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. QUIÑONES-VÁZQUEZ, Secretary of the Department of Sports and Recreation, in his official and individual capacity; PUERTO RICO CONVENTION CENTER DISTRIC AUTHORITY,

Defendants – Appellees,

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

Defendants.

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

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

BRIEF FOR GOVERNMENT-APPELLEES THE COMMONWEALTH OF PUERTO RICO, HON. PEDRO R. PIERLUISI-URRUTIA, EILEEN M. VÉLEZ-VEGA, FRANCISCO PARÉS-ALICEA, AND RAY J. QUIÑONES-VÁZQUEZ

FERNANDO FIGUEROA-SANTIAGO
Solicitor General of Puerto Rico
USCA No. 1198674
PO Box 9020192
San Juan, Puerto Rico 00902-0192
Telephone: (787) 721-2900
E-mail: *fernando.figueroa@justicia.pr.gov*

OMAR ANDINO-FIGUEROA
Deputy Solicitor General
USCA No. 1197240
PO Box 9020192
San Juan, Puerto Rico 00902-0192
Telephone: (787) 721-2900
Email: *omar.andino@justicia.pr.gov*

MARIOLA ABREU-ACEVEDO
Assistant Solicitor General
USCA No. 1199215
PO Box 9020192
San Juan, Puerto Rico 00902-0192
Telephone: (787) 721-2900, ext. 1531
E-mail: *mariola.abreu@justicia.pr.gov*

June 26, 2024

TABLE OF CONTENTS

PAGE(S)

TABLE OF AUTHORITIES

PAGE(S)

Federal Legislation:

Federal Rules of Civil Procedure:

Puerto Rico Statutes:

Puerto Rico Regulations:

Cases (Federal):

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. QUIÑONES-VÁZQUEZ, Secretary of the Department of Sports and Recreation, in his official and individual capacity; PUERTO RICO CONVENTION CENTER DISTRIC AUTHORITY,

Defendants – Appellees,

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

Defendants.

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

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

BRIEF FOR GOVERNMENT-APPELLEES THE COMMONWEALTH OF PUERTO RICO, HON. PEDRO R. PIERLUISI-URRUTIA, EILEEN M. VÉLEZ-VEGA, FRANCISCO PARÉS-ALICEA, AND RAY J. QUIÑONES-VÁZQUEZ

TO THE HONORABLE COURT:

COME NOW Defendants-Appellees, the Commonwealth of Puerto Rico ("Commonwealth"); Hon. Pedro R. Pierluisi-Urrutia, in his official capacity as Governor of Puerto Rico and in his personal capacity ("Governor Pierluisi"); 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 official capacity as Secretary of the Department of Sports and Recreation and in his personal capacity ("Secretary of Sports and Recreation") (collectively, "Government-Appellees"), through the undersigned counsel, and most respectfully state and pray as follows:

I. COUNTER STATEMENT OF THE ISSUES

1. Whether the district court properly dismissed Plaintiffs-Appellants' claims against the Commonwealth and its officials in their official capacity on sovereign immunity grounds.

2. Whether Plaintiffs-Appellants waived appellate review of certain district court's rulings since they either (i) failed to challenge the merits of such rulings in their opening brief, or (ii) simply asserted unsupported and undeveloped arguments as the basis to challenge such rulings.

3. Whether Plaintiffs-Appellants waived issues not raised in the district court and, therefore, cannot pursue them for the first time on appeal.

4. In the alternative, whether the district court properly dismissed Plaintiffs-Appellants' claim under the Takings Clause of the Fifth Amendment, pursuant to Fed. R. Civ. P. 12 (b)(6).

5. In the alternative, whether the district court properly dismissed Plaintiffs-Appellants' claims under the Lanham Act, pursuant to Fed. R. Civ. P. 12 (b)(6).

6. In the alternative, whether Government officials sued in their individual capacity are entitled to qualify immunity.

II. STATEMENT OF THE CASE

On August 5, 2022, Clemente Properties, Inc.; 21 In Right, Inc.; Roberto Clemente Jr.; Luis Roberto Clemente; and Roberto Enrique Clemente ("Plaintiffs-Appellants") 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 official and individual capacity and as representative of the conjugal partnership composed of him and Jane Doe; and the Puerto Rico Convention Center District Authority ("Authority"). (**Docket No. 1**).[1]

Plaintiffs-Appellants sought: (1) declaratory judgment determining that "the use of the Roberto Clemente mark, name, and likeness pursuant to Puerto Rico Joint

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

Resolutions No. 16 and 17 of 2021 and [Act] 67-2022 is unlawful, violates due process, constitutes trademark infringement, constitutes a violation of the right of publicity[,] and is 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-Appellees' use of the Roberto Clemente mark, name and likeness, 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-Appellees' 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) a "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.

These claims were brought pursuant to 28 U.S.C. § 2201 and 2202; Rule 65 of the Federal Rules of Civil Procedure, 42 U.S.C. § 1983 ("Section 1983"); 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.*

As alleged in the *Complaint*, 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. 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, 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." 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.

As per Plaintiffs-Appellants' contentions, defendants acted willfully, intentionally, and with full awareness about the mark's misappropriation, because it is allegedly common knowledge that the Plaintiffs-Appellants are the owners of the Roberto Clemente mark, his right of publicity, his likeness, and the legacy it represents. 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, as alleged, 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-Appellants filed an *Amended Complaint*,[2] **Appendix ("App.") 10-42**, which maintained the same allegations, but included additional assertions regarding the adoption of the Joint Resolution No. 16. In essence, Plaintiffs-Appellants claimed that: (i) before its adoption, they had already

[2] On September 28, 2022, the Authority moved to dismiss the *Complaint* for failure to state a claim. (**Docket No. 14**). On November 2, 2022, the Government-Appellees filed a *Motion to Dismiss for Failure to State a Claim Under Federal Rule of Civil Procedure 12(b)(6)*. (**Docket No. 19**). On even date, the Secretary of Sports and Recreation filed a *Motion for Joinder* to the Government-Appellees' motion to dismiss. (**Docket No. 22**). On November 21, 2022, the Secretary of Treasury, in his personal capacity, filed a *Motion for Joinder* to join the Government-Appellees' *Motion to Dismiss for Failure to State a Claim Under Federal Rule of Civil Procedure 12(b)(6)*, "on all pertinent legal grounds therein invoked on behalf of the other personal capacity Co-Defendants, specifically lack of personal involvement and qualified immunity." (**Docket No. 26 at 1**). However, on December 2, 2022, the district court denied these motions without prejudice as moot due to the filing of the *Amended Complaint*. (**Docket No. 32**).

authorized Ciudad Deportiva Roberto Clemente to use the trademark, name, and likeness of Roberto Clemente for vehicles' license plates; (ii) 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; and (iii) that "[t]he aforementioned was informed to Governor Pierluisi in February 2021, through a latter." *Id.*

On January 9, 2023, Government-Appellees filed a *Motion to Dismiss Amended Complaint for Failure to State a Claim Under Federal Rule of Civil Procedure 12(b)(6)* on various grounds. (**Docket No. 38**). Briefly stated, Government-Appellees posited, among other things, that: (1) Plaintiffs-Appellants' claims against the Commonwealth and the official capacity defendants were barred by sovereign immunity as provided by the Eleventh Amendment of the United States Constitution. (*Id.* at 6, 10-16);[3] (2) Plaintiffs-Appellants lacked standing, under the Lanham Act, to claim damages suffered by the corporations Clemente Properties, Inc., and 21 In Right, Inc. (*Id.* at 6, 16-18); (3) Plaintiffs-Appellants lacked standing to claim damages suffered by Ciudad Deportiva Roberto Clemente, Inc., an independent corporate entity which was not a party in this case. (*Id.* at 6, 18-19); (4)

[3] In this regard, they claimed that the district court lacked 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 (1999). *Id.* at 11-13. They further posited that the monetary claim pursuant to the Fifth Amendment Takings Clause against the Commonwealth was also barred by the Eleventh Amendment immunity. *Id.* at 13-16.

Plaintiffs-Appellants failed to state a claim under the Lanhan Act for individual liability against defendants in their personal capacity (*Id.* at 7, 22-27); (5) Plaintiff-Appellants failed 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. (*Id.* at 7, 27-31); (6) 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, therefore, in Roberto Clemente's case, this period expired in 1998 (*Id.* at 7, 31-34); (7) Plaintiffs-Appellants' request for injunctive relief for the alleged trademark infringement violations had become moot since the sale of license plates and license labels mandated by Joint Resolutions No. 16 and 17 of 2021 expired by its own terms on December 31, 2022. (*Id.* at 7, 34-39); (8) Plaintiffs-Appellants failed to state a claim against personal capacity defendants under Section 1983, since their personal involvement, as described in the *Amended Complaint*, did not support a liability finding against them under that statute (*Id.* at 7, 39-43); (9) the defendants who were sued in their personal capacity were 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 had been raised by Plaintiffs-Appellants (*Id.* at 7, 43-46).

On March 17, 2023, Plaintiffs-Appellants filed a *Response in Opposition to Government and Individual Defendants' Motion to Dismiss Amended Complaint* ("Opposition") (**Docket No. 53**). On May 22, 2023, Government-Appellees filed a *Reply to Opposition to Motion to Dismiss Amended Complaint*. (**Docket No. 64**).

On September 22, 2023, the district court issued an *Opinion and Order* granting Defendants-Appellees' motions to dismiss and, consequently, dismissed Plaintiffs-Appellants' federal claims with prejudice and their state law claims without prejudice. **Addendum ("Add.") 1-69**. As an initial matter, the district court held that "[a]bsent guidance from the Supreme Court regarding the Commonwealth's Eleventh Amendment immunity, [it was] bound by the First Circuit['s]" precedent, **Add. 20**, and "rule[d] that the Eleventh Amendment sovereign immunity applie[d] to the Commonwealth." **Add. 25**. It further held that no exception to sovereign immunity applied in this case. **Add. 25-35**. Thereafter, the district court concluded that, "even if Plaintiffs were not barred from pursuing claims against the Commonwealth in federal court –which they are– and even the claims where to survive prospective, injunctive relief for alleged ongoing violations of federal law, specifically, trademark infringement, those claims fail[ed] because Plaintiffs ha[d] not stated a viable trademark infringement claim pursuant to the Lanhan Act." **Add. 35-36**.

As to the Takings Claim under the Fifth Amendment, the district court held that Eleventh Amendment immunity also barred Plaintiffs-Appellants' takings claim. **Add. 55**. In so ruling, it rejected the proposition that the Supreme Court's decision in *Knick v. Township of Scott*, 588 U.S. 180 (2019), created an exception to sovereign immunity doctrine for Taking Clause claims. **Add. 54**. In the alternative, the district court held that, even assuming that trademarks were constitutionally protected property, and that sovereign immunity did not apply, Plaintiffs-Appellants' failed to state a plausible takings claim under the Fifth Amendment. **Add. 55-56**.

Finally, as to Plaintiffs-Appellants' claims against Government officials in their personal capacity, the district court likewise held that the *Amended Complaint* failed to state a plausible claim for relief against defendants in their personal capacity. It further concluded that the Government officials sued in their personal capacity were entitled to qualify immunity.

On even date, the district court entered the corresponding *Judgement* dismissing with prejudice Plaintiffs-Appellants' claims against all Defendants-Appellees, as well as dismissing Plaintiffs-Appellants' state law claims without prejudice. **Add. 70**. On October 19, 2023, Plaintiffs-Appellants filed a *Notice of Appeal* from the district court's *Opinion and Order* and corresponding *Judgment* both entered on September 22, 2023. **App. 52-53**.

III. SUMMARY OF THE ARGUMENT

On appeal, Plaintiffs-Appellants cannot win without overcoming multiple insurmountable hurdles.

First, unless some of the limited exceptions apply, the Eleventh Amendment shields the Commonwealth and its agencies from suit for retrospective relief by private citizens in federal courts. The Eleventh Amendment bars the adjudication of Takings claims in this forum. On this basis alone, Plaintiffs' takings claims must be dismissed.

Second, there are three potential exceptions to sovereign immunity, none of which applies here. Congress has not validly abrogated the Commonwealth's sovereign immunity for intellectual property claims, including trademark claims, brought under the Lanham Act and subsequent amendments. Nor has the Commonwealth waived its sovereign immunity or consented to be sued in federal court. Moreover, Plaintiffs-Appellants' claims do not qualify for the *Ex parte Young* exception for official capacity suits for prospective relief because they fail to allege an ongoing violation of federal law.

Third, even if Plaintiffs-Appellants somehow avoid the Eleventh Amendment, the district court correctly dismissed Plaintiffs-Appellants' takings claim, as well as their Lanham Act claims, for failure to state a plausible claim for which relief could be granted.

Lastly, the district court properly dismissed Plaintiffs-Appellants' claims against Government officials in their personal capacities on qualify immunity grounds. The Government officials in their personal capacities are entitled to qualify immunity because, even if the facts alleged in the *Amended Complaint* made out a plausible violation of Plaintiffs-Appellants' constitutional rights (which it did not), the underlying rights asserted by them were not "clearly established" for purposes of qualified immunity.

Accordingly, this Honorable Court should affirm the dismissal of Plaintiffs-Appellants' *Amened Complaint*.

IV. STATEMENT OF THE STANDARD OF REVIEW

This Honorable Court "'review[s] de novo an order dismissing a complaint for failure to state a claim, and reverse[s] the dismissal if 'the combined allegations, taken as true … state a plausible claim for relief, nor a merely conceivable, case for relief.'" *SAS Int'l, Ltd. v. Gen. Star Indem. Co.*, 36 F.4th 23, 26 (1st Cir. 2022) (quoting *Lee v. Conagra Brands, Inc.*, 958 F.3d 70, 74 (1st Cir. 2020) (alteration in original)). *See Douglas v. Hirshon*, 63 F.4th 49, 54-55 (1st Cir. 2023) ("We review a district court's grant of a motion to dismiss for failure to state a claim de novo."). As this Court has explained, "[a]llegations that are 'too meager, vague, or conclusory to remove the possibility of relief from the realm of mere conjecture,' *SEC v. Tambone*, 597 F.3d 436, 442 (1st Cir. 2010) (en banc), will not be sufficient to meet

that standard, and 'conclusory legal allegations ... need not be credited.'" *SAS Int'l, Ltd.*, 36 F.4th at 26 (quoting *Cardigan Mountain Sch. v. N.H. Ins. Co.*, 787 F.3d 82, 84 (1st Cir. 2015)). In undertaking this review, this Court "accept[s] as true all well-pleaded facts set forth in the complaint and draw all reasonable inferences therefrom to the pleader's behoof." *Conformis, Inc. v. Aetna, Inc.*, 58 F.4th 517, 527 (1st Cir. 2023).

Moreover, on appeal from dismissal for failure to state a claim, this Court is "not weeded to the district court's reasoning but, rather, may affirm the order of dismissal on any basis that is apparent from the record." *Hochendoner v. Genzyme Corp.*, 823 F.3d 724, 730 (1st Cir. 2016). *See*, *Ponsa-Rabell v. Santander Sec. LLC*, 35 F.4th 26, 32 (1st Cir. 2022).

V. ARGUMENT

A. PLAINTIFFS-APPELLANTS' CLAIMS AGAINST THE COMMONWEALTH AND ITS OFFICERS IN THEIR OFFICIAL CAPACITY ARE BARRED BY THE ELEVENTH AMENDMENT

i. Puerto Rico is entitled to Eleventh Amendment immunity and Plaintiffs-Appellants' arguments to the contrary defy the law of the circuit doctrine

Under the law of the circuit doctrine, which is a branch of the *stare decisis* doctrine, "newly constituted panels must follow the rulings of preceding panels that are directly (or even closely) on point, even where the succeeding panel disagrees with the prior one." *United States v. Perez*, 89 F.4th 247, 250 (1st Cir. 2023) (internal

quotation marks and citations omitted). As explained by this Court, "[t]he law of the circuit doctrine is one of the sturdiest building blocks on which the federal judicial system rests" since it "provides stability and predictability to litigants and judges alike, while at the same time fostering due respect for a court's prior decisions." *United States v. Barbos*a, 896 F.3d 60, 74 (1st Cir. 2018) (internal quotation marks and citations omitted).

Nonetheless, the law of the circuit doctrine —like most legal doctrines— recognizes exceptions to when prior panel precedent controls. These exceptions, however, are "narrowly circumscribed." *Arevalo v. Barr*, 950 F.3d 15, 21 (1st Cir. 2020). One such exception "applies when an intervening higher authority—a directly-on-point Supreme Court opinion, an *en banc* opinion of this court, or a statutory enactment—overrules the earlier panel decision." (quoting *United States v. Rodríguez*, 527 F.3d 221, 225 (1st Cir. 2008). A second exception may come into play "when Supreme Court precedent that postdates the original decision, although not directly controlling, provides a clear and convincing basis to believe that the earlier panel would have decided the issue differently." *United States v. Guerrero*, 19 F.4th 547, 552-553 (1st Cir. 2021) (internal quotation marks and citation omitted). The latter exception, however, "is very limited, as it applies only when the new authority 'provides a clear and convincing basis to conclude that the prior panel would have changed its mind." *Perez*, 89 F.4th at 250 (citation omitted). For that

reason, this Court has "described cases that trigger this exception as 'hen's-teeth-rare.'" *Id.* (quoting *San Juan Cable LLC v. P.R. Tel. Co.*, 612 F.3d 25, 33 (1st Cir. 2010)). In sum, "[u]nless a litigant can demonstrate that one of these exceptions applies to a prior panel decision, a newly constituted panel must continue to adhere to the earlier holding." *Barbosa*, 896 F.3d at 74.

ii. Eleventh Amendment Immunity and Puerto Rico

The Eleventh Amendment provides States and their agencies immunity from suit by private citizens in federal courts. U.S. Const. amend. XI. This immunity applies equally to claims asserted against government officials in their official capacities. *Culebra Enterprises Corp. v. Rivera Rios*, 813 F.2d 506, 516 (1st Cir. 1987). However, under Supreme Court precedent, there are limited recognized circumstances in which a State may be subject to suit, including when the State consents, although such consent must be unequivocally expressed; when Congress abrogates state sovereign immunity under the Fourtheteenn Amendment, and when the *Ex parte Young* doctrine applies. *See Reed v. Goertz*, 598 U.S. 230, 234 (2023); *PennEast Pipeline Co., LLC v. New Jersey*, 594 U.S. 482, 500 (2021); *Allen v. Cooper*, 589 U.S. 248, 254 (2020); *Seminole Tribe of Fla. v. Florida*, 517 U.S. 44, 54 (1996).

Regarding Puerto Rico, "this [C]ourt has long treated Puerto Rico like a state for Eleventh Amendment purposes." *Centro de Periodismo Investigativo, Inc. v. Fin.*

Oversight & Mgmt. Bd. for Puerto Rico, 35 F.4th 1, 14 (1st Cir. 2022). *See Borrás-Borrero v. Corporación del Fondo del Seguro del Estado*, 958 F.3d 26, 33 (1st Cir. 2020) (noting "Puerto Rico is treated as a state for Eleventh Amendment purposes") (citation omitted); *Grajales v. P.R. Ports Auth.*, 831 F.3d 11, 15 (1st Cir. 2016) (acknowledging Puerto Rico "enjoys" sovereign immunity in the same way as the states); *Consejo de Salud de la Comunidad de la Playa de Ponce, Inc. v. González-Feliciano*, 695 F.3d 83, 103 n. 15 (1st Cir. 2012); *Maysonet-Robles v. Cabrero*, 323 F.3d 43, 50 (1st Cir. 2003); *De León López v. Corporación Insular de Seguros*, 931 F.2d 116, 121 (1st Cir. 1991). In fact, in keeping with the law of the circuit doctrine, this Honorable Court has expressly declined to revisit this position. *Metcalf & Eddy, Inc. v. Puerto Rico Aqueduct & Sewer Auth.*, 991 F.2d 935, 939 n. 3 (1st Cir. 1993).[4]

The Supreme Court, for its part, "has expressly reserved on the question whether Eleventh Amendment immunity principles apply to Puerto Rico." *Grajales*, 831 F.3d at 15 n.3 (citing *P.R. Aqueduct & Sewer Auth. v. Metcalf & Eddy, Inc.*, 506 U.S. 139, 141, n. 1 (1993) (acknowledging this Court's treatment of Puerto Rico as a State for Eleventh Amendment purposes but not reaching the issue of whether the

[4] In *Metcalf & Eddy, Inc.*, this Court noted that:

> We have consistently treated Puerto Rico as if it were a state for Eleventh Amendment purposes. Although M & E invites us to revisit this position, we decline the invitation. In a multi-panel circuit, newly constituted panels, generally speaking, are bound by prior panel decisions on point. So it is here. *Metcalf & Eddy, Inc.*, 991 F.2d at 939 n. 3 (citations omitted).

defendant agency was entitled to the immunity as a state entity because this court had not reached the issue)). And, recently, reaffirmed that this "Circuit['s] precedent had settled Puerto Rico's own immunity," *Fin. Oversight & Mgmt. Bd. for Puerto Rico v. Centro de Periodismo Investigativo, Inc.*, 598 U.S. 339, 345 (2023), although it likewise reserved on the question of Puerto Rico's sovereign immunity. *Id.* at 346 n. 2.

In their opening brief, Plaintiffs-Appellants "recognize that this Court has held that Puerto Rico is entitled to sovereign immunity," Appellants' Br. at 19 (citation omitted), but contend, however, that said "holding has been cast into doubt by recent Supreme Court opinions." *Id.* To that end, they point to the Supreme Court's opinion in *Puerto Rico v. Sánchez Valle*, 579 U.S. 59, 71 (2016), and to Justice Thomas' dissenting opinion in *Fin. Oversight & Mgmt. Bd. for P.R.*, 598 U.S. at 1186-888 (Thomas, J., dissenting). However, Plaintiffs-Appellants do not even discuss any of the Supreme Court's opinions cited in support of their contention and make no attempt to argue that these "new authorities," although not directly controlling, provide a clear and convincing basis to conclude that this Court's prior panel would have changed its mind and decided the issue of whether Eleventh Amendment immunity principles apply to Puerto Rico differently.[5]

[5] In their opening brief, Plaintiffs-Appellants plainly recognize that they merely "assert that Puerto Rico does not enjoy sovereign immunity to preserve the argument for further review." Appellants' Br. at 19.

Accordingly, since Plaintiffs-Appellants utterly failed to show that any exception to the law of the circuit doctrine applies, this Court's newly constituted panel must continue to adhere to the earlier holding. *See Ortiz-Feliciano v. Toledo-Dávila*, 175 F.3d 37, 39 (1st Cir. 1999) ("This circuit has already decided that the Commonwealth is protected by the Eleventh Amendment to the same extent as any state, and the panel is governed by that ruling."). This effectively puts an end to this aspect of this appeal.

iii. No exception to sovereign immunity applies

Plaintiffs-Appellants raise three exceptions to sovereign immunity in this case. The first asserted exception is based on a novel theory and the second and third are conventional. Plaintiffs-Appellants first contend that sovereign immunity does not apply to their takings claim because the self-executing nature of the Taking Clause of the Fifth Amendment overrides state sovereign immunity. Their second theory is that Congress abrogated the state sovereign immunity in the Lanham Act. And third Plaintiffs-Appellants argue that they are entitled to prospective injunctive relief pursuant to the exception to sovereign immunity provided by *Ex parte Young*, 209 U.S. 123, 159-161 (1908). However, none of these exceptions apply, and, therefore, this Court should affirm the district court's *Opinion and Order* on sovereign immunity grounds.

a. There is no "exception" to the Eleventh Amendment for a Fifth Amendment takings claim

Resisting the indisputable conclusion that most of their claims are barred by the Eleventh Amendment, Plaintiffs-Appellants contend, *for the first time on appeal*, that the "self-executing" nature of the Takings Clause of the Fifth Amendment overrides sovereign immunity. *See* Appellants' Br. at 13-18. As an initial matter, we must emphasize that Plaintiffs-Appellants never argued—much less developed—before the district court that states cannot invoke sovereign immunity to defeat the self-executing character of the Fifth Amendment's Takings Clause. Therefore, because this newly minted theory was never raised below, it cannot be pursued now on appeal and, therefore, is deemed waived. *See Johnson v. Johnson*, 23 F.4th 136, 143 (1st Cir. 2022) ("'The Federal Reporter is brimming with opinions from us saying things like: 'arguments not seasonably advanced below cannot be raised for the first time on appeal.'") (citation omitted); *Rosaura Bldg. Corp. v. Municipality of Mayaguez*, 778 F.3d 55, 63 (1st Cir. 2015) ("Time and time again we have held that arguments not advanced before the district court are waived…Rosaura cannot change this simply because a new theory now fits it better."). And although this Court has discretion to address an issue raised for the first time on appeal, it only exercises that discretion in "exceptional circumstances"—none of which exist in this

case and Plaintiffs-Appellants do not argue otherwise.[6] Plaintiffs-Appellants' new theory, therefore, is not properly before this Court and should not be addressed. *Anoush Cab, Inc. v. Uber Techs., Inc.*, 8 F.4th 1, 19 (1st Cir. 2021).

In any event, contrary to Plaintiffs-Appellants' suggestion, a Takings claim brought under the Fifth Amendment is no exception to the rule that the States enjoy sovereign immunity under the Eleventh Amendment from suits brought in federal courts. *See*, *e.g.*, *Citadel Corp. v. P.R. Highway Auth.*, 695 F.2d 31, 33 n. 4 (1st Cir. 1982) (noting that "the Eleventh Amendment should prevent a federal court from awarding [just compensation]" for a taking claim brought under the Fifth Amendment.").

On appeal, Plaintiffs-Appellants acknowledge that "neither this Court or the Supreme Court has ruled on the interplay between the Constitution's express guarantee of just compensation and its implicit provisions for state sovereign immunity," Appellants' Br. at 13, but they nonetheless maintain that "a faithful application of text, history, purpose, and precedent all lead to the same conclusion: when the government takes property, it can't rely on sovereign immunity to evade its constitutional duty to compensate the property owner." *Id.*

---

[6] *See*, *e.g.*, *B & T Masonry Const. Co. v. Pub. Serv. Mut. Ins. Co.*, 382 F.3d 36, 41 (1st Cir. 2004) (recognizing "that an appellate court has the authority, in its discretion, to consider theories not articulated below," but emphasizing "that exceptions of this kind ... should be few and far between" -- "[t]he typical case involves an issue that is one of paramount importance and holds the potential for a miscarriage of justice" (quotation marks and citations omitted)).

In support of their contention, Plaintiffs-Appellants assert that the Fifth Amendment contains the only self-executing provision in the Bill of Rights, which means that "the Taking Clause is unique among the provisions of the Bill of Rights in that it not only acknowledges limitations on governmental power, but also sets forth the remedy of government fails to abide by them." Appellants' Br. at 14. On that basis alone, they boldly contend—without any further developed argumentation—that "[t]he Fifth Amendment's text, thus dictates that, when the government takes private property, it may not use sovereign immunity to escape its duty to provide just compensation." *Id.* However, they cite no authority to support their convenient interpretation of the Taking Clause text.

Plaintiffs-Appellants next seek to avoid a conventional application of the Eleventh Amendment to bar their taking claims, in a conclusory fashion, arguing that "just as 'the principle of state sovereignty' is 'necessarily limited by the enforcement of provisions of 5 of the Fourteenth Amendment,'… so too is the principle necessarily limited by the Fourteenth's Amendment application of the self-executing Taking Clase to states." *Id.* at 15-16. Relying in the Supreme Court's decision in *PennEast Pipeline Co., LLC v. New Jersey*, 594 U.S. 482 (2021), they argue that "because the states agreed to ratify the Fifth and Fourteenth Amendment, they necessarily consented to the just compensation mechanism that is 'inherent to the constitutional plan.'" Appellants' Br. at 16 (quoting *PennEast Pipeline Co., LLC*,

594 U.S. at 500). In other words, Plaintiffs-Appellants seem to suggest that states consented to federal jurisdiction or waived their immunity to taking claims by ratifying the Fifth and Fourteenth Amendments. However, these conclusory and unsupported contentions are fundamentally flawed for various reasons.

First, Plaintiffs-Appellants suggestion that States waived their sovereign immunity for takings claims in the "plan of the [Constitutional] Convention" is utterly meritless. *See* Appellants' Br. at 14. A State may be sued if "it has agreed to suit in the 'plan of the Convention,' which is shorthand for 'the structure of the original Constitution itself.'" *PennEast Pipeline Co.*, 594 U.S. at 500 (quoting *Alden v. Maine*, 527 U.S. 706, 728 (1999)). As explained by the Supreme Court, "the 'plan of the Convention' includes certain waivers of sovereign immunity to which all States implicitly consented at the founding." *Id.* (citation omitted). In other words, States may be sued if "the structure of the original Constitution itself reflects a waiver of States' sovereign immunity." *Torres v. Tex. Dep't of Pub. Safety*, 597 U.S. 580, 587 (2022) (citation omitted). However, the Supreme Court has made clear that the circumstances in which the "plan of the Convention" implied that States waived their sovereign immunity are narrow. *Id.* It has found "structural waivers" or "plan-of-the-Convention waivers" in the context of suits by private parties pursuant to federal bankruptcy law, *Central Va. Community College v. Katz*, 546 U.S. 356, 379 (2006); suits between States, *South Dakota v. North Carolina*, 192 U.S. 286, 318

(1904); suits by the United States against a State, *United States v. Texas*, 143 U.S. 621 (1892); the exercise of federal eminent domain power, including in condemnation proceedings brough by private delegates, *PennEast Pipeline Co.*, 594 U.S. at 501-502; and suits authorized by Congress pursuant to its war powers. *Torres*, 597 U.S. at 594-596.[7] However, no such implicit "plan of the Convention" structural waiver can be found in the Takings Clause of the Fifth Amendment. Nor do Plaintiffs-Appellants argue otherwise. In any event, the Fifth Amendment could not possibly have been a "plan of the Convention" waiver because, as Plaintiffs-Appellants concede, the Fifth Amendment originally applied only to the federal government. *See* Appellants' Br. at 15.

Nor can ratification of the Fourteenth Amendment be construed as a waiver of states' Eleventh Amendment immunity. Plaintiffs-Appellants rely on the fact that the Fourteenth Amendment incorporates the Fifth Amendment. *See* Appellants' Br. at 15. They further suggest that by ratifying the Fourteenth Amendment after the

[7] As explained by the Supreme Court:

> *PennEast* defined the test for structural waiver as whether the federal power at issue is "complete in itself, and the States consented to the exercise of that power—in its entirety—in the plan of the Convention." Where that is so, the States implicitly agreed that their sovereignty "would yield to that of the Federal Government 'so far as is necessary to the enjoyment of the powers conferred upon it by the Constitution.'". By committing not to "thwart" or frustrate federal policy, the States accepted upon ratification that their "consent," including to suit, could "never be a condition precedent to" Congress' chosen exercise of its authority. The States simply "have no immunity left to waive or abrogate." *Torres*, 597 U.S. at 589 (citations omitted).

Eleventh Amendment, states impliedly waived their immunity as to takings claims. This argument is unconvincing. *PennEast* suggests that courts should consider the states' intent at the time of ratification to determine whether they impliedly consented through ratification. *Cf.* 594 U.S. at 500 ("The 'plan of the Convention' includes certain waivers of sovereign immunity to which all States implicitly consented at the founding." (emphasis added)). There is no indication that in 1867, when states ratified the Fourteenth Amendment, the Fifth Amendment's Takings Clause would apply to the states. In fact, the Takings Clause was the first right to be incorporated and that did not occur until 30 years after the Fourteenth Amendment was ratified. *See Chicago, B. & Q. R. Co. v. City of Chicago*, 166 U.S. 226 (1897). Moreover, "to accept" Plaintiffs-Appellants' "argument and hold that states waived their sovereign immunity in suits that invoke a right incorporated through the Fourteenth Amendment would destroy the protection the Eleventh Amendment was specifically ratified to provide." *Skatemore, Inc. v. Whitmer*, 40 F.4th 727, 736 (6th Cir. 2022). Indeed, "[f]uture plaintiffs could claim any right incorporated through the Fourteenth Amendment is no longer subject to Eleventh Amendment immunity." *Id.*

Second, Plaintiffs-Appellants further assert that "a long line of Supreme Court precedent leads to the same conclusion." Appellants' Br. at 16. To that end, they specifically cite *City of Monterey v. Del Monte Dunes at Monterey, Ltd.*, 526 U.S.

687 (1999), *First English Evangelical Lutheran Church v. County of Los Angeles, California*, 482 U.S. 304 (1987), and *Knick*. The central focus of Plaintiffs-Appellants' argument is the Supreme Court's observation that the Taking Clause is "self-executing." Plaintiffs-Appellants, however, misunderstand what that means.

Under the state law at issue in *First English*, the only available remedy for a regulatory taking was prospective relief that would force the regulator to initiate condemnation proceedings or return the property without any compensation, should the government choose the latter. 482 U.S. at 308-09. The law provided no compensation for the period between the taking and the regulator's decision whether to pay for the property or return it. *Id.* at 312-313. The question before the Court thus was whether the Takings Clause "require[s] compensation as a remedy for 'temporary' regulatory takings." *Id.* at 310. The Court answered in the affirmative based on its "frequently repeated … view" that, in the event of a taking, the Constitution requires compensation. *Id.* at 316. Given that context, the Court's statements about "the self-executing character of the constitutional provision with respect to compensation," *id.* at 315, does not support Plaintiffs-Appellants' argument. The Court held that the right to compensation accrues as soon as the government takes property, rather than when the government chooses not to institute eminent domain. In other words, the Takings Clause's just-compensation requirement applies as soon as the taking occurs and so does not depend on some

future act. *Id.* Thus, when this Court described the Takings Clause as "self-executing," it was addressing the substantive question of when the government's conduct triggers the right to compensation. *Id*.

Nothing about that discussion, however, speaks to the issue here. *First English* concerns neither an action against a state nor the Eleventh Amendment. Therefore, *First English* had no occasion to consider the separate issue of whether the self-executing character of the Takings Clause with respect to compensation means that the Eleventh Amendment does not bar a takings claim against a State in federal court. *See Vaqueria Tres Monjitas, Inc. v. Irizarry*, 600 F.3d 1, 9 n. 9 (1st Cir. 2010) ("*First English* did not squarely present an Eleventh Amendment question, since it involved a suit against a county, which cannot invoke Eleventh Amendment immunity. And in the analogous context of compensation for reverse condemnation claims, we have stated that the Eleventh Amendment bars federal courts from granting this relief.") (citations omitted)).

Plaintiffs-Appellants fare no better with respect to the Supreme Court's decision in *Knick*, which reiterated the "self-executing character" of the Takings Clause with respect to compensation, *id.* at 192, and held that a property owner may bring a takings claim under § 1983 in federal court against a municipality "upon the taking of his property without just compensation by a local government." *Id.* at 206. As per Plaintiffs-Appellants, "the Court's reasoning [in *Knick*] severely undermined

the notion that any government may use sovereign immunity to avoid paying just compensation." Appellants' Br. at 17. However, *Knick* does not alter the fact that the Eleventh Amendment bars a takings claim when brought against a *state* in *federal court*. Prior to *Knick,* a plaintiff was required to pursue just compensation under state law in state court before pursuing a takings claim under § 1983 in federal court. *See Williamson Cnty. Reg'l Plan. Comm'n v. Hamilton Bank of Johnson City*, 473 U.S. 172, 194 (1985),. *Knick* held that a takings claim brought against a *local government* entity (*i.e.*, a township) could be brought immediately in federal court without having to first pursue compensation under state court remedies. *Id.* at 184-185. Therefore, *Knick* merely reiterated *First English*'s holding about the scope of the substantive right: "that a property owner acquires an irrevocable right to just compensation immediately upon a taking."

Contrary to Plaintiffs-Appellants' suggestion, *Knick* says nothing about sovereign immunity. The takings claim in *Knick* was not against a State, but a township. *Id.* at 185-187. Hence, as Plaintiffs-Appellants concede, the defendant in *Knick* had no sovereign immunity to assert. *See* Appellants' Br. at 17 ("[T]he government entity in [*Knick*] was not entitled to sovereign immunity…"). Accordingly, *Knick*, like *First English*, simply had no occasion to consider the separate issue of whether the Eleventh Amendment bars a takings claim for damages when brought against a *State* in federal court.

Multiple federal courts of appeals, as well as courts within this Circuit, have subsequently recognized that point of law. Indeed, "[e]very circuit to consider the question has held that *Knick* did not change states' sovereign immunity from takings claims for damages in federal court…." *Pavlock v. Holcomb*, 35 F.4th 581, 589 (7th Cir. 2022). *See*, *e.g.*, *EEE Mins., LLC v. State of N. Dakota*, 81 F.4th 809, 816 (8th Cir. 2023) (concluding that "the Eleventh Amendment bars a claim [under the Takings Clause] against the State in federal court" and that "*Knick* is not to the contrary, because it addressed only a claim against a municipality that has no entitlement to sovereign immunity under the Eleventh Amendment."); *Zito v. N.C. Coastal Res. Comm'n*, 8 F.4th 281, 286-288 (4th Cir. 2021) ("[E]very 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 (6th Cir. 2020) ("[T]he Court's opinion in *Knick* says nothing about sovereign immunity."); *Bay Point Properties, Inc. v. Miss. Transp. Comm'n*, 937 F.3d 454, 456-457 (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). *See also Soscia Holdings, LLC v. Rhode Island*, 677 F. Supp. 3d 55, 68 (D.R.I. 2023) ("In every case where the plaintiff has argued, as Soscia does here, that takings claims are not subject to sovereign immunity

pursuant to *Knick*, courts have ruled against the plaintiff."); *Puma Energy Caribe LLC v. Puerto Rico*, 2021 WL 4314234 *1 n. 3 (D.P.R. 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.").

To sidestep the fact that the overwhelming weight of authority contradicts their position, Plaintiffs-Appellants assert that "*Knick*…undermines the logic of the court of appeals' decisions allowing governments to mount sovereign immunity defenses to taking claims." Appellants' Br. at 17. To that end, they merely posit that "[t]hose cases pointed to the fact that the property owners may seek just compensation in state court," but "*Knick* rejected a system that would 'would relegate[] the Takings Clause to the status of poor relation among the provisions of the Bill of Rights.'" *Id.*, at 17-18. They do not attempt, however, to develop or explain this argument, nor do they cite any authority in support of their position. Therefore, any contention to that effect "is deemed waived by total absence of argument." *Vazquez-Rivera*, 759 F.3d at 47 n. 1. *See, also*, *Brown v. Trs. of Boston Univ.*, 891 F.2d 337, 352 (1st Cir. 1989) (issues adverted to in a perfunctory manner,

unaccompanied by some effort at developed argumentation, are deemed waived are deemed waived.").[8]

b. Abrogation: the Lanham Act does not abrogate the sovereign immunity of the Commonwealth and its officials[9]

In its *Opinion and Order*, the district court held that, consistent with Supreme Court precedent, Congress has not abrogated state sovereign immunity for actions brought under the Lanham Act. **Add. 29-30**. It, therefore, rejected Plaintiffs-Appellants' contention that their trademark claims were not barred because Congress had abrogated the Commonwealth's immunity under the Eleventh Amendment. **Add. 29**.

On appeal, Plaintiffs-Appellants insist that, "even if Puerto Rico were entitled to sovereign immunity similar to the states immunity enjoy, Congress had properly abrogated it" under the Lanham Act. Appellants' Br. 22. In support of their

[8] Plaintiffs-Appellants further assert that "the appellate court decisions cited by the district court also took a sharp misstep in relying on the Supreme Court's decision in *Reich v. Collins*, 513 U.S. 106 (1994)." Appellants' Br. at 18. However, Plaintiffs-Appellants do not even mention the cases cited by the district court, much less discuss their rationale. Instead, as with the former contention, this argument is largely undeveloped and unsupported. Therefore, to the extent that Plaintiffs-Appellants intended to cast doubt as to the district court's ruling to this respect, any such challenge is deemed waived. S*ee Tejada–Batista v. Morales*, 424 F.3d 97, 103 (1st Cir. 2005) (stressing that "[a]n argument not seriously developed in the opening brief" is lost).

[9] 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*, 598 U.S. at 346 (quoting *Kimel v. Florida Bd. of Regents*, 528 U.S. 62, 73 (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 (citation omitted).

contention, they assert three main arguments, none of which holds water. *First*, they argue that in Section 1125(b) of the Lanham Act "provides a clear statement that Congress intended to waive Puerto Rico's immunity." *Id*. *Second*, relying on a "blanket statement" from the Supreme Court's in *College Savings Bank*, they contend that "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." *Id.*, at 23. *Third*, they attempt to insulate the Lanham Act from the Supreme Court's precedent that spells out the precise conditions under which Congress can exercise its Fourteenth Amendment enforcement authority to abrogate sovereign immunity via appropriate legislation, by alleging that *Florida Prepaid* and *Allen* are not controlling because they dealt with patents and copyright rather than trademarks. *Id.*, 23-24.

As to their first argument, the district court extensively discussed in its decision below that, contrary to Plaintiffs-Appellants contention, a review of the Congressional record clearly reflected that the that amendments to the Lanham Act were made to subject the federal government to suit for trademark infringement and dilution, but not the states or territories. **Add. 27-28**. Tellingly, Plaintiffs-Appellants omit any reference to that part of the district court's ruling. Their second and third argument are equally baseless. As the district court thoroughly explained, recent congressional work confirmed that, contrary to Plaintiffs-Appellants' arguments,

"Congress has not validly abrogated state sovereign immunity as to trademark claims under the Lanham Act and its amendments." **Add. 29**. To that end, it noted that:

> 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 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. **Add. 31**.

Therefore, it explained that, consistent with Supreme Court precedent, 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." *Id.* Furthermore, Plaintiffs-Appellants' contentions are contrary to decades of Supreme Court precedent that has discussed the precise conditions under which Congress can exercise its Fourteenth Amendment authority. Congress's power under the Fourteenth Amendment is the "power to enforce, by appropriate legislation, the provisions of this article." *See Allen v. Cooper*, 589 U.S. 248, 260

(2020); *City of Boerne*, 521 U.S. at 519 ("The Fourteenth Amendment's history confirms the remedial, rather than substantive, nature of the Enforcement Clause."). Sovereign immunity can be abrogated "[w]hen Congress enacts appropriate legislation," and *not until then*. "For an abrogation statute to be 'appropriate' under Section 5, it must be tailored to 'remedy or prevent' conduct infringing the Fourteenth Amendment's substantive prohibitions." *Allen*, 589 U.S. at 260 (quoting *City of Boerne*, 521 U.S. at 519). But Congress cannot use its "power to enforce" the Fourteenth Amendment to alter what that Amendment bars. *Id.* That means "a congressional abrogation is valid under Section 5 only if it sufficiently connects to conduct courts have held Section 1 to proscribe." *Id.*[10] Without such legislation

---

[10] To decide whether a law passes muster, the Supreme Court has framed a type of means-end test:

> For Congress's action to fall within its Section 5 authority, we have said, "[t]here must be a congruence and proportionality between the injury to be prevented or remedied and the means adopted to that end." *Boerne*, 521 U.S. at 520, 117 S.Ct. 2157. On the one hand, courts are to consider the constitutional problem Congress faced—both the nature and the extent of state conduct violating the Fourteenth Amendment. That assessment usually (though not inevitably) focuses on the legislative record, which shows the evidence Congress had before it of a constitutional wrong. *See Florida Prepaid*, 527 U.S. at 646, 119 S.Ct. 2199. On the other hand, courts are to examine the scope of the response Congress chose to address that injury. Here, a critical question is how far, and for what reasons, Congress has gone beyond redressing actual constitutional violations. Hard problems often require forceful responses and, as noted above, Section 5 allows Congress to "enact[ ] reasonably prophylactic legislation" to deter constitutional harm. *Kimel*, 528 U.S. at 88, 120 S.Ct. 631; *Boerne*, 521 U.S. at 536, 117 S.Ct. 2157 (Congress's conclusions on that score are "entitled to much deference"); supra, at 1003 – 1004. But "[s]trong measures appropriate to address one harm may be an unwarranted response to another, lesser one." *Boerne*, 521 U.S. at 530, 117 S.Ct. 2157. Always, what Congress has done must be in keeping with the Fourteenth Amendment rules it has the power to "enforce." *Allen*, 589 U.S. at 260-261.

(which Plaintiffs-Appellants do not allege exists), the Fourteenth Amendment does not authorize federal courts to hear Plaintiffs-Appellants' trademark claims.

In sum, contrary to Plaintiffs-Appellants suggestion, it is beyond clear that Congress has not properly abrogated states' sovereign immunity under the Lanham Act. *See* McCarthy, *McCarthy on Trademarks and Unfair Competition* § 25:66 (5th ed. March 2024) ("In the wake of the Supreme Court's 1999 trilogy and its 2020 reaffirmance, **a trademark owner cannot sue a state for infringement in violation of the Lanham Act in either federal court or state cour**t. Rather, the trademark owner is relegated to suing for a violation of state trademark law in state court, assuming that the state has consented to being sued for that type of case.") (emphasis added)).

c. *Ex parte Young* does not apply

In its *Opinion and Order*, the district court held that *Ex parte Young* did not apply to Plaintiffs-Appellants' request for declaratory and injunctive relief. **Add. 34-35**. To that end, it noted that, in the instant case, "Plaintiffs are seeking monetary relief for the damages allegedly caused by the Commonwealth and official capacity Defendants[,]" as well as "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." **Add. 34**. Then, after conducting the

applicable inquiry, it concluded that Plaintiffs-Appellants' *Ex parte Young* claims could not proceed. *Id.* at 34-35.

Specifically, as to the first prong of *Ex parte Young* inquiry, the district court held that Plaintiffs-Appellants "only seek declaratory judgment that Defendants past conduct was unlawful." **Add. 34**. It, thus, concluded that "there [was] no real question of conflicting legal interest for the Court to consider" and "denied" Plaintiffs-Appellants' "request for declaratory judgment." *Id.* at 34-35. Next, the district court noted that Plaintiffs-Appellants also sought "injunctive relief barring Defendants from the 'use [of] the Roberto Clemente mark, name and likeness, pursuant to Puerto Rico Joint Resolution No. 16 and 17 of 2021 without just compensation.'" **Add. 35** (alteration in the original). To that end, it concluded that "[w]hile Plaintiffs s[ought] prospective relief, they ha[d] provided the Court with no basis from which it c[ould] infer any possibility of an ongoing violation of federal law." *Id.* It further held that Plaintiffs-Appellants' "request for injunctive relief on the trademark infringement violations h[ad] 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." *Id.* In support of its mootness ruling, it noted that Plaintiffs-Appellants "ha[d] 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 [was]

capable of repetition." *Id.* Therefore, it could not "provide meaningful relief, as there [was] no ongoing conduct left for the Court to enjoin." *Id.* Accordingly, the district court "denied" Plaintiffs-Appellants' request for injunctive relief. *Id.*

At the outset, Plaintiffs-Appellants do not challenge the merits of any of these rulings on appeal. Indeed, their opening brief raised no argument at all challenging the precise basis for dismissal of its request for declaratory judgment—that it did not allege ongoing violation of federal law, and thus *Ex parte Young* did not apply to overcome Government-Appellees' Eleventh Amendment immunity with respect to those claims; since Plaintiffs-Appellants only sought declaratory judgment that defendants' past conduct was unlawful, and there was no real question of conflicting legal interest for the district court to consider. Similarly, on appeal, Plaintiffs-Appellants do not even mention the district court's ruling dismissing their request for injunctive relief on the trademark violations as moot. Nor do they raise any argument at all challenging the merits of the district court's ruling dismissing their request for injunctive relief—barring the defendants from "the use [of] the Roberto Clemente mark, name and likeness…without just compensation"—on the ground that they failed to provide the district court with any basis from which it could infer any possibility of ongoing violation of federal law, and thus *Ex parte Young* did not apply to overcome the Commonwealth's Eleventh Amendment immunity with respect to that claim. As such, none of these rulings are at issue in this appeal and,

consistent with this Court's precedent, any arguments to that effect are waived. *See OK Resorts of Puerto Rico, Inc. v. Charles Taylor Consulting Mexico, S.A. de C.V.*, 30 F.4th 24, 27 n. 3 (1st Cir. 2022) ("**It is not necessary to address the merits of the dismissal, as appellants fail to challenge the merits in their opening brief, rendering any such argument waived**.") (emphasis added)); *Lahens v. AT&T Mobility Puerto Rico, Inc.*, 28 F.4th 325, 338 (1st Cir. 2022) ("Lahens failed to mention a basis for challenging the district court's ruling that the employment statutes superseded his Article 1802 claim…[T]herefore waives this issue on appeal."); *United States v. Toth*, 33 F.4th 1, 8 n. 6 (1st Cir. 2022) ("Toth, however, makes no distinct arguments challenging that decision by the District Court, and so we find any arguments to that effect waived."); *Sparkle Hill, Inc. v. Interstate Mat Corp.*, 788 F.3d 25, 29 (1st Cir. 2015) ("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**.") (emphasis added)); *U.S. v. Slade*, 980 F.2d 27, 30 n. 3 (1st Cir. 1992) ("Because defendant had neither briefed nor argued the proposition that she advanced below, we need not consider the district court's rejection of that proposition. After all, theories neither briefed nor argued on appeal are deemed to have been waived.").

Nevertheless, on appeal, Plaintiffs-Appellants contend that they are entitled to prospective relief on a different ground. Appellants' Br. at 25-28. In that vein,

they misleadingly assert that prospective relief "is appropriate to require Defendants to provide just compensation to the Clementes as that is the only way by which Defendants can stop their constitutional taking of the Roberto Clemente trademark." *Id.* at 25-26. The crux of this argument is that *Ex parte Young* defeats the Commonwealth's sovereign immunity because they were deprived of their property, via an uncompensated government taking, which they allege persists to this day. *See* Appellants' Br. at 27 ("[T]he Clementes are entitled to an injunction ordering the government defendants to prevent the continued violation of the Clementes' Fifth Amendment rights by paying just compensation.").

Ex parte Young, however, applies only when the conduct at issue is an ongoing violation of federal law and the plaintiff seeks prospective, not retrospective, relief. *See Verizon Md., Inc. v. Pub. Serv. Comm'n of Md.*, 535 U.S. 635, 645-646 (2002). Plaintiffs-Appellants' claims do not satisfy either of those requirements.

First, Plaintiffs-Appellants do not allege an *ongoing* violation of federal law in this respect. To determine if a violation of federal law is continuing, a court must ask whether the conduct alleged amounts to a continuous violation of plaintiffs' constitutional rights or a single act that continues to have negative consequences for a plaintiff. Where a plaintiff only alleges that "federal law has been violated at one time or another . . . in the past," *Ex parte Young* does not apply. *Papasan v. Allain*,

478 U.S. 265, 277-778 (1986) ("*Young* has been focused on cases in which a violation of federal law by a state official is ongoing as opposed to cases in which federal law has been violated at one time or over a period of time in the past ...."). **This is true even where a plaintiff asserts that a past taking remains uncompensated.** *See*, *e.g.*, *Merritts v. Richards*, 62 F.4th 764, 771-772 (3d Cir. 2023); *Abdel-Fakhara v. Vermont*, 2022 WL 4079491, at *9 (D. Vt. Sept. 6, 2022), *aff'd*, 2023 WL 3486236 (2d Cir. May 17, 2023) ("An uncompensated governmental taking that occurred in the past does not constitute an ongoing violation of federal law.").

Notably, Plaintiffs-Appellants do not argue that they have successfully pleaded ongoing constitutional violations to invoke *Ex parte Young*. Instead, they merely suggest, without further development, that an unconstitutional taking is an "ongoing violation" of federal law for the purpose of seeking prospective relief when it remains uncompensated. However, they point to no authority supporting such a proposition. In any event, it is beyond clear that Plaintiffs-Appellants seek injunctive and declaratory relief based on a purported *past* violation of federal law. Even if "[t]hose earlier actions may have present effect, that does not mean that they are ongoing." *Merritts*, 62 F.4th at 772. Tellingly, Plaintiffs-Appellants recognized as much in their opening brief. *See* Appellants' Br. at 27 ("The government defendants have already improperly used the Roberto Clemente trademark through their

enforcement of Resolution Nos. 16 and 17. They cannot undo the taking of the trademark."); *id.* 28 ("In this case the taking cannot be undone"). Accordingly, *Ex parte Young* does not apply here.

Second, Plaintiffs-Appellants are not seeking prospective relief. Rather, they are simply repackaging their claim for monetary relief as a request for an injunction that cures past injuries and requires the payment of just compensation. This reformulated request for retrospective relief is likewise barred by the Eleventh Amendment. If there were any doubt on this question, it is dispelled by looking at Plaintiffs-Appellants' prayer for relief, which, in addition to monetary relief for the damages allegedly caused by the Commonwealth and official capacity defendants, **Add. 51**, seeks, among other things: (i) a declaration that "the use of the Roberto Clemente mark, name and likeness pursuant to Puerto Rico Joint Resolutions No. 16 and 17 of 2021 and Law 67-2022 is unlawful, violates the due process right, constitutes trademark infringement, constitutes a violation of the right of publicity and likeness, and is a taking;" **App. 50**; (ii) a 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," *id.*; and (iii) an "order [for] the payment of just compensation to Plaintiffs for the temporary use of the Roberto Clemente mark, name and likeness." *Id.*

Plaintiffs-Appellants cannot avoid the Eleventh Amendment merely by casting their takings claim as one for prospective declaratory and injunctive relief. Nor can Plaintiffs-Appellants overcome the prospective relief requirements of *Ex parte Young* inquiry simply by adding words like "prospective," "continued", and "future" to his allegations. Allowing that sort of artful pleading to circumvent a state's immunity would render the Eleventh Amendment meaningless in the takings context. There is no significant difference between a federal court judgment awarding money to the plaintiff and a federal court judgment ordering a state official to pay money to the plaintiff or declaring that the official must pay the money. Whether the court awarded damages to Plaintiffs-Appellants or ordered the Government officials to pay them, the result would be the same: Puerto Rico would be forced by the federal judiciary to take money out of its treasury and give it to Plaintiffs-Appellants. Federal courts have, thus, rightly rejected such thinly veiled attempts to breach the States' coffers.[11] In fact, the Fifth Circuit recently rejected a

[11] *See*, *e.g.*, *EEE Mins., LLC v. State of N. Dakota*, 81 F.4th 809, 816 (8th Cir. 2023); *Merritts*, 62 F.4th at 771-772 ("By seeking an injunction to cure past injuries – PennDOT's alleged wrongful acquisition of the easements and the alleged lack of just compensation – Merritts asks for a reparative injunction…Such an injunction cannot be fairly characterized as prospective.") (citations omitted); *Ladd*, 971 F.3d at 581 (holding that sovereign immunity barred the plaintiffs' claims for injunctive and declaratory relief and explaining that "an order [the plaintiffs] can use to require Ohio to pay them for its alleged taking of their property" was not "a proper workaround to the States' sovereign immunity"). *See also*, *Abdel-Fakhara*, 2022 WL 4079491 at *9 ("Here, the declaratory relief plaintiffs seek—stating that "Defendants took private property without due process or just compensation" and an "[o]rder for the return of the QBurke investment funds"—merely repackages the damages claims and would require payment from the state treasury for a past taking.").

very similar argument to the one that Plaintiffs-Appellants make here. *James v. Hegar*, 86 F.4th 1076, 1083-1084 (5th Cir. 2023).

Nonetheless, in what seems a last diched attempt to insulate their claims from dismissal, Plaintiffs-Appellant point to *Milliken v. Bradley*, 433 U.S. 267, 97 (1977), and *Ex parte Young*, 209 U.S. 123 (1908), for the proposition that "sovereign immunity does not bar injunctive relief just because it will include some government funds." Appellants' Br. at 27. As a basic premise that is true—however, in the instant case, the relief sought by Plaintiffs-Appellants would "require payment of state funds, not as a necessary consequence of compliance in the future with a substantive federal-question determination, but as a form of compensation." *Edelman v. Jordan*, 415 U.S. 651, 667-669 (1974). Characterizations in the *Amended Complaint* of the relief sought as "injunctive" or "declaratory" does not change the essential nature of what Plaintiffs-Appellants seek from retroactive to prospective. As previously explained, here, as in *Edelman*, the relief Plaintiffs-Appellants seek would, in practical effect, be "indistinguishable…from an award of damages." *Id.* at 668.

Therefore, without meeting either of the *Ex parte Young* conditions, the Eleventh Amendment prevents Plaintiffs-Appellants from bringing their claims against the Government officials in their official capacity for injunctive and declaratory relief in federal court. In that sense, the Eleventh Immunity blocks all Plaintiffs-Appellants' claims against the Commonwealth and the government

officials. However, *in the alternative*, we discuss the other prayers for relief to show that Plaintiffs-Appellants' arguments do not pass muster.

B. IN THE ALTERNATIVE, PLAINTIFFS-APPELLANTS FAILED TO STATE A PLAUSIBLE CLAIM FOR RELIEF UNDER THE TAKINGS CLAUSE OF THE FIFTH AMENDMENT

On appeal, Plaintiffs-Appellants assert that the district court erred in finding that the allegations of the *Amended Complaint* did not state a plausible claim for relief under the Takings Clause of the Fifth Amendment. *See* Appellants' Br. at 44-53. In the alternative, as explained below, the district court undertook the appropriate analysis of Plaintiffs-Appellants' claims and its conclusion that the *Amended Complaint* failed to state a plausible claim for relief under the Takings Clause should be affirmed.

The Takings Clause of the Fifth Amendment, applicable to the States through the Fourteenth Amendment, provides that "private property" shall not "be taken for public use, without just compensation." U.S. Const. Amend. V. Although physical occupation of a person's property is the paradigmatic taking, the Constitution also guards against certain uncompensated regulatory interferences with a property owner's interest in his property. *Franklin Mem'l Hosp. v. Harvey*, 575 F.3d 121, 125 (1st Cir. 2009). The Supreme Court has held that there are "two categories of regulatory action that generally will be deemed *per se* takings for Fifth Amendment purposes." *Lingle v. Chevron U.S.A. Inc.*, 544 U.S. 528, 538 (2005). First, the

government must provide just compensation if it "requires an owner to suffer a permanent physical invasion of her property—however minor." *Id.* Second, the government must provide just compensation when a regulation "completely deprive[s] an owner of 'all economically beneficial us[e]' of her property .... except to the extent that 'background principles of nuisance and property law' independently restrict the owner's intended use of the property." *Id.* (quoting *Lucas v. S.C. Coastal Council*, 505 U.S. 1003, 1019, 1030 (1992)). Outside of those two "*per se*" categories, "regulatory takings challenges are governed by the standards set forth in *Penn Central*." *Id.*[12] Here, the challenged government action does not fall under either category of regulatory taking invoking a *per se* rule.

On appeal, Plaintiffs-Appellants argue that "although the district court did not conclusively decide whether trademarks were cognizable under the Taking Clause," trademarks merit protection under the Takings Clause. Appellants' Br. at 44. To that end, they contend that "[t]rademarks satisfy the requirements of what constitutes constitutionally protected property under the Takings Clause" because: (1) "both state and common law recognize trademarks as protected property"; and (2) "trademarks embody traditional property law principles found in real and personal

[12] In *Penn Central*, the Supreme Court "identified several factors that have particular significance" for evaluating a regulatory-taking claim. *Penn Cent. Transp. Co. v. City of New York*, 438 U.S. 104, 124 (1978). Those factors include: (i) the "economic impact of the regulation on the claimant;" (ii) "the extent to which the regulation has interfered with distinct investment-backed expectations;" and (iii) "the character of the governmental action." *Id.*

property." *Id.*, at 45. As to the former, they posit that "[t]rademarks…meet the constitutional definition of property under the Fifth Amendment because their existence as a property right derives from independent sources such as state and common law." *Id.* at 47. As to the latter, they assert that "[t]he Clementes' property interest in their trademark grants them the right to exclude others from using the Roberto Clement mark." *Id.* As such, they posit that "[t]rademarks thus contain one of the primary and most important attributes of a protected property interest: the right to exclude others." *Id.* at 48. Accordingly, as per Plaintiffs-Appellants, "[t]he Roberto Clemente trademark is therefore a cognizable property interest under the Fifth Amendment's Taking Clause." *Id.* at 49.

However, contrary to Plaintiffs-Appellants' contention, although "a trademark is…a 'right to exclude,'" and, therefore, "a form of property," McCarthy, *McCarthy on Trademarks and Unfair Competition* § 2:10,[13] such categorization does

[13] *See*, *e.g.*, *Hamilton-Brown Shoe Co. v. Wolf Bros. & Co.*, 240 U.S. 251, 259, (1916) ("The right to use a trademark is recognized as a kind of property, of which the owner is entitled to the exclusive enjoyment to the extent that it has been actually used."); *Beech-Nut Packing Co. v. P. Lorillard Co.*, 273 U.S. 629, 632 (1927) (Justice Holmes: "[I]n a qualified sense the mark is property, protected and alienable, although as with other property its outline is shown only by the law of torts, …"). A century ago, Justice Pitney affirmed that a common law trademark was a "property" right:

> Common law trademarks and the right to their exclusive use are of course to be classed among property rights … but only in the sense that a man's right to the continued enjoyment of his trade reputation and the good-will that flows from it, free from unwarranted interference by others, is a property right, for the protection of which a trademark is an instrumentality. *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 413 (1916).

not imply that trademarks are a constitutional property interest for Fifth Amendment purposes. *Id.*[14] Indeed, the fact that the Supreme Court has recognized other intangible property as protected by the Takings Clause but has never held that a trademark is the type of private property interest protected by the Fifth Amendment, cuts against Plaintiffs-Appellants contention. Its black letter law that if Plaintiffs-Appellants do not have a protected property interest, the challenged government action cannot work to take that does not exist. *1256 Hertel Ave. Assocs., LLC v. Calloway*, 761 F.3d 252, 261 (2d Cir. 2014).

Nevertheless, as the district court correctly held, even assuming, *arguendo*, "that trademarks are constitutionally protected property and that the sovereign immunity doctrine does not apply," Plaintiffs-Appellants' Taking Clase claims "are still unsupported." **Add. 55**. On appeal, Plaintiffs-Appellants resist this conclusion arguing that "by using the Roberto Clemente trademark under Resolution 16 and 17,

[14] As explained by McCarthy:

> That is because the "property" parameters of a trademark are defined very differently from any other kind of "property." In almost all cases, the exclusive "property" right of a trademark is defined by customer perception.
>
> In the United States, both the creation of rights in marks and the test of invasion of those rights is determined by the perceptions and associations that exist in the minds of the relevant buying public. Hence, any "property" in trademarks is created and defined by the mental state of customers. Trademark law has many presumptions, assumptions and a few overriding public policies, but the central key is customer perception. **Analogies to other forms of "property," from real estate to patents and copyrights, <u>falter</u> on the basic definition of scope of trademark "property**." *McCarthy on Trademarks and Unfair Competition* § 2:10. (Emphasis added).

and Act 67-2022 against the wishes of the Clementes," Puerto Rico "appropriated the Roberto Clemente trademark," and that such appropriation and unauthorized use of the Roberto Clemente trademark is a categorical taking requiring just compensation. Appellants' Br. at 49. Accordingly, they contend that district court erroneously "concluded that there was no taking because the Clementes could still use the Roberto Clemente mark, and that the mark retained economic value." *Id.*

In their view, "[t]he district court's analysis on whether the Clementes could still use the Roberto Clemente trademark focused on the wrong property right taken from the Clementes." Appellants' Br. at 50. To that end, they posit that "Puerto Rico has taken the Roberto Clemente mark and has destroyed the essence of the trademark–the right to exclude other from using the mark to protect the goodwill and reputation of Roberto Clemente's legacy." *Id.* Hence, they contend "[t]hat the Roberto Clemente mark still retains economic value after Puerto Rico's use of the mark is irrelevant when the government appropriates property for its own use," *id.* (internal quotation marks and citation omitted), and that the "fact that the Clementes can still use the Roberto Clemente mark [does not] defeat their categorical taking claim." *Id.* at 52. On that basis, they erroneously conclude that "the district court's logic that a categorical taking does not occur when the government appropriates private property if the owner can still use their property, is contrary to Supreme Court precedent." *Id.*

In support of their flawed argument, they cite *Cedar Point Nursery v. Hassid*, 594 U.S. 139 (2021), in which, according to Plaintiffs-Appellants, "[t]he growers still had use of their land and retained an interest in their property, even if the union organizers could access their land on limited occasions," but the "Supreme Court held that since the access regulation took the right of the growers to exclude others from their property, it was still a categorical taking." Appellants' Br. at 52. They also point to *Loretto v. Teleprompter Manhattan CATV Corp.*, 458 U.S. 419 (1982), for the proposition that "the fact that the government only installed a small cable box on [plaintiff]'s rooftop did not stop the Supreme Court from finding a taking." Appellants' Br. at 53. However, Plaintiffs-Appellants' reliance on *Cedar Point*, *Loretto*, and *Horne v. Department of Agriculture*, 576 U.S. 350 (2015), to argue that the alleged use of the Roberto Clemente trademark effects a similar taking is clearly misplaced.

In *Loretto*, the Supreme Court held that a mandated physical invasion of a landlord's real property for the permanent installation of cable-television devices constituted a physical taking, 458 U.S. at 436-437; in *Horne*, the Court held that a requirement that raisin growers grant the government possession and title to a certain percentage of raisins constituted a physical taking; and in *Cedar Point*, the Court held that a California law constituted a physical taking where it granted labor organizations a right to "take access" to farmland to speak with workers—that is, a

government-forced intrusion on private land closed to the public. As such, all three cases involved the government (or a third party authorized by them) necessarily occupying, taking titled to, or physically possessing the property interest at stake. Here, by contrast, Resolutions No. 16 and 17 of 2021 and Act 67-2022 do not require Plaintiffs-Appellants to suffer any physical invasion of their property. Therefore, contrary to Plaintiffs-Appellants suggestion, the first category of *per se* regulatory taking is not present here.

Moreover, as the district court correctly held, the second category of *per se* regulatory taking is likewise not present here. That is because, as per the assertions of the *Amended Complaint*, neither Puerto Rico Joint Resolutions No. 16 and 17 of 2021 nor Act 67-2022, deprived Plaintiffs-Appellants of "all economically beneficial or productive use" of their trademarks, as would be required to show a *per se* regulatory taking. *See Lucas*, 505 U.S. at 1015-1016. Accordingly, since Plaintiffs-Appellants do not allege facts satisfying the *PennCentral* factors, they failed to state a plausible claim for relief under the Takings Clause. As such, this Court can affirm the district court's ruling dismissing Plaintiffs-Appellants' taking claims on this alternative basis.

C. IN THE ALTERNATIVE, PLAINTIFFS-APPELLANTS FAILED TO STATE A PLAUSIBLE CLAIM FOR RELIEF UNDER THE LANHAM ACT

It is black letter law that "[t]he purpose of a trademark is to identify and distinguish the goods of one party from those of another. To the purchasing public, a trademark signi[fies] that all goods bearing the trademark originated from the same source and that all goods bearing the trademark are of an equal level of quality." *Venture Tape Corp. v. McGills Glass Warehouse*, 540 F.3d 56, 60 (1st Cir. 2008) (quoting *Colt Def. LLC v. Bushmaster Firearms, Inc.*, 486 F.3d 701, 705 (1st Cir. 2007)). *See Star Fin. Servs., Inc. v. AASTAR Mortg. Corp.*, 89 F.3d 5, 9 (1st Cir. 1996) ("The purpose of trademark laws is to prevent the use of the *same or similar marks* in a way that confuses the public about the actual source of the goods or service.") (emphasis added) (citations omitted).

The Lanham Act creates a federal cause of action for trademark infringement of both registered and unregistered marks. *See* 15 U.S.C. §§ 1114(1)(a), 1125(a)(1). For infringement of federally registered marks, what the Lanham Act requires is that the accused use be "in connection with the sale, offering for sale, distribution or advertising of any goods or services" in a context that is likely to cause confusion, mistake or deception. 15 USC § 1114(1). Similarly, for unregistered marks, the Lanham Act requires that the accused use be "on or in connection with any goods or services" and be likely to cause confusion, mistake or deception as to the affiliation,

connection or association of the accused person with the plaintiff or as to the origin of the "goods, services or commercial activities" of the accused person. 15 USC § 1125(a)(1)(A). Similar language applies to false advertising claims.[15]

To succeed in a claim of trademark infringement, whether brought under §1114(1)(a), for infringement of a register mark, or under §1125(a), for infringement of rights in a mark acquired by use, "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) (internal citations omitted).

Accordingly, "[a] trademark holder's claim over his mark extends to uses of the mark "likely to cause confusion, or to cause mistake, or to deceive." *Swarovski Aktiengesellschaft v. Bldg. No. 19, Inc.*, 704 F.3d 44, 50 (1st Cir. 2013) (citing 15 USC § 1114(1)(a)); *see also Flynn v. AK Peters, Ltd.*, 377 F.3d 13, 19 (1st Cir. 2004) (stating that "[t]he key inquiry in a section [§1125(a)] case is [likewise] whether the defendant's use of the plaintiff's trademark creates confusion in the minds of consumers."); 4 *McCarthy on Trademarks and Unfair Competition* § 23:1 (describing likelihood of confusion as the "[k]eystone of trademark infringement.").

[15] For false advertising, the Lanham Act requires that the accused use be "in connection with any goods or services" and consist of "commercial advertising or promotion" and misrepresent the nature or characteristics of either the plaintiff's or the accused person's "goods, services or commercial activities." 15 USC § 1125(a)(1)(B).

The Supreme Court has made clear that "a trademark infringement action 'requires a showing that the defendant's actual practice is likely to produce confusion in the minds of consumers,' with the burden placed firmly on the plaintiff." *Swarovski*, 704 F.3d at 50 (quoting *KP Permanent Make–Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 117-118 (2004)). Therefore, "[w]ithout such a showing, **no trademark infringement has occurred and so the trademark holder has no cause of action**." *Id.* (emphasis added).

In its *Opinion and Order*, while the district court found that the first prong "ha[d] been satisfied by the federal trademark registration that entitles Plaintiffs-Appellants to the trademark rights," it concluded that it "d[id] not need to review the second prong which focuses on the possibility that the allegedly infringing use is likely to cause consumer confusion." **Add. 42**. That is because Plaintiffs-Appellants "failed to allege how the Defendants have used their mark in commerce 'in connection with' 'good and services.'" *Id.* "Mere, alleged, unauthorized use of a trademark is not enough to establish standing for trademark infringement." *Id.* It further held that, "[h]ere, the alleged 'goods and services' in controversy are license and vehicle tags issued by the Department of Transportation." *Id.* It noted, however, that "[l]ike many states, the Commonwealth uses the vehicle license plate program not only to identify vehicles but as a revenue source." *Id.* Consequently, it concluded that "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." *Id.* (citing *Walker v. Texas Div., Sons of Confederate Veterans, Inc.*, 576 U.S. 200 (2015)). In sum, as explained by district court:

> 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. **Add. 44** (emphasis added).

On appeal, Plaintiff-Appellants contend that Defendants-Appellees' "actions establish liability under 15 U.S.C. § 1144 because a trademark like Roberto Clemente has an intrinsic value separate from any product it endorses." Appellants' Br. 34. As per Plaintiffs-Appellants, "[t]he registered trademark use was the good or service for which the infringer charged and made a profit through its unauthorized use." *Id.* As such, they contend that "[t]his Court need not analyze consumer confusion because the infringer is not making a profit from the sale of a good or service by misleading the consumer about its origins, it is making a profit using the trademark itself." *Id. See id.* at 34 ("the good and service for which the government charged was the trademark itself, not the vehicle license plates and labels.").

However, Plaintiffs-Appellants' misconstrue the controlling case law and, in any event, fail to identify any *facts* in their *Amended Complaint* that, taken as true, demonstrate a plausible likelihood of confusion between the Roberto Clemente mark and the alleged infringing use of the mark use by the Defendants. After all, "a defendant's use of a mark must be ***confusing*** in the relevant statutory sense for a plaintiff to raise a viable **infringement** claim." *Swarovski*, 704 F.3d at 52 (emphasis in original); *see also Dorpan*, 728 F.3d at 61 ("[p]revention of confusion is [ ] the touchstone of trademark protection."). Therefore, "where the alleged infringer has not created any likelihood of confusion, there is no impairment of the plaintiff's trademark." *Dorpan*, 728 F.3d at 61. This Court should, therefore, affirm the district court's dismissal of Plaintiffs-Appellants' claim for failure to state a claim for relief that is plausible on its face. *Iqbal*, 556 U.S. at 678 ("where the well-pleaded facts **do not permit the court to infer more than a mere possibility of misconduct, the complaint has alleged–but it has not shown–that the pleader is entitled to relief.**") (emphasis added)).

D. IN THE ALTERNATIVE, THIS COURT SHOULD AFFIRM THE DISTRICT COURT'S DISMISSAL OF THE *AMENDED COMPLAINT* AS TO THE GOVERNMENT OFFICIALS IN THEIR PERSONAL CAPACITY BECAUSE THEY ARE ENTITLED TO QUALIFY IMMUNITY

It is well settled that "[w]hen 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 (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 (1987).

Qualified immunity is determined by a two-part test: (1) whether the facts alleged or shown by the plaintiff make out a violation of a constitutional right, and (2) if so, whether the right was "clearly established" at the time of the defendant's alleged violation. *Lawless*, 63 F.4th at 67; *Maldonado v. Fontanes*, 568 F.3d 263, 268-269 (1st Cir. 2009). Courts may begin the quality analysis by considering the clearly established prong. *Lawless*, 63 F.4th at 67.

As explained by this Court, "[t]he second prong (whether the law was clearly established at the time of the incident) is itself divisible into two inquiries. First, the *plaintiff must identify* either controlling authority or a consensus of persuasive authority sufficient to put [an official] on notice that his conduct fell short of the constitutional norm. Second, *the plaintiff must show* that an objectively reasonable [official] would have known that his conduct violated the law." *Conlogue v. Hamilton*, 906 F.3d 150, 155 (1st Cir. 2018) (citations omitted; emphasis added). Moreover, the Supreme Court has strongly emphasized "the longstanding principle

that 'clearly established law' should not be defined 'at a high level of generality.'" *White v. Pauly*, 580 U.S. 73, 79 (2017) (quoting *Ashcroft v. al-Kidd*, 563 U.S. at 742). The dispositive question is "'whether the violative nature of *particular* conduct is clearly established.'" *Mullenix v. Luna*, 577 U.S. 7, 12 (2015) (quoting *al-Kidd*, 563 U.S. at 742) (emphasis in original). This inquiry must be undertaken "in light of the specific context of the case, not as a broad general proposition." *Id.* (internal quotation marks and citations omitted). *See Rivas-Villegas v. Cortesluna*, 595 U.S. 1, 5 (2021) ("Although this Court's case law does not require a case directly on point for a right to be clearly established, existing precedent must have placed the statutory or constitutional question beyond debate") (internal quotation marks and citations omitted). Qualified immunity protects "all but the plainly incompetent or those who knowingly violate the law." *City & Cnty. of San Francisco v. Sheehan*, 575 U.S. 600, 611 (2015) (citation omitted).

For starters, Plaintiffs-Appellants do not clearly state whether they joined the government officials in their official or individual capacity. Hence, their contentions regarding this matter lack the required plausibility to survive a motion to dismiss. Here, even if Plaintiffs-Appellants had plausibly alleged the violation of a recognized constitutional right (which they clearly did not), their claims nonetheless fail at the second prong of the qualified immunity analysis. To that end, assuming

arguendo that sovereign immunity does not apply to the government officials,[16] as the district court correctly held, Plaintiffs-Appellants 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." **Add. 63**. On the contrary, "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*." *Id.* Furthermore, in the instant case, "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." *Id.* Therefore, "[a]s 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-[Appellants'] have challenged in this case." *Id.*

In light of the foregoing, in the alternative, this Court should affirm the district court's dismissal of the *Amended Complaint* as to the Government officials in their individual capacities because they are entitled to qualified immunity.

WHEREFORE, Government-Appellees respectfully request that this Honorable Court *affirms* the district court's *Opinion and Order* and corresponding

[16] *See* previous discussion on *Ex Parte Young*.

Judgment granting Defendants-Appellees' motions to dismiss and, consequently, dismissing the *Amended Complaint* in its entirety.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico this 26th day of June, 2024.

s/Fernando Figueroa-Santiago
FERNANDO FIGUEROA-SANTIAGO
Solicitor General of Puerto Rico

s/Omar Andino-Figueroa
OMAR ANDINO-FIGUEROA
Deputy Solicitor General

s/Mariola Abreu-Acevedo
MARIOLA ABREU-ACEVEDO
Assistant Solicitor General

CERTIFICATE OF FILING AND SERVICE

I HEREBY CERTIFY that on this same date I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to all counsel of record.

In San Juan, Puerto Rico this 26th day of June, 2024.

s/Mariola Abreu Acevedo
MARIOLA ABREU-ACEVEDO
Assistant Solicitor General
USCA No. 1199215
P.O. Box 9020192
San Juan, Puerto Rico 00902-0192
Telephone: (787) 721-2900, ext. 1531
Email: *mariola.abreu@justicia.pr.gov*

CERTIFICATE OF COMPLIANCE WITH RULE 32(G)

Certificate of Compliance with Type-Volume Limitation, Typeface Requirements, and Type Style Requirements

1. This brief complies with the type-volume limitation of Fed. R. App. P. 32(a)(7)(B):

   [x] This brief contains 12,976 words in compliance with Fed. R. App. P. 32(a)(7)(B), excluding the parts of the brief excluded by F. R. App. P. 32(f).

   [ ] This brief uses a monospaced typeface and contains [state the number of] lines of text.

2. This brief complies with the typeface requirements of Fed. R. App. P. 32(a)(5) and the type style requirements of Fed. R. App. P. 32(a)(6) because:

   [x] This brief has been prepared in a proportionally spaced typeface using Times New Roman, Size 14.

   [ ] This document has been prepared in a monospaced typeface using [state name and version of word-processing program] with [state number of characters per inch and name of type style].

   [x] This brief is set in a plain, roman style, although italics or boldface are used for emphasis. Case names are italicized or underline.

s/Mariola Abreu-Acevedo
MARIOLA ABREU-ACEVEDO
Counsel for Appellees

Dated: June 26, 2024