*, 558 F.3d 334 (4th Cir. 2009); *Cumulus Media, Inc. v. Clear Channel Commc'ns, Inc.*, 304 F.3d 1167, 1170 (11th Cir. 2002) (describing evidence of a radio station's use of an infringing logo on various items and advertisements, including license plates); *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of*

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12. At oral argument, a suggestion arose that there was no "sale" of the license plates and registration tags because their purchase was mandated by regulation, rather than a voluntary exchange. The district court did not rely on the mandatory nature of the exchange, nor was this argument raised in any of the parties' briefs, so we do not address that wrinkle here. *See Carreiro v. Rhodes Gill & Co.*, 68 F.3d 1443, 1449 (1st Cir. 1995) ("This argument, not presented below and made for the first time at oral argument, is waived."). We note, in any event, that the complaint does allege that the Commonwealth's program involved some voluntary sales and donations.

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*Travel Dev.*, 170 F.3d 449, 451 (4th Cir. 1999) (describing a trademark dilution case against Utah for the display of an allegedly diluting slogan on motor vehicle license plates and other advertising). Underscoring that license plates and registration tags are mundane examples of goods or services that fall within the ambit of trademark law, appellants cite to the USPTO's (to remind, United States Patent and Trademark Office) Trademark ID Manual, which compiles and classifies acceptable identifications of goods and services for the purposes of trademark registration.<sup>13</sup> The Manual specifically contemplates the registration of trademarks of items like license plates.<sup>14</sup> *See generally* Trademark ID Manual, ID Master List, USPTO, <https://idm-tmng.uspto.gov/id-master-list-public.html> [<https://perma.cc/RYK4-APKV>] (providing searchable database).

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13. For example, Apple, Inc. has registrations in the mark APPLE for computers and computer programs, which falls within class 9. APPLE, Registration No. 1,078,312. Meanwhile, a business named Westgate Chevrolet, Inc. has registered the same mark for automobile dealerships (class 35) and automobile repair services (class 37). APPLE, Registration No. 2,922,072.

14. We are somewhat skeptical of appellants' reliance on the Trademark ID Manual throughout their opening brief, but we note appellants' citation to the Trademark ID Manual only because it tends to show that license plates and registration tags are not categorically excluded from "goods or services" under the Lanham Act as the district court suggests. To the extent that appellants believe that the inclusion of certain items in the USPTO Trademark ID Manual has some further significance in establishing its Lanham Act claims, it has provided no support for such a notion.

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The district court seemingly believed that items issued by the government cannot be goods or services. *See Clemente Props.*, 693 F. Supp. 3d at 243 (first citing *Perry v. McDonald*, 280 F.3d 159, 169 (2d Cir. 2001); and then citing *Walker v. Tex. Div., Sons of Confederate Veterans, Inc.*, 576 U.S. 200, 135 S. Ct. 2239, 192 L. Ed. 2d 274 (2015)). While trademark owners suing state governments have generally lost, neither the district court nor the Commonwealth Defendants cite a case suggesting that government activities are inherently, or even presumptively, non-commercial. *See Ringling Bros.*, 170 F.3d at 451 (recognizing that a Utah agency used a trademarked slogan “in connection with Utah tourism services” but concluding that the plaintiff failed to establish likelihood of dilution); *Mihalek Corp. v. Michigan*, 814 F.2d 290, 292, 296–97 (6th Cir. 1987) (considering a trademark claim against Michigan based on the use of a slogan in an advertising and promotional campaign focused on Michigan tourism, agriculture, and business, and affirming determination that there was no likelihood of confusion), *on reh’g*, 821 F.2d 327 (6th Cir. 1987).<sup>15</sup> And though the majority of Lanham Act claims involving license plates are asserted against novelty or decorative license plates manufactured by private companies, at least a few target a defendant’s use of

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15. Governments are not only accused infringers in trademark cases. They also assert ownership of their own trademarks by virtue of their use of slogans, logos, and other devices in connection with goods and services. *See Fla. VirtualSchool v. K12, Inc.*, 773 F.3d 233, 235–36 (11th Cir. 2014) (recognizing that a Florida agency owns enforceable trademarks that it uses “in connection with its online education program”).

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an infringing mark on state-issued license plates. *See Ringling Bros.*, 170 F.3d at 451 (lawsuit against Utah for use of a slogan on license plates to advertise winter sports attractions); *Raptor Educ. Found. v. Rocky Mountain Raptor Program*, No. 10-CV-01222-WDM-MJW, 2010 U.S. Dist. LEXIS 117069, 2010 WL 4537119, at \*1 (D. Colo. Nov. 3, 2010) (lawsuit against a non-profit defendant using the plaintiff's trademarked specialty license plate where the Colorado legislature amended a statute governing specialty license plates to permit issuance of a specialty plate to the defendant).

As appellants point out, the district court supported its conclusion that license plates and registration tags are not “classes of products or services” with citations to First Amendment cases involving custom license plates. *See Clemente Props.*, 693 F. Supp. 3d at 243 (first citing *Perry*, 280 F.3d at 169; and then citing *Walker*, 576 U.S. 200). In these cases, private parties argued that the First Amendment required the state to issue customized license plates with words or phrases the state deemed offensive. *Walker*, 576 U.S. at 206 (describing a state's denial of an application of specialty license plates displaying a Confederate battle flag and referencing “Sons of Confederate Veterans”); *Perry*, 280 F.3d at 163 (considering whether the revocation of “SHTHPNS” vanity plates violates First Amendment or due process rights). At a high level, these opinions recognize that speech on license plates is associated with the government, and the government may refuse to issue custom plates to avoid being associated with offensive language. *See*

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*Walker*, 576 U.S. at 207–09; *Perry*, 280 F.3d at 169–70.<sup>16</sup> But even assuming that the public might associate expressive activity on a government-issued license plate with the Commonwealth, we fail to see how that fact makes the license plates themselves any less of a good or service.<sup>17</sup> Accordingly, we disagree with the district court that license plates and registration tags cannot be goods or services under the Lanham Act.

The district court mentioned an alternative basis for its conclusion that commercial use was not adequately pled, which it supported with a citation to *Utah Republican Party v. Herbert*, 141 F. Supp. 3d 1195, 1205 (D. Utah 2015).

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16. Our above-line description generalizes *Walker* and *Perry*. There are differences between these two cases, which might prove important in a First Amendment case. Compare *Walker*, 576 U.S. at 207–09 (concluding that a specialty license plate amounted to government speech), with *Perry*, 280 F.3d at 169–70 (concluding that a vanity license plate was a nonpublic forum). But no First Amendment argument is raised here. And as far as we can tell, the district court cites the First Amendment cases only to establish a link between license plates and governments.

17. At best, this reasoning seems to go to likelihood of confusion (i.e., nobody would have been confused as to the source of the license plates because everyone knows license plates come from the government). See *WCVB-TV v. Bos. Athletic Ass'n*, 926 F.2d 42, 45–46 (1st Cir. 1991) (concluding that there would be no sponsorship confusion in part because (1) the television broadcaster offered to air frequent disclaimers that coverage of plaintiff's sports event was unofficial and (2) viewers would not care about sponsorship of broadcast). But the district court expressly stated that it did not need to reach likelihood of confusion for the Section 1114 claim. *Clemente Props.*, 693 F. Supp. 3d at 243.

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According to the district court, *Utah Republican* stands for the proposition that “[u]nless there is a competing good or service labeled or associated with the plaintiff’s trademark, the concerns of the Lanham Act are not invoked.” *Clemente Props.*, 693 F. Supp. 3d at 242 (quoting *Utah Republican*, 141 F. Supp. 3d at 1204). Later in its opinion, the district court commented that appellants’ Lanham Act claims failed because “they have not alleged that they actually provide the *same* ‘goods or services’” as the government. *Id.* at 243 (emphasis added). Essentially, the district court seemed to say that even if license plates were goods or services, appellants could not state a claim unless they provided the same goods or services as the government. Neither party has confronted this aspect of the district court’s commercial use analysis. But because the district court’s opinion arguably presents the absence of “competing” goods or services as an alternative basis on which we could affirm, we alight briefly on this here.

The district court’s assumption that a trademark infringement claim (or any Lanham Act claim) can only stand if the plaintiffs provide the same goods or services as the defendant is not consistent with the caselaw. *See, e.g., Halicki Films, LLC v. Sanderson Sales & Mktg.*, 547 F.3d 1213, 1227–28 (9th Cir. 2008) (holding that a trademark owner has standing to sue for infringement even if her mark is registered for a class of products “that does not compete directly with the defendant’s products” and explaining that relatedness of the parties’ goods “is, by contrast, a merits question”); *Team Tires Plus, Ltd. v. Tires Plus, Inc.*, 394 F.3d 831, 833 (10th Cir. 2005) (explaining that the view “that a trademark provides

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protection only when the defendant uses the mark on directly competing goods . . . is no longer good law” and has not been since the early 1900s); *Beacon Mut. Ins. v. OneBeacon Ins. Grp.*, 376 F.3d 8, 16 (1st Cir. 2004) (explaining that the Lanham Act is not “restricted” to the “classic situation” where the “case involves directly competing goods”). The similarity of the parties’ product lines or service offerings is one factor among many that a court might consider when deciding whether there is likelihood of confusion. *See Beacon Mut.*, 376 F.3d at 15. This factor would not make sense if the only “goods or services” protected by trademark law were the same “goods or services.” To the extent *Utah Republican* implies that all trademark infringement or Lanham Act claims require competition between the plaintiff and the defendant, we disagree.

*Utah Republican* relies on two lines of cases. 141 F. Supp. 3d at 1204–05 (first citing *Utah Lighthouse Ministry v. Found. for Apologetic Info. & Rsch.*, 527 F.3d 1045, 1052–53 (10th Cir. 2008); and then citing *Wash. State Republican Party v. Wash. State Grange*, 676 F.3d 784, 795 (9th Cir. 2012)). One line concludes that there is no commercial use (i.e., no use in connection with goods and services) where a defendant uses a plaintiff’s trademark merely to comment on or criticize the plaintiff. *See Utah Lighthouse*, 527 F.3d at 1048–49, 1052–54 (concluding that a parody website was non-commercial where it provided no goods and services, earned no revenue, did not link to any commercial sites, and merely “comment[ed] on the trademark owner’s goods or services” (citing, among other cases, *Bosley Med. Inst., Inc. v. Kremer*, 403 F.3d

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672, 672 (9th Cir. 2005)); *Bosley*, 403 F.3d at 677–80 (concluding that a dissatisfied customer’s use of mark in the domain name of a highly critical website was not in connection with the sale of goods or services); *see also Int’l Ass’n of Machinists & Aerospace Workers, AFL-CIO v. Winship Green Nursing Ctr.*, 103 F.3d 196, 209–10 (1st Cir. 1996) (Saris, J., concurring) (opining that there is no commercial use of a union-plaintiff’s mark where the defendant-employer distributed anti-union pamphlets that displayed the union’s logo and purported to be written on union letterhead). These cases suggest that where there is no “sale of goods or services,” the absence of competition between the parties shows that the defendant’s use of the plaintiff’s mark was merely “in connection with the expression of [the defendant’s] opinion *about* [the plaintiff’s] goods and services,” rather than to offer its own goods and services as necessary to violate the Lanham Act. *Bosley*, 403 F.3d at 679. The other case cited by *Utah Republican, Washington State Republican*, applied this principle in the context of a state government’s use of a political party’s mark on ballot labels. 676 F.3d at 795. In rejecting the trademark claims, which were an ancillary issue, the Ninth Circuit noted that commercial use does not require an “actual *sale*” of goods or services, but “[a]t minimum . . . the plaintiff must show that the defendant ‘offers *competing* services to the public.’” *Id.* (quoting *Bosley*, 403 F.3d at 679).

At best, then, *Utah Republican* stands for the proposition that there may be some subset of trademark cases in which no sale of goods or services by the defendant is contemplated (such as when the defendant

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criticizes the plaintiff), and competition helps illuminate whether the defendant used an infringing mark on goods or services. Even if we accepted the view of these non-binding cases, the factual allegations of this complaint are not analogous. Drawing all reasonable inferences in favor of appellants, as we must, the Commonwealth Defendants did not use Clemente’s name or image simply to offer commentary about Clemente or to conduct some administrative government task. The Commonwealth Defendants placed Clemente’s name and image on license plates and registration tags and then charged a special fee to members of the public in exchange for those “commemorative” products. None of the cases we’ve just described features an analogous sale or exchange of a product bearing the plaintiff’s claimed mark (or other device) for money. We thus see no reason to dismiss the Lanham Act claims on the basis that there was no “competing” service offered by the government here.

Having thoroughly mined the district court’s opinion for any basis on which we could affirm its holding as to the license plates and registration tags, we agree with appellants that the ruling is unsupported.<sup>18</sup>

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18. The district court also devoted some space in its commerciality discussion to the “historical significance” of the 50th anniversary of Clemente’s 3,000th hit and “the public value of information about the game of baseball and its players.” *Clemente Props.*, 693 F. Supp. 3d at 244. The parties don’t linger on this point on appeal, and it is not immediately evident how this fact influenced the district court’s analysis. We note that the two cases the district court cited in support of this point discuss the public interest in baseball in the context of First Amendment limitations on a

*Appendix A***The Sports District**

A careful reader will note that our discussion of commerciality and “goods or services” has thus far focused on the license plates and registration tags, without mentioning the Sports District. Appellants argue that dismissal of claims of “trademark infringement under the Lanham Act regarding the creation of the Roberto Clemente Sports District. . . . must be reversed” because the district court “[s]urprisingly” did not analyze it. Indeed, although the district court mentions “Act 67-2022” at various points in its analysis of the merits of the Lanham Act claims, it never addressed the Sports District as a potential good or service with respect to the Commonwealth Defendants, or otherwise assessed use of Clemente’s name in relation to the Sports District as a good or service. *See Clemente Props.*, 693 F. Supp. 3d at 240–46.

The allegations surrounding the Sports District are tied to the other claims against the Commonwealth Defendants. Proceeds from the sale of license plates and registration tags were set aside to raise money for the Sports District. And the Commonwealth Defendants invoked Clemente’s name when soliciting donations for the Roberto Clemente Sports District Fund. Neither

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plaintiff’s right of publicity, rather than commerciality under the Lanham Act. *See C.B.C. Distrib. & Mktg., Inc. v. MLB Advanced Media, L.P.*, 505 F.3d 818, 823 (8th Cir. 2007); *Cardtoons, L.C. v. MLB Players Ass’n*, 95 F.3d 959, 972 (10th Cir. 1996). The brief discussion of the Lanham Act in *Cardtoons* turned primarily on likelihood of confusion grounds. 95 F.3d at 966–67.

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the district court's opinion nor the Commonwealth Defendants' brief gave any rationale for why a trademark infringement claim could not proceed against defendants who use someone's name or image to solicit donations in support of public non-profit services, including sports and recreation. *See, e.g., United We Stand*, 128 F.3d at 90. Moreover, the Commonwealth Defendants offer no basis for why we should consider the Sports District itself a non-commercial use, much less defend the district court's approach.<sup>19</sup> Accordingly, to the extent that allegations regarding the Sports District might supply a distinct basis for infringement, we consider this an open issue for the district court to decide on remand.

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For the reasons above, we conclude that the district court erred in holding that appellants failed to allege any use of Clemente's name or image in connection with goods or services, at least for the reasons given in the opinion

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19. The district court did conclude that allegations regarding the Authority failed to allege use in commerce or commercial use. *See Clemente Props.*, 693 F. Supp. 3d at 252–53. (Recall that the only allegations relating to the Authority have to do with the Sports District.) But the court's holding with respect to the Authority does not seem to have any bearing as to the Commonwealth Defendants. This is because the district court understood the only allegations relating to the Authority to be that the Authority violated the Lanham Act “by its mere inclusion or mention in the dispositions of Act 67-2022.” *Id.* at 253. (We say more about the district court's reasoning when we address the claims against the Authority.) The Commonwealth Defendants' alleged actions comprise more than mere mention in Act 67-2022.

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below – namely, that license plates and registration tags are not the “classes of products” protected by trademark law and the governmental nature of such products. What does this mean for the outcome of this case? As we said above, the district court considered the failure to allege “commercial use” a sufficient basis on which to dismiss each Lanham Act claim. *See Clemente Props.*, 693 F. Supp. 3d at 242–46. For claims under Sections 1114 and 1125(c) (infringement of the registered mark and trademark dilution), this was the only basis stated for dismissal of the Lanham Act claims on the merits.<sup>20</sup> *See id.* at 242–44. For the claims under Section 1125(a), however, the district court offered several additional bases for dismissal (which appellants separately challenge on appeal). We consider those now, focusing first on 15 U.S.C. § 1125(a)(1)(A) (false association or unregistered trademark infringement), and then on § 1125(a)(1)(B) (false advertising).

**False Association, Section 1125(a)(1)(A)**

The district court offered myriad rationales, aside from lack of commercial use, for why the “claims under Section 43(a)” should be dismissed. *See Clemente Props.*, 693 F. Supp. 3d. at 244–46. Section 1125 contemplates two distinct causes of action. *See* 15 U.S.C. § 1125(a)(1)(A) (false association or unregistered trademark infringement); § 1125(a)(1)(B) (false advertising); *Clemente Props.*, 693 F. Supp. 3d. at 244–45; *see also Lexmark Int’l, Inc. v. Static Control Components, Inc.*, 572 U.S. 118, 122, 134 S.

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20. Thus we need not address other issues raised in appellants’ brief, such as likelihood of confusion or dilution by tarnishment, with respect to those claims.

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Ct. 1377, 188 L. Ed. 2d 392 (2014). We hinted earlier that identifying which cause of action (if not both) the district court’s opinion was referring to at any given time is an exercise in close reading.<sup>21</sup> As best we can tell, there were three reasons for dismissal of the Section 1125(a)(1)(A) claim. First, the court believed that appellants failed to establish standing under the *Lexmark* zone-of-interests test. *See Clemente Props.*, 693 F. Supp. 3d at 245. Second, the district court held that any claim based on “use of the image of Roberto Clemente” could not proceed because “[n]o reasonable jury could find a likelihood of confusion.” *Id.* at 246 (quoting *ETW Corp. v. Jireh Publ’g, Inc.*, 332 F.3d 915, 923 (6th Cir. 2003)). Finally, the district court concluded that the complaint “reflects a conclusory and formulaic recitation of certain elements of a trademark infringement cause of action that is insufficient to survive a motion to dismiss.” *Id.* at 246. We address appellants’ position about each line of reasoning.

**Zone-of-Interests Test**

In *Lexmark*, the Supreme Court articulated a test for determining whether someone was “within the

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21. For instance, the heading of the section of the opinion that deals with Section 1125 is titled “False Advertising Under the Lanham Act,” notwithstanding the fact that the discussion that follows includes the “false association claim under subsection A” and touches on the “dilution claim.” *Clemente Props.*, 693 F. Supp. 3d at 244, 246. Likewise, one paragraph begins as a discussion of why, “as a false advertising claim, Plaintiffs’ cause is plainly insufficient” but goes on to cite a trademark infringement case. *Id.* at 245–46 (citing *Pirone v. MacMillan, Inc.*, 894 F.2d 579 (2d Cir. 1990)).

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class of plaintiffs” allowed to bring a false advertising claim under the Lanham Act, or to use the legal jargon, whether, as a matter of statutory interpretation, a plaintiff is within the “zone of interests” protected by Section 1125(a). *See* 572 U.S. at 128–29. (This concept sometimes goes by the name “statutory standing.” *Id.* at 128 n.4.) “To invoke the Lanham Act’s cause of action for false advertising,” the Supreme Court held, “a plaintiff must plead . . . an injury to a commercial interest in sales or business reputation proximately caused by the defendant’s misrepresentations.” *Id.* at 140. The district court applied this test to both the false association (or unregistered trademark infringement) claim under Section 1125(a)(1)(A) and the false advertising claim under Section 1125(a)(1)(B)<sup>22</sup> and concluded that appellants suffered no injury to a commercial interest because there was no allegation that the Commonwealth Defendants’ actions “caused consumers to withhold trade from them.” *Clemente Props.*, 693 F. Supp. 3d at 245 (cleaned up). Appellants urge us to consider their allegations of reputational injury caused by the Commonwealth’s actions. And they point out that this court has independently recognized that the “relevant commercial injury” under Section 1125(a) “includes not

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22. Because appellants do not challenge this approach, we assume without deciding that the *Lexmark* test can be applied to Section 1125(a)(1)(A). But we pause to note that *Lexmark* may well have intended to set forth a zone-of-interests test only with respect to false advertising. *See* 572 U.S. at 131–32. In a claim for trademark infringement, it’s hard to imagine much debate that the owner of a trademark is within the class of plaintiffs entitled to sue under Section 1125(a)(1)(A). *See Quabaug Rubber Co. v. Fabiano Shoe Co.*, 567 F.2d 154, 159 (1st Cir. 1977).

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only loss of sales but also harm to the trademark holder's goodwill and reputation." *Beacon Mut.*, 376 F.3d at 10. We agree that the district court took too narrow a view of what constitutes commercial injury. The district court should have considered appellants' allegations of reputational harm, even if there were no express allegation regarding a loss of sales, because *Lexmark* plainly contemplates an injury to either "sales *or* business reputation." 572 U.S. at 140 (emphasis added); *cf. Welch Foods, Inc. v. Nat'l Union Fire Ins. Co.*, 659 F.3d 191, 194 (1st Cir. 2011) (explaining that "the word *or* must be given effect" when interpreting a contract).

While not everyone who faces public criticism or negativity necessarily suffers a cognizable commercial injury under Section 1125(a), *Lexmark*, 572 U.S. at 140 (requiring "an injury to a *commercial* interest in . . . *business* reputation" (emphasis added)), here, appellants made plausible allegations that their business reputation in Puerto Rico was harmed by association of Clemente's name and image with an unpopular product (the license plates and registration tags). Taking the complaint's allegations as true and drawing all plausible inferences in favor of our appellants, appellants' business interests in licensing the Clemente mark for merchandise or other projects were plausibly impacted by this public blowback. This is especially so where appellants' business reputation is built in part on an association with charitable endeavors, and the public backlash was in response to the perceived extortionate nature of the commemorative license plates and registration tags, goods that all Puerto Rico residents who needed new plates or tags in 2022 were forced to

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purchase. *See Beacon Mut.*, 376 F.3d at 16 (holding that relevant confusion may be shown not only in trademark owner’s “actual or potential” customers but also “others whose confusion threatens the trademark owner’s commercial interest in its mark”). We thus conclude that appellants adequately pled a commercial injury within the zone of interests of Section 1125(a) to survive a motion to dismiss. *See Advance Dx, Inc. v. YourBio Health, Inc.*, 753 F. Supp. 3d 53, 68 (D. Mass. 2024) (concluding that a reputational injury was adequately alleged under *Lexmark* where the complaint alleged that the defendant’s actions “adversely . . . affected [the plaintiff’s] reputation in the community as a provider of accurate and reliable” products); *cf. Souza*, 68 F.4th at 119–20 (recognizing that reputational injury that “may have” limited plaintiffs’ “work opportunities” “would likely satisfy *Lexmark*’s requirements” but affirming dismissal on summary judgment where the plaintiff provided no evidence supporting that claimed injury).

**No Claim Based on Clemente’s Image**

We turn then to the district court’s rationale that no one could have been confused by the use of Clemente’s image on the license plates. *See Clemente Props.*, 693 F. Supp. 3d. at 245–46. In so stating, we understand the district court to be holding that there was no valid claim for infringement of an unregistered mark in Clemente’s image. In support, the district court cited a Second Circuit case involving the trademarked name of another “baseball legend,” Babe Ruth. *Id.* at 245 (citing *Pirone v. MacMillan, Inc.*, 894 F.2d 579 (2d Cir. 1990)). In *Pirone*,

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Ruth's daughters sued the publisher of a baseball calendar that contained three photos involving Ruth, along with photographs of many other famous baseball players. *Pirone*, 894 F.2d at 581. The Second Circuit affirmed summary judgment for the calendar publisher on the claims under Section 1114 (infringement of a registered mark) and Section 1125(a)(1)(A) (false association). *Pirone*, 894 F.2d at 582, 586. The district court seemed to have drawn two main points from this case. First, the district court expressed skepticism that appellants had any trademark rights in images of Clemente. *See Clemente Props.*, 693 F. Supp. 3d. at 245–46 (“[A]s a general rule, a person’s image or likeness cannot function as a trademark.” (alteration in original) (quoting *ETW Corp.*, 332 F.3d at 922)). And second, the district court believed that *Pirone*’s conclusion that no reasonable juror could be confused by Ruth’s photographs in the calendar applied equally to this case. *See id.* at 246. We start with the first point.

*Pirone*, as the district court noted, holds that “photograph[s] of a human being” do not “inherently” serve a source identifying function (or to use trademark lingo, they are not “inherently ‘distinctive’”). *Id.* at 245 (quoting *Pirone*, 894 F.2d at 583). While it might be possible to establish trademark rights in a photograph of a human being, the plaintiff would need to show that “a particular photograph was consistently used on specific goods.” *Pirone*, 894 F.2d at 583. Our assessment of how *Pirone* applies to this case is clouded by the fact that appellants never come right out and say whether they assert any unregistered rights in an image of Clemente.

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Here is what we gather from the breadcrumbs appellants have dropped.

We know that (1) appellants have a registered mark in the words “Roberto Clemente” and (2) appellants believe that “any pictorial depiction of Roberto Clemente,” the human being, “is a legal equivalent for trademark purposes.” Appellants’ brief discusses “legal equivalents” in the context of their Section 1114 claim for infringement of a registered mark, asserting that “a picture mark can infringe a word mark where the picture is a depiction of the word.” (quoting *Fleischer Studios, Inc. v. A.V.E.L.A., Inc.*, 925 F. Supp. 2d 1067, 1077 (C.D. Cal. 2012)). We read this as an assertion that appellants’ *registered* mark has been infringed by the use of Clemente’s image on the license plates and registration tags.<sup>23</sup> But this gives no indication either way whether appellants also assert ownership over an unregistered trademark in Clemente’s image. In the context of Section 1125(a), appellants’ brief makes multiple assertions that the Commonwealth defendants used “the trademark” without explaining what that mark is (or is not). So we agree with the district court that, to the extent appellants are asserting unregistered trademark rights in some image of Roberto Clemente (either similar

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23. We take no sides on this issue, which was not addressed in the district court’s opinion or the appellees’ brief. The district court may not have seen any need to address this point, which was included in appellants’ opposition to the motion to dismiss below, because appellants alleged that the word “Clemente” appeared on the license plates and registration tags. There was thus no need to resort to “legal equivalence” between words and images to understand what infringement occurred.

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or identical to the ones used by the Commonwealth on its license plates and registration tags), they failed to adequately plead such rights. The complaint does not allege that appellants consistently used a particular image of Clemente in connection with goods or services, such that it became an identifier of the source of those goods or services. *See Pirone*, 894 F.2d at 583; *ETW Corp.*, 332 F.3d at 923 (rejecting “a sweeping claim to trademark rights in every photograph and image of [Tiger] Woods,” the golfer).

But appellants have another angle under Section 1125(a)(1)(A). Echoing the allegations of their complaint, they say they have a claim that is “equivalent” but also “differ[ent] from” a right of publicity claim under state law.<sup>24</sup> Based on this description and the cases appellants

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24. The phrase “right of publicity” refers to a tort under state law, which, in general terms, “recognize[s] the right of well known individuals to control commercial exploitation of their names and likenesses.” *Bi-Rite Enters. v. Bruce Miner Co.*, 757 F.2d 440, 442 (1st Cir. 1985); *see Hepp v. Facebook*, 14 F.4th 204, 223 (3d Cir. 2021) (Cowen, J., concurring in part) (collecting sources to demonstrate variation in the right of publicity claim between states). Separately, courts have recognized Section 1125(a)(1)(A) as a federal vehicle for bringing claims against the unauthorized commercial use of an individual’s name or likeness. Using the phrase “right of publicity” here wrongly implies that appellants are asserting a claim under Puerto Rico law, which has different elements than the federal false endorsement claim. In particular, a state right of publicity claim does not usually require any showing of confusion, meaning that it can “potentially” be read “more expansive[ly]” than the Lanham Act. *Rogers v. Grimaldi*, 875 F.2d 994, 1004 (2d Cir. 1989).

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cite, see *Electra v. 59 Murray Enters.*, 987 F.3d 233, 257 (2d Cir. 2021); *ETW Corp.*, 332 F.3d at 924; *Parks v. LaFace Recs.*, 329 F.3d 437, 445 (6th Cir. 2003), we understand appellants to be asserting what we earlier called a false endorsement claim under Section 1125(a)(1)(A), something which the district court seemingly missed.<sup>25</sup> A false endorsement claim recognizes a right in a persona or identity and permits suit under Section 1125(a)(1)(A) when “endorsement of a product is implied through the imitation of a distinctive attribute of the [person’s] identity.” *Fifty-Six Hope Rd. Music, Ltd. v. A.V.E.L.A., Inc.*, 778 F.3d 1059, 1066–67, 1068–69 (9th Cir. 2015) (cleaned up) (affirming a verdict in favor of the musician Bob Marley’s children against a defendant who used Marley’s photographs on T-shirts and other merchandise); see also *Souza*, 68 F.4th at 109 (considering a false endorsement claim by professional models based on the defendant’s use of their photographs in strip club advertisements); *Facenda v. NFL Films, Inc.*, 542 F.3d 1007, 1014–15, 1023–25 (3d Cir. 2008) (considering whether the use of a football broadcaster’s voice in a television program about the production of a football video game

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25. Appellants make it more difficult than necessary to identify what their Section 1125(a)(1)(A) claim is by insisting on calling Section 1125(a) “the federal equivalent protection of the right of publicity.” Similarly, although their opposition to the motion to dismiss below expressly asserted rights in “an individual’s image or likeness” under Section 1125(a) “akin to that of a traditional trademark holder,” this helpful information about their false endorsement claim appeared confusingly under the heading “Right of Publicity.” We think that calling any claim under Section 1125(a) a “right of publicity” claim is misleading.

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falsely implied the broadcaster’s endorsement of the video game). In such cases, as we’ve already noted, an aspect of a persona or identity takes the place of a traditional trademark. *Compare Souza*, 68 F.4th at 112 (“In a false endorsement case like this one, the ‘mark’ in question is the identity of the purported endorser herself.”), and *White*, 971 F.2d at 1400 (“In cases involving confusion over endorsement by a celebrity plaintiff, ‘mark’ means the celebrity’s persona.”), with *Donoghue v. IBC USA (Publ’ns), Inc.*, 70 F.3d 206, 218 (1st Cir. 1995) (affirming the conclusion that a plaintiff’s “name was worthy of trademark protection”). To assert a false endorsement claim, appellants may not need to assert trademark rights in a particular photograph of Clemente; instead, their claim would be based on the Commonwealth’s use of Clemente’s likeness, which amounts to a “symbol” or “device” under Section 1125(a)(1)(A). *See Fifty-Six Hope*, 778 F.3d at 1068–69. In short, Section 1125(a)(1)(A) seemingly permits appellants to bring a claim based on Clemente’s image even absent a trademark. Because the district court never considered this possibility and the Commonwealth Defendants do not argue against appellants’ false endorsement theory on appeal, an issue this circuit has not addressed on the merits before, we will not affirm dismissal of the Section 1125(a)(1)(A) claim on the ground that there was no plausible trademark in Clemente’s photograph.<sup>26</sup>

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26. False endorsement cases have been appealed to this circuit, but we resolved those appeals without diving into the nitty gritty of the claims. *See Ji v. Bose Corp.*, 626 F.3d 116, 120, 128–30 (1st Cir. 2010) (recounting that the district court had dismissed the plaintiff’s false endorsement claim and assessing whether

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That said, likelihood of confusion is still an element of a false endorsement claim. *Fifty-Six Hope*, 778 F.3d at 1069–71; 15 U.S.C. § 1125(a)(1)(A). Thus, we turn to the second principle the district court seemed to have drawn from *Pirone*, that it would be impossible for a reasonable jury to find a likelihood of confusion based on a photograph of a famous baseball player. *See Clemente Props.*, 693 F. Supp. 3d at 246. Appellants criticize the district court for ignoring allegations regarding confusion, which they assert “naturally happened.” Strangely, neither the district court nor the parties cited the multi-factor balancing test this court applies when assessing whether a defendant’s use of a trademark is likely to confuse. *See Beacon Mut.*, 376 F.3d at 15. That test directs courts to consider:

- (1) the similarity of the marks;
- (2) the similarity of the goods;
- (3) the relationship between the parties’ channels of trade;
- (4) the relationship between the parties’ advertising;
- (5) the classes

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the district court correctly denied a motion for attorney’s fees), *abrogated by Dupree v. Younger*, 598 U.S. 729, 143 S. Ct. 1382, 215 L. Ed. 2d 636 (2023); *McBee v. Delica Co.*, 417 F.3d 107, 111 (1st Cir. 2005) (describing a false endorsement claim by a “well-known American jazz musician” against a Japanese clothing company and affirming dismissal on jurisdictional and standing grounds). Because appellants describe their false endorsement claim only in broad strokes, and the Commonwealth Defendants do not make any arguments against appellants’ reliance on false endorsement caselaw, we have no occasion to comment on the exact boundaries of such a claim. We leave it to the district court, with the benefit of adversarial briefing, to rule on any disputes in the first instance on remand.

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of prospective purchasers; (6) evidence of actual confusion; (7) the defendant's intent in adopting its mark; and (8) the strength of the plaintiff's mark.

*Id.* Our sister circuits have also developed modified versions of this test specific to false endorsement claims, which often focus on the recognizability of the individual whose identity is being infringed, rather than the strength of the mark. See *Fifty-Six Hope*, 778 F.3d at 1069 (providing a similar eight-factor test in the false endorsement context); *Souza*, 68 F.4th at 110–13 (explaining that recognizability of the individual “properly calibrates strength” of the mark). But the parties and the district court do not mention any false-endorsement-specific likelihood of confusion test either.

The district court's analysis of confusion instead relied primarily on *Pirone*. There, the Second Circuit acknowledged that photographs of Babe Ruth could be “symbols” under Section 1125(a), “whether or not a registered trademark is involved.” 894 F.2d at 584. It nevertheless concluded that, because those photographs were not used in a way to “indicate origin or represent sponsorship,” “[n]o reasonable jury could find likelihood of confusion.” *Id.* at 584–85. The district court treated *Pirone* as directly on point and was persuaded that appellants' assertion of confusion based on the use of an athlete's photograph must also fail. See *Clemente Props.*, 693 F. Supp. 3d at 246. But even if we, like the district court, found *Pirone's* analysis to be persuasive, its holding was not as broad as the district court seemed to

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think. *Pirone* affirmed summary judgment based on the context of the defendant's use: a calendar that featured many "[p]hotographs of baseball, its players and assorted memorabilia." 894 F.2d at 584. It reached its conclusion that likelihood of confusion could not be established as a matter of law "[i]n the context of such a compilation" where Babe Ruth was just "one ballplayer among the many featured in the calendar." *Id.* at 585. This case involves no similar "compilation," but instead just the use of Clemente's name and image in connection with a project whose proceeds were to be collected for "the Roberto Clemente Sports District Fund."

And on a motion to dismiss, we are required to accept the facts pled as true and draw all reasonable inferences in favor of the plaintiffs. Here, appellants say their complaint plausibly alleges actual confusion by the residents of Puerto Rico, who publicly "attack[ed]" appellants based on the mistaken belief that they were receiving money from the commemorative license plates and registration tags. It also plausibly alleges that Clemente, based on his achievements as a baseball player and his humanitarian efforts, was a highly recognizable figure whose name and image appellants had licensed for use in a different license plate program. Allegations like these often tilt the likelihood of confusion balance in favor of plaintiffs, regardless of the exact test used. *See, e.g., Beacon Mut.*, 376 F.3d at 15--19 (laying out and applying the likelihood of confusion test, including emphasis on actual confusion, similarity of goods and services, and strength of mark); *Fifty-Six Hope*, 778 F.3d at 1069--71 (applying the test for likelihood of confusion in celebrity false endorsement

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cases and noting as important factors both “high level of recognition of [the celebrity’s] image among Defendants’ target market” and association of the mark with apparel and actual confusion). The Commonwealth Defendants respond with a broadside, claiming that appellants “fail to identify any *facts* in their Amended Complaint that, taken as true, demonstrate a plausible likelihood of confusion.” That is plainly contradicted by the allegations we’ve just summarized. Beyond that, the Commonwealth Defendants marshal no argument for why any of the likelihood of confusion factors work in their favor in this case.

Taking the factual allegations as true, we conclude that likelihood of confusion was adequately pled and thus dismissal of the false association claim could not rest on an absence of likelihood of confusion. We turn then to the district court’s final stated basis for dismissing the Section 1125(a)(1)(A) claim.

**Conclusory Pleading**

The district court’s final remark on the Section 1125(a)(1)(A) claim was that the allegations supporting “trademark infringement” were lacking factual detail and merely conclusory. *See Clemente Props.*, 693 F. Supp. 3d at 246. “A conclusory allegation . . . is one which simply asserts a legal conclusion” rather than “a specific factual allegation . . . that merely lacks some surrounding context.” *Rodríguez-Vives v. P.R. Firefighters Corps.*, 743 F.3d 278, 286 (1st Cir. 2014) (holding that a complaint was not conclusory where it “described actions of which [plaintiff] had personal knowledge in sufficient detail to

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make them plausible”). After reviewing the allegations made in support of appellants’ Section 1125(a)(1)(A) claim, we find them to be sufficiently factual and specific. The complaint alleged a “word, term, name, symbol, or device,” 15 U.S.C. § 1125(a) – Clemente’s name and image – that were used on license plates, registration tags, and in the names of the Sports District and the Fund. As we just recounted, the complaint also alleged facts showing likelihood of confusion, including actual confusion. The district court called out one specific element as insufficient: that was the “Plaintiffs’ damages allegations,” which the district court said state “no more than that [appellants] have been harmed from the alleged violation of the statute.” *Clemente Props.*, 693 F. Supp. 3d at 246. But, as we explained with respect to the *Lexmark* zone-of-interests analysis, appellants did plead reputational damages caused by the Commonwealth’s use of Clemente’s name and image that are cognizable under the Lanham Act. *See Beacon Mut.*, 376 F.3d at 16–17. And appellants also sought profits that the Commonwealth made from the commemorative license plates and registration tags. Moreover, the complaint identified the specific surcharges associated with products bearing Clemente’s name and image and a public statement by the Commonwealth that it expected to collect \$15 million from the program. Such damages may be recovered under the Lanham Act. *See* 15 U.S.C. § 1117(a).<sup>27</sup>

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27. That statute provides as follows:

When a violation of any right of the registrant of a mark registered in the Patent and Trademark Office, a violation under section 1125(a) or (d) of this title, or a

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The district court also faulted appellants for only offering a “formulaic recitation of certain elements” of the cause of action. *Clemente Props.*, 693 F. Supp. 3d at 246. While the counts of the complaint did largely consist of quotations of relevant Lanham Act provisions, they also incorporated by reference the factual allegations that had been laid out earlier in the complaint. *See Young v. Wells Fargo Bank, N.A.*, 717 F.3d 224, 233 (1st Cir. 2013) (concluding that a complaint sufficiently put defendants on notice of the claim where a count, though “pled in a muddled fashion, . . . incorporate[d] [relevant] factual allegations by reference”); *cf. García-Catalán v. United States*, 734 F.3d 100, 103 (1st Cir. 2013) (“We emphasize that the complaint must be read as a whole.”). We thus disagree with the district court that the allegations of the complaint were too conclusory to state a claim for relief.

Having reviewed all the district court’s stated bases for dismissal, we conclude that appellants have adequately pled a claim under Section 1125(a)(1)(A) for false endorsement by use of Clemente’s name and image.

**False Advertising, Section 1125(a)(1)(B)**

Our next stop is appellants’ cause of action for false advertising under Section 1125(a)(1)(B). The district court

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willful violation under section 1125(c) of this title, shall have been established in any civil action arising under this chapter, the plaintiff shall be entitled . . . to recover (1) defendant’s profits, (2) any damages sustained by the plaintiff, and (3) the costs of the action.

15 U.S.C. § 1117(a).

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thought this cause of action should be dismissed for several reasons we've already rejected (lack of commercial use, lack of *Lexmark* statutory standing) but also for two independent reasons: (1) a failure to plead "commercial advertising" and "commercial speech" and (2) a failure to plead a false and misleading statement "beyond the use of the mark." *Clemente Props.*, 693 F. Supp. 3d at 245–46.

Appellants' briefs address the latter reason and explain why they believe the district court made the wrong call. They point to allegations in their complaint that accused the government of making false and misleading statements "in the laws, in the license plates and registration labels, in the document of permit for motor vehicles, to the press, and so on," statements that "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." But that said, appellants do not make any serious attempt to address the district court's first independent reason for finding the claim insufficiently pled: they never point out facts in their complaint suggesting that the Commonwealth Defendants' statements appeared in commercial advertisements or constituted commercial speech as required for a false advertising claim. While the district court offered little explanation of why it concluded that there was no commercial advertisement, it clearly stated that the element of "commercial speech" was missing. *See Clemente Props.*, 693 F. Supp. 3d at 245–46. Combined with the Commonwealth Defendants' motion to dismiss, that should have given appellants some indication of the issues in dispute, or at the very least, the relevant test to apply.

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Yet appellants do not address the test for commercial advertising or promotion in a way that explains why they believe their complaint passes muster. *Cf. Podiatrist Ass’n v. La Cruz Azul De P.R., Inc.*, 332 F.3d 6, 19 (1st Cir. 2003) (providing a four-part test for commercial advertising or promotion).<sup>28</sup> At best, appellants assert that the Commonwealth used “methods that communicate information to the public” and point us towards the classification of certain items in the USPTO Trademark ID Manual as within a class for “[a]dvertising and business.” These arguments, if they amount to anything, do little to address the stated basis for the district court’s ruling: that the Commonwealth’s use of Clemente’s name and image don’t constitute commercial speech. *See Ariix*,

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28. Despite binding precedent in the form of *Podiatrist Association*, appellants insist in a footnote that “there are no legal bases for the supposed requirements” of commercial advertising or promotion and intention to influence potential customers. Based on what was argued below, appellants seem to think that *Lexmark* overruled any cases regarding commercial advertising or promotion. But the Supreme Court declined to address that element of a false advertising claim in *Lexmark*. *See* 572 U.S. at 123 n.1. At most, it appears *Lexmark* *may* have abrogated any requirement that the defendant be a competitor of the plaintiffs. *See Ariix, LLC v. NutriSearch Corp.*, 985 F.3d 1107, 1120 (9th Cir. 2021) (recognizing that *Lexmark* “likely abrogated” any requirement of competition); *Strauss v. Angie’s List, Inc.*, 951 F.3d 1263, 1268 n.5 (10th Cir. 2020) (holding that *Lexmark* had no impact on the commercial advertising or promotion analysis, but noting that other circuits had “discard[ed]” the competition requirement). Because the argument has not been properly presented to us on appeal, we take no position on *Lexmark*’s impact.

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*LLC v. NutriSearch Corp.*, 985 F.3d 1107, 1115–18 (9th Cir. 2021) (considering whether the defendant’s publication constituted commercial speech in a multi-factor analysis of whether the speech “does no more than propose a commercial transaction” (quoting *United States v. United Foods, Inc.*, 533 U.S. 405, 409, 121 S. Ct. 2334, 150 L. Ed. 2d 438 (2001))); *cf. Rocket Learning, Inc. v. Rivera-Sánchez*, 715 F.3d 1, 13 (1st Cir. 2013) (defining commercial speech as “expression related solely to the economic interests of the speaker and its audience” (cleaned up)). We thus deem the matter waived. *See Cardona-Martinez v. Rodriguez-Quinones*, 444 F.3d 25, 29 (1st Cir. 2006); *United States v. Zannino*, 895 F.2d 1, 17 (1st Cir. 1990). Accordingly, we affirm the district court’s holding that appellants failed to adequately plead statements in commercial advertising or promotion. We note further that, because we affirm dismissal of this claim on the merits, we need not reach sovereign or qualified immunity with respect to the false advertising cause of action.

**Takings Clause Violation**

We turn now to appellants’ takings claim. But before we begin our exploration of the issues presented here, it is important to note why we are entertaining a constitutional issue based on a specific takings theory, the viability of which appellants press on appeal but had no opportunity to articulate below. *Cf. Sony BMG Music Ent. v. Tenenbaum*, 660 F.3d 487, 511 (1st Cir. 2011) (articulating the “long-standing principle of judicial restraint [that] requires that courts avoid reaching constitutional questions in advance of the necessity of deciding them” (cleaned

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up)). Appellants' complaint pled a takings claim, and the Commonwealth Defendants' motion to dismiss never challenged the sufficiency of the pleadings on that front. Rather, they essentially conceded the adequacy of the takings claim, made no arguments against the merits of that claim, and put all their eggs in the immunities basket, which they deemed dispositive in their favor. In its decision granting the motions to dismiss, the district court *sua sponte* took up the takings issue and explained why it failed. See *Clemente Props.*, 693 F. Supp. 3d at 246–49. On appeal, all parties have thoroughly briefed the takings claim, and it is properly before us for possible resolution. See *Holsum de P.R., Inc. v. ITW Food Equip. Grp.*, 116 F.4th 59, 66 (1st Cir. 2024) (“Appellate courts may . . . address an issue not presented to the lower court if the lower court nevertheless addressed the issue.”). And because, as we’re about to explain, we affirm dismissal of the takings claim, addressing the merits of the claim allows us to avoid deciding other constitutional questions posed by the parties’ dispute over whether sovereign immunity can be invoked to defeat a takings claim. So without further fanfare, we move on to our discussion.

The Fifth Amendment’s Takings Clause “provides that private property shall not ‘be taken for public use, without just compensation’” and “is made applicable to the States through the Fourteenth Amendment.” *Murr v. Wisconsin*, 582 U.S. 383, 392, 137 S. Ct. 1933, 198 L. Ed. 2d 497 (2017); see also *Fideicomiso De La Tierra Del Cano Martin Pena v. Fortuno*, 604 F.3d 7, 12 (1st Cir. 2010) (explaining that the Takings Clause applies to Puerto Rico through the Fourteenth Amendment, too). We proceed,

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as the district court did, by assuming without deciding that appellants have some property interest in their trademark that is cognizable under the Fifth Amendment. *See Clemente Props.*, 693 F. Supp. 3d at 248. We thus focus our energy on whether the Commonwealth’s actions here amounted to a “taking” of said interest.

Appellants insist that the Commonwealth effected a “categorical taking,” and so explaining what that means would be helpful. The Fifth Amendment recognizes two distinct types of takings: “physical takings and regulatory takings.” *Tahoe-Sierra Pres. Council, Inc. v. Tahoe Reg’l Plan. Agency*, 535 U.S. 302, 321, 122 S. Ct. 1465, 152 L. Ed. 2d 517 (2002). Physical takings occur “[w]hen the government physically takes possession of an interest in property for some public purpose.” *Id.*; *Philip Morris, Inc. v. Reilly*, 312 F.3d 24, 33 (1st Cir. 2002) (en banc) (opinion of Torruella, J.) (“A physical taking occurs either when there is a condemnation or a physical appropriation of property.”). In such cases, the government is said to have “a categorical duty to compensate the former owner” and the case can be resolved via “the straightforward application of *per se* rules.” *Tahoe-Sierra*, 535 U.S. at 322. By contrast, regulatory takings generally involve “ad hoc, factual inquiries” that “allow careful examination and weighing of all the relevant circumstances.” *Id.* (cleaned up); *see Me. Educ. Ass’n Benefits Tr. v. Cioppa*, 695 F.3d 145, 153 (1st Cir. 2012).<sup>29</sup> But there is one form of non-

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29. The “more nuanced” *Penn Central* inquiry for non-categorical regulatory takings considers “(1) the extent to which the regulation interferes with the claimant’s reasonable investment-backed expectations; (2) the regulation’s economic

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physical, regulatory taking that the Supreme Court has described as “categorical” – “where [the challenged] regulation denies all economically beneficial or productive use” of the plaintiff’s property. *Lucas v. S.C. Coastal Council*, 505 U.S. 1003, 1015, 112 S. Ct. 2886, 120 L. Ed. 2d 798 (1992); see *Me. Educ. Ass’n*, 695 F.3d at 153 (acknowledging the two circumstances where the Supreme Court analyzes takings under a categorical approach).

A straightforward application of these principles, as urged by the Commonwealth Defendants, suggests that the district court correctly determined that appellants failed to plead a plausible categorical taking. Indeed, appellants concede that their “property interests aren’t susceptible of ‘physical invasion’ . . . because they are *intangible*.” Thus appellants cannot establish a categorical physical taking. See *Broad v. Sealaska Corp.*, 85 F.3d 422, 431 (9th Cir. 1996) (“Plaintiffs allege no physical invasion of property, so their claim must fall into the regulatory taking category.”); cf. *Valancourt Books, LLC v. Garland*, 82 F.4th 1222, 1231, 463 U.S. App. D.C. 253 (D.C. Cir. 2023) (characterizing a law requiring copyright owners to deposit physical copies of their works with the Library of Congress as a classic physical taking). Nor do appellants challenge the district court’s holding that the Joint Resolutions and Law 67-2022 do not deprive them of

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impact on the property owner; and (3) the character of the government action.” *Me. Educ. Ass’n*, 695 F.3d at 153 (quoting *Penn Cent. Transp. Co. v. City of New York*, 438 U.S. 104, 124, 98 S. Ct. 2646, 57 L. Ed. 2d 631 (1978)). Appellants do not characterize their claim as a “non-categorical” taking or attempt to address the *Penn Central* factors.

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all economically beneficial use. *See Clemente Props.*, 693 F. Supp. 3d at 249. That defeats any allegation that this case presents a categorical regulatory taking.

Appellants' argument is that we should nonetheless apply principles from Supreme Court cases regarding physical takings to infringement of trademarks because Puerto Rico has interfered with their right to exclude others from the mark. In essence, appellants want us to recognize a new form of non-physical taking that is categorical (i.e., doesn't require an ad hoc, factual inquiry) even when the invasion in the property interest may be partial or temporary (as opposed to destructive of all economically beneficial use). Appellants' argument is that a categorical taking exists because the government appropriated the Clemente mark for itself. *See Cedar Point Nursery v. Hassid*, 594 U.S. 139, 148, 141 S. Ct. 2063, 210 L. Ed. 2d 369 (2021) (distinguishing between cases in which the government "appropriat[es] private property for itself or a third party" and cases in which it "instead imposes regulations that restrict an owner's ability to use his own property"). This is a relatively novel argument that we have not previously decided and was not considered by the district court. *See Me. Educ. Ass'n*, 695 F.3d at 153 n.5 (declining to reach similar argument).<sup>30</sup>

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30. In *Maine Education Association*, we declined to hear a similar argument in the context of state trade secret infringement because it was not properly developed in the district court. *See* 695 F.3d at 153 n.5. We do not fault appellants for failing to brief this issue in the district court, given that the Commonwealth Defendants did not move to dismiss the takings claim on the merits. *See Fid. Co-op. Bank v. Nova Cas. Co.*, 726 F.3d 31, 39 (1st

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However, “[a]n appellate court is not limited to the legal grounds relied upon by the district court, but may affirm on any independently sufficient grounds.” *Est. of Soler v. Rodriguez*, 63 F.3d 45, 53 (1st Cir. 1995).

We do not think that infringement of intangible intellectual property can be analyzed using the same categorical approach as takings involving the physical possession or occupation of property. Appellants cite cases where temporary and partial physical invasions against an owner’s real or personal property were held to be takings. *See, e.g., Cedar Point Nursery*, 594 U.S. at 152 (concluding that a California law that grants union organizers access to agricultural employers’ land is a per se physical taking); *Horne v. Dep’t of Agric.*, 576 U.S. 351, 361, 135 S. Ct. 2419, 192 L. Ed. 2d 388 (2015) (concluding that a law requiring raisin growers to allocate a portion of their harvest to a government entity is a categorical physical taking); *Loretto v. Teleprompter Manhattan CATV Corp.*, 458 U.S. 419, 421, 438, 102 S. Ct. 3164, 73 L. Ed. 2d 868 (1982) (concluding that the installation of cable equipment, pursuant to a New York law permitting such installation, on appellant’s building “constitutes a taking under the traditional test”). Each case emphasizes the unique nature of a property owner’s rights over physical property and of any physical possession or intrusion onto such property, which ousts the property owner of their rights in a way that infringement of intangible property does not. *See Jim Olive Photography v. Univ. of Houston*

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Cir. 2013) (“The issue is not waived on appeal as it was an issue directly passed on *sua sponte* by the court below.”).

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*Sys.*, 624 S.W.3d 764, 776 (Tex. 2021) (explaining how the “nonrivalrous” nature of copyright undermines any analogy between state copyright infringement and physical takings cases). In *Horne* and *Loretto*, the Supreme Court emphasized that the property owner lost all meaningful rights over the portion of property seized. *See Horne*, 576 U.S. at 361–62 (“Raisin growers subject to the reserve requirement thus lose the entire ‘bundle’ of property rights in the appropriated raisins – ‘the rights to possess, use and dispose of’ them” (quoting *Loretto*, 458 U.S. at 435)); *Loretto*, 458 U.S. at 435 (explaining that a “permanent physical occupation of another’s property” is “perhaps the most serious form of invasion of an owner’s property interests” because the government’s occupation “effectively destroys” the owner’s entire bundle of rights, including to possess, use, and dispose of it). By contrast, in the context of the Commonwealth’s alleged infringement, appellants still own a registered trademark, may use and license others to use their mark, and may sue infringers or assign the mark within the bounds of trademark law. *See Jim Olive Photography*, 624 S.W.3d at 776–77.

Appellants argue that *Cedar Point* provides an inroad because the Supreme Court found a categorical taking while focusing on just one stick in the property bundle of rights: the right to exclude. *See* 594 U.S. at 149–50. Under the challenged regulation in *Cedar Point*, union organizers were only allowed on the property for four 30-day periods in each calendar year, and the property owners do not appear to have been prohibited from excluding any other individuals from their property at that time. *Id.* at 144. Appellants’ argument has some first-blush allure because

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*Cedar Point* seemingly suggests that a taking happens even if the government regulation in question allows the property owner to make productive use of the property and exclude those not protected by the law. Here, appellants assert that the Commonwealth’s use of the Clemente mark was similar to the regulation at issue in *Cedar Point* because it in some sense “deprived [appellants] of their right to exclude others from the mark.” But assuming that this is true, appellants still have not made a compelling case that *Cedar Point* – ultimately a case concerned with physical property like *Loretto* and *Horne* – should control here.<sup>31</sup> See *Cedar Point*, 594 U.S. at 149 (“The essential question . . . is whether the government has physically taken property for itself or someone else – by whatever means – or has instead restricted a property owner’s ability to use his own property.”); *id.* at 147–48 (recounting the history of physical takings jurisprudence).

Indeed, there is a meaningful difference between small or partial invasions of physical property, as opposed to intangible property. In the case of physical property, allowing even one individual to temporarily occupy or possess the property physically displaces the owner from possession or control of that portion of the property,

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31. Characterizing infringement as a deprivation of the right to exclude others from the use of intellectual property is somewhat strained in itself. One might say that appellants are exercising their right to exclude right now, by suing the government for infringement. By contrast, in *Cedar Point*, the government regulation created a new legal right of access to the owners’ property, such that the owners could not have simply sued the union organizers for trespass. See 594 U.S. at 162.

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however small. *Loretto*, 458 U.S. at 438 n.16 (“In any event, these facts are not critical: whether the installation is a taking does not depend on whether the volume of space it occupies is bigger than a breadbox.”). Even in *Cedar Point*, where agricultural employers might still be able to use their land for farming despite the presence of union organizers for limited periods, we think it conceptually meaningful that as long as an organizer was physically present on the property, it meant that the owners could not use or occupy whatever square foot of land that organizer’s boots were planted on. *Cedar Point*, 594 U.S. at 149. It’s in this context that the Supreme Court adopted an approach that categorically deems the invasion a taking and treats the scope of the invasion as “bear[ing] only on the amount of compensation.” *Id.* at 153. A categorical regulatory taking, which deprives the owner of all economically beneficial use, mimics this aspect of a physical invasion. See *Lucas*, 505 U.S. at 1017 (suggesting that a categorical rule can be justified because the “total deprivation of beneficial use is, from the landowner’s point of view, the equivalent of a physical appropriation”).

Use of a trademarked word or image does not necessarily have the same effect. See *Jim Olive Photography*, 624 S.W.3d at 774 (contrasting infringement with physical occupation and possession). Because the property is intangible, the trademark owner’s use of the mark remains unimpaired when pressing a straightforward infringement case (though the owner might complain about loss of value, as appellants do here). This, in our view, is good reason not to treat trademark infringement like a physical taking and instead rely on a

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more measured approach that considers whether there has been a meaningful deprivation of value or loss of rights in a given case.<sup>32</sup> See *Murr*, 582 U.S. at 395; see also *Keystone Bituminous Coal Ass’n v. DeBenedictis*, 480 U.S. 470, 497, 107 S. Ct. 1232, 94 L. Ed. 2d 472 (1987) (explaining that a regulatory takings analysis “requires us to compare the value that has been taken from the property with the value that remains in the property”).

There is special reason for caution in the trademark context: a trademark owner’s right to exclude is less robust when compared to other forms of property – and even when compared to other forms of intellectual property. See *Bos. Athletic Ass’n v. Sullivan*, 867 F.2d 22, 35 (1st Cir. 1989) (“We acknowledge that a trademark, unlike a copyright or patent, is not a ‘right in gross’ that enables a holder to enjoin all reproductions.”); *Am. Footwear Corp. v. Gen. Footwear Co.*, 609 F.2d 655, 663 (2d Cir. 1979) (“There is no such thing as property in a trade-mark except as a right appurtenant to an established business or trade in connection with which the mark is employed.” (quoting

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32. Even if we adopted something like a categorical approach, we would still need to distinguish between isolated instances of infringement and infringement that prevented the trademark owner from exercising their right to exclude. See *Cedar Point*, 594 U.S. at 159 (distinguishing “[i]solated physical invasions, not undertaken pursuant to a granted right of access” that “are properly assessed as individual torts rather than appropriations of a property right”); *Can. Hockey, L.L.C. v. Tex. A&M Univ. Ath. Dep’t*, No. 20-20503, 2022 U.S. App. LEXIS 3976, 2022 WL 445172, at \*9 (5th Cir. Feb. 14, 2022) (suggesting that copyright infringement could amount to a taking if continued and repeated).

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*United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 97, 39 S. Ct. 48, 63 L. Ed. 141, 1918 Dec. Comm’r Pat. 369 (1918)); McCarthy, *supra* § 2:10 (positing that because the scope of rights in a trademark is defined by “customer perception,” “[a]nalogies to other forms of ‘property,’ from real estate to patents and copyrights, falter”). Thus the “background limitations” on any property interest in trademarks might well be exceptions that swallow the rule, or at least require more careful assessment than the more straightforward limitations that apply in the case of physical property. *See Cedar Point*, 594 U.S. at 160–61 (explaining that “physical invasions” that “are consistent with longstanding background restrictions on property rights,” such as common law privileges “to enter property in the event of public or private necessity” or “to effect an arrest or enforce the criminal law under certain circumstances,” will not amount to takings); *see* McCarthy, *supra* § 2:10.

Appellants point out that the Takings Clause protects intangible property as well as tangible property. We do not quarrel with this point, and we do not hold that trademark infringement never amounts to a taking that requires just compensation. Here, appellants are not just asking us to find that a taking of a trademark can occur. Rather, they ask us to make a conceptual leap that a trademark taking should be governed by the same principles as physical takings. We see no compelling reason to take the plunge in the context of trademark infringement. That appellants have not identified any cases in which invasions of intangible property rights were treated as physical takings implicitly supports preservation of the

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division between physical and non-physical takings. *See Ruckelshaus v. Monsanto Co.*, 467 U.S. 986, 1005, 104 S. Ct. 2862, 81 L. Ed. 2d 815 (1984) (analyzing a trade secrets-based claim under the *Penn Central* factors); *767 Third Ave. Assocs. v. United States*, 48 F.3d 1575, 1583–84 (Fed. Cir. 1995) (concluding that a landlord did not have per se takings claim where the government did not physically occupy rental office units). *But see Armstrong v. United States*, 364 U.S. 40, 48, 80 S. Ct. 1563, 4 L. Ed. 2d 1554 (1960) (concluding that there was a taking of a property interest in liens where the government effected “total destruction . . . of all value of these liens”); *Philip Morris*, 312 F.3d at 51 (Selya, J., concurring) (disagreeing with lead opinion and positing that trade secrets might be sufficiently analogous to real property to support per se takings analysis).

Because appellants argue no other basis on which their takings claim should proceed, we affirm dismissal of the takings claim against the Commonwealth Defendants and do not reach sovereign or qualified immunity with respect to this claim.<sup>33</sup>

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After marching through the arguments regarding appellants’ two substantive federal claims against the

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33. If appellants believe that they stated a takings claim on any other basis (such as a non-categorical regulatory taking), they have not asserted so in their appellate briefs, so we deem any such argument waived. *See Zannino*, 895 F.2d at 17 (deeming arguments which were not presented “squarely and distinctly” in the parties’ briefs waived (cleaned up)).

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Commonwealth Defendants, we'll take a quick seventh-inning stretch here and remind the reader of the score.

So far, we've affirmed dismissal of the false advertising claim under Section 1125(a)(1)(B) of the Lanham Act and the takings claim. We conclude, however, that the district court erred in determining that appellants did not state plausible claims under Lanham Act Section 1114 (infringement of registered trademark), Section 1125(a)(1)(A) (false endorsement), and Section 1125(c) (trademark dilution). But before we vacate the district court's holding as to those claims, we must contend with two immunity doctrines that the Commonwealth Defendants argue shield them from liability here.

**Sovereign Immunity**

We now consider the Commonwealth Defendants' assertion of sovereign immunity. Broadly speaking, sovereign immunity refers to the inherent power of a government to resist lawsuits initiated against it without its consent. *See Alden v. Maine*, 527 U.S. 706, 755, 119 S. Ct. 2240, 144 L. Ed. 2d 636 (1999). State governments and state officials sued in their official capacity may invoke sovereign immunity against lawsuits seeking money damages.<sup>34</sup> *See Lewis*, 581 U.S. at 163. As this description

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34. To avoid confusion, we use the term "sovereign immunity" rather than "Eleventh Amendment immunity" throughout this opinion but pause to note that the two terms usually capture the same concept. The Eleventh Amendment expressly provides immunity to the states in "any suit . . . commenced or prosecuted against one of the United States by Citizens of another State, or

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suggests, sovereign immunity has no bearing on claims made against state officials in their personal or individual capacities, *id.*, or claims seeking prospective injunctive relief against state officials in their official capacities, *Greenless v. Almond*, 277 F.3d 601, 607 (1st Cir. 2002) (explaining that plaintiffs can “enforce a claim of federal right by obtaining injunctive or declaratory relief against a state officer in the officer’s official capacity” (citing *Ex parte Young*, 209 U.S. 123, 28 S. Ct. 441, 52 L. Ed. 714 (1908))). Appellants try to squeeze their claims through both these escape valves, which we’ll elaborate on later. We’ll start with whether sovereign immunity protects the Commonwealth and individual defendants in their official capacity against claims for damages.

Puerto Rico, as a self-governing commonwealth, has immunity to suits in federal court equal to that of the

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by Citizens or Subjects of any Foreign State.” U.S. Const. amend XI. This would seem not to apply to suits against a state by a resident of that state. Yet it is black-letter law that states have sovereign immunity from such suits. The Eleventh Amendment is not a limiting principle but instead “confirm[s] the structural understanding that States entered the Union with their sovereign immunity intact.” *Virginia Off. for Prot. & Advoc. v. Stewart*, 563 U.S. 247, 253, 131 S. Ct. 1632, 179 L. Ed. 2d 675 (2011) (citing *Hans v. Louisiana*, 134 U.S. 1, 10, 10 S. Ct. 504, 33 L. Ed. 842 (1890)). As a result, this Court, as well as others (including the Supreme Court), refer to the “Eleventh Amendment immunity” as “convenient shorthand” for the states’ immunity from suit, even when the plain text of the Amendment might not apply. *Alden*, 527 U.S. at 713; see *Parente v. Lefebvre*, 122 F.4th 457, 461 (1st Cir. 2024) (using the “Eleventh Amendment immunity” shorthand); *Maysonet-Robles v. Cabrero*, 323 F.3d 43, 46 (1st Cir. 2003) (same).

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states. See, e.g., *Miya Water Projects Netherlands B.V. v. Fin. Oversight & Mgmt. Bd. for P.R.*, 138 F.4th 49, 54 (1st Cir. 2025); *Borrás-Borrero v. Corporación del Fondo del Seguro del Estado*, 958 F.3d 26, 33 (1st Cir. 2020); *Toledo v. Sanchez*, 454 F.3d 24, 31 n.1 (1st Cir. 2006). This position is rooted in our precedent, which, as a panel, we may not overrule. *United States v. García-Cartagena*, 953 F.3d 14, 27 (1st Cir. 2020) (explaining the “law of the circuit” rule).<sup>35</sup> Thus, we do not linger on this point and can move to where the real action is: appellants’ arguments that Congress abrogated Puerto Rico’s immunity with respect to the Lanham Act. (Because we concluded that the district court correctly determined that the takings claim failed on the merits, we need not address appellants’ argument that there is a Takings Clause exception to sovereign immunity either.)

**Abrogation and Waiver Under the Lanham Act**

Sovereign immunity does not automatically smother all cases asserted against the sovereign. We often discuss two ways sovereign immunity may be set aside in a case: waiver (also known as consent) and abrogation. Cf. *Narragansett Indian Tribe v. Rhode Island*, 449 F.3d 16, 25 (1st Cir. 2006) (considering a native tribe’s sovereignty).

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35. Appellants argue that this precedent is wrongly decided and because Puerto Rico is a territory rather than a state, it lacks sovereign immunity for any claims asserted under federal law or in federal court. Their opening brief states that they seek to “preserve that argument for further review,” implicitly acknowledging that their position is contrary to binding circuit precedent.

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Waiver refers to a sovereign’s consent to set aside its own immunity, like when a state legislature enacts legislation allowing the state government to be sued for certain causes of action. *See Franchise Tax Bd. of Ca. v. Hyatt*, 587 U.S. 230, 238, 139 S. Ct. 1485, 203 L. Ed. 2d 768 (2019). Abrogation refers to the act of an outside entity (usually Congress) suspending or limiting such immunity without the sovereign’s consent. *See Narragansett Indian*, 449 F.3d at 25. Regardless of whether “waiver” or “abrogation” is at play, under the clear statement rule, legislation that limits sovereign immunity must be “clear and unequivocal.” *Id.*; *see Fin. Oversight & Mgmt. Bd. for P.R. v. Centro de Periodismo Investigativo, Inc.*, 598 U.S. 339, 346, 143 S. Ct. 1176, 215 L. Ed. 2d 321 (2023) (holding that “Congress . . . must make its intent to abrogate sovereign immunity unmistakably clear in the language of the statute” and explaining that this rule applies “equivalently, in cases naming the federal government, States, and Indian tribes as defendants” (cleaned up)). For waiver, that clear statement is all that is required because “sovereign immunity is ‘a personal privilege which [the sovereign entity] may waive at [its] pleasure.’” *Arecibo Cmty. Health Care, Inc. v. Puerto Rico*, 270 F.3d 17, 24 (1st Cir. 2001) (quoting *Clark v. Barnard*, 108 U.S. 436, 447, 2 S. Ct. 878, 27 L. Ed. 780 (1883)). When Congress intervenes to abrogate a state’s sovereign immunity, however, it must not only “express[] its unequivocal intention,” but also “act[] pursuant to a valid grant of constitutional authority.” *Id.* at 24 n.9.

Appellants have two arguments, based on the text of the Lanham Act, 15 U.S.C. § 1122 (“Section 1122”), for

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why sovereign immunity should not apply to the surviving claims against the Commonwealth. On its face, Section 1122(a) involves waiver of federal sovereign immunity, while Section 1122(b) purports to abrogate state sovereign immunity. Our circuit has recognized a “default rule” that “statutes of general application [will] apply equally to Puerto Rico and to the fifty states *unless* Congress made specific provision for differential treatment.” *Jusino Mercado v. Puerto Rico*, 214 F.3d 34, 42 (1st Cir. 2000) (citing 48 U.S.C. § 734). Because we generally favor treating Puerto Rico like a state for sovereign immunity and statutory interpretation purposes, we start with Section 1122(b), which provides as follows:

Any State, . . . or any officer or employee 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, from suit in Federal court . . . for any violation under this chapter.<sup>36</sup>

We do not write on a blank slate here. Section 1122(b)’s formulation is nearly identical to provisions included in the statutes governing patents, 35 U.S.C. § 296(a), and copyrights, 17 U.S.C. § 511(a), which were examined in separate Supreme Court decisions. *See Fla. Prepaid Postsecondary Educ. Expense Bd. v. Coll. Sav. Bank*, 527 U.S. 627, 635, 119 S. Ct. 2199, 144 L. Ed. 2d 575 (1999)

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36. In their briefs, appellants mistakenly cite to “§ 1125(a),” rather than Section 1122(b), as the provision disposing of state sovereign immunity.

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(patents); *Allen v. Cooper*, 589 U.S. 248, 253, 140 S. Ct. 994, 206 L. Ed. 2d 291 (2020) (copyrights). Moreover, Section 1122(b) itself was analyzed in a companion case to *Florida Prepaid* involving a false advertising claim against an arm of the state of Florida. *See Coll. Sav. Bank v. Fla. Prepaid Postsecondary Educ. Expense Bd.*, 527 U.S. 666, 670–71, 119 S. Ct. 2219, 144 L. Ed. 2d 605 (1999).<sup>37</sup> This binding precedent (not to mention the plain language of Section 1122(b) itself) compels the conclusion that Congress expressed an unmistakable intent to abrogate state sovereign immunity for Lanham Act claims. *See Fla. Prepaid*, 527 U.S. at 635 (examining similar language under the Patent Remedy Act and concluding that “Congress’ intent to abrogate could not have been any clearer”); *Allen*, 589 U.S. at 255 (holding that an “essentially verbatim provision[]” in the Copyright Remedies Clarification Act was sufficiently clear). Unfortunately for appellants, that’s where their good news ends. As we’ve said, for Congress’s abrogation to be valid, it must act pursuant to its constitutional authority.

Appellants argue that the relevant constitutional authority in this case is Congress’s “enforcement powers

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37. The careful reader will note that these two Supreme Court companion cases in the same reporter are between College Savings Bank and the Florida Prepaid Postsecondary Education Expense Board. *See Fla. Prepaid Postsecondary Educ. Expense Bd. v. Coll. Sav. Bank*, 527 U.S. 627, 119 S. Ct. 2199, 144 L. Ed. 2d 575 (1999); *Coll. Sav. Bank v. Fla. Prepaid Postsecondary Educ. Expense Bd.*, 527 U.S. 666, 119 S. Ct. 2219, 144 L. Ed. 2d 605 (1999). We draw from both in our discussion, but we’ll just note, for reference, that our short cites for each case will consistently draw from the first parties’ names in the case titles we just listed.

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under the Fourteenth Amendment,” presumably because the infringement of trademarks deprives the trademark owner of property without due process of law.<sup>38</sup>

Before we address that argument, we offer this quick warm-up: Section 5 of the Fourteenth Amendment authorizes Congress to create private remedies against the states and curtails sovereign immunity for violations of the substantive provisions of the Fourteenth Amendment, including the Due Process Clause. U.S. Const. amend. XIV § 5 (“The Congress shall have power to enforce, by appropriate legislation, the provisions of this article.”); see *Allen*, 589 U.S. at 260. Any attempted abrogation under the Fourteenth Amendment must be “tailored to ‘remedy or prevent’ conduct infringing the Fourteenth Amendment’s substantive prohibitions.” *Id.* at 260 (quoting *City of Boerne v. Flores*, 521 U.S. 507, 519, 117 S. Ct. 2157, 138 L. Ed. 2d 624 (1997)). In other words, courts look for “a congruence and proportionality between the injury to be prevented or remedied and the means adopted to that end.” *Id.* at 261 (quoting *City of Boerne*, 521 U.S. at 520).

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38. We gather that appellants proceed on the basis of a due process violation from their citation to *College Savings*, accompanied by their assertion that “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.” See *Coll. Sav.*, 527 U.S. at 672 (“Petitioner claims that, with respect to § 43(a) of the Lanham Act, Congress enacted the [Trademark Remedy Clarification Act] to remedy and prevent state deprivations without due process of two species of ‘property’ rights.”).

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Assuming without deciding that appellants have a property right of some form in their mark,<sup>39</sup> they have nevertheless failed to establish congruence and proportionality. To explain, in *Florida Prepaid* and *Allen*, the Supreme Court recognized constitutionally cognizable property interests in patents and copyrights, but nevertheless held that Congress's attempts to abrogate sovereign immunity for infringement of such property were not sufficiently tailored to prevent a Fourteenth Amendment violation. *Allen*, 589 U.S. at 261, 264–65 (“Copyrights are a form of property.”); *Fla. Prepaid*, 527 U.S. at 642, 647 (“Patents, however, have long been considered a species of property.”).

To reach that conclusion, the Court focused on two aspects of a due process violation. First, the government does not “deprive” anyone of property under the Due

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39. Appellants hang their hat on the following passage from *College Savings*, which posits 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.” *Coll. Sav.*, 527 U.S. at 673. This passage is dictum because *College Savings* concerned abrogation of sovereign immunity only as to false advertising claims under the Lanham Act. *Id.* To resolve abrogation of that claim, the Supreme Court only needed to hold that there is no property right “to be free from” “false advertising” or “to be secure in one’s business interests” protected by the Due Process Clause. *Id.* at 672–75. Anyway, because we affirm the district court’s dismissal of the false advertising claim on the merits, we need not address sovereign immunity as to false advertising here, and we need not wrestle with the significance (if any) of that dictum.

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Process Clause when acting negligently. *Allen*, 589 U.S. at 261 (citing *Daniels v. Williams*, 474 U.S. 327, 328, 106 S. Ct. 662, 88 L. Ed. 2d 662 (1986)); *Fla. Prepaid*, 527 U.S. at 645 (same). Second, due process exists where state courts offer an adequate remedy for any deprivation of property. *See Allen*, 589 U.S. at 261–62; *Fla. Prepaid*, 527 U.S. at 643–44. *Allen* and *Florida Prepaid* turned on the absence of any evidence that Congress had attempted to make the abrogation of immunity congruent and proportional with these two limitations on a due process violation. Patent and copyright laws impose liability on infringers who act negligently, but Congress did not limit abrogation of immunity solely to cases where the government engaged in reckless or intentional infringement. *Allen*, 589 U.S. at 261; *Fla. Prepaid*, 527 U.S. at 645. Looking to the legislative history of the abrogation provisions found in the patent and copyright laws, the Supreme Court determined that Congress made no inquiry into the frequency with which states intentionally or recklessly infringed patents and copyrights, such as would justify a sweeping abrogation of immunity. *Allen*, 589 U.S. at 263–65; *Fla. Prepaid*, 527 U.S. at 644–45. Instead, the legislative history tended to show that patent and copyright infringement was infrequent and, in many cases, innocent. *Allen*, 589 U.S. at 264–65; *Fla. Prepaid*, 527 U.S. at 644–45. Nor did Congress consider the availability of state remedies that would satisfy due process without the need for a federal lawsuit. *Allen*, 589 U.S. at 265; *Fla. Prepaid*, 527 U.S. at 644. Because Congress failed to identify any pattern of unconstitutional patent and copyright infringements, the Fourteenth Amendment could not support its attempt to broadly abrogate immunity for all infringement suits. *See Allen*, 589 U.S. at 265–66; *Fla. Prepaid*, 527 U.S. at 647.

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Despite appellants' protests, there is no principled basis for distinguishing *Allen* and *Florida Prepaid* simply because those cases involved patents and copyrights rather than trademarks. As with patents and copyrights, a defendant can be liable for trademark infringement (or dilution) even when acting negligently and thus outside the realm of a due process violation. *See Star Fin. Servs., Inc. v. AASTAR Mortg. Corp.*, 89 F.3d 5, 11 (1st Cir. 1996) ("Evidence of bad intent . . . is simply not required in a trademark infringement case."). Indeed, the Lanham Act expressly contemplates innocent infringement. *See* 15 U.S.C. § 1114(2) (limiting remedies available against certain innocent infringers). And from appellants' admission at oral argument that they "chose" to file in federal court instead of Puerto Rico state court, combined with their assertion of violations of "Puerto Rico Trademark Law," P.R. Laws tit. 10, §§ 223–223z, we gather that there is likely an adequate state law remedy for trademark infringement (and appellants do not claim there isn't).

The most forceful version of appellants' argument may be that any analysis of the historical record regarding patent and copyright infringement by the states (and Congress's intent to address a pattern of unconstitutional infringement) does not apply here, which concerns a separate statute with its own legislative history. But appellants make no more than a "perfunctory" argument on this front. *Zannino*, 895 F.2d at 17. Appellants have identified no portion of the legislative record suggesting that Congress passed Section 1122(b) with more attention to tailoring abrogation to a pattern of deprivations of

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trademark interests without due process of law than it did for nearly identical clauses addressing patent and copyright infringement. *Cf. Allen*, 589 U.S. at 264 (addressing petitioner’s argument that a report commissioned by Congress showed harm to copyright holders if they were not permitted to sue states for infringement). Nor have appellants identified any other cases of trademark infringement by the states or territories. *Cf. Fla. Prepaid*, 527 U.S. at 640 (noting that Congress identified only two examples of patent infringement suits against the states and that Federal Circuit had only identified eight more). If evidence of such a record exists, appellants have not put it before us and have also made no coherent argument as to why the congruence and proportionality test is satisfied here. For all those reasons, the argument is waived for lack of development. *See Rodríguez v. Señor Frog’s de la Isla, Inc.*, 642 F.3d 28, 37 (1st Cir. 2011) (“Parties pursuing appellate review must supply us with enough raw material so that we can do our job.”); *Town of Norwood v. FERC*, 202 F.3d 392, 405 (1st Cir. 2000) (“[D]eveloping a sustained argument out of economic materials and legal precedents is the job of the appellant, not the reviewing court, as we have previously warned.”).

But wait. Appellants claim that we cannot stop our analysis there because Puerto Rico is a territory, not a state, and thus abrogation of its immunity does not raise the same federalism concerns that state sovereign immunity does. As a result, appellants say, Congress did not need a constitutional hook to abrogate Puerto Rico’s immunity; instead, Congress, exercising its plenary power over Puerto Rico, could simply abrogate that

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immunity. This is not the first time we've confronted the argument that an unequivocal but seemingly constitutionally invalid attempt by Congress to abrogate the states' immunity nevertheless "suffices to abrogate Puerto Rico's immunity." *Jusino Mercado*, 214 F.3d at 39–40 (considering whether the Fair Labor Standards Act abrogates Puerto Rico's sovereign immunity even though Congress could not validly use Article I power to abrogate states' immunity). We warned in *Jusino Mercado* that although there might be "an arguable basis for our treating Puerto Rico differently than the states" in the context of a statutory provision abrogating sovereign immunity, "most legal inquiries that turn upon Puerto Rico's political status are complex." *Id.* at 40. Thus, we read statutes to apply equally to the states and to Puerto Rico "unless the language of a particular statute demands [a different] result" or "some other compelling reason" exists. *Id.* at 42. A compelling reason is one supported by "specific evidence or clear policy reasons embedded in a particular statute [which] demonstrate a statutory intent to intervene more extensively into the local affairs of post-Constitutional Puerto Rico than into the local affairs of a state." *Id.* at 42–43 (quoting *Cordova & Simonpietri Ins. Agency, Inc. v. Chase Manhattan Bank*, 649 F.2d 36, 42 (1st Cir. 1981)).

Here, appellants do not acknowledge *Jusino Mercado* (which is on point, binding precedent) and do not cite to any portion of the statutory scheme or any compelling policy reason that calls for differential treatment of Puerto Rico. And for that reason, any argument that Section 1122(b) should be applied differently to Puerto Rico than the

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states is waived.<sup>40</sup> See *Rodríguez v. Mun. of San Juan*, 659 F.3d 168, 176 (1st Cir. 2011) (deeming argument waived where party provided neither “the necessary caselaw nor reasoned analysis to show that he is right about any of this”).

This brings us to appellants’ argument regarding Section 1122(a), which too fails. Section 1122(a) provides that “[t]he United States, [as well as] all agencies and instrumentalities thereof, . . . shall not be immune from suit . . . for any violation under this chapter.” 15 U.S.C. § 1122(a). On its face, this provision says nothing about Puerto Rico, but appellants direct us to the statutory provision explaining how the Lanham Act’s definition of the “United States” “includes and embraces all territory which is under its jurisdiction and control.” 15 U.S.C. § 1127. The Commonwealth Defendants do not address Section 1122(a) in their response brief, and appellants claim that the Commonwealth Defendants “thus waive[] any rebuttal.” Appellants’ reply brief stops short of asserting that they should prevail solely based on this waiver. As the rules for this sort of “appellee waiver” have not been directly addressed by our circuit (or briefed by the parties here),

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40. Perhaps it would be possible to construe appellants’ arguments regarding Section 1122(a) as an identification of statutory language demanding differential treatment of Puerto Rico. But such an argument was not squarely made, and, as we’re about to explain, we do not think Section 1122(a) is sufficiently clear to communicate an intent to restrict Puerto Rico’s sovereign immunity. For the same reasons, we do not believe it amounts to a statutory demand to treat Puerto Rico’s immunity differently from the states’ immunity under *Jusino Mercado*.

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we exercise our discretion to consider the merits of this issue. *See Hoolahan v. IBC Advanced Alloys Corp.*, 947 F.3d 101, 115 n.20 (1st Cir. 2020) (“bypass[ing] the issue of appellee waiver” and reviewing un rebutted argument de novo where there was “no unfairness” towards appellant (citing *W. Va. Coal Workers’ Pneumoconiosis Fund v. Bell*, 781 F. App’x 214, 226 (4th Cir. 2019))); *see also Guillemard-Ginorio v. Contreras-Gomez*, 585 F.3d 508, 517 (1st Cir. 2009) (addressing unpreserved abstention arguments “in recognition of the important interests underlying the abstention doctrines”).<sup>41</sup> Our approach should not unfairly surprise appellants, as we merely resolve a legal question raised by them by applying the clear statement rule for waiver and abrogation of sovereign immunity, which was cited in the parties’ briefs and the district court’s opinion. *See Hoolahan*, 947 F.3d at 115 n.20; *Clemente Props.*, 693 F. Supp. 3d at 236–37.

The clear statement rule, as we’ve already said, requires any act of Congress that purports to waive

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41. We have noted that “[t]he differing roles of appellees and appellants in framing the issues and in presenting arguments justif[y] differing waiver rules.” *Ms. S. v. Reg’l Sch. Unit 72*, 916 F.3d 41, 49 (1st Cir. 2019); *see also W. Va. Coal*, 781 F. App’x at 227 (explaining that “respect for the district courts” and the presence of “arguments for affirmance in the form of a reasoned opinion by the lower tribunal” should make appellate courts “more willing to excuse an appellee’s forfeiture than an appellant’s”). In this case, we are reluctant to give appellants an automatic win given the “jurisdictional” nature of sovereign immunity. *See Larson v. United States*, 274 F.3d 643, 648 (1st Cir. 2001) (holding that sovereign immunity can be raised for the first time on appeal and considered by an appellate court *sua sponte*).

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or abrogate sovereign immunity to be “unmistakably clear in the language of the statute.” *Fin. Oversight*, 598 U.S. at 346 (internal quotation marks omitted). Under this “demanding standard,” we cannot conclude that Congress intended to do away with immunity “if there is a plausible interpretation of the statute that preserves sovereign immunity.” *Lac du Flambeau Band of Lake Superior Chippewa Indians v. Coughlin*, 599 U.S. 382, 388, 143 S. Ct. 1689, 216 L. Ed. 2d 342 (2023) (cleaned up). That said, magic words like “sovereign immunity” or “Eleventh Amendment” are not required, and we apply the traditional tools of statutory interpretation in our inquiry. *Id.*

Under these principles, Section 1122(a), which is titled “Waiver of sovereign immunity by the United States,” seems to unequivocally waive the federal government’s sovereign immunity over Lanham Act claims. 15 U.S.C. § 1122(a) (“The United States . . . shall not be immune from suit . . . for any violation under this chapter.”). But we cannot say that Congress unmistakably intended to waive or abrogate Puerto Rico’s sovereign immunity based on the definition of the term “United States” that includes “all territory which is under its jurisdiction and control.” 15 U.S.C. § 1127. The problem for appellants is that “territory which is under [the United States’] jurisdiction and control” is open to multiple interpretations. Whether the word “territory” captures Puerto Rico is itself ambiguous, given Puerto Rico’s status as a self-governing commonwealth. *See Cordova & Simonpietri*, 649 F.2d at 39–42 (examining the Federal Relations Act’s effect in changing Puerto Rico’s status “from that of a mere

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territory to the unique status of Commonwealth” and thus explaining that Puerto Rico was not a “territory” under the Sherman Act); *Americana of P.R., Inc. v. Kaplus*, 368 F.2d 431, 436 (3d Cir. 1966) (explaining that “Territories” “does not have a fixed and technical meaning that must be accorded to it in all circumstances” and that it may or may not refer to Puerto Rico depending on the context) (citing *Puerto Rico v. Shell Co.*, 302 U.S. 253, 258, 58 S. Ct. 167, 82 L. Ed. 235 (1937))).

Particularly in the Lanham Act, it also seems plausible that Congress used the words “all territory” (singular) to ensure that the statute would cover the entire geographic scope of the United States, rather than refer to the territories (plural) of the United States as political or governmental units. *Cf. Lac du Flambeau*, 599 U.S. at 388–89 (concluding that the definition of “governmental unit” in a bankruptcy abrogation provision “exudes comprehensiveness from beginning to end” because it includes “a long list of governments that vary in geographic location, size, and nature,” including “a Territory,” and “concludes with a broad catchall phrase”). A geographical reading would be consistent with provisions of the Lanham Act that govern the importation of goods “into the United States,” 15 U.S.C. § 1125(b), and define the fame of a mark based on recognition by “the general consuming public of the United States,” 15 U.S.C. § 1125(c)(2)(A). Given the limited nature of the briefing before us, we do not pretend to definitively construe the meaning of “United States” throughout the Lanham Act.<sup>42</sup> It is enough to conclude that

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42. Section 1122(a) was added in the Trademark Amendments Act of August 5, 1999, Pub. L. No. 106-43, 113 Stat. 218, 219, long

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there is no unequivocal statutory language suggesting that Congress intended to do away with Puerto Rico's sovereign immunity when it passed Section 1122(a).

In our view, one more point seals the deal that Congress was not “unmistakably clear” in its intent to waive Puerto Rico's sovereign immunity via Section 1122(a): as evidenced by our discussion of Section 1122(b), it's not even clear (let alone “unmistakably clear”) that Section 1122(a) applies to Puerto Rico at all. *See Fin. Oversight*, 598 U.S. at 346. Like we said, Section 1122(a) focuses on “the United States,” while (as we've discussed) Section 1122(b) focuses separately on “[w]aiver of sovereign immunity by [s]tates.” *Compare* 15 U.S.C. § 1122(a), *with id.* § 1122(b). Recall, earlier, how we explained that “courts will not ordinarily construe statutes to treat Puerto Rico in one way and

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after the definition of “United States” in Section 1127 was enacted, Trademark (Lanham) Act of 1946, Pub. L. No. 489, 60 Stat. 427, 443. The district court emphasized that the legislative history of that act only reflected an intent to subject the federal government to suit, not the states or territories. *Clemente Props.*, 693 F. Supp. 3d at 237. Appellants have not challenged the district court's characterization of the legislative history on appeal. And even if there were some aspect of the legislative history that the district court missed, “[l]egislative history generally will be irrelevant to a judicial inquiry into whether Congress intended to abrogate the Eleventh Amendment.” *Dellmuth v. Muth*, 491 U.S. 223, 230, 109 S. Ct. 2397, 105 L. Ed. 2d 181 (1989) (“If Congress' intention is ‘unmistakably clear in the language of the statute,’ recourse to legislative history will be unnecessary; if Congress' intention is not unmistakably clear, recourse to legislative history will be futile, because by definition the [clear statement] rule . . . will not be met.”).

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the states in another unless the language of a particular statute demands that result.” *Jusino Mercado*, 214 F.3d at 42. For the reasons we’ve discussed – namely, the tenuous connection between the United States as expansively defined in 15 U.S.C. § 1127 and Puerto Rico’s territorial status – we think putting Puerto Rico under the coverage of Section 1122(a) can’t be reconciled with that principle of statutory interpretation laid out in *Jusino Mercado*. *Id.* Even if that all might be reconciled somehow, it’s not so obvious to us that it’s “unmistakably clear,” as that case law requires. *Fin. Oversight*, 598 U.S. at 346. Instead, we think it’s more plausible that Puerto Rico’s covered by Section 1122(b). Yet, for the reasons discussed above, we don’t think appellants offered us enough to do the proper analysis for Section 1122(b), so they lost their chance to win the day on this issue.

**Exception for Prospective Relief Under *Ex parte Young***

Our determination that sovereign immunity applies to Lanham Act claims against the Commonwealth and official-capacity defendants is subject to “a critical exception” recognized by the Supreme Court in *Ex parte Young*. *Cotto v. Campbell*, 126 F.4th 761, 767 (1st Cir. 2025) (citing *Ex parte Young*, 209 U.S. 123, 28 S. Ct. 441, 52 L. Ed. 714 (1908)). That exception “permits federal courts to issue prospective relief that enjoins state officials from committing future violations of federal law, but not retrospective relief that makes reparation for the past.” *Id.* (cleaned up). The “exception applies if a plaintiff (1) ‘alleges an ongoing violation of federal law’ by a state

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official and (2) ‘seeks relief properly characterized as prospective.’” *Id.* at 767–68 (quoting *Verizon Md., Inc. v. Pub. Serv. Comm’n of Md.*, 535 U.S. 635, 645, 122 S. Ct. 1753, 152 L. Ed. 2d 871 (2002)).

The district court concluded that there was no ongoing violation of federal law because the sale of license plates and registration tags occurred only during calendar year 2022. *See Clemente Props.*, 693 F. Supp. 3d at 240. Appellants do not dispute this conclusion but assign error to the district court’s failure to consider whether they are entitled to “forward-facing relief” against “the unauthorized use of the Roberto Clemente trademark in connection with the Roberto Clemente Sports District.” The problem for appellants, however, is that their opposition to the motion to dismiss never articulated an argument specific to the Sports District about the *Ex parte Young* exception to sovereign immunity, even though the Commonwealth Defendants’ motion to dismiss undeniably asserted sovereign immunity as a basis for dismissal. Because appellants did not raise their *Ex parte Young* arguments about the Sports District below, we deem the matter waived on appeal. *See Reyes-Colón v. United States*, 974 F.3d 56, 62 (1st Cir. 2020). Accordingly, we hold that sovereign immunity bars Lanham Act claims against the Commonwealth and the individual officials sued in their official capacities.

**Qualified Immunity**

We turn now to the individual defendants’ assertion of qualified immunity against the personal capacity claims.

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*See Febus-Rodriguez v. Betancourt-Lebron*, 14 F.3d 87, 91 n.3 (1st Cir. 1994). Under the qualified immunity doctrine, an official is immune to liability for damages when his or her “conduct does not violate clearly established statutory or constitutional rights of which a reasonable person would have known.” *Rivas-Villegas v. Cortesluna*, 595 U.S. 1, 5, 142 S. Ct. 4, 211 L. Ed. 2d 164 (2021) (per curiam) (quoting *White v. Pauly*, 580 U.S. 73, 78–79, 137 S. Ct. 548, 196 L. Ed. 2d 463 (2017) (per curiam)); accord *Rodriguez-Marin v. Rivera-Gonzalez*, 438 F.3d 72, 83 (1st Cir. 2006). Appellants, however, raise a preliminary issue: whether the Commonwealth Defendants properly invoked qualified immunity below. Appellants correctly assert that the qualified immunity discussion in the Commonwealth Defendants’ motion to dismiss argued only that the “requisites of commercial advertising or promotion and intention to influence potential customers are missing from the pleadings.” Because “commercial advertising” is only an element of false advertising, appellants justifiably understood the Commonwealth Defendants to be asserting qualified immunity only as to that cause of action.<sup>43</sup> *See Iacobucci v. Boulter*, 193 F.3d 14, 22 (1st Cir. 1999) (“[T]he scope of the protection afforded by the doctrine of qualified immunity is claim-specific.”); *cf. Bennett v. City of Holyoke*, 362 F.3d 1, 6 (1st

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43. This understanding was all the more reasonable because the only argument the Commonwealth Defendants made regarding the dismissal of any Lanham Act claim on the merits was the failure to allege commercial advertising and promotion as to false advertising. *See Podiatrist Ass’n*, 332 F.3d at 19 (identifying “intent of influencing potential customers” as an element of commercial advertising and promotion).

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Cir. 2004) (“Raising a defense to a particular claim does not automatically preserve that defense with respect to other independent claims.”).

Our circuit disfavors allowing parties to argue, in a reply filing, issues that should have been included in the initial filing because it deprives the non-movant of an opportunity to respond. *See Sparkle Hill, Inc. v. Interstate Mat Corp.*, 788 F.3d 25, 29 (1st Cir. 2015). Those concerns are magnified where, as here, the belated argument is a claim-specific affirmative defense that shifts the burden to come forward with clearly established law onto the opponent. *See Iacobucci*, 193 F.3d at 22 (explaining that an assertion of qualified immunity as to an excessive force claim on motion for summary judgment “cannot fill [the] void” where the defendant did not assert qualified immunity as to a false arrest claim); *see also Est. of Rahim by Rahim v. Doe*, 51 F.4th 402, 410 (1st Cir. 2022) (explaining that the plaintiff bears a “heavy burden” to identify clearly established law (internal quotation marks omitted)). We do not buy the Commonwealth Defendants’ assertion, in the reply memorandum supporting the motion to dismiss below,<sup>44</sup> that they merely declined to “repeat” arguments articulated elsewhere in the motion “in the qualified immunity section.” The Commonwealth Defendants did not make a broad assertion that they were entitled to qualified immunity, which might reasonably be construed to muster arguments made elsewhere in the filing with a “clearly established” gloss. Instead, they

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44. Commonwealth Defendants do not acknowledge any perceived failure to invoke qualified immunity on appeal.

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specifically argued that appellants had not established a claim “under the Lanham Act” and identified a particular element of one Lanham Act claim that they believed was missing. This was not sufficient to meet their burden to invoke qualified immunity.<sup>45</sup> *See Gomez v. Toledo*, 446 U.S. 635, 640, 100 S. Ct. 1920, 64 L. Ed. 2d 572 (1980).

Arguably, the parties have now had sufficient opportunity to lay out their arguments for and against qualified immunity in their appellate briefs. But given the Commonwealth Defendants’ failure to properly assert qualified immunity below and the misleading nature of its assertion, we deem the qualified immunity defense waived as to any other claim for this appeal.<sup>46</sup> *See Haidak*,

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45. To illustrate the absurdity of the Commonwealth Defendants’ position, we note that their reply supporting the motion to dismiss and their appellate brief assert qualified immunity as to the takings claim. But the only argument made regarding the takings claim in the initial motion was that it was barred by sovereign immunity.

46. The partial dissent reads the record differently on waiver and goes on to say that qualified immunity actually should win the day for these claims. Although our sole ground of decision is waiver, it is also important to recognize how early into the case we are. It isn’t “always possible to determine before any discovery has occurred whether a defendant is entitled to qualified immunity, and courts often evaluate qualified immunity defenses at the summary judgment stage.” *Giragosian v. Bettencourt*, 614 F.3d 25, 29 (1st Cir. 2010); *see also Stringer v. Cnty. of Bucks*, 141 F.4th 76, 85 (3d Cir. 2025) (“Rule 12(b)(6) is often a mismatch for immunity and almost always a bad ground for dismissal.”) (cleaned up). Ordinarily, qualified immunity is okay this early only “when the complaint provides all of the facts needed to assess the plaintiff’s

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933 F.3d at 76 (concluding that qualified immunity was waived where the defendant failed to invoke it below); *Buenrostro v. Collazo*, 973 F.2d 39, 44 (1st Cir. 1992) (declining to consider qualified immunity on appeal where appellants attempted to “switch horses” and argue for qualified immunity as to a different theory of liability than what they argued in district court); *see also Brown v. Crowley*, 312 F.3d 782, 788 (6th Cir. 2002) (“By declining to consider qualified immunity defenses on appeal that were not raised properly before the district court, moreover, we might encourage future defendants to properly raise this defense at the district court level.”). Because we have already concluded that the false advertising claim was not plausibly pled, there is no need to consider qualified immunity on that front. *See Segrain v. Duffy*, 118 F.4th 45, 57 (1st Cir. 2024) (outlining the “two-step inquiry” to evaluate a qualified immunity defense). Thus the surviving claims against the Commonwealth Defendants in their personal capacities under Sections 1114(1), 1125(a)(1)(A), and 1125(c) of the Lanham Act are not subject to qualified immunity at this stage.<sup>47</sup>

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claim.” *Giragosian*, 614 F.3d at 29. The Clementes’ complaint alleges that the Commonwealth Defendants didn’t just reasonably misapprehend the law; they “acted willfully, intentionally, and fully aware about the mark appropriation,” and did so even after receiving specific notice from the Clementes about the registration. Given that we must take the Clementes’ allegations as true at this stage of the case, we think it premature to decide the qualified immunity issue in the Commonwealth Defendants’ favor now.

47. Two points are worth clarifying. First, the fact that the Commonwealth Defendants did not properly invoke qualified immunity on a motion to dismiss does not necessarily preclude

*Appendix A***AGAINST THE RELIEVER  
(CLAIMS AGAINST THE AUTHORITY)**

Having finally worked through appellants' arguments as to the Commonwealth Defendants, we turn now to the claims against the Authority. The district court explained that it was dismissing the claims against the Authority for several reasons, including that appellants were simply "parrot[ing] the dispositions of Act 67-2022, which . . . mention the Authority only to designate it as the entity responsible for implementing part of the public policy established in said statute." *Clemente Props.*, 693 F. Supp. 3d at 253. We understand the district court's concern to be that, from the face of the complaint, it is unclear what, if any, actions the Authority (as opposed to the Commonwealth Defendants) took or will take with regard to the Sports District, and thus it cannot determine whether those actions amount (or will amount) to trademark infringement (much less infringement that constitutes a taking). This concern is rooted in the allegations of the complaint, which identify the Authority's

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them from doing so at a later stage of litigation. *See Iacobucci*, 193 F.3d at 22. Second, we are skeptical of appellants' argument that the Lanham Act abolished qualified immunity. Though we need not reach the issue to resolve this appeal, we note that when legislators have chosen to abolish qualified immunity, they have done so with much greater clarity. *See, e.g.*, Colo. Rev. Stat. § 13-21-131(2)(b) ("Qualified immunity is not a defense to liability pursuant to this section."); N.M. Stat. Ann. § 41-4A-4 ("[N]o public body or person acting on behalf . . . of a public body shall enjoy the defense of qualified immunity for causing the deprivation of any rights, privileges or immunities secured by the bill of rights of the constitution of New Mexico.").

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statutory responsibilities rather than its actual or anticipated conduct.<sup>48</sup>

Although appellants may have intended their opening brief to address their claims against the Authority and the Commonwealth Defendants simultaneously, the arguments we've already considered do not answer the district court's concern regarding the actions taken by the Authority. Appellants' only argument specific to the Authority is that the Authority "asked to be" the entity that administered the Sports District<sup>49</sup> and that it will receive income that was generated from the unauthorized sale of license plates. Appellants do not explain how either assertion is relevant to establishing the Authority's liability under the Lanham Act or the Takings Clause. Their reply brief responds to several arguments made

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48. The district court's reasoning sounds in ripeness, though it did not expressly address this doctrine. "[R]ipeness doctrine seeks to prevent the adjudication of claims relating to 'contingent future events that may not occur as anticipated, or indeed may not occur at all.'" *Reddy v. Foster*, 845 F.3d 493, 500, 503 (1st Cir. 2017) (quoting *Texas v. United States*, 523 U.S. 296, 300, 118 S. Ct. 1257, 140 L. Ed. 2d 406 (1998)) (affirming dismissal on ripeness grounds where there was no plausible allegation of harm "from the statute's mere existence"). Appellants do not argue that the district court failed to conduct a sufficient ripeness inquiry or argue that any dismissal on this basis should have been without prejudice. *See id.* at 495, 501 (describing two prongs of ripeness and affirming dismissal without prejudice). Thus we do not review the district court's decision from this lens.

49. This fact is unsupported by any citation and not alleged in the complaint below.

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by the Authority for dismissal. But to the extent that the reply brief comes closer to addressing the stated basis for dismissal (which we're not sure it does), any arguments for reversal that could have been raised in the opening brief, but were not, are waived. *See Sparkle Hill*, 788 F.3d at 29 (“Our precedent is clear: we do not consider arguments for reversing a decision of a district court when the argument is not raised in a party’s opening brief.”). Because appellants offer no reasoned basis for why their arguments against the Authority were plausibly laid out in their opening brief, we deem such claims waived. *See Zannino*, 895 F.2d at 17.

**CHECKING THE FINAL SCORE (CONCLUSION)**

Having addressed a barrage of overlapping arguments from both appellants and appellees, we pause to check the score. We ***affirm*** as to the district court’s dismissal of all claims against the Authority and of all Lanham Act and Takings Clause claims against the Commonwealth and the individual officials in their official capacities. We also ***affirm*** dismissal of the false advertising claim, 15 U.S.C. § 1125(a)(1)(B), and the takings claim asserted against the Commonwealth officials in their personal capacities. But we ***vacate*** the dismissal of claims under 15 U.S.C. §§ 1114(1), 1125(a)(1), and 1125(c) as to the individual Commonwealth officials in their personal capacities. We remand to the district court for further proceedings.<sup>50</sup>

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50. Appellants did not specifically request reinstatement of their claims under Puerto Rico law, and we express no opinion on the merits of such claims. Appellants are free to ask the district court to exercise supplemental jurisdiction over those claims

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## – PARTIAL DISSENTING OPINION FOLLOWS –

**Barron, Chief Judge, dissenting in part.** I join the majority’s opinion except as to the portion that addresses and then vacates the dismissal of the plaintiffs’ Lanham Act claims based on provisions other than § 1125(a)(1) (B) of that statute. In my view, we should simply affirm the dismissal of the claims alleging that the individual Commonwealth Defendants (“Defendants”) are personally liable for damages under the Lanham Act.

These claims all depend on what the District Court termed a “commercial use” element. *Clemente Props., Inc. v. Pierluisi-Urrutia*, 693 F. Supp. 3d 215, 241–43 (D.P.R. 2023). And, unlike the majority, I understand the District Court to have dismissed those claims because it granted the Defendants’ qualified immunity as to them on the ground that it was not clear that this element covered the issuance of official license plates. *See id.* at 252. In that regard, the District Court, after examining that element, stated:

Governor Pierluisi as well as the other individual Defendants were merely complying with their official duties to enforce a law as adopted by the legislature. As per the caselaw and other applicable law to date, *any reasonable public official* in their situation could have concluded

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on remand. *See Cloud v. Cmty. Works*, 141 F.3d 1149, 1998 WL 85282, at \*1 (1st Cir. Feb. 25, 1998) (per curiam) (unpublished table decision).

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that no trademark or proprietary rights were being violated by the imposition of the license fees that Plaintiffs have challenged in this case.

*Id.* (emphasis added); *cf. Holsum de P.R.*, 116 F.4th at 66 (“Appellate courts may . . . address an issue not presented to the lower court if the lower court nevertheless addressed the issue.”).

The plaintiffs have not, in my view, explained how the District Court erred in dismissing these claims on the basis of qualified immunity.<sup>51</sup> Although they seek to hold these governmental officials personally liable for carrying out expressly assigned statutory duties, they do not suggest that any precedent of ours clearly established that governmental conduct akin to that involved here satisfies the “commercial use” element. *Cf. Guillemard-Ginorio v. Contreras-Gomez*, 490 F.3d 31, 40 (1st Cir. 2007) (stating, in the qualified immunity context, that “state officials are ordinarily entitled to rely

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51. The plaintiffs unpersuasively rely on a statute that addresses sovereign immunity to contend that “the Lanham Act abrogated any qualified immunity that territorial government officials could have had.” *See* 15 U.S.C. § 1122 (providing specifically for the “[w]aiver of sovereign immunity”); *cf. Cushing v. Packard*, 30 F.4th 27, 47 (1st Cir. 2022) (“[T]he fact that Congress expressly saw fit to abrogate Eleventh Amendment immunity as to actions against states brought under it, but then made no reference to legislative immunity, supports th[e] conclusion” that Congress did not “abrogate legislative immunity ‘by covert inclusion.’” (quoting *Tenney v. Brandhove*, 341 U.S. 367, 376, 71 S. Ct. 783, 95 L. Ed. 1019 (1951))).

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on presumptively valid state statutes” but that “courts have held such reliance unreasonable where the relevant law is ‘so grossly and flagrantly unconstitutional that any person of reasonable prudence would be bound to see its flaws’” (quoting *Michigan v. DeFillippo*, 443 U.S. 31, 38, 99 S. Ct. 2627, 61 L. Ed. 2d 343 (1979))). And while out-of-circuit precedent establishes that *private parties* may violate the Lanham Act when they issue “marquee license plates,” *Au-Tomotive Gold Inc. v. Volkswagen of Am., Inc.*, 603 F.3d 1133, 1134–35, 1139 (9th Cir. 2010), it does not speak to the distinct issues that this governmental context raises. Nor are those issues resolved by precedent that provides that, in general, state officials may violate the Lanham Act when they act in their official capacity. See *Sofamor Danek Grp., Inc. v. Brown*, 124 F.3d 1179, 1185–86 (9th Cir. 1997); cf. *Wash. State Republican Party v. Wash. State Grange*, 676 F.3d 784, 795 (9th Cir. 2012) (affirming the dismissal of trademark claims against Washington because the plaintiff did not explain “how the state uses the . . . mark in connection with the provision of competing services”).

Moreover, the plaintiffs have not identified a “‘general’ standard,” *Berge v. Sch. Comm. of Gloucester*, 107 F.4th 33, 39 (1st Cir. 2024) (quoting *Hope v. Pelzer*, 536 U.S. 730, 741, 122 S. Ct. 2508, 153 L. Ed. 2d 666 (2002)), that “clearly established” that the “commercial use” element covered the governmental conduct at issue here. Accordingly, I see no reason to disturb the District Court’s qualified-immunity-based decision to dismiss these claims, *see*

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*Rivas-Villegas v. Cortesluna*, 595 U.S. 1, 5, 142 S. Ct. 4, 211 L. Ed. 2d 164 (2021), and so no reason to address any aspect of the question of whether the allegations “make out a violation of a constitutional right,” *Pearson v. Callahan*, 555 U.S. 223, 232, 236, 129 S. Ct. 808, 172 L. Ed. 2d 565 (2009) (“The judges of the district courts and the courts of appeals should be permitted to exercise their sound discretion in deciding which of the two prongs of the qualified immunity analysis should be addressed first. . .”).

**APPENDIX B — OPINION OF THE UNITED STATES  
DISTRICT COURT FOR THE DISTRICT OF  
PUERTO RICO, FILED SEPTEMBER 22, 2023**

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO

Civil No. 22-1373 (GMM)

CLEMENTE PROPERTIES, INC., *et al.*,

*Plaintiffs,*

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; *et als.*,

*Defendants.*

Filed September 22, 2023

**OPINION AND ORDER**

Pending before the Court are three motions to dismiss: (1) *Amended and Restated Motion to Dismiss Complaint And Amended Complaint Under FRCP 12(B)(6)* (“Authority’s Motion to Dismiss”) filed by the Puerto Rico Convention Center District Authority’s (the “Authority”) (Docket No. 36); (2) *Motion to Dismiss*

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*Amended Complaint for Failure to State a Claim Under Federal Rule Of Civil Procedure 12(B)(6)* filed by the Commonwealth of Puerto Rico (“Commonwealth”), Hon. Pedro R. Pierluisi-Urrutia (“Governor Pierluisi”), in his official capacity as Governor of the Commonwealth and in his personal capacity; Eileen M. Vélez-Vega, in her official capacity as Secretary of the Department of Transportation and Public Works (“Department of Transportation”) and in her personal capacity (“Secretary of Transportation”); Francisco Parés-Alicea in his official capacity as Secretary of the Department of the Treasury and in his personal capacity (“Secretary of Treasury”), and Ray J. Quiñones-Vázquez, in his personal capacity as Secretary of the Department of Sports and Recreation (“Secretary of Sports and Recreation”) (collectively, “Defendants”)(Docket No. 38); and (3) *Motion to Dismiss* filed by the Secretary of Sports and Recreation, in his official capacity (Docket No. 42).

**I. RELEVANT FACTUAL AND PROCEDURAL BACKGROUND**

On August 5, 2022, Clemente Properties, Inc.; 21 In Right, Inc.; Roberto Clemente Jr.; Luis Roberto Clemente; and Roberto Enrique Clemente (“Plaintiffs”) filed a Complaint against the Commonwealth, Governor Pierluisi, in his official and individual capacity and as representative of the Commonwealth; the Secretary of Transportation, in her official and individual capacity and as representative of the conjugal partnership composed by her and John Doe; the Secretary of Treasury, in his official and individual capacity; the Secretary of Sports and Recreation, in his

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official and individual capacity and as representative of the conjugal partnership composed of him and Jane Doe; and the Authority. (Docket No. 1) (the “Complaint”).

Therein, Plaintiffs seek: (1) declaratory judgment determining that the use of the Roberto Clemente mark, name, and likeness pursuant to Puerto Rico Joint Resolutions No. 16 and 17 of 2021 and Act 67-2022 is unlawful, violates due process, constitutes trademark infringement, violates the right of publicity, and constitutes a taking; (2) declaratory judgment decreeing that Puerto Rico Joint Resolutions No. 16 and 17 of 2021 and Act 67-2022 are unconstitutional; (3) injunctive relief proscribing Defendants’ use of the Roberto Clemente mark and name pursuant to Puerto Rico Joint Resolutions No. 16 and 17 of 2021, without just compensation; (4) declaratory judgment “decreeing that just compensation for the use of the mark pursuant to Joint Resolutions No. 16 and 17 of 2021 is no less than \$3,150,000.00 for the temporary taking of the trademark”; (5) “payment of just compensation to Plaintiffs for the temporary use of the Roberto Clemente mark, name and likeness”; (6) injunctive relief proscribing Defendants’ use of the Roberto Clemente mark pursuant to Puerto Rico Act 67-2022 and enjoining the creation of the Roberto Clemente Sports District; and (7) “judgment for three times the profits or damages, whichever amount is greater, or for damages, in a sum of not less than \$45,000,000.00”. *Id.* at 41–42.

Plaintiffs’ claims are brought pursuant to 28 U.S.C.A. § 2201 and 2202; Rule 65 of the Federal Rules of Civil Procedure, 42 U.S.C.A. § 1983 (“Section 1983”);

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the Lanham Trade-Mark Act, 15 U.S.C. §§ 1051–1127 (“Lanham Act”); the Takings Clause of the Constitution of the United States, U.S. Const. Amend. V., the Due Process Clause, U.S. Const. U.S. Const. Amend. XIV, and supplemental claims under Puerto Rico Act 139 of 2011 (“Act 139”), P.R. Laws Ann. Tit. 32 §§ 3151 *et seq.*, and the Puerto Rico Trademarks Act, Act 169 of 2009 (“Act 169”), P.R. Laws Ann. Tit. 10 §§ 223 *et seq. Id.* at 2.

Plaintiffs claim that pursuant to Puerto Rico Joint Resolution No. 16 of 2021, at the beginning of calendar year 2022, the Commonwealth—led by Governor Pierluisi through the Department of Transportation—began to impose the mandatory purchase of a commemorative license plate for the fiftieth anniversary of Roberto Clemente’s “Hit 3000.” The Commonwealth charged twenty-one dollars (\$21.00) for the commemorative plate. Plaintiffs allege that the license plate had an image of Roberto Clemente and included the name “Clemente” with the number “21,” the number “50,” the word “anniversary,” and the phrase “3000 hits.” Also, that pursuant to Joint Resolution No. 17 of 2021, there was a mandatory charge of five dollars (\$5.00) in addition to the regular costs for duties, tariffs, and fines, for a commemorative vehicle certificate tag. The vehicle certificate tag was yellow, had the figure of Roberto Clemente with the name “Clemente,” the number “21,” the number “50,” and phrase “3000 hits.” According to Plaintiffs, the cost charged to the citizens of Puerto Rico was transferred to the Roberto Clemente Sports District Fund, administered by the Department of Treasury, for the exclusive use of the Department of Sports and Recreation. *Id.* at 8–10.

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In addition, Plaintiffs argue that Defendants acted willfully, intentionally, and with full awareness about the mark's misappropriation, because it is allegedly common knowledge that the Plaintiffs are the owners of the Roberto Clemente mark, his right of publicity, his likeness, and the legacy it represents. Plaintiffs claim that the Roberto Clemente mark has been in use since 1955 and Clemente Properties, Inc. registered the mark with the United States Patent and Trademark Office ("USPTO") under Registration No. 5,176,650, Serial number 86048262. *Id.* at 5. Therefore, they argue that the unauthorized use by the Commonwealth constitutes an infringement of a registered trademark and a violation of the Takings and Due Process Clauses of the United States Constitution.

On November 23, 2022, Plaintiffs filed an Amended Complaint<sup>1</sup>, which maintained the same allegations, but included additional assertions regarding the adoption of the Joint Resolution No. 16. They posit that before its adoption, they had already authorized Ciudad Deportiva Roberto Clemente to use the trademark, name, and likeness of Roberto Clemente for vehicles' license plates.

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1. On September 28, 2022, the Authority filed a motion to dismiss for failure to state a claim. (Docket No. 14). On November 2, 2022, Governor Pierluisi and Defendants filed a motion to dismiss for failure to state a claim. (Docket No. 19). The Secretary of Sports and Recreation also filed a *Motion for Joinder* to the motion to dismiss at Docket No. 19. (Docket No. 22). On December 2, 2023, these motions to dismiss were denied without prejudice as moot due to the filing of the Amended Complaint. *See* Docket No. 32.

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(Docket No. 27). Plaintiffs add that Ciudad Deportiva Roberto Clemente planned to raise funds by the issuing of commemorative license plates to be available to the public in exchange for a voluntary donation of \$2.10. *Id.* at 12.

On December 26, 2023, the Authority filed its Motion to Dismiss. (Docket No. 36). The Authority argues dismissal is warranted under Rule 12 (b)(6) since: (1) it is not acting under color of state law to illegally, culpably, negligently, intentionally, knowingly, or willfully, use and pretend to continue using the Roberto Clemente mark, name, and likeness in contravention of the aforementioned legal provisions; (2) the Authority's only involvement is incidental and only regards its participation in the legislative process before the adoption of Act 67-2022; (3) there is no relief sought from the Authority as there is no claim that it has caused any breach, violation, damage, and/or unlawful use of Plaintiffs' property, and the allegations regarding the Authority relate to obligations which the Authority will legally perform under state law. According to the Authority, Act 67-2022 imposes obligations to be carried out once the property is transferred to the Commonwealth, obligations which the Authority cannot even perform to date; and (4) that the Authority, as a government entity created under Puerto Rico Act 351-2000, has a legal obligation to be bound by the laws duly enacted by the Puerto Rico legislature, in which case, the Authority has no influence on which laws are enacted, and thus, no bearing on the passing of Act 67-2022. *Id.* at 6–11.

On January 9, 2023, the Defendants filed a *Motion to Dismiss Amended Complaint for Failure to State a*

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*Claim under Federal Rule of Civil Procedure 12 (b)(6).* (Docket No. 38). First, Defendants argue that Plaintiffs' claims against the Commonwealth and the official capacity Defendants are barred by sovereign immunity as provided by the Eleventh Amendment of the United States Constitution. Specifically, they claim that this Court does not have jurisdiction to entertain suits under the Lanham Act, because suits against states and its officers, in their official capacity, are barred by the Eleventh Amendment immunity, as determined by the Supreme Court in *College Savings Bank v. Florida Prepaid Postsecondary Education Expense Board*, 527 U.S. 666, 119 S. Ct. 2219, 144 L. Ed. 2d 605 (1999). In addition, Defendants posit that the monetary claim pursuant to the Fifth Amendment Takings Clause against the Commonwealth is also barred by the Eleventh Amendment immunity.

Second, Defendants argue that, under the Lanham Act, Plaintiffs lack standing to claim damages suffered by the corporations Clemente Properties, Inc., and 21 In Right, Inc.

Third, Defendants assert that Plaintiffs lack standing to claim damages suffered by Ciudad Deportiva Roberto Clemente, Inc., an independent corporate entity which is not a party to this case. Defendants contend that Plaintiffs also lack standing to assert the land transfer claims mandated by Act 67-2022 and that the Court lacks jurisdiction over such matters since the requested relief would entail the Court enjoining the land transfer mandated by this statute, from Ciudad Deportiva Roberto Clemente, Inc., back to the Commonwealth, through the Sports and Recreation Department.

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Fourth, Defendants argue that Plaintiffs fail to state a claim for violations of their right to Substantive Due Process under the Fourteenth Amendment and that having asserted a Fifth Amendment Takings Clause claim, the alleged infringement of their property rights are to be ruled upon under the standards of that constitutional clause, and not the due process clause.

Fifth, Defendants posit that Plaintiffs fail to state a claim under the Lanham Act for individual liability against Defendants in their personal capacity.

Sixth, Defendants contend that Plaintiffs fail to establish a false advertising claim and that there is no “commercial advertising or promotion” nor “intention to influence potential customers” in this case which would activate liability under the Lanham Act.

Seventh, Defendants allege that image rights and rights of publicity are determined not by federal law but by state law, and that under Puerto Rico Act 139, such right extends up to twenty-five years after the person’s death. They posit that in Roberto Clemente’s case, this period expired in 1998.

Eighth, Defendants argue that Plaintiffs’ request for injunctive relief for the alleged trademark violations has become moot since the sale of license plates and license labels mandated by Joint Resolutions 16-2021 and 17-2021 expired by its own terms on December 31, 2022.

Ninth, Defendants contend that Plaintiffs failed to state a claim against personal capacity Defendants

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under Section 1983, since their personal involvement, as described in the Amended Complaint, does not support a liability finding against them under that statute.

Tenth, that Defendants who were sued in their personal capacity are entitled to qualified immunity, to the extent that they were carrying out their legal duties by enforcing statutes validly enacted by the Commonwealth's Legislative Assembly, against which no constitutional challenge has been raised by Plaintiffs.

Eleventh, Defendants argue that after dismissing all of Plaintiffs' federal claims the Court should decline to exercise supplemental jurisdiction over claims brought under the Puerto Rico's Constitution and laws.

On January 17, 2023, the Secretary of Sports and Recreation filed a Motion to Dismiss. (Docket No. 42). He argues that Eleventh Amendment immunity bars any claim for monetary relief against him in his official capacity as Secretary of Sports and Recreation. In addition, for the same reasons, he contends that claims under Section 1983 brought against him in his official capacity must be dismissed. Moreover, he states that as Secretary of Sports and Recreation he is immune from suit under the Takings Clause and the Lanham Act. Furthermore, he maintains that Plaintiffs have not raised a claim upon which a relief may be granted since he has not yet executed his rights, duties and function pursuant to Act 67-2022.

On February 24, 2023, Plaintiffs filed a *Response in Opposition to Puerto Rico Convention Center District*

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*Authority's Motion to Dismiss Amended Complaint.* (Docket No. 44). Plaintiffs argue that the Authority's Motion to Dismiss must be disregarded, because there was a straightforward trademark infringement claim. Specifically, they contend that the Roberto Clemente mark is registered in International Class 41 which includes entertainment services. Furthermore, they posit that that the image and likeness of Roberto Clemente are an integral part of the registered trademark and that Section 43 (a) of the Lanham Act, provides the federal equivalent protection of the right for publicity and can thus protect an individual's image or likeness from unauthorized use. Additionally, they argue that the Authority has actively pursued and contributed to the creation of the Roberto Clemente Sports District and had a leading role in its development. For that reason, injunctive relief is warranted.

Also on February 24, 2023, the Plaintiffs filed a *Response in Opposition to Secretary of the Department of Sports and Recreation's Motion to Dismiss Amended Complaint.* (Docket No. 45). Therein, they argue that the Amended Complaint should not be dismissed based on Eleventh Amendment immunity, since no legal or judicial doctrine in place justifies applying the principles of Eleventh Amendment immunity in Puerto Rico. Moreover, they maintain that claims pursuant to the Lanham Act may not be dismissed on Eleventh Amendment grounds, because the Supreme Court of the United States has only determined that States' sovereign immunity cannot be validly abrogated in relation to a false-advertising claim under the Lanham Act. *Id.* at 10–17. Regarding the

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Takings Clause, they also allege that Eleventh Amendment immunity does not apply. Lastly, Plaintiffs allege that they are entitled to monetary and equitable remedies against the Department of Sports and Recreation “for the creation and further development of the Roberto Clemente Sports District using and taking the Plaintiffs’ trademark, and for the unauthorized use and taking of the Roberto Clemente trademark in license plates and vehicle certificate labels, which generated earnings for [them].” *Id.* at 19. They claim that they are entitled to prospective injunctive relief against state officials in their official capacity and that these claims cannot be dismissed based on the Secretary of Sports and Recreation’s allegation that they are not yet the owner of the property or lands of the Roberto Clemente Sports District and that they have not executed any duties as owners.

On March 17, 2023, Plaintiffs filed a *Response in Opposition to Government and Individual Defendants’ Motion to Dismiss Amended Complaint*. (Docket No. 53). Plaintiffs reiterate that “Puerto Rico possesses no sovereign immunity or Eleventh Amendment immunity from federal law or federal-court suits.” *Id.* at 9. Additionally, they assert that there is no immunity from the application of the Lanham Act. Furthermore, Plaintiffs contend that the reference to Act 139 asserts an additional or alternative source of ownership of the Roberto Clemente image, name, and likeness in violation of that property right under the statute. They also argue that they have standing as to these claims since they are the heirs of Roberto Clemente, to whom the law, without any other legal contract or act, invests with the

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property and transference rights to Roberto Clemente's image. Regarding the alleged due process violation, Plaintiffs contend that their claim is valid, since even if commemorating Roberto Clemente could be a legitimate government interest-which they allege it is not-there is no need for the misappropriation of the trademark to pursue that goal.

Plaintiffs also specifically respond to arguments regarding liability pursuant to the Lanham Act. Regarding the individual liability of Defendants, Plaintiffs allege that Defendants' argument for lack of involvement or participation in the Lanham Act violations is meritless. As to the claims of commercial advertising or promotion and intention to influence potential customers, Plaintiffs argue that the false advertising claim must stand, since Defendants made misleading and false descriptions of facts, in relation to the sales of Roberto Clemente name, image, likeness, and trademark in the license plates and license labels, and in relation to the Roberto Clemente Sports District project - that would generate significant revenue for the government, and have therefore caused damages. On the other hand, regarding the mootness of the request for injunctive relief, Plaintiffs contend that the temporary taking of the trademark persists until just compensation is awarded and that equitable relief for trademark violations for the sale of license plates and license labels is still in order.

Regarding the Section 1983 claims, Plaintiffs respond that Defendants are not entitled to qualified immunity regarding the constitutional violations because they all

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originate from the unauthorized use or appropriation of the registered trademark.

On May 22, 2023, the Commonwealth, Governor Pierluisi, the Secretary of Transportation, the Secretary of Treasury, and the Secretary of Sports and Recreation filed *Reply to Opposition to Motion to Dismiss Amended Complaint*. (Docket No. 64). Regarding Eleventh Amendment immunity, Defendants argue that the doctrine still stands and is applicable to this case. Furthermore, they cite *Allen v. Cooper*, 140 S. Ct. 994, 206 L. Ed. 2d 291 (2020) to sustain that Congress has not abrogated the State's sovereign immunity under the Eleventh Amendment regarding intellectual property claims. As to the claims under the Lanham Act, Defendants respond that "Plaintiffs do not sell license plates nor yearly license labels and no amount of artful pleading can establish the pleading requisite of consumers withholding trade from them." *Id.* at 11. Also, in addressing the arguments relating to the substantive due process claims, Defendants assert that Plaintiffs' claims fall outside the very limited scope defined by applicable law and find no support in current substantive due process standards. In addition, Defendants posit there are no legal grounds for injunctive relief for official capacity Defendants to stop acting when the statutory authorization, provided by Act 67-2022, for them to carry those actions has already expired. They argue that this is strictly a legal question that arises from Act 67-2022 and requires no evidence to adjudicate it. Lastly, Defendants allege that Plaintiffs provided no basis to establish any congressional intention to abolish qualified immunity as a possible defense in Lanham Act claims.

*Appendix B***II. LEGAL STANDARD****A. Motion to Dismiss**

To survive a motion to dismiss, a complaint must contain a “short and plain statement of the claim showing that the pleader is entitled to relief.” Fed. R. Civ. P. 8(a). The complaint “must contain sufficient factual matter, accepted as true, to ‘state a claim to relief that is plausible on its face.’” *Ashcroft v. Iqbal*, 556 U.S. 662, 678, 129 S. Ct. 1937, 173 L. Ed. 2d 868 (2009) (quoting *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570, 127 S. Ct. 1955, 167 L. Ed. 2d 929 (2007)). This pleading standard does not require “detailed factual allegations,” but does require “more than labels and conclusions, and a formulaic recitation of the elements of a cause of action will not do.” *Twombly*, 550 U.S. at 555. “A claim has facial plausibility when the plaintiff pleads factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged.” *Iqbal*, 556 U.S. at 678. “Where a complaint pleads facts that are ‘merely consistent with’ a defendant’s liability, it ‘stops short of the line between possibility and plausibility of ‘entitlement to relief.’”” *Id.* (quoting *Twombly*, 550 U.S. at 557). *See also* *Álvarez-Maurás v. Banco Popular of P.R.*, 919 F.3d 617, 622 (1st Cir. 2019).

**1. Federal Rule of Civil Procedure 12(b)(1)**

It is settled that the standard followed by the Court when considering a dismissal request under Rule 12(b)(1), is that the court “must accept as true all well-pleaded

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factual claims and indulge all reasonable inferences in plaintiff’s favor.” *See Viqueira v. First Bank*, 140 F.3d 12, 16 (1st Cir. 1998), as restated in *Rolon v. Rafael Rosario & Associates, Inc., et al.*, 450 F.Supp.2d 153, 156 (D.P.R. 2006). Moreover, [m]otions brought under Rule 12(b)(1) are subject to the same standard of review as Rule 12(b)(6). *See Negron-Gaztambide v. Hernandez-Torres*, 35 F.3d 25, 27 (1st Cir. 1994); *De León v. Vornado Montehiedra Acquisition L.P.*, 166 F. Supp. 3d 171, 173 (D.P.R. 2016). As such, “[d]etermining whether a complaint states a plausible claim for relief will . . . be a context-specific task that requires the reviewing court to draw on its judicial experience and common sense.” *Iqbal*, 556 U.S. at 679.

A motion to dismiss based on state sovereign immunity is appropriate under both Rule 12(b)(1) and Rule 12(b)(6). The defense of sovereign immunity is a claim that a court lacks the subject-matter jurisdiction to hear a case and thus can be brought under Rule 12(b)(1). *See Valentin v. Hosp. Bella Vista*, 254 F.3d 358, 362–63 (1st Cir. 2001) (citing *Murphy v. United States*, 45 F.3d 520, 522 (1st Cir. 1995)). In *Valentin v. Hospital Bella Vista*, the Court held that Fed. R. Civ. P. 12(b)(1) is a “large umbrella, overspreading a variety of different types of challenges to subject matter jurisdiction” including “considerations of ripeness, mootness, sovereign immunity, and the existence of federal question jurisdiction”. *Id.* at 363.

Where subject matter jurisdiction is challenged under 12(b)(1), the party asserting jurisdiction bears the burden of demonstrating the existence of federal subject matter jurisdiction. *See Skwira v. United States*, 344 F.3d 64,

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71 (1st Cir. 2003); *Murphy v. United States*, 45 F.3d 520, 522 (1st Cir. 1995); *McCulloch v. Velez*, 364 F.3d 1, 5 (1st Cir.2004).

**2. Federal Rule of Civil Procedure 12(b)(6)**

To survive a motion to dismiss for failure to state a claim under Rule 12(b)(6), the factual allegations in a complaint must “possess enough heft” to set forth “a plausible entitlement to relief.” *Twombly*, 550 U.S. at 544. Stated differently, “[a] plaintiff must allege sufficient facts to show that he has a plausible entitlement to relief.” *Sanchez v. Pereira-Castillo*, 590 F.3d 31, 41 (1st Cir. 2009). In analyzing the sufficiency of the complaint, the Court accepts the complaint’s allegations as true and draws all reasonable inferences in the plaintiff’s favor. *See Langadinos v. American Airlines, Inc.*, 199 F.3d 68, 69 (1st Cir. 2000)).

Under Rule 12(b)(6), dismissal is proper when “it clearly appears, according to the facts alleged, that the plaintiff cannot recover on any viable theory.” *Gonzalez-Morales v. Hernandez-Arencibia*, 221 F.3d 45, 48 (1st Cir. 2000) (citing *Correa-Martinez v. Arrillaga-Belendez*, 903 F.2d 49, 52 (1st Cir. 1990)).

Furthermore, dismissal for failure to state a claim is appropriate if the complaint fails to set forth “factual allegations, either direct or inferential, respecting each material element necessary to sustain recovery under some actionable legal theory.” *Centro Medico del Turabo, Inc. v. Feliciano de Melecio*, 406 F.3d 1, 6 (1st Cir. 2005)

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(quoting *Berner v. Delahanty*, 129 F.3d 20, 25 (1st Cir. 1997)); *Gagliardi v. Sullivan*, 513 F.3d 301, 305 (1st Cir. 2008).

**III. APPLICABLE LAW AND DISCUSSION**

Courts presented with motions to dismiss under both Rules 12(b)(1) and 12(b)(6) should ordinarily decide jurisdictional questions before addressing the merits. See *Deniz v. Municipality of Guaynabo*, 285 F.3d 142, 149 (1st Cir. 2002). Thus, the Court begins its analysis with Defendants' arguments regarding Eleventh Amendment immunity. Plaintiffs argue that Puerto Rico is a territory of the United States and, as such, the Eleventh Amendment immunity does not apply. To this end, Plaintiffs essentially allege that the Eleventh Amendment exists for States, not territories like the Commonwealth. Plaintiffs base their arguments mainly on *Puerto Rico v. Sánchez Valle*, 579 U.S. 59, 136 S. Ct. 1863, 195 L. Ed. 2d 179 (2016). Furthermore, Plaintiffs argue that Congress validly abrogated immunity for of all the governmental entities and individuals within the United States, including territories, under the Lanham Act through the Trademark Amendments Act of 1999.

The Commonwealth and official capacity Defendants, on the other hand, posit that the case against them should be dismissed pursuant to the Eleventh Amendment. According to them, and in line with Supreme Court precedent established in *College Savings Bank* and reiterated most recently in *Allen v. Cooper*, Congress did not abrogate state sovereign immunity in the amendments to the Lanham Act.

*Appendix B***A. The Doctrine of Stare Decisis Controls this Case**

Since the Plaintiffs contend that this Court should disregard First Circuit precedent based on their interpretation of the United States Supreme Court's case law on the applicability of the state sovereign immunity doctrine to the Commonwealth, we must first discuss the doctrine of stare decisis.

This doctrine comes from the Latin maxim “stare decisis et non quieta movere,” meaning “to stand by the thing decided and not disturb the calm.” *Ramos v. Louisiana*, \_\_ U.S. \_\_, 140 S. Ct. 1390, 1411, 206 L.Ed.2d 583 (2020). “The doctrine of stare decisis renders the ruling of law in a case binding in future cases before the same court or other courts owing obedience to the decision.” *Gately v. Massachusetts*, 2 F.3d 1221, 1226 (1st Cir. 1993). It is “a foundation stone of the rule of law.” *Allen v. Cooper*, 140 S. Ct. at 1003 (quoting *Michigan v. Bay Mills Indian Cmty.*, 572 U.S. 782, 798, 134 S.Ct. 2024, 188 L.Ed.2d 1071 (2014)).

Commonly, the doctrine of stare decisis is divided into horizontal and vertical precedent. See Bryan A. Garner et al., *The Law of Judicial Precedent* 27 (2016). Pertinent here, vertical precedents are decisions in “the path of appellate review,” meaning Supreme Court decisions control all lower federal courts, and circuit court decisions control the dispositions of the federal district courts in their circuits. *Id.* at 28. The Supreme Court has repeatedly stressed the importance of both circuit and district courts

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faithfully following vertical precedent. *See Eberhart v. United States*, 546 U.S. 12, 19–20, 126 S. Ct. 403, 163 L. Ed. 2d 14 (2005). Hence, we are obliged to follow circuit precedent unless undermined by intervening Supreme Court precedent or some other compelling authority. *See Reisman v. Associated Facs. of Univ. of Maine*, 939 F.3d 409, 414 (1st Cir. 2019) (citing *United States v. Barbosa*, 896 F.3d 60, 74 (1st Cir. 2018)).

Absent guidance of the Supreme Court regarding the Commonwealth’s Eleventh Amendment immunity, this Court is bound by First Circuit rulings until any doctrinal developments are established by Supreme Court precedent.

**B. Eleventh Amendment Immunity****1. Generally**

The Eleventh Amendment of the United States Constitution provides that “[t]he Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted 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.

Grounded in the principles of federalism, the Eleventh Amendment provides that each state is a sovereign entity and therefore “not amenable to suit without its consent.” *Seminole Tribe of Fla. v. Florida*, 517 U.S. 44, 54, 116 S. Ct. 1114, 134 L. Ed. 2d 252 (1996). Essentially, the

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Eleventh Amendment decrees that states cannot be sued in federal court. The amendment “acts as a gatekeeper to the enforcement of federal law against state actors.” See LAURA E. LITTLE, *EXAMPLES & EXPLANATIONS: FEDERAL COURTS* 371 (3rd ed. 2013). In fact, “[t]he very object and purpose of the [Eleventh] Amendment were to prevent the indignity of subjecting a State to the coercive process of judicial tribunals at the instance of private parties.” *Puerto Rico Aqueduct and Sewer Authority v. Metcalf & Eddy, Inc.*, 506 U.S. 139, 146, 113 S. Ct. 684, 121 L. Ed. 2d 605 (1993) (quoting *In re Ayers*, 123 U.S. 443, 505, 8 S. Ct. 164, 31 L. Ed. 216 (1887)). That is the essence of Eleventh Amendment immunity, also known as sovereign immunity.

## **2. Eleventh Amendment Immunity and Puerto Rico**

Regarding the Commonwealth, “[t]he First Circuit has consistently held that Puerto Rico, though obviously not a state, is entitled to Eleventh Amendment immunity.” See *What Constitutes the State for Eleventh Amendment Purposes*, 9C Charles Alan Wright & Arthur R. Miller, *Federal Practice and Procedure* § 3524.2 (3d ed.) The First Circuit first embraced this holding in 1981, in an opinion by then Judge Stephen Breyer. See *Ezratty v. Puerto Rico*, 648 F.2d 770(1st Cir. 1981). Since 1981—for over four decades—the First Circuit has reiterated the holding “at least twenty-eight times—about once a year—and described it as ‘settled,’ a ‘verity,’ ‘consistently held,’ and ‘beyond dispute.’” Adam D. Chandler, *Puerto Rico’s Eleventh Amendment Status Anxiety*, 120 Yale L.J.

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2183, 2189 (2011). The Court has even referred to these precedents as a “phalanx of cases.” *Id.* (quoting *Jusino Mercado v. Commonwealth of Puerto Rico*, 214 F.3d 34, 39 (1st Cir. 2000)). See for example, the following cases where the First Circuit has held that Puerto Rico enjoys Eleventh Amendment protection: *Borrás-Borrero v. Corporación del Fondo del Seguro del Estado*, 958 F.3d 26, 33 (1st Cir. 2020) (noting that “Puerto Rico is treated as a state for Eleventh Amendment purposes” but avoiding consideration of the constitutional immunity question because the state entity clearly prevailed on the merits) (quoting *Fresenius Med. Care Cardiovascular Res., Inc. v. P.R. and Caribbean Cardiovascular Ctr. Corp.*, 322 F.3d 56, 61 (1st Cir. 2003)); *Grajales v. P.R. Ports Auth.*, 831 F.3d 11, 15 (1st Cir. 2016) (acknowledging that Puerto Rico “enjoys” sovereign immunity in the same way as the states) (citing *Jusino Mercado v. Puerto Rico*, 214 F.3d 34, 39 (1st Cir. 2000)); *Guillemard-Ginorio v. Contreras-Gomez*, 585 F.3d 508, 530 n.23 (1st Cir. 2009) (“We further note that ‘[t]he Commonwealth of Puerto Rico is treated as a state for purposes of Eleventh Amendment immunity analysis.’”) (quoting *Diaz-Fonseca v. Puerto Rico*, 451 F.3d 13, 33 (1st Cir. 2006)); *Maysonet-Robles v. Cabrero*, 323 F.3d 43, 48 n.3 (1st Cir. 2003) (“This circuit has consistently held that Puerto Rico enjoys immunity from suit equivalent to that afforded to the States under the Eleventh Amendment.”); *Arecibo Community Health Care, Inc. v. Cmmw. of Puerto Rico*, 270 F.3d 17, 21 n.3 (1st Cir. 2001) (“It is well settled in this circuit that the Commonwealth of Puerto Rico ‘is protected by the Eleventh Amendment to the same extent as any state . . . .’”); *Ortiz-Feliciano v. Toledo-Davila*, 175 F.3d 37, 39 (1st Cir. 1999) (“This circuit has

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already decided that the Commonwealth is protected by the Eleventh Amendment to the same extent as any state . . . “); *Metcalf & Eddy, Inc. v. Puerto Rico Aqueduct and Sewer Auth.*, 991 F.2d 935, 939 n.3 (1st Cir. 1993)(“We have consistently treated Puerto Rico as if it were a state for Eleventh Amendment purposes.”).

In addition, and pertinent to this case, this District has previously ruled in intellectual property cases that the Eleventh Amendment applies to the Commonwealth. In *Berio-Ramos v. Flores-Garcia*, 2016 U.S. Dist. LEXIS 7731, 2016 WL 270385 (D.P.R. 2016), this Court addressed arguments that the Senate of Puerto Rico is not immune from copyright infringement suits. On that occasion—citing *Maysonet-Robles v. Cabrero*, 323 F.3d at 53 and *Porto Rico v. Castillo*, 227 U.S. 270, 273, 33 S. Ct. 352, 57 L. Ed. 507 (1913)—the Court ruled that the Copyright Remedy Clarification Act did not abrogate the Eleventh Amendment’s sovereign immunity for Puerto Rico; that Puerto Rico is considered a state for purposes of federal immunity; and that the application of Eleventh Amendment immunity is not limited to states and applies to territories like Puerto Rico. Specifically, the Court rebutted the same arguments that Plaintiffs bring here by concluding:

The argument overlooks the fact that in 1913, when Puerto Rico was subject to the Jones Act, the Supreme Court held that as an unincorporated territory of the United States its government is entitled to Eleventh Amendment immunity. *Porto Rico v. Castillo*,

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227 U.S. 270, 273, 33 S. Ct. 352, 57 L. Ed. 507 (1913). And that situation has not changed after 1952 under the Federal Relations Act. See, *Maysonet-Robles*, 323 F.3d at 53 (1st Cir. 2003) (“Even though Puerto Rico is an unincorporated territory of the United States, its government has always been considered a sovereign entity entitled to immunity from suit without its consent”).

*Berio-Ramos v. Flores-Garcia*, supra. See also, *Rodriguez v. Casa Salsa Restaurant*, 260 F. Supp. 2d 413 (D.P.R. 2003) (In an opinion dismissing Lanham Act trade dress infringement claims under Fed. R. Civ. P. 12(b)(6), the court noted that it had previously dismissed the claims against co-defendant Commonwealth based on Eleventh Amendment immunity).

Moreover, quite recently the United States Supreme Court in *Fin. Oversight & Mgmt. Bd. for P.R. v. Centro de Periodismo Investigativo, Inc.*, 598 U.S. 339, 143 S. Ct. 1176, 215 L. Ed. 2d 321, 598 U.S. 339 (2023), “assum[ed] without deciding that Puerto Rico is immune from suit in federal district court . . . “ Although it did not decide if the Commonwealth is entitled to sovereign immunity, the Court acknowledged that “Circuit precedent ha[s] settled Puerto Rico’s own immunity . . . “ *Id.* at 345.

It is certainly clear that (1) the First Circuit has long treated Puerto Rico like a state for Eleventh Amendment purposes and (2) the Supreme Court has expressly reserved the question of whether Eleventh Amendment

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immunity principles apply to the Commonwealth. Hence, as discussed above, this Court is required to follow the First Circuit, and rules that Eleventh Amendment sovereign immunity applies to the Commonwealth.

### **3. Exceptions to Eleventh Amendment immunity**

The United States Supreme Court has recognized “only two circumstances in which an individual may sue a State: First, Congress may authorize such a suit in the exercise of its power to enforce the Fourteenth Amendment. . . . Second, a State may waive its sovereign immunity by consenting to suit.” *College Savings Bank*, 527 U.S. at 670.

#### **a. Abrogation**

The Supreme Court has held that to abrogate the states’ immunity under the Eleventh Amendment, Congress “must make its intent to abrogate sovereign immunity ‘unmistakably clear in the language of the statute.’” *Fin. Oversight & Mgmt. Bd. for Puerto Rico v. Centro de Periodismo Investigativo, Inc.*, 598 U.S. at 346 (quoting *Kimel v. Florida Bd. of Regents* 528 U.S. 62, 73, 120 S. Ct. 631, 145 L. Ed. 2d 522 (2000)). Supreme Court precedent has recently reiterated this point stating, “[i]f a defendant enjoys sovereign immunity, abrogation requires an ‘unequivocal declaration’ from Congress.” *Id.* at 347 (quoting *Dellmuth v. Muth*, 491 U.S. 223, 232, 109 S. Ct. 2397, 105 L. Ed. 2d 181 (1989)); see also *Seminole Tribe of Fla.*, 517 U.S. at 55.

*Appendix B***i. Congress has not abrogated sovereign immunity under the Lanham Act**

Regarding intellectual property, Congress has enacted statutes barring state entities from asserting sovereign immunity in infringement matters. Yet, the Supreme Court has invalidated these statutes. In *Florida Prepaid Postsecondary Educ. Expense Bd. v. College Savings Bank*, 527 U.S. 627, 119 S. Ct. 2199, 144 L. Ed. 2d 575 (1999), the Court found that the Patent and Plant Variety Protection Remedy Clarification Act, which abrogated state immunity from patent infringement suits, was unconstitutional. Likewise, in *College Savings Bank*, 527 U.S. at 670, a decision issued on the same day as *Florida Prepaid*, the Court found that the Trademark Remedy Clarification Act, which abrogated state sovereign immunity for claims under the Lanham Act, was unconstitutional. More recently, in *Allen v. Cooper*, the Court ruled that the Copyright Remedy Clarification Act of 1990, which abrogated state immunity for liability for copyright infringement, was also unconstitutional.

Hence, “Congress has not abrogated immunity for intellectual property claims, including trademark claims, brought under the Lanham Act and subsequent amendments.” *Kentucky Mist Moonshine, Inc. v. University of Kentucky*, 192 F.Supp.3d 772 (2016) (citing *Florida Prepaid Postsecondary Educ. Expense Bd.*, 527 U.S. at 631 n.1; *College Savings Bank*, 527 U.S. at 691). To date, all federal courts that have addressed this issue have concluded the same. *See also Board of Regents of*

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*the Univ. of Wisconsin Sys. v. Phoenix Int’l Software, Inc.*, 653 F.3d 448, 458 (7th Cir. 2011) (Observing that “these [Supreme Court] decisions appear to foreclose any argument that Congress has properly abrogated” state sovereign immunity to liability in trademark actions); *Jackson v. State of Connecticut Dep’t of Pub. Health*, No. 3:15-CV-750 (CSH), 2016 U.S. Dist. LEXIS 80672, 2016 WL 3460304, at \*12 (D. Conn. June 20, 2016) (“Just as the Eleventh Amendment precludes suits against the State in § 1983 actions, such immunity also exists with respect to the Lanham Act[.]”); *Utah Republican Party v. Herbert*, 141 F. Supp. 3d 1195, 1200 (D. Utah 2015) (“*College Savings Bank* made clear that “the Trademark Remedy Clarification Act did not abrogate sovereign immunity for actions brought under the Lanham Act.”).

Moreover, Plaintiffs misread the purpose of the Trademark Amendments Act of August 5, 1999, PL 106-43 (S 1259), which they argue was enacted by Congress after the *Florida Prepaid* cases to reinstate their intention to abrogate state sovereign immunity. A review of the Congressional record suggests otherwise: “our bill will amend the Lanham Act to subject the federal government to suit for trademark infringement and dilution.” 145 Cong. Rec. S7452-04, 145 Cong. Rec. S7452-04, S7454, 1999 WL 412237. The congressional record clearly reflects the legislature’s intention was not to reinstate the dispositions regarding state sovereign immunity, which had just been declared unconstitutional:

The Hatch-Leahy Trademark Amendments Act  
is significant legislation to enhance protection

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for trademark owners and consumers by making it possible to prevent trademark dilution before it occurs, by clarifying the remedies available under the Federal trademark dilution statute when it does occur, *by providing recourse against the Federal Government for its infringement of others' trademarks*, and by creating greater certainty and uniformity in the area of trade dress protection.

.....

*Third, the bill amends the Lanham Act to allow for private citizens and corporate entities to sue the Federal Government for trademark infringement and dilution. Currently, the Federal Government may not be sued for trademark infringement, even though the Federal Government competes in some areas with private business and may sue others for infringement. This bill would level the playing field, and make the Federal Government subject to suit for trademark infringement and dilution. I note that the Lanham Act also subjects the States to suit, but that provision has now been held unconstitutional. Last week, the Supreme Court held in *College Savings Bank versus Florida Prepaid Postsecondary Education Expense Board* that federal courts were without authority to entertain these suits for false and misleading advertising, absent the State's waiver of sovereign immunity. This*

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case (as well as the other two Supreme Court cases decided the same day), raise a number of important copyright, federalism and other issues, but do not effect the provision in the bill that waives Federal government immunity from suit.

*See* 145 Cong. Rec. S8252-01, 145 Cong. Rec. S8252-01, S8253-54, 1999 WL 484889 (emphasis added).

In other words, the congressional intention when adopting the Trademark Amendments Act was to establish sovereign immunity abrogation as to the federal government, not for states or territories.

In addition, recent congressional work confirms that—contrary to Plaintiffs’ arguments—Congress did not validly abrogate state sovereign immunity as to trademark claims under the Lanham Act and its amendments. The United States Senate recently requested a study from the United States Patent and Trademark Office, in light of the ruling in *Allen v. Cooper*, which to their understanding “created a situation in which copyright owners are without remedy if a State infringes their copyright and claims State sovereign immunity under the Eleventh Amendment of the U.S. Constitution”, which “was already the case in patent law and some aspects of federal trademark law following two Supreme Court decisions in 1999.” *See* U.S. PATENT AND TRADEMARK OFFICE, REPORT TO CONGRESS: INFRINGEMENT DISPUTES BETWEEN PATENT AND TRADEMARK RIGHTS HOLDERS AND STATES AND STATE ENTITIES (Aug. 31, 2021) 20. As per letter from Senators Patrick

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Leahy and Thom Tillis, dated April 28, 2020, “*Allen v. Cooper* provided Congress a blueprint for how to validly abrogate State sovereign immunity from certain patent and trademark infringement claims.” To that extent, they requested guidance on whether legislative action was necessary to address this matter.

Plaintiffs argue that their trademark claims are not barred because Congress has abrogated the Commonwealth’s immunity under the Eleventh Amendment. Yet, as discussed, the Supreme Court made clear in *College Savings* that Congress did not abrogate sovereign immunity for actions brought under the Lanham Act. This means that, to date, the Commonwealth enjoys sovereign immunity with respect to Lanham Act claims, unless it has waived its sovereign immunity.

**b. Waiver**

Sovereign immunity is “a personal privilege which [a State or entity of the State] may waive at pleasure.” *College Saving Bank*, 527 U.S. at 657 (quoting *Clark v. Barnard*, 108 U.S. 436, 447, 2 S. Ct. 878, 27 L. Ed. 780 (1883)). However, the decision to waive such immunity “is altogether voluntary on the part of the sovereignty.” *Id.* (quoting *Beers v. Arkansas*, 61 U.S. 527, 20 How. 527, 529, 15 L.Ed. 991 (1858)). A waiver may be found where (1) a State “voluntarily invokes jurisdiction” by filing suit in federal court, or (2) a State “makes a ‘clear declaration’ that it intends to submit itself to . . . [the court’s] jurisdiction[.]” *Id.* (quoting *Great Northern Life Ins. Co. v. Read*, 322 U.S. 47, 54, 64 S.Ct. 873, 88 L.Ed. 1121

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(1944)). When reviewing a state's words, courts should infer waiver only "by the most express language or by such overwhelming implications from the text as (will) leave no room for any other reasonable construction." *Edelman v. Jordan*, 415 U.S. 651, 673, 94 S. Ct. 1347, 39 L. Ed. 2d 662 (1974) (quoting *Murray v. Wilson Distilling Co.*, 213 U.S. 151, 171, 29 S.Ct. 458, 464, 53 L.Ed. 742 (1909)).

In other words, after *College Savings*, any waiver of sovereign immunity by a state, or in this case by the Commonwealth, must be express and voluntary, and cannot be implied or constructive. Under this "stringent" standard, Plaintiffs must show express or unequivocal waiver of immunity by the Commonwealth with respect to Lanham Act claims. They fail to do so. There is no suggestion in Plaintiffs' Amended Complaint that the Commonwealth has expressly consented to being sued in federal court, nor is there any suggestion that it has, in some other way, waived its right to sovereign immunity and thus exposed itself to a suit in the federal jurisdiction. In fact, the Amended Complaint is completely devoid of any allegation or explanation of how Plaintiffs contend that they can bypass the Commonwealth's sovereign immunity in order to bring these claims for damages and injunctive relief against it.

**c. Ex Parte Young: Defendants in their Official Capacity**

There is one remaining exception to the sovereign immunity doctrine. The Eleventh Amendment generally bars suits against states and state officers in their official

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capacity. “However, the exception to Eleventh Amendment immunity laid out in *Ex parte Young*, 209 U.S. 123, 28 S. Ct. 441, 52 L. Ed. 714 (1908), allows federal courts to “grant [] prospective injunctive relief to prevent a continuing violation of federal law,’ in part because ‘a suit challenging the constitutionality of a state official’s action in enforcing state law is not one against the State.’” *Doe v. Shabinette*, 16 F.4th 894, 903 (1st Cir. 2021) (quoting *Negrón-Almeda v. Santiago*, 528 F.3d at 24); see also *Green v. Mansour*, 474 U.S. 64, 68, 106 S. Ct. 423, 88 L. Ed. 2d 371, (1985).

While it is true that claims for prospective injunctive relief may be advanced against state officials under the *Ex parte Young* exception, claims for “retroactive monetary relief” are barred. “It has remained abundantly clear . . . that the Eleventh Amendment protects a state official, acting in his official capacity, from any claim for retrospective monetary relief, just as if it were a suit against the state itself.” *Mills v. Maine*, 118 F.3d 37, 54 (1st Cir. 1997). “The *Ex parte Young* doctrine does not apply in cases where plaintiffs seek monetary relief for past violations of federal law, regardless of whether the party the plaintiffs seek to designate as a defendant is nominally a state officer sued in his official capacity.” *Vega Castro v. Puerto Rico*, 43 F.Supp.2d 186, 191 (D.P.R. 1999).

“In determining whether the doctrine of *Ex parte Young* avoids an Eleventh Amendment bar to suit, a court need only conduct a ‘straightforward inquiry into whether [the] complaint alleges an *ongoing violation of federal law and seeks relief properly characterized as prospective.*”

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*Verizon Md., Inc. v. Pub. Serv. Comm'n*, 535 U.S. 635, 645, 122 S. Ct. 1753, 152 L. Ed. 2d 871 (2002) (quoting *Idaho v. Coeur d'Alene Tribe of Idaho*, 521 U.S. 261, 296, 117 S.Ct. 2028, 138 L.Ed.2d 438 (1997) (O'Connor, J., concurring in part and concurring in the judgment)) (emphasis added). “[T]he pivotal question to be decided when a defendant brings a motion to dismiss is whether the requested relief would directly bring an end to an ongoing violation of federal law.” *Hootstein v. Collins*, 670 F. Supp. 2d 110, 114 (D. Mass. 2009) (citing *Papasan v. Allain*, 478 U.S. 265, 278, 106 S. Ct. 2932, 92 L. Ed. 2d 209 (1986)). In addition, to pursue the claims for prospective injunctive relief, the state officer named in the suit “must have some connection with the enforcement of the act, or else [the plaintiff] is merely making him a party as a representative of the state, and thereby attempting to make the state a party. *Ex parte Young*, 209 U.S. at 157.

We must also review if the requested equitable relief has become moot. “The doctrine of mootness enforces the mandate ‘that an actual controversy must be extant at all stages of the review, not merely at the time the complaint is filed.’” *ACLU of Mass. v. U.S. Conf. of Cath. Bishops*, 705 F.3d 44, 52 (1st Cir. 2013) (quoting *Mangual v. Rotger-Sabat*, 317 F.3d 45, 60 (1st Cir. 2003)). “A case might become moot if subsequent events made it absolutely clear that the allegedly wrongful behavior could not reasonably be expected to recur.” *United States v. Concentrated Phosphate Exp. Ass’n*, 393 U.S. 199, 203, 89 S. Ct. 361, 21 L. Ed. 2d 344 (1968). One “reason for mootness is that a court cannot provide meaningful relief to the allegedly aggrieved party,” especially when

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“the only relief requested is an injunction,” and “there is no ongoing conduct left for the court to enjoin.” *U.S. Conf. of Cath. Bishops*, 705 F.3d at 53.

Declaratory judgements deeming past conduct illegal are similarly disfavored because “[t]he Supreme Court has admonished that federal courts ‘are not in the business of pronouncing that past actions [that] have no demonstrable continuing effect were right or wrong.’” *Id.* (quoting *Spencer v. Kemna*, 523 U.S. 1, 18, 118 S. Ct. 978, 140 L. Ed. 2d 43 (1998)). For declaratory relief to survive a mootness challenge, the facts alleged must “show that there is a substantial controversy . . . of sufficient immediacy and reality to warrant the issuance of a declaratory judgment.” *Preiser v. Newkirk*, 422 U.S. 395, 402, 95 S. Ct. 2330, 45 L. Ed. 2d 272 (1975) (quoting *Md. Cas. Co. v. Pac. Co.*, 312 U.S. 270, 273, 61 S. Ct. 510, 85 L. Ed. 826 (1941)).

This court now employs the inquiry to determine if the Plaintiffs’ *Ex parte Young* claims proceed. In the instant case, Plaintiffs are seeking monetary relief for the damages allegedly caused by the Commonwealth and official capacity Defendants. Plaintiffs also seek declaratory and injunctive relief regarding the Puerto Rico Joint Resolutions No. 16 and 17 of 2021 and Law 67-2022 which they allege provide for the use of the Roberto Clemente trademark and thus violate their due process rights and constitute trademark infringement. To determine whether *Ex parte Young* applies, the Court must evaluate whether the complaint: (1) alleges an ongoing violation of federal law; and (2) seeks relief properly characterized as prospective monetary relief which is barred by the Eleventh Amendment.

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As to the first part of the *Ex parte Young* inquiry, Plaintiffs only seek declaratory judgment that Defendants past conduct was unlawful. On this matter, there is no real question of conflicting legal interests for the Court to consider. Accordingly, Plaintiffs’ request for declaratory judgment must be denied.

Plaintiffs also seek injunctive relief barring Defendants from the “use [of] the Roberto Clemente mark, name and likeness, pursuant to Puerto Rico Joint Resolutions No. 16 and 17 of 2021 without just compensation.” While Plaintiffs seek prospective relief, they have provided the Court with no basis from which it can infer any possibility of an ongoing violation of federal law. Moreover, the Plaintiffs’ request for injunctive relief on the trademark violations has turned moot since the sale of license plates and license labels mandated by Joint Resolutions 16-2021 and 17-2021 expired by its own terms on December 31, 2022. The Plaintiffs have not made any allegations that the Commonwealth or individual Defendants continued the sales and alleged trademark infringement beyond the date of expiration, and that such specific conduct is capable of repetition. Therefore, the Court cannot provide meaningful relief, as there is no ongoing conduct left for the Court to enjoin. *See U.S. Conf. of Cath. Bishops*, 705 F.3d at 53. Accordingly, the Plaintiffs request for injunctive relief must also be denied.

Furthermore, as explained in more detail in the sections that follow, even if Plaintiffs were not barred from pursuing claims against the Commonwealth in federal court—which they are—and even if the claims

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where to survive prospective, injunctive relief for alleged ongoing violations of federal law, specifically trademark infringement, those claims fail because Plaintiffs have not stated a viable trademark infringement claim pursuant to the Lanham Act.

**C. Failure to State a Claim for Trademark Infringement pursuant to the Lanham Act**

Plaintiffs allege that Defendants infringed on their trademark under various provisions of the Lanham Act, 15 U.S.C. §§ 1114 (“Section 32”), 1125(a) (“Section 43(a)”) and 1125(c) (“Section 43(c)”). Specifically, Plaintiffs posit that “[t]hrough the enactment and implementation of Joint Resolution No. 16, Defendants incurred in an unauthorized use of the trademark, name and likeness of Roberto Clemente in an identical product that the one that was going to be sponsored by the trademark owners.” (Docket No. 27 at 12–13). They further allege that “[t]he Roberto Clemente trademark, his right to publicity and likeness, the legacy it represents and the trademarks, names and likeness of his sons as individual businessmen and representatives of the mark are severally damaged by the actions of the Defendants” and that “[t]he actions of the Defendants have caused Plaintiffs losses of business opportunities and revenues”. *Id.* at 23. Also, that the “actions of the Defendants constitute a gross misappropriation, discredit dilution by blurring and by tarnishment and use in multiple ways of the mark of Roberto Clemente, his right to publicity and likeness in an illegal, negligent, culpable, willful and unauthorized manner. They also tarnished the Plaintiffs’ trademarks, persons, names and their own likeness.” *Id.* at 23–24.

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As to the false advertising claim, Plaintiffs allege that the use of the Roberto Clemente mark in license plates and labels “constitutes false advertising because it implies that the funds would go to the Plaintiffs, owners of the Roberto Clemente mark. It is also a use of the mark.” *Id.* at 11. They further posit that Defendants are “using the Roberto Clemente trademark as a subterfuge to collect money from the People.” *Id.* In addition, they state that the use of the mark has encouraged contempt which has led to “innumerable attacks and disdains in the televised, written and on-line press, in social networks, in events, and during every day activities.” *Id.*

**1. Each Lanham Act Claim Requires Proof of Use in Commerce and Commercial Use**

“Trademark law seeks to prevent one seller from using the same ‘mark’ as—or one similar to—that used by another in such a way that. . .confuses the public about who really produced the goods (or service).” *DeCosta v. Viacom Int’l, Inc.*, 981 F.2d 602, 605 (1st Cir. 1992). Liability under each Lanham Act claim expressly requires that a plaintiff establishes “use in commerce.” Section 32 prohibits the unauthorized reproduction or use in commerce of registered trademarks, while Section 43(a) proscribes the use in commerce of words or symbols that misidentify the source or affiliation of a product or service. As to the dilution claim, the Lanham Act expressly excludes dilution liability based on any noncommercial use of a mark. *See* 15 U.S.C. § 1125(c)(3)(C). Furthermore—separate and independent of the “use in commerce” element—each Lanham Act claim also requires, expressly or implicitly,

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that the allegedly infringing use be a “commercial use” of the plaintiff’s mark.

More specifically, Section 32 prohibits, in relevant part, the unauthorized

use in commerce [of] 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 . . .

15 U.S.C. § 1114.

Likewise, Section 43(a) makes liable

[a]ny person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which – is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person. . . .

15 U.S.C. § 1125(a)(1)(A).

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In addition, the Lanham Act prohibits “commercial advertising or promotion” that “misrepresents the nature, characteristics, [or] qualities” of a product. 15 U.S.C. § 1125(a)(1)(B). Also, Section 43(e) provides, in pertinent part: “(3) Exclusions. The following shall not be actionable as dilution by blurring or dilution by tarnishment under this subsection: . . . (C) Any noncommercial use of a mark.” 15 U.S.C. § 1125(e)(3)(C).

Federal trademark rights are created by actual “use” of the mark in commerce. *Kusek v. Family Circle Inc.*, 894 F.Supp. 522, 531 (D. Mass. 1995) (*citing* 15 U.S.C. § 1051). Concurrently,

infringement of a federal trademark right is defined as the unauthorized ‘use in commerce’ of any reproduction, counterfeit, copy or colorable imitation of a registered mark on goods or services . . . and/or ‘use in commerce’ of any word, term, or false designation of origin, false or misleading description of fact or false or misleading representation of fact, which is likely to cause confusion.

*Id.* (*citing* 15 U.S.C. §§ 1114(1)(a) and (b), 1125(a)). Hence, it is not just any use of a trademark that will subject a defendant to liability. Instead, these sections of the statute, which rely on the Commerce Clause as their constitutional basis, prohibit infringement only if a trademark is “use[d] in commerce” “in connection with” “goods or services.” 15 U.S.C. §§ 1114(1)(a), 1125(a).

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“The term ‘use in commerce’ means the bona fide use of a mark in the ordinary course of trade.” *Id.* § 1127. This can occur when the trademark is used on goods for sale, or “in the sale or advertising of services.” *Id.* Furthermore, Sections 32 and 43(a) “do not even reach an unauthorized use unless it is ‘in connection with any goods or services.’” *Int’l Ass’n of Machinists & Aerospace Workers, AFL-CIO v. Winship Green Nursing Ctr.*, 914 F. Supp. 651, 654 (D. Me. 1996), *aff’d*, 103 F.3d 196 (1st Cir. 1996) (*discussing* 15 U.S.C. §§ 1114(1)(a), (b), and 1125(a)).

Thus, a trademark infringement injury under the Lanham Act is limited to redressing acts that create consumer confusion:

[A] trademark is not property in the ordinary sense but only a word or symbol indicating the origin of a commercial product. The owner of the mark acquires the right to prevent the goods to which the mark is applied from being confused with those of others and to prevent his own trade from being diverted to competitors through their use of misleading marks. *There are no rights in a trademark beyond these.*

*Nat’l Licensing Ass’n, LLC v. Inland Joseph Fruit Co.*, 361 F. Supp. 2d 1244, 1255 (E.D. Wash. 2004) (*citing Dresser Industries, Inc. v. Heraeus Engelhard Vacuum, Inc.*, 395 F.2d 457, 464 (3rd Cir. 1968) (emphasis added)).

“[T]he Lanham Act was enacted to protect trademarks and service marks from use ‘in commerce’ by competitors

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in order to avoid confusion among consumers.” *Utah Republican Party v. Herbert*, 141 F.Supp.3d 1195, 1204 (D. Utah 2015). “To invoke the protections of the Lanham Act, a plaintiff must show that the alleged infringer used the plaintiff’s mark ‘in connection with any goods or services.’” *Id.* at 1205. “The Lanham Act is intended to protect the ability of consumers to distinguish among competing producers, not to prevent all unauthorized uses.” *Id.* “Unless there is a competing good or service labeled or associated with the plaintiff’s trademark, the concerns of the Lanham Act are not invoked.” *Id.* at 1204–1205. “[A] trademark, unlike a copyright or patent, is not a ‘right in gross’ that enables a holder to enjoin all reproductions.” *Boston Athletic Ass’n v. Sullivan*, 867 F.2d 22, 35 (1st Cir.1989) (citing *Univ. of Notre Dame Du Lac v. J.C. Gourmet Food Imps. Co.*, 703 F.2d 1372, 1374 (Fed. Cir. 1983)).

## 2. Trademark Infringement under Section 32

“[T]o succeed on a claim of trademark infringement, 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 confusion.” *Boston Duck Tours, LP v. Super Duck Tours, LLC*, 531 F.3d 1, 12 (1st Cir. 2008); see also *Star Financial Services, Inc. v. AASTAR Mortg. Corp.*, 89 F.3d 5, 9 (1st Cir. 1996) (quoting *DeCosta v. Viacom Int’l, Inc.*, 981 F.2d 602, 605 (1st Cir. 1992)). *Nationwide Payment Sols., LLC v. Plunkett*, Civil No. 2:09-600 (GZS), 2011 U.S. Dist. LEXIS 11300, 2011 WL 446077, at \*10 (D. Me. Feb. 3, 2011), report

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and recommendation adopted, 2011 U.S. Dist. LEXIS 27356, 2011 WL 1045137 (D. Me. Mar. 16, 2011); *Venture Tape Corp. v. McGills Glass Warehouse*, 540 F.3d 56, 61 n.6 (1st Cir. 2008) (holding that claims under both 15 U.S.C. §§ 1114 and 1125(a) require plaintiff to allege use in commerce of a trademark or marks that misidentify the affiliation or source of a service, and likelihood of consumer confusion).

The Court finds the first prong has been satisfied by the federal trademark registration that entitles Plaintiffs to the trademark rights. Yet, the Court does not need to review the second prong which focuses on the possibility that the allegedly infringing use is likely to cause consumer confusion. Plaintiffs have failed to allege how the Defendants have used their mark in commerce “in connection with” “goods or services.”

Mere, alleged, unauthorized use of a trademark is not enough to establish standing for trademark infringement. Although Plaintiffs allege Defendants engaged in unauthorized use of a trademark of “an identical product that the one that was going to be sponsored by the trademark owners,” they have not alleged that they actually provide the same “goods or services.” Moreover, “just as copyright law does not protect ideas but only their concrete expression, neither does trade dress law protect an idea, a concept, or a generalized type of appearance.” *Bonazoli v. R.S.V.P. Int’l, Inc.*, 353 F. Supp. 2d 218, 229 (D.R.I. 2005) (citing *Jeffrey Milstein, Inc. v. Greger, Lawlor, Roth, Inc.*, 58 F.3d 27, 32 (2d Cir. 1995)). Also, the eight-factor confusion test generally applied in the

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First Circuit is not applied to assess confusion in the abstract; it is focused on the likelihood that commercially relevant persons or entities will be confused. *Astra Pharmaceutical Prods., Inc. v. Beckman Instruments*, 718 F.2d 1201, 1204–09 (1st Cir. 1983); *Pignons S.A. de Mecanique v. Polaroid Corp.*, 657 F.2d 482, 487–92 (1st Cir. 1981). Moreover, cases analyzing the Lanham Act speak of confusion in terms of “customers,” “consumers,” and “products” or “goods.”

Here, the alleged “goods or services” in controversy are license plates and vehicle certificate tags issued by the Department of Transportation. Like many states, the Commonwealth uses the vehicle license plate program not only to identify vehicles but as a revenue source. “Automobile license plates are governmental property intended primarily to serve a governmental purpose, and inevitably they will be associated with the state that issues them.” *Perry v. McDonald*, 280 F.3d 159, 169 (2d Cir. 2001). Consequently, not only are these not the classes of products or services that trademark law protects, but issuing motor vehicle license plates and tags cannot be considered commercial use, as it is a clear government activity. *See Walker v. Texas Div., Sons of Confederate Veterans, Inc.*, 576 U.S. 200, 135 S. Ct. 2239, 192 L. Ed. 2d 274 (2015).

Moreover, as described in the Amended Complaint, the license plate and tags in controversy depict the figure of Roberto Clemente in the context of the fiftieth anniversary of his 3,000th hit. This was an event of historical significance for both, Puerto Rico and Major

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League Baseball, and thus the significance of its memorialization cannot be understated. Courts have recognized the public value of information about the game of baseball and its players, referring to baseball as “the national pastime.” *See Cardtoons, L.C. v. Major League Baseball Players Ass’n*, 95 F.3d 959, 972 (10th Cir.1996). To that extent it must be noted that:

Major league baseball is followed by millions of people across this country on a daily basis . . . The public has an enduring fascination in the records set by former players and in memorable moments from previous games . . . The records and statistics remain of interest to the public because they provide context that allows fans to better appreciate (or deprecate) today’s performances.

*C.B.C. Distribution & Mktg., Inc. v. Major League Baseball Advanced Media, L.P.*, 505 F.3d 818, 823 (8th Cir. 2007) (quoting *Gionfriddo v. Major League Baseball*, 94 Cal.App.4th 400, 411, 114 Cal.Rptr.2d 307 (2001)).

In the end, the issue is whether the Commonwealth, through Joint Resolutions No. 16 and 17 of 2021 and Act 67-2022, provides a “good or service” in commerce that infringes on the Plaintiffs trademark. The Plaintiffs have not made a plausible allegation that the Commonwealth or Defendants did so, and their claim is thus unsuccessful because Plaintiffs failed to state an essential element of their trademark infringement cause of action. Accordingly, Plaintiffs lack standing and have failed to state a redressable claim under Section 32.

*Appendix B***3. False Advertising Under the Lanham Act**

Plaintiffs allege that Defendants are liable for false advertising in violation of Section 43 of the Lanham Act.

Section 43(a) creates two distinct bases of liability: false association and false advertising. *See Lexmark Int'l, Inc. v. Static Control Components, Inc.*, 572 U.S. 118, 122, 134 S. Ct. 1377, 188 L. Ed. 2d 392 (2014). The Lanham Act prohibits “commercial advertising or promotion” that “misrepresents the nature, characteristics, [or] qualities” of a product. 15 U.S.C. § 1125(a)(1)(B).

False advertising claims focus on whether a defendant has made some false statement in advertising about the product that fundamentally misrepresents its qualities. A false association claim under subsection A, on the other hand, serves as the functional equivalent of a traditional trademark infringement claim for unregistered marks and trade dress. *See 1-800 Contacts, Inc. v. Lens.Com, Inc.*, 722 F.3d 1229, 1238 (10th Cir. 2013). That is, the focus of the claim is on whether the mark causes confusion by leading consumers to think that two products from different sources are from the same source. “Claims brought under this section are traditionally referred to as ‘false sponsorship’ or ‘false endorsement’ claims and are traditionally limited to celebrity plaintiffs.” *Ji v. Bose Corp.*, 538 F. Supp. 2d 349, 351 (D. Mass. 2008) (*citing Parks v. LaFace Records*, 329 F.3d 437 (6th Cir. 2003)).

To state a claim for false advertising, a plaintiff must prove that “(1) the defendant made a false or misleading

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description of fact or representation of fact in a commercial advertisement about his own or another's product; (2) the misrepresentation is material, in that it is likely to influence the purchasing decision; (3) the misrepresentation actually deceives or has the tendency to deceive a substantial segment of its audience; (4) the defendant placed the false or misleading statement in interstate commerce; and (5) the plaintiff has been or is likely to be injured as a result of the misrepresentation, either by direct diversion of sales or by a lessening of goodwill associated with its products." *Cashmere & Camel Hair Mfrs. Inst. v. Saks Fifth Ave.*, 284 F.3d 302, 310–11 (1st Cir. 2002). Moreover, to qualify as a "commercial advertisement," for purposes of a Lanham Act false advertising claim, a representation must (1) constitute commercial speech; (2) made with the intent of influencing potential customers to purchase the speaker's goods or services; (3) made by a speaker who is a competitor of the plaintiff in some line of trade or commerce; and (4) disseminated to the consuming public in such a way as to constitute "advertising" or "promotion." See *Genzyme Corp. v. Shire Human Genetic Therapies, Inc.*, 906 F.Supp.2d 9 (D. Mass. 2012).

Based on the foregoing, Plaintiffs' claims under Section 43(a) equally fail as a matter of law.

First, Plaintiffs lack standing to sue the Commonwealth and Defendants under this section of the Lanham Act. In *Lexmark*, the Supreme Court provided the framework for determining whether a plaintiff has standing to raise a claim under Section 43(a). The Supreme Court held that that a plaintiff invoking Section 43(a) must show that his

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claim falls within the “zone of interests” protected by that statute and that his injury was proximately caused by the alleged violation. In this case, the Amended Complaint fails to plead, much less meet, the proximate cause requirement established in *Lexmark*.

The Court in *Lexmark* held “that a plaintiff suing under § 1125(a) ordinarily must show economic or reputational injury flows directly from the deception wrought by the defendant’s advertising; and that that occurs when deception of consumers causes them to withhold trade from the plaintiff.” *Lexmark Int’l, Inc.*, 572 U.S. at 133. Here, however, not only is there is no allegation, or even a suggestion, by Plaintiffs in their Amended Complaint, that the Commonwealth or Defendants’ use of the Roberto Clemente trademark caused “consumers” to withhold trade from them, but as with their Section 32 claim, they again fail to allege “use in commerce” and “in connection with goods or services.”

Moreover, as a false advertising claim, Plaintiffs’ cause is plainly insufficient. They fail to plead the elements of “commercial advertisement” and “commercial speech” as required to state claim for false advertising under Lanham Act. Not only are the license plates and tags not considered “goods or services” under the statute, but they also cannot be considered advertisements, and Plaintiffs have not even alleged as much. Furthermore—and pertinent to this case—we must point out what other courts have held in similar false advertising claims. In *Pirone v. MacMillan, Inc.*, 894 F.2d 579 (2nd Cir. 1990), the Second Circuit rejected a trademark claim asserted

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by the daughters of baseball legend Babe Ruth. There, plaintiffs objected to the use of Ruth's likeness in three photographs which appeared in a calendar published by the defendant. The court rejected their claim, holding that "a photograph of a human being, unlike a portrait of a fanciful cartoon character, is not inherently 'distinctive' in the trademark sense of tending to indicate origin." *Id.* at 583. The court noted that Ruth "was one of the most photographed men of his generation, a larger than life hero to millions and an historical figure in whom interest still runs high." *Id.*; *ETW Corp. v. Jireh Pub., Inc.*, 332 F.3d 915, 922 (6th Cir. 2003) ("[A]s a general rule, a person's image or likeness cannot function as a trademark.") The Second Circuit Court concluded that a consumer could not reasonably believe that Ruth sponsored the calendar:

[A]n ordinarily prudent purchaser would have no difficulty discerning that these photos are merely the subject matter of the calendar and do not in any way indicate sponsorship. No reasonable jury could find a likelihood of confusion.

*Id.* at 923. Certainly, the same can be applied here to the alleged facts regarding the use of the image of Roberto Clemente.

In addition, Plaintiffs have not pled that Defendants made any false or misleading statement beyond the use of the mark. The only allegations related to any sort of false or misleading statement are the bold conclusory assertions that Defendants' use of the Roberto Clemente mark in

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the license plates and labels “constitutes false advertising because it implies that the funds would go to the Plaintiffs, owners of the Roberto Clemente mark” and that they are “using the Roberto Clemente trademark as a subterfuge to collect money from the People.” Furthermore, Plaintiffs’ allegations of harm from the alleged violation of the statute are conclusory statements of unspecified injury and of the type that was not intended to be protected by the Lanham Act.

Second, Plaintiffs’ Lanham Act claim falls short of the factual detail needed to plead plausibility as required by *Iqbal* and *Twombly*. A review of the Amended Complaint reflects a conclusory and formulaic recitation of certain elements of a trademark infringement cause of action that is insufficient to survive a motion to dismiss. Far from pleading facts showing a plausible cause of action, Plaintiffs simply parrot certain statutory language tied with facts that do not amount to a valid statutory claim. Likewise, as explained above with respect to Plaintiffs’ failure to plead damages meeting the proximate cause requirement for actions under Section 43(a) set forth in *Lexmark*, Plaintiffs’ damages allegations—stating no more than that they have been harmed from the alleged violation of the statute—come nowhere close to meeting the *Iqbal* and *Twombly* plausibility requirement. Plaintiffs’ failure to sufficiently plead damages is thus an independent basis on which to dismiss Plaintiffs’ Lanham Act claims.

There is no need for the Court to further analyze Plaintiffs’ dilution claim, as it also fails on the same grounds as the other two Lanham Act claims.

*Appendix B***D. Takings Clause of the Fifth Amendment in the United States Constitution**

Additionally, the Plaintiffs allege that Defendants' actions constituted a taking under the Constitution.

The Takings Clause of the Fifth Amendment to the United States Constitution states that “private property [shall not] be taken for public use, without just compensation.” U.S. Const. Amend. V. “[A] government violates the Takings Clause when it takes property without compensation, and . . . a property owner may bring a Fifth Amendment claim under § 1983 at that time.” *Knick v. Twp. of Scott, Pennsylvania*, 139 S. Ct. 2162, 2177, 204 L.Ed.2d 558 (2019).

The classic taking which requires just compensation is the physical appropriation of real or personal private property by the government. For much of the Nation's history, the Takings Clause was thought only to embrace such physical takings and not to apply to the regulation of property. *See Lingle v. Chevron U.S.A. Inc.*, 544 U.S. 528, 537, 125 S. Ct. 2074, 161 L. Ed. 2d 876 (2005). However, in *Pennsylvania Coal Co. v. Mahon*, 260 U.S. 393, 415, 43 S. Ct. 158, 67 L. Ed. 322 (1922) the United States Supreme Court recognized that the regulation of private property may be considered a taking if the regulation “goes too far.” *See also Lingle*, 544 U.S. at 538. The Supreme Court has identified three factors which are helpful in analyzing a regulatory taking: (1) the economic impact of the regulation on the property owner; (2) the extent to which the regulation has interfered with distinct

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investment-backed expectations; and (3) the character of the government regulation. *See Lingle*, 544 U.S. at 539.

A question raised by the motions before the Court is whether a trademark is the type of private property protected by the Takings Clause. The question is debatable and far from settled. *See* Dustin Marlan, *Trademark Takings: Trademarks As Constitutional Property Under the Fifth Amendment Takings Clause*, 15 U. Pa. J. Const. L. 1581, 1583 (2013). The Supreme Court has recognized other intangible property as protected by the Takings Clause. *See Ruckelshaus v. Monsanto Co.*, 467 U.S. 986, 1004, 104 S. Ct. 2862, 81 L. Ed. 2d 815 (1984) (holding an intangible property interest in trade secrets is a right protected by the Taking Clause of the Fifth Amendment); *College Savings Bank*, 527 U.S. at 673 (noting that “the Lanham Act may well contain provisions that protect constitutionally cognizable property interests . . . .”); *but see In re Int’l Flavors & Fragrances, Inc.*, 183 F.3d 1361, 1366 (Fed. Cir. 1999) (noting that “[t]he federal registration of a trademark does not create an exclusive property right in the mark.”).

Plaintiffs claim damages, injunctive relief, and just compensation pursuant to Section 1983, alleging that Defendants “knowingly, intentionally and in bad faith misappropriated and used a trademark and likeness belonging to Plaintiffs for the purpose of obtaining the monies of the People of Puerto Rico.” (Docket No. 27 at 33). The Commonwealth and Defendants claim that Eleventh Amendment immunity also bars the Plaintiffs’ takings claim.

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The Supreme Court has not addressed whether Eleventh Amendment immunity applies to takings claims against states or territories. Yet, some parties have argued that the recent decision in *Knick* created an exception to the sovereign immunity doctrine for Takings Clause claims. However, “[t]he takings claim in *Knick* was brought against a municipality, not the state, and for that reason the Supreme Court did not address sovereign immunity.” *Soscia Holdings, LLC v. Rhode Island*, No. 22-CV-266-LM, 2023 U.S. Dist. LEXIS 113755, 2023 WL 4230720, at \*7 (D.R.I. June 15, 2023); *See also Pharm. Research & Mfrs. of Am. v. Williams*, 64 F.4th 932, 949 n.13 (8th Cir. 2023) (“*Knick* did not address sovereign immunity, as it involved a suit against a town.”); *Skatemoore, Inc. v. Whitmer*, 40 F.4th 727, 734 (6th Cir. 2022) (“[n]othing in *Knick* alters . . . bedrock principles of sovereign immunity law.”); *Zito v. N.C. Coastal Resources Comm’n*, 8 F.4th 281, 286 (4th Cir. 2021) (“Thus, every circuit to address *Knick*’s effect on sovereign immunity has concluded that *Knick* did not abrogate State sovereign immunity in federal court.”); *Ladd v. Marchbanks*, 971 F.3d 574, 579–80 (6th Cir. 2020); *Bay Point Props. v. Miss. Transp. Comm’n*, 937 F.3d 454, 456–57 (5th Cir. 2019) (“Nor does anything in *Knick* even suggest, let alone require, reconsideration of longstanding sovereign immunity principles protecting states from suit in federal court.”); *Williams v. Utah Dep’t of Corr.*, 928 F.3d 1209, 1214 (10th Cir. 2019) (“But *Knick* did not involve Eleventh Amendment immunity, which is the basis of our holding in this case. Therefore, we hold that the takings claim against the [Utah Department of Corrections] must be dismissed based on Eleventh Amendment immunity . . .”).

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This District has followed the same reasoning in *Puma Energy Caribe LLC v. Puerto Rico*, Civil No. 20-1591 (DRD), 2021 U.S. Dist. LEXIS 181555, 2021 WL 4314234, at \*1 (D.P.R. Sept. 22, 2021):

The Court fails to see how *Knick*—which involves a Municipality, instead of a state or a state official, and essentially addresses the state forum exhaustion of just compensation claims for government takings under state law—would aid them in their quest as it does not discuss Eleventh Amendment immunity nor its interplay with the self-executing just compensation clause of the Fifth Amendment. Therefore, this Court must apply the law as it stands.

Furthermore, the Court in *Puma Energy*—founded on settled Section 1983 caselaw—concluded that plaintiffs could not pursue their Fifth Amendment claim under Section 1983 since it did not apply when suing the Commonwealth or its officers in their official capacities for monetary relief and the Eleventh Amendment equally barred their request for monetary relief. *See* 2021 U.S. Dist. LEXIS 181555, [WL] at \*1 n.3 (*citing Fredyma v. Com. of Mass.*, 961 F.2d 1565 (1st Cir. 1992)) (“Neither states, nor state officials acting in their official capacity, or government entities that are ‘arms of the State’ are ‘persons’ under § 1983 for Eleventh Amendment purposes; they cannot be sued for monetary damages.”); *Toledo v. Sanchez*, 454 F.3d 24, 31 (1st Cir. 2006); *O’Neill v. Baker*, 210 F.3d 41, 47 (1st Cir. 2000); *Caraballo v. Puerto Rico*, 990 F. Supp. 2d 165, 172–174 (D.P.R. 2014) (Dominguez, J.).

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Though the First Circuit has not dwelled on this thorny subject, the consensus among most federal courts of appeals is to allow state governments to mount sovereign immunity defenses as to takings claims. *See Hutto v. S.C. Ret. Sys.*, 773 F.3d 536, 551–52 (4th Cir. 2014); *DLX, Inc. v. Kentucky*, 381 F.3d 511, 528 (6th Cir. 2004); *Garrett v. Illinois*, 612 F.2d 1038, 1040 n.1 (7th Cir. 1980); *Jachetta v. United States*, 653 F.3d 898, 912 (9th Cir. 2011); *Robinson v. Georgia Department of Transportation*, 966 F.2d 637, 640 (11th Cir. 1992).

Therefore, even though Plaintiffs argue that the Eleventh Amendment Immunity does not apply and that there is no local remedy to redress their takings claim, the Court must conclude that their claim under the Takings Clause is equally barred by the sovereign immunity doctrine, for the same reasons discussed in section B of this Opinion. Also, as discussed before, *Ex Parte Young* bars recovery of monetary damages. Plaintiffs' request for injunctive relief equally fails as to their takings claim.

Even if this Court assumes—for the sake of argument—that trademarks are constitutionally protected property and that the sovereign immunity doctrine does not apply, Plaintiffs' Takings Clause claims are still unsupported. Plaintiffs contend that the alleged trademark infringement promoted by Puerto Rico Joint Resolutions No. 16 and 17 of 2021 and Act 67-2022 constitute a taking of their trademark.

The latter contention is easily dismissed. A regulation may be a categorical or per se regulatory taking when

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government causes a property owner to “suffer a permanent physical invasion of [t]he[i]r property” or a regulation completely deprives a property owner of “all economically beneficial use of her property.” *Lingle*, 544 U.S. at 538. However, as per the allegations in the Amended Complaint, neither Puerto Rico Joint Resolutions No. 16 and 17 of 2021 nor Act 67-2022 seem to deprive Plaintiffs of any use of their trademarks, much less “all economically beneficial use” of the property. Plaintiffs remain free to use their trademarks as they wish.

**E. Due Process Clause of the Fifth and Fourteenth Amendment**

Plaintiffs also allege that the Defendants are “using and pretend to continue using Plaintiffs property, the Roberto Clemente mark, without due process of law.” (Docket No. 27 at 34). They add that those actions “constitute a substantive due process violation” because it is “a governmental scheme designed to misappropriate a trademark and also the products, goods and services of the mark [and that it] shocks the conscience and must stop.” (Docket No. 27 at 35).

The Fourteenth Amendment to the United States Constitution prohibits a state from depriving any person of “life, liberty, or property, without due process of law.” U.S. Const. amend. XIV, § 1. “The touchstone of this due process guarantee is the protection of the individual against arbitrary action of government.” *DePoutot v. Raffaelly*, 424 F.3d 112, 117 (1st Cir. 2005) (internal quotation marks omitted). The substantive due process

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guarantee “safeguards individuals against certain offensive government action, notwithstanding that facially fair procedures are used to implement them.” *Id.* The Due Process Clause applies to Puerto Rico. *See Posadas de Puerto Rico Associates v. Tourism Company of Puerto Rico*, 478 U.S. 328, 106 S. Ct. 2968, 92 L. Ed. 2d 266 (1986).

To set out a substantive due process claim, a plaintiff challenging specific acts of government officials must sufficiently allege that: (1) the officials’ “acts were so egregious as to shock the [contemporary] conscience”; and (2) that the acts “deprived [them] of a protected interest in life, liberty, or property.” *Pagan v. Calderon*, 448 F.3d 16, 32 (1st Cir. 2006); *Abdisamad v. City of Lewiston*, 960 F.3d 56, 59–60 (1st Cir. 2020) (holding that a substantive due process claim must allege facts “so extreme and egregious as to shock the contemporary conscience.”); *see also DePoutot*, 424 F.3d at 118. The question whether “the challenged conduct shocks the contemporary conscience is a threshold matter that must be resolved before a constitutional right to be free from such conduct can be recognized.” *DePoutot*, 424 F.3d at 118. To meet that standard, the officers’ conduct must be “truly outrageous, uncivilized, and intolerable.” *Harron v. Town of Franklin*, 660 F.3d 531, 536 (1st Cir. 2011).

The First Circuit has depicted certain guidelines to direct the analysis of conduct’s egregiousness. *See Gonzalez-Fuentes v. Molina*, 607 F.3d 864, 880–81 (1st Cir. 2010). On one hand, “negligence, without more, is simply insufficient to meet the conscience-shocking standard.” *Id.* at 881 (internal quotation marks omitted).

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On the other, allegations that state officials had “an intent to injure in some way unjustifiable by any government interest is likely sufficient” to meet the conscience-shocking threshold. *Id.* (internal quotation marks and brackets omitted). Between these two lines are cases that present “closer calls.” *Id.* Ultimately, though, the shocks-the-conscience threshold is necessarily a “high one,” to prevent the Constitution from being demoted to a “font of tort law.” *Drake v. Town of New Bos.*, No. 16-CV-470-SM, 2017 U.S. Dist. LEXIS 86319, 2017 WL 2455045, at \*13 (D.N.H. June 6, 2017) (quoting *County of Sacramento v. Lewis*, 523 U.S. 833, 847 n.8, 118 S. Ct. 1708, 140 L. Ed. 2d 1043 (1998)).

The First Circuit has collected representative cases in which plaintiffs established a viable substantive due process claim. *See Cruz-Erazo v. Rivera-Montanez*, 212 F.3d 617, 623 (1st Cir. 2000); *Harrington v. Almy*, 977 F.2d 37, 44 (1st Cir. 1992); see also *Ortolano v. City of Nashua*, No. 22-CV-326-LM, 2023 U.S. Dist. LEXIS 111109, 2023 WL 4237366, at \*5 (D.N.H. June 28, 2023); *Spencer v. Doran*, No. 18-CV-1191-LM, 2020 U.S. Dist. LEXIS 150728, 2020 WL 4904826, at \*5 (D.N.H. Aug. 20, 2020) (quoting *Cummings v. McIntire*, 271 F.3d 341, 346 (1st Cir. 2001)). Yet, here, none of the allegations against the Defendants come remotely close to establishing a claim for a violation of Plaintiffs’ substantive due process rights. Their allegations not only fall short of complying with the *Iqbal* and *Twombly* pleading standards, but they pay scant notice to the guidelines outlined by the First Circuit. Therefore, the allegations in Plaintiffs’ Amended Complaint are insufficient to state a claim for relief under a theory of substantive due process.

*Appendix B***F. Defendants in their individual capacity**

The individual liability standard [under the Lanham Act] does not ask whether the individual participated or engaged in some infringing act; instead, it asks whether he actively participated as a moving force in the decision to engage in the infringing acts, or otherwise caused the infringement as a whole to occur.

*Chanel, Inc. v. Italian Activewear of Fla., Inc.*, 931 F.2d 1472, 1478 n.8 (11th Cir. 1991). Under this standard, a “corporate officer who directs, controls, ratifies, participates in, or is the moving force behind the infringing activity” is personally liable. *See Babbit Elecs., Inc. v. Dynascan Corp.*, 38 F.3d 1161, 1184 (11th Cir. 1994).

It is not clear from current caselaw that the Lanham Act’s individual liability disposition also applies to state officers in their individual capacity. Regardless, “[a]s a general rule, suits seeking damages from state officials in their individual capacities are not barred by the Eleventh Amendment.” *Hafer v. Melo*, 502 U.S. 21, 25, 112 S. Ct. 358, 116 L. Ed. 2d 301 (1991); *see also Papasan v. Allain*, 478 U.S. 265, 277 n.11, 106 S. Ct. 2932, 92 L. Ed. 2d 209 (1986). Thus, a suit for monetary damages may be prosecuted against a state officer in his or her individual capacity for unconstitutional or wrongful conduct fairly attributable to the officer himself or herself, so long as the relief is sought not from the state treasury but from the officer personally. *Hafer*, 502 U.S. at 31.

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Yet, as previously discussed in section C, Plaintiffs have failed to adequately plead a claim pursuant to the Lanham Act. On motion to dismiss, the Court “need not credit a complaint’s bald assertions or legal conclusions.” *Glassman v. Computervision Corp.*, 90 F.3d 617, 628 (1st Cir. 1996). Moreover, the Amended Complaint must set forth “factual allegations, either direct or inferential, respecting each material element necessary to sustain recovery under some actionable legal theory.” *Gooley v. Mobil Oil Corp.*, 851 F.2d 513, 515 (1st Cir. 1988) This reasoning is equally applicable to determining individual liability against Governor Pierluisi or the other individual Defendants. Plaintiffs’ Lanham Act claims should thus also be dismissed against Defendants in their personal capacity because they have failed to allege the essential elements of such a claim.

Likewise, the Court has determined that Plaintiffs’ Amended Complaint contains insufficient allegations to establish plausible entitlement to relief for any constitutional violations. These allegations are equally lacking to hold Defendants liable in their individual capacities. Here, Plaintiffs fail to allege any facts which demonstrate wrongdoing by the individual Defendants. The mere fact that they have enforced the resolution and statute in controversy is irrelevant in the absence of allegations that their actions were motivated by some improper purpose or acting outside the scope of their official duties. In other words, Plaintiffs’ averments fall woefully short of the “special showing” requirement. Plaintiffs’ conclusory statements, standing alone, run afoul of their obligation to outline a claim with sufficient supporting facts.

*Appendix B***1. Qualified Immunity**

To protect officials from unnecessary litigation burdens, the Supreme Court and First Circuit have often emphasized the importance of addressing issues of qualified immunity “at the earliest possible stage in litigation.” *Haley v. City of Boston*, 657 F.3d 39, 47 (1st Cir. 2011) (quoting *Hunter v. Bryant*, 502 U.S. 224, 227, 112 S. Ct. 534, 116 L. Ed. 2d 589 (1991)); See, e.g., *Est. of Rahim by Rahim v. Doe*, 51 F.4th 402, 411 (1st Cir. 2022) (concluding it was an error for the district court to find “that consideration of the ‘clearly established’ prong of the qualified immunity defense was premature before discovery.”). Thus, although additional factual development may be beneficial to this Court’s analysis, the Court addresses Defendants’ qualified immunity claims at this stage.

“When government officials are sued in their individual capacities for money damages, the doctrine of qualified immunity shields them from pecuniary liability unless their conduct violated ‘clearly established statutory or constitutional rights of which a reasonable person would have known.’” *Lawless v. Town of Freetown*, 63 F.4th 61, 67 (1st Cir. 2023) (quoting *Pearson v. Callahan*, 555 U.S. 223, 231, 129 S.Ct. 808, 172 L.Ed.2d 565 (2009)). Officials are shielded by qualified immunity to permit them to fulfill their professional responsibilities without hesitation born of the fear of liability. *Anderson v. Creighton*, 483 U.S. 635, 638, 107 S. Ct. 3034, 97 L. Ed. 2d 523 (1987).

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Qualified immunity applies where: (1) a federal right was violated, and (2) “the unlawfulness of the conduct was clearly established at the time.” *Lawless*, 63 F.4th at 67. Courts may begin the qualified immunity analysis by considering the clearly established prong. *See Id.*

To determine whether the allegedly violated rights were clearly established, the Court must decide the following: “(1) the relative clarity of the governing law to a reasonable official on the date of the alleged wrong and (2) whether the specific characteristics of the situation confronted by the official would have made it clear to a reasonable official how the governing law applied in the given situation.” *Id.* The governing law must be so clear as to put “the statutory or constitutional question beyond debate” because officials may “make reasonable but mistaken judgments.” *City & Cnty. of San Francisco v. Sheehan*, 575 U.S. 600, 611, 135 S. Ct. 1765, 191 L. Ed. 2d 856 (2015). Qualified immunity protects “all but the plainly incompetent or those who knowingly violate the law.” *Id.* (quoting *Ashcroft v. al-Kidd*, 563 U.S. 731, 743, 131 S.Ct. 2074, 179 L.Ed.2d 1149 (2011)). The plaintiff bears the burden to demonstrate that the law was clearly established. *Est. of Rahim by Rahim*, 51 F.4th at 410.

To avoid qualified immunity in the context of their constitutional claims, Plaintiffs must identify controlling authority or a consensus of persuasive cases that provide a clear signal that the challenged conduct violates a constitutional right. *See Alfano v. Lynch*, 847 F.3d 71, 75 (1st Cir. 2017).

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Here, Plaintiffs have failed to provide clearly established law that enforcing the Puerto Rico Joint Resolutions No. 16 and 17 of 2021 and Act 67-2022, in the circumstances of this case, would violate their federal constitutional rights. On the contrary, as discussed before, it is clear that Plaintiffs' allegations do not plausibly establish a claim under the Lanham Act, the Takings Clause, the Due Process Clause, or any other statute cited in their Amended Complaint. Moreover, here, Governor Pierluisi as well as the other individual Defendants were merely complying with their official duties to enforce a law as adopted by the legislature. As per the caselaw and other applicable law to date, any reasonable public official in their situation could have concluded that no trademark or proprietary rights were being violated by the imposition of the license fees that Plaintiffs have challenged in this case.

**G. Failure to State a Claim Against the Authority**

Pending before the Court is also the Authority's Motion to Dismiss. The Authority contends that Plaintiffs' Amended Complaint must be dismissed against them since it fails to state a plausible claim for relief.

"Dismissal for failure to state a claim is appropriate if the complaint fails to set forth factual allegations, either direct or inferential, respecting each material element necessary to sustain recovery under some actionable legal theory." *Gagliardi v. Sullivan*, 513 F.3d at 305 (quoting *Centro Médico del Turabo, Inc.*, 406 F.3d at 6) (internal quotations omitted). At the start, "an inquiring court first

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must separate wheat from chaff; that is, the court must separate the complaint's factual allegations (which must be accepted as true) from its conclusory legal allegations (which need not be credited)." *Morales-Cruz v. Univ. of P.R.*, 676 F.3d 220, 224 (1st Cir. 2012). The Court must only accept those facts that are "well pleaded," limiting its inquiry into the allegations of the complaint. *See Litton Indus., Inc. v. Colon*, 587 F.2d 70, 74 (1st Cir. 1978). Then, the court must determine whether the well-pleaded facts, taken in their entirety, permit "the reasonable inference that the defendant is liable for the misconduct alleged." *Morales-Cruz*, 676 F.3d at 224. The Court is not obligated to accept a plaintiff's "bald assertions, unsupportable conclusions, periphrastic circumlocutions, and the like." *Aulson v. Blanchard*, 83 F.3d 1, 3 (1st Cir. 1996).

In addition, an action is frivolous if it "lacks an arguable basis either in law or in fact." *Neitzke v. Williams*, 490 U.S. 319, 325, 109 S. Ct. 1827, 104 L. Ed. 2d 338 (1989). Under 28 U.S.C. § 1915(e)(2)(B)(i), a court may dismiss a complaint as frivolous if it is "based on an indisputably meritless legal theory" or a "clearly baseless" or "fantastic or delusional" factual scenario. *See Neitzke*, 490 U.S. at 327–28.

It is with this progression in mind that we turn to Plaintiffs' declaratory array against the Authority.

Plaintiffs intend to bring a claim for damages and injunctive relief against the Authority pursuant to the Lanham Act and the Takings Clause. Yet, the allegations as to the Authority are limited to a recital of the

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dispositions included in Act 67-2022 which refer to the public corporation as the entity designated by that statute as “responsible for the planning and organization of the Roberto Clemente Sports District, which includes the development, reconstruction and construction of facilities for its proper functioning” and as the recipient of public funds to execute those responsibilities. (Docket No. 27 at 8, 16, 18, 20 and 22).

As to the trademark infringement claim, Plaintiffs allege that the Authority has illegally used the Roberto Clemente mark, by its mere inclusion or mention in the dispositions of Act 67-2022. Yet, the Amended Complaint is void of allegations as to how the Authority has used the trademark in violation to the Lanham Act. The only allegations that refer to the alleged trademark infringement generally read as follows:

Therefore, Puerto Rico Convention District Authority is directly responsible for the creation and the further development and administration 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 which is one of the most valuable and recognizable endeavors backed by the Roberto Clemente trademark, making the infringement even more blatant.

Defendants in their individual capacities and the Puerto Rico Convention District Authority

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acting under color of state law, illegally, culpably, negligently, intentionally, knowingly and willfully, used, are using and pretend to continue using the Roberto Clemente mark, name and likeness in contravention to the aforementioned legal provisions.

Moreover, Plaintiffs failed to allege how the Authority has used their mark in commerce “in connection with” “goods or services.” As stated before, mere, alleged, unauthorized use of a trademark is not enough to establish standing for a trademark infringement claim. Plaintiffs simply fail to plead any of the necessary elements of a Lanham Act violation. The plausibility standard requires more than a possibility that the Authority has acted unlawfully. Their Amended complaint falls short of the factual detail needed to plead plausibility as to the Lanham Act claim as required by *Iqbal* and *Twombly*.

Regarding the Takings Clause claim, Plaintiffs merely allege that “Defendants in their individual capacity and the Puerto Rico Convention District Authority, are compelled to redress the damages for the violation of the Plaintiffs’ right to not be deprived of property without just compensation.” (Docket No. 27 at 34). This allegation is only backed by the series of assertions that just parrot the dispositions of Act 67-2022, which again, mention the Authority only to designate it as the entity responsible for implementing part of the public policy established in said statute.

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Furthermore, Plaintiffs make the following blank assertion that is far from establishing a valid claim under the Takings Clause:

The Puerto Rico Convention District Authority also endorsed H.R. 489 and indicated that it was in a unique position for the development of the Sports District, which goes hand in hand with the Convention District, as it is an opportunity to allow them to be the entity that develops the administration of the projects carried out in the Sports District. Recommended that the Authority be responsible for the planning and organization of the Sports District, maximizing its potential.

As the Authority posits, its involvement with Act 67-2022 is imposed by the statute and its participation in the legislative process cannot amount to liability under the Takings Clause. Also, there is no plausible allegation that the Authority has caused any breach, violation, damage, or unlawful use of Plaintiffs' property. The combined allegations, taken as true, simply do not state a plausible case for relief.

It is true that the pleadings need not contain detailed factual allegations. But, they must provide more than labels and conclusions. Naked assertions and mere conclusory statements are insufficient to survive dismissal. The claims against the Authority lack an arguable basis in fact and law and the Amended Complaint fails to state a claim on which relief can be granted.

*Appendix B***H. Claims regarding the Puerto Rico Laws**

This Court has supplemental jurisdiction to hear state law claims when it has original jurisdiction over the action and the claims “form part of the same case or controversy.” 28 U.S.C. § 1367(a). However, where “all federal-law claims are eliminated before trial, the balance of factors to be considered under the pendent jurisdiction doctrine—judicial economy, convenience, fairness, and comity—point toward declining to exercise jurisdiction over the remaining state-law claims.” *Carnegie-Mellon Univ. v. Cohill*, 484 U.S. 343, 350 n.7, 108 S. Ct. 614, 98 L. Ed. 2d 720 (1988); *see also Jesus v. Town of Pembroke, NH*, 977 F.3d 93, 114 (1st Cir. 2020) (“We have held that a district court may decline to exercise supplemental jurisdiction when it has dismissed all claims over which it has original jurisdiction, and absent certain circumstances inapplicable here, doing so is not an abuse of discretion.”). Moreover, “if it appears that the state issues substantially predominate, whether in terms of proof, of the scope of the issues raised, or of the comprehensiveness of the remedy sought, the state claims may be dismissed without prejudice and left for resolution to state tribunals.” *United Mine Workers of Am. v. Gibbs*, 383 U.S. 715, 726–27, 86 S. Ct. 1130, 16 L. Ed. 2d 218 (1966). Here, the balance of factors favors declining the exercise of supplemental jurisdiction and, therefore, the Court hereby **DISMISSES WITHOUT PREJUDICE** Plaintiffs’ state law claims.

**IV. CONCLUSION**

For the reasons set forth above, the Court **GRANTS** the motions to dismiss at Docket Nos. 36, 38 and 42

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and Plaintiffs' claims are hereby **DISMISSED WITH PREJUDICE**. In addition, Plaintiffs' state law claims are **DISMISSED WITHOUT PREJUDICE**. Judgment will be entered accordingly.

IT IS SO ORDERED.

In San Juan, Puerto Rico, September 22, 2023.

/s/ Gina R. Méndez-Miró  
GINA R. MÉNDEZ-MIRÓ  
UNITED STATES DISTRICT JUDGE

**APPENDIX C — JUDGMENT OF THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF PUERTO RICO, FILED SEPTEMBER 22, 2023**

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO

Civil No. 22-1373 (GMM)

CLEMENTE PROPERTIES, INC., *et al.*,

*Plaintiffs,*

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; *et als.*,

*Defendants.*

**JUDGMENT**

Pursuant to this Court's Opinion and Order at Docket No. 67, Judgment is hereby entered DISMISSING WITH PREJUDICE Plaintiffs' claims against all Defendants. In addition, Plaintiffs' state law claims are DISMISSED WITHOUT PREJUDICE. The case is now closed for statistical purposes.

IT IS SO ORDERED.

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In San Juan, Puerto Rico, September 22, 2023.

s/Gina R. Méndez-Miró \_\_\_\_\_  
GINA R. MÉNDEZ-MIRÓ  
UNITED STATES DISTRICT JUDGE

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**APPENDIX D — ORDER OF THE UNITED STATES  
COURT OF APPEALS FOR THE FIRST CIRCUIT,  
ENTERED FEBRUARY 25, 2026**

UNITED STATES COURT OF APPEALS  
FOR THE FIRST CIRCUIT

No. 23-1922

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. QUINOÑES-VÁZQUEZ, SECRETARY  
OF THE DEPARTMENT OF SPORTS AND  
RECREATION, IN HIS OFFICIAL AND  
INDIVIDUAL CAPACITY; PUERTO RICO  
CONVENTION CENTER DISTRICT AUTHORITY,

*Defendants-Appellees,*

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JOHN DOE; CONJUGAL PARTNERSHIP  
DOE-VÉLEZ; JANE DOE; CONJUGAL  
PARTNERSHIP QUIÑONES-DOE,

*Defendants.*

Before

Barron, Chief Judge,

Lipez, Thompson, Gelpí, Montecalvo, Rikelman,  
Aframe, and Dunlap,

Circuit Judges.

Entered: February 25, 2026

**ORDER OF COURT**

Entered: February 25, 2026

The petition for rehearing having been denied by the panel of judges who decided the case, and the petition for rehearing en banc having been submitted to the active judges of this court and a majority of the judges not having voted that the case be heard en banc, it is ordered that the petition for rehearing and the petition for rehearing en banc be denied.

By the Court:

Anastasia Dubrovsky, Clerk