25-2940

United States Court of Appeals for the Second Circuit

TODD C. BANK,

Plaintiff-Appellant,

v.

NFL PROPERTIES LLC,

Defendant-Appellee.

ON APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

APPELLANT'S PRINCIPAL BRIEF

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PRELIMINARY STATEMENT

Plaintiff-Appellant, Todd C. Bank ("Bank"), appeals the second part (described below) of the "Decision and Order Granting [Defendant-Appellee]'s Motion to Dismiss the Complaint; Denying [Defendant-Appellee]'s Motion for Costs; and Denying Bank's Motion for Sanctions" by Senior District Judge Colleen McMahon of the Southern District of New York, dated, and entered on, October 20, 2025 (the "Order"; A-94 - A-114), which: (i) found that the declaratory-judgment action was justiciable; (ii) declined to exercise jurisdiction over the action; (iii) denied the motion by Defendant, NFL Properties LLC ("NFLP"), for costs incurred by NFLP in litigating a previous matter between the parties that Bank had voluntarily withdrawn; and (iv) denied Bank's motion for sanctions against NFLP and/or its counsel.

Bank withdraws that portion of the Notice of Appeal (A-115) that states that Bank is appealing the fourth part of the Order.

STATEMENT OF JURISDICTION

The District Court had jurisdiction over Bank's claims under 28 U.S.C. Section 1331. Bank filed a timely notice of appeal on November 14, 2025, and, due to a filing error, re-filed it on November 17, 2025 from the Order, which had disposed of all of Bank's claims (the re-filed Notice of Appeal would itself have been timely). This Court has jurisdiction under 28 U.S.C. Section 1291.

STATEMENT OF THE ISSUES

The Order's rationales for declining declaratory-judgment jurisdiction are: (i) "[c]ourts routinely find that the use of the Declaratory Judgment Act to assert an anticipatory defense is improper because it deprives the plaintiff of his traditional choice of forum and timing, and it provokes a disorderly race to the courthouse," Order at 13 (A-106) (citations and quotation marks omitted), but Bank had "assert[ed] only the anticipatory defense of functionality, [such that] Bank is depriving NFLP of its traditional choice of forum and timing," *id.* at 14 (A-107) (altered; citation and quotation marks omitted); and (ii) "[i]f Mr. Bank really wants to test the functionality of the NFL Trademarks, then he should . . . offer his tee shirts for sale," *id.* at 14 (A-107), in which event "NFLP will undoubtedly sue him for trademark infringement[,] [upon which] he can then assert his affirmative defense of functionality, and a court can and will decide that issue, . . . " *id.*, "[which] is the proper way of dealing with trademark disputes." *Id.*

The issue is whether the declination of declaratory-judgment jurisdiction was an abuse of discretion given that the two above-quoted bases for that declination are in complete opposition to, respectively: (i) the principle against seeking a declaratory judgment in relation to an anticipatory defense, as that principle applies where the requested judgment concerns *past* acts, whereas the Declaratory Judgment Act, 28 U.S.C. §§ 2201 - 2202 ("DJA"), is specifically meant to apply where, as here, the acts

at issue are *prospective*; and (ii) the principle that "a declaratory[-]judgment plaintiff need not 'bet the farm, so to speak,' by actually infringing [on] the mark in question prior to filing suit." *Saleh v. Sulka Trading Ltd.*, 957 F.3d 348, 356 (2d Cir. 2020), quoting *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118, 129 (2007).

STANDARD OF REVIEW

"The district court's decision to hear a declaratory-judgment action is reviewed for abuse of discretion." *Liberty Ins. Corp. v. Hudson Excess Ins. Co.*, 147 F.4th 249, 262 (2d Cir. 2025).

STATEMENT OF THE CASE

A. Course of Proceedings

On May 12, 2025, Bank commenced the District Court action by filing a Complaint (A-8 - A-78).

On June 10, 2025, NFLP filed a motion to dismiss the Complaint pursuant to Rules 12(b)(1) and 12(b)(6) of the Federal Rules of Civil Procedure (the "Dismissal Motion"; A-79 - A-80).

On June 30, 2025, NFLP filed a motion for costs pursuant to Rule 41(d) of the Federal Rules of Civil Procedure in connection with a previous matter between the parties that Bank had voluntarily withdrawn (Doc. 29).

On July 22, 2025, Bank filed a motion for sanctions pursuant to Rule 11 of the Federal Rules of Civil Procedure (Doc. 38).

On October 20, 2025, the District Court issued the Order, which granted the Dismissal Motion and denied NFLP's motion for costs and Bank's motion for sanctions.

B. Statement of Facts

Bank seeks a judgment declaring that his prospective sale, without the approval of NFLP, of 33 t-shirts, each of which bore a trademarked symbol of a National Football League ("NFL") team or the NFL, would not violate certain provisions of the Lanham Act, 15 U.S.C. §§ 1051 - 1141. *See* Compl., Prayer for Relief, ¶ (a) (A-43). Bank's legal theory is that the trademarks are functional and that Bank is therefore free to use them commercially. *See* Compl., *passim*.

SUMMARY OF ARGUMENT

The Order declined jurisdiction for two related reasons. First, the Order stated that, "[c]ourts routinely find that the use of the Declaratory Judgment Act to assert an anticipatory defense is improper because it deprives the plaintiff of his traditional choice of forum and timing, and it provokes a disorderly race to the courthouse," Order at 13 (A-106) (citations and quotation marks omitted), but that Bank had "assert[ed] only the anticipatory defense of functionality, [such that] Bank was depriving NFLP of its traditional choice of forum and timing." *Id.* at 14 (A-107) (altered; citation and quotation marks omitted). Second, the Order stated that, "[i]f Mr. Bank really wants to test the functionality of the NFL Trademarks, then he should . . . offer his tee shirts

for sale," *id.* at 14 (A-107), in which event "NFLP will undoubtedly sue him for trademark infringement[,] [upon which] he can then assert his affirmative defense of functionality, and a court can and will decide that issue," *id.*, adding: "I can see no reason to offer Bank any comfort that he will not be sued if he decides to sell shirts bearing allegedly infringing marks. He should be sued. That is the proper way of dealing with trademark disputes - not by dealing in hypotheticals, but by creating actual instances of purported infringement (or, from Bank's perspective, non-infringement)." *Id.*

The Order's anticipatory-defense reasoning is in complete opposition to the principle against seeking a declaratory judgment in relation to an anticipatory defense, as this principle applies in the *exact opposite situation* as the one that was before the District Court; that is, it applies where the requested judgment concerns *past* acts, whereas the Declaratory Judgment Act, 28 U.S.C. §§ 2201 - 2202 ("DJA"), is specifically meant to apply where, as here, the acts are *prospective*.

The Order's Bank-should-infringe-and-get-sued reasoning is in complete opposition to the principle that "a declaratory[-]judgment plaintiff need not 'bet the farm, so to speak,' by actually infringing [on] the mark in question prior to filing suit." *Saleh v. Sulka Trading Ltd.*, 957 F.3d 348, 356 (2d Cir. 2020), quoting *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118, 129 (2007).

The Order, by "exercis[ing] its discretion premised on the misapplication of . .

. legal principle[s], . . . by definition abused its discretion and made . . . error[s] of law." *Doe v. Hochul*, 139 F.4th 165, 180 (2d Cir. 2025) (citation and quotation marks omitted).

ARGUMENT

POINT I

THE DECLINATION OF JURISDICTION WAS A CLEAR ABUSE OF DISCRETION

A. The Order Completely Inverted the Principle Against Seeking Declaratory Judgments Based upon Past Actions, as the Order Applied That Principle to Bank's Purely Prospective Actions, to Which Declaratory Judgments are Precisely Meant to Apply

The Order states that, "Bank does not assert that he intends to sell more than the thirty-three tee shirts he has already created[,] [and] [h]e does not pretend that he has any intention to create a profitable merchandising business," Order at 9 (A-102), but that, "NFLP fails to provide any authority in support of its assertion that, in order to establish a justiciable case or controversy, Bank must demonstrate a definite intent and apparent ability to create an ongoing, profitable business - something this court has little doubt he does not intend to do." *Id.* The Order concludes its discussion of justiciability as follows: "[t]aken together, Bank's actions demonstrate more than just a vague or general desire to use the Trademarks. By manufacturing the thirty-three tee shirts he intends to sell and creating the website over which to sell them, Bank has shown a definite intent and apparent ability to commence use of the NFL Trademarks

in the United States market. There is, therefore, a justiciable controversy . . . ." *Id.* at 10 (A-103).

The District Court, notwithstanding its finding of justiciability, declined to exercise jurisdiction, reasoning as follows:

> By filing his complaint asserting only the anticipatory defense of functionality, Bank is "depriving NFLP of its traditional choice of forum and timing[,]" [quoting *Starr Indem. & Liab. Co. v. Exist, Inc.*, No. 23-cv-786, 2023 WL 4029821, *7 (S.D.N.Y. June 14, 2023), *aff'd*, 2024 WL 503729 (2d Cir. No. 23-912, Feb. 9, 2024)][.]
>
> If Mr. Bank really wants to test the functionality of the NFL Trademarks, then he should go active on his web page and offer his tee shirts for sale. If he does, the NFLP will undoubtedly sue him for trademark infringement. At that point, he can then assert his affirmative defense of functionality, and a court can and will decide that issue. I can see no reason to offer Bank any comfort that he will not be sued if he decides to sell shirts bearing allegedly infringing marks. He should be sued. That is the proper way of dealing with trademark disputes - not by dealing in hypotheticals, but by creating actual instances of purported infringement (or, from Bank's perspective, non-infringement).
>
> By bringing this action for a declaratory judgment, instead of acting on his asserted rights and beliefs and accepting whatever consequences flow therefrom, Bank has forced the NFLP to spend money needlessly, while wasting this court's time. Judicial economy is not served by entertaining a lawsuit seeking a declaration that Bank has a defense to a claim of trademark infringement.

Id. at 14-15 (A-107 - A-108) (altered).

Although the Order then recognizes that, "reaching the merits on the question of

the 'functionality' of the marks in connection with their use on tee shirts would bring this matter to a definitive end," *id.* at 15 (A-108), it adds: "so, I suspect, will a decision to abstain. For the decision to abstain forces Bank either to put up or shut up - either he sells the shirts and get sued (in which case he can assert his functionality defense), or (as I suspect will happen) he slinks off into the sunset." *Id.*

The Order does not acknowledge the black-letter principle that, with respect to a plaintiff who seeks a judgment declaring that his desired activity would not violate the defendant's trademark rights, "[the] declaratory[-]judgment plaintiff need not 'bet the farm, so to speak,' by actually infringing [on] the mark in question prior to filing suit." *Saleh v. Sulka Trading Ltd.*, 957 F.3d 348, 356 (2d Cir. 2020), quoting *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118, 129 (2007). Only an unduly "restrictive view" of the Declaratory Judgment Act, 28 U.S.C. §§ 2201 - 2202 ("DJA"), would force a plaintiff in Bank's position to "subject [him]self to considerable liability for a violation of the Lanham Act before [his] right to even engage in [the desired] line of commerce could be adjudicated" in a declaratory-judgment action. *Starter Corp. v. Converse, Inc.*, 84 F.3d 592, 596 (2d Cir. 1996). Indeed, "[t]he dilemma posed by . . . putting the challenger to the choice between abandoning his [claimed] rights [to use another's intellectual property] or risking prosecution . . . is 'a dilemma that it was the *very purpose* of the Declaratory Judgment Act to ameliorate.'" *MedImmune*, 549 U.S. at 129, quoting *Abbott Labs. v. Gardner*, 387 U.S. 136, 152

(1967) (emphasis added; *N.B.*: all other emphases herein are added).

The Order's quotations, from the case law, of the principle against using a declaratory-judgment action to litigate an anticipated defense to an action that the defendant might bring and to thereby engage in improper forum-shopping, *see* Order at 13-14 (A-106 - A-107), are taken so far out of context that the case law upon which the Order relies is not only unsupportive of the District Court's declination of jurisdiction, but emphatically favors the exercise of jurisdiction.

In *Starr Indem. & Liab. Co. v. Exist, Inc.*, No. 23-cv-786, 2023 WL 4029821 (S.D.N.Y. June 14, 2023), *aff'd*, 2024 WL 503729 (2d Cir. No. 23-912, Feb. 9, 2024) (cited at Order at 13-14 (A-106 - A-107)), in which the insurance-company plaintiff "sought a declaratory judgment that there was no coverage," *id.* at *3, for "two sets of claims made by [the defendant] under [its insurance] [p]olicy," *id.* at *1, the court declined jurisdiction due to the situation's having been the *exact opposite* of that in the present case; namely, the requested declaratory judgment concerned acts that had *already occurred* and was therefore not prospective: "[t]he declaratory relief that [the] [p]laintiff seeks is a declaration that [the] [p]laintiff is not liable on *already accrued* claims." *Id.* at *5. Indeed, the court was emphatic in relying upon the *retrospective*, rather than *prospective*, nature of the case:

> [A]nticipatory judgments of non-liability are appropriate under the DJA where they would adjudicate claims asserting *unaccrued* or undefined rights or obligations arising under contractual relations such as insurance and *intellectual*

> *property*. In that circumstance, the declaratory[-]judgment plaintiff faced with a threat regarding *the exercise of his rights in the future* can obtain an opinion as to the lawfulness of his ways *without first engaging in the conduct that his adversary claims violates its rights*. . . . On the other hand, where the purported use of the DJA seeks a declaration of non-liability to preemptively defeat actions grounded on tort claims involving rights *already accrued by reason of alleged wrongful conduct*, various courts have held that that application is not a warranted purpose of the DJA. In that instance, a declaratory judgment *serves no forward-looking purpose*. It is simply a mechanism to avoid the more natural plaintiff's choice of forum.

Id. at *4 (additional citations and quotation marks omitted). *See also id.* at *5 ("where the declaratory[-]judgment action seeks solely to determine whether the insurer is liable for losses *already accrued* and there is *no threat of future damages*, the action ceases to have a *forward-looking function* impacting *intended future conduct*").

Not only does the reasoning of *Starr* favor the exercise of jurisdiction in the present case, but the court *further contrasted* the situation before it with the type of situation at issue here:

> [The] [p]laintiff is also not forced to incur any "additional harm" by waiting for [the] [d]efendant to initiate suit. *See* [*AmSouth Bank v. Dale*, 386 F.3d 763, 786 (6th Cir. 2004)] ("[T]he threat of suit, however immediate, is not by itself sufficient for the invocation of the federal power to issue a declaratory judgment." (citation omitted)). *Even if [the] [d]efendant were to wait years to initiate suit, [the] [p]laintiff will be in no different position than it is today*. It will *either have to pay out the money for the two claims to [the] [d]efendant or it will not have to*. [The] [p]laintiff does not allege that it would incur any further potential costs in the interim. This case is therefore *distinct from, for*

> *example, a case involving a party who wants to "embark on a marketing campaign" but who has "been threatened with suit over trademark infringement." Id. In that case, a declaratory[-]judgment action serves a useful purpose as it allows the party to "go to court under the Declaratory Judgment Act and seek a judgment that it is not infringing that trademark, thereby allowing it to proceed without the fear of incurring further loss." Id.* Here, however, [the] [p]laintiff seeks an adjudication that its *past exercise* of what it believes are its rights—not to pay on the claims—has given rise to no legal consequences. Thus, "this suit is not necessary to *clarify and settle the legal relations or afford relief from uncertainty, insecurity and controversy" going forward*.

Id. at *6 (additional citations and quotation marks omitted). It was in this context (again, the opposite of the present one) that the court observed that, "use of the Declaratory Judgment Act to assert an anticipatory defense is improper because it 'deprives the plaintiff of his traditional choice of forum and timing, and it provokes a disorderly race to the courthouse.'" Order at 13 (A-106), quoting *Starr*, 2023 WL 4029821 at *7. Thus, *Starr* summarized its ruling as follows:

> In sum, the declaratory judgment that [the] [p]laintiff] seeks is *based entirely on* [ ] *past acts*, and [the] [p]laintiff] fails to articulate the need for *prospective* relief. *[The] [p]laintiff essentially seeks to use the present declaratory[-]relief action to assert affirmative defenses*. '[T]he anticipation of defenses is not ordinarily a proper use of the declaratory[-]judgment procedure, as [i]t deprives the plaintiff of his traditional choice of forum and timing, and it provokes a disorderly race to the courthouse.

Starr, 2023 WL 4029821 at *7 (additional citations and quotation marks omitted).

As *Starr* shows: "[i]mportantly, *affirmative defenses* to *expected future litigation*

may be raised in an action for declaratory judgment. . . . '[C]ourts *regularly* consider the merits of affirmative defenses raised by declaratory plaintiffs.'" *Westcode, Inc. v. Mitsubishi Electric Corp.*, 171 F. Supp. 3d 43, 48 (N.D.N.Y. 2016), citing *Beacon Theatres, Inc. v. Westover*, 359 U.S. 500, 508 (1959), and quoting *BASF Corp v. Symington*, 50 F.3d 555, 558 (8th Cir. 1995).

As observed in *Classic Liquor Importers, Ltd. v. Spirits Int'l B.V.*, 151 F. Supp. 3d 451 (S.D.N.Y. 2015):

> The Second Circuit has explained that "[d]eclaratory[-]judgment actions are *particularly useful in resolving trademark disputes*, in order to promptly resolve controversies where the alleged owner of a trademark right *threatens to sue for infringement*," and, as such[,] "the finding of an actual controversy should be determined with some liberality" in such a case. *Starter Corp. v. Converse, Inc.*, 84 F.3d 592, 596 (2d Cir.1996). "A more restrictive view," the Court of Appeals has explained, could require a party "to go to substantial expense in the manufacture, marketing, and sale of its [product], *and subject itself to considerable liability for a violation of the Lanham Act before its right to even engage in this line of commerce could be adjudicated*." *Id.*

Id. at 455.

In *John Wiley & Sons, Inc. v. Visuals Unlimited, Inc.*, No. 11-cv-5453, 2011 WL 5245192 (S.D.N.Y. Nov. 2, 2011) (McMahon, *J.*) (cited at Order at 14 (A-107)), the plaintiff was "seeking a declaratory judgment that it is not liable to [the defendant] for copyright infringement or fraud relating to 'all of the photographs licensed by [the defendant] to [the plaintiff] over the entire course of the parties' dealings.'" *Id.* at *2.

The court, just as in *Starr*, declined jursidiction because the situation was the *opposite* of that of the present case; namely: "the relief [that the plaintiff] seeks is not an appropriate use of the DJA. . . . [The plaintiff] seeks a declaration of non-liability for allegedly intentional acts that *occurred in the past* . . . . [The plaintiff] does not seek a *prospective determination* of its rights and responsibilities ... but rather a finding that it is not liable for damages alleged to *have already accrued*." *Id.* at *4 (citation and quotation marks omitted). The court further explained why declaratory-judgment actions are inefficacious in situations that are the opposite of Bank's situation, but are appropriate in Bank's situation:

> The main purpose of the DJA is to "*avoid accrual of avoidable damages* to one not certain of his rights and to afford him an early adjudication *without waiting until his adversary should see fit to begin suit*, *after damage has accrued*. It is designed to settle legal rights and remove uncertainty and insecurity from legal relationships *without awaiting a violation* of the rights or a disturbance of the relationships. Accordingly, the DJA is not intended to be used by parties who seek a declaration of non-liability to preemptively defeat tort claims *already accrued by past wrongful conduct*. The reason for this rule is clear: declaratory relief is *intended to operate prospectively*. There is no basis for declaratory relief where *only past acts* are involved[.]

Id. (citation and quotation marks omitted).

Where *past*, rather than *prospective*, acts are at issue, the principle against using a declaratory-judgment action as "an attempt to get [the declaratory-judgment plaintiff's] choice of forum by filing first," *id.* at *8 (citation and quotation marks

omitted), is applicable, but that, of course, is not the case here. Furthermore, *Wiley*, in response to "[the plaintiff's] argu[ment] that [the defendant] fail[ed] to demonstrate that forum shopping was the sole basis for the lawsuit, and that [the plaintiff] effectively filed in its home forum," *id.* at *8, stated: "[c]ontrary to [the *defendant*]'s strained arguments, the Court acknowledges that Hoboken, New Jersey [(the plaintiff's principal place of business, *see id.* at *1)], is right across the river from the federal courthouse in Manhattan, and is closer to [the plaintiff] as the crow flies than the federal courthouse in Newark, New Jersey. [The plaintiff] can hardly be accused of forum shopping by filing in this court when it is a New York corporation, has an office in New York, and has headquarters located less than five miles from this Court." *Id.* at *8, n.1. Here, Bank did not merely file his action in his home district, *i.e.*, the Eastern District of New York, which would have put him on par with the plaintiff in *Wiley*; rather, and further belying the notion that Bank had engaged in improper forum-shopping, Bank brought the action in *NFLP*'s home district. *See* Compl., ¶¶ 12, 15, 16 (A-11). Of course, unlike in *Wiley*, there was no other lawsuit against whose prospect Bank could have been seeking to win a race against NFLP to the courthouse, for, again, the present action does not concern prior acts but only prospective ones. Thus, the "tak[ing] [of] a dim view of declaratory plaintiffs who file their suits mere days or weeks before the coercive suits filed by a 'natural plaintiff' and who seem to have done so for the purpose of acquiring a favorable forum," *id.* at *7 (citation and quotation

marks omitted), is inapplicable here even aside from the fact that the forum that Bank chose showed the very opposite of improper forum-shopping.

In *Morgan Drexen, Inc. v. Consumer Fin. Prot. Bureau*, 785 F.3d 684 (D.C. Cir. 2015) (cited at Order at 14 (A-107)), the court, yet again, was confronted with a declaratory-judgment action that concerned past conduct; indeed, shortly after the action was commenced, the defendant brought an enforcement action based upon that conduct. *See id.* at 687. Upon the latter's commencement, the declaratory-judgment plaintiff "no longer faced the dilemma of whether to change its behavior or risk continued violation of the law in order to get a hearing." *Id.* The present case would have been analogous to *Morgan Drexen* if Bank had started selling his t-shirts before, or even after, he commenced his declaratory-judgment action and NFLP thereupon sued Bank; but, of course, neither of these events had occurred. Indeed, *Morgan Drexen*, in the same paragraph that the Order quotes, explained: "[b]ecause the [defendant] has filed an enforcement action that promises to resolve the legality of [the plaintiff]'s [past] conduct, this is not a situation in which a declaratory plaintiff will suffer injury unless legal relations are clarified." *Id.* at 698 (citation and quotation marks omitted).

The court also found that, "the district court's findings that '[the plaintiff] was aware of the likelihood of a[n] enforcement action' when it filed the complaint and that it had engaged in procedural fencing are supported by the record and not clearly erroneous." *Id.* Again, Bank could not have been aware of a likelihood of being sued

by NFLP for selling Bank's t-shirts, for he had not been selling them. Indeed, whereas "[t]he [defendant in *Morgan Drexen* had] notified [the plaintiff] . . . that it was considering an enforcement action," *id.*, NFLP, by contrast, "advised Bank that, *should* his client [identified at the time as John Doe, *see* Compl., Exh. "C" at 1 (A-53)] engage in the unauthorized use of the Trademarks, 'such use *will* constitute trademark infringement, dilution, and/or unfair competition, and also *will* misappropriate the goodwill and reputation of the NFL and/or its Member Clubs,'" Order at 3-4 (A-96 - A-97), quoting Compl., Exh. "D" at 1 (A-77), and "further stated that NFLP *would* treat any unauthorized use of the Trademarks 'as intentional and willful, which *would* entitle NFLP to enhanced damages and reimbursement of its attorneys' fees.'" Order at 4 (A-97), quoting Compl., Exh. "D" at 2 (A-78).

Given that the Order recognizes "a 'genuine threat' that the declaratory defendant [(*i.e.*, NFLP)] will bring [a] future suit—or would do so, but for the declaratory plaintiff's decision to test his defense first," *Wells v. Johnson*, 150 F.4th 289, 302 (4th Cir. 2025), quoting *MedImmune*, *supra*, 549 U.S. at 129, Bank's action is the epitome of a declaratory-judgment action: "[t]he *paradigm case* for a declaratory[-]judgment action is a *defensive suit* brought by the party who *would be the defendant in a hypothetical future case*. The point of these actions is to *test the declaratory plaintiff's defense ahead of time*." *Id.*, citing *Medtronic, Inc. v. Mirowski Family Ventures, LLC*, 571 U.S. 191, 197 (2014), and *Pub. Serv. Comm'n of Utah v.*

Wycoff Co., 344 U.S. 237, 248 (1952).

In *Veoh Networks, Inc. v. UMG Recordings, Inc.*, 522 F. Supp. 2d 1265 (S.D. Calif. 2007) (cited at Order at 14 (A-107)), the requested declaratory judgment, yet again, concerned past conduct; indeed, the complaint "alleged[] . . . . [that] [the] [d]efendant [had] accused [the] [p]laintiff[] . . . of massively infringing [on the] [d]efendant's copyrights," *id.* at 1268, and, the defendant, shortly after the action was commenced, "filed a complaint alleging copyright infringement against [the] [p]laintiff in [another] District." *Id.* The court, having dismissed the action for lack of subject-matter jurisdiction "because [the] [p]laintiff does not reference any specific copyright," *id.* at 1269, explained with respect to its alternative basis of dismissal, *i.e.*, its declination of jurisdiction, that, "[b]ecause [the] . . . action, jurisdictionally and on the merits, is so ill-defined, the Court suspects its use is more a bargaining chip than a sincere prayer for relief," *id.* at 1271, and: "[t]here is no risk that [the] [p]laintiff will lose [its] chance to litigate the [legal question that the declaratory-judgment action concerns]. Indeed, in response to the specific infringement claims pending in the [other District], the [law governing that question] can be readily applied [to] the facts necessary to render a conclusive judgment." *Id.* at 1272. All three of the court's bases for declining jurisdiction, *i.e.*, that the requested declaratory judgment concerned past conduct, that the defendant had, based upon those past acts, brought a separate action in which the legal question that the declaratory-judgment action concerned could be

addressed, and that the complaint was too poorly defined to warrant the use of the court's discretion to hear the case, arose from the *exact opposite* facts that the present case entails.

As this Court observed:

> The DJA, above all else, finds its justification in principles of speed, economy[,] and effectiveness. By allowing us to define core legal relationships and responsibilities *well before a fully formed legal case is presented*—indeed, *before* a coercive suit *might even be possible*—we ensure a *more rapid resolution of such disputes*, we *refine and narrow the issues to be litigated in an eventual coercive suit*, and, by providing an *alternate[-]dispute[-]resolution method*, we may *even keep some full-blown lawsuits from occurring*. *All [of] this saves the parties (and the courts) time, effort, and money*.

Garanti Finansal Kiralama A.S. v. Aqua Marine & Trading Inc., 697 F.3d 59, 70 (2d Cir. 2012). Thus, the Order, which is erroneous regarding anticipatory defenses, is just as clearly erroneous in stating: "[b]y bringing this action for a declaratory judgment, instead of acting on his asserted rights and beliefs and accepting whatever consequences follow therefrom, Bank has forced the NFLP to spend money needlessly, while wasting this court's time. Judicial economy is not served by entertaining a lawsuit seeking a declaration that Bank has a defense to a claim of trademark infringement." Order at 14-15 (A-107 - A-108).

In *United States v. Doherty*, 786 F.2d 491 (2d Cir. 1986), this Court explained:

> Essentially, a declaratory[-]relief action brings an issue before the court that *otherwise might need to await a*

> *coercive action* brought by the declaratory[-]relief *defendant*; the *fundamental purpose* of the DJA is to *avoid accrual of avoidable damages to one not certain of his rights* and to afford him an *early adjudication without waiting until his adversary should see fit to begin suit, after damage has accrued*; the *primary purpose* of the DJA is to have a declaration of rights *not already determined*, not to determine whether rights already adjudicated were adjudicated properly; the declaratory[-]judgment procedure creates a means by which rights and obligations may be adjudicated in cases involving an actual controversy that has *not reached the stage at which either party may seek a coercive remedy*, or in which the party entitled to such a remedy fails to sue for it; the declaratory[-]judgment procedure enables a party who is *challenged, threatened[,] or endangered in the enjoyment of what he claims to be his rights*, to initiate the proceedings against his tormentor and *remove the cloud by an authoritative determination of the plaintiff's legal right, privilege[,] and immunity and the defendant's absence of right[] and disability*.

Id. at 499-500 (citation and quotation marks omitted).

B. Not Only Do Each of the Relevant Factors That Bear on the Question of Declaratory-Judgment Jurisdiction Favor it, but the District Court Abused its Discretion by: (i) Considering an Irrelevant and Improper Factor, *i.e.*, Whether Engaging in Infringement and Getting Sued is an Appropriate Substitute 'Remedy' for the Issuance of a Declaratory Judgment; (ii) Committing a Clear Error of Judgment in Weighing the Relevant Factors That it Did Weigh; and (iii) Erroneously Applying the Principle Against Using a Declaratory-Judgment Action to Litigate an Anticipated Defense

Each of "the . . . considerations, to the extent they are relevant in a particular case, [that] should inform a district court's exercise of [declaratory-judgment] discretion," *Admiral Ins. Co. v. Niagara Transformer Corp.*, 57 F.4th 85, 99 (2d Cir. 2023) (citation and quotation marks omitted), indisputably weighs in favor of the

exercise of jurisdiction:

The first factor, *i.e.*, "whether the [declaratory] judgment [sought] will serve a useful purpose in clarifying or settling the legal issues involved," *Admiral*, 57 F.4th at 100 (citation and quotation marks omitted), is obviously satisfied because there is no dispute that the resolution of the legal issues involved, *i.e.*, whether Bank's contention that the NFL Trademarks are functional is correct or whether NFLP's contention that those marks are non-functional is correct, would provide useful clarification of those issues. Indeed, the Order's reasoning that those issues should be resolved not in the present action but only in an action brought by NFLP against Bank if Bank "'bet[s] the farm, so to speak,' by actually infringing [on] the mark[s] in question," *Saleh v. Sulka Trading Ltd.*, 957 F.3d 348, 356 (2d Cir. 2020), quoting *MedImmune*, 549 U.S. at 129, is directly contrary to *Saleh* and *MedImmune*.

The second factor, *i.e.*, "whether . . . a [declaratory] judgment would finalize the controversy and offer relief from uncertainty," *Admiral*, 57 F.4th at 100 (citation and quotation marks omitted), favors jurisdiction because, as the Order acknowledges, "reaching the merits on the question of the 'functionality' of the marks in connection with their use on [Bank's] tee shirts would bring this matter to a definitive end." Order at 15 (A-108).

The third factor, *i.e.*, "whether the proposed remedy is being used merely for procedural fencing or a race to res judicata," *Admiral*, 57 F.4th at 100 (citation and

quotation marks omitted), favors jurisdiction because Bank has not yet infringed on the NFL Trademarks and is thus clearly not attempting to engage in any procedural fencing or race to *res judicata*.

The fourth factor, *i.e.*, "whether the use of a declaratory judgment would increase friction between sovereign legal systems or improperly encroach on the domain of a state or foreign court," *Admiral*, 57 F.4th at 100 (citation and quotation marks omitted), favors jurisdiction because the parties' dispute does not involve any pending or anticipated involvement of any other sovereign legal system, including that of a state or foreign jurisdiction. Indeed, even if Bank were to infringe on the NFL Trademarks, a legal action brought by NFLP in response would almost certainly be brought in the same judicial system in which Bank brought his action.

The fifth factor, *i.e.*, "whether there is a better or more effective remedy," *Admiral*, 57 F.4th at 100 (citation and quotation marks omitted), favors jurisdiction because the only other 'remedy,' which is the one that the Order proposed, *i.e.*, that Bank "bet the farm, so to speak, by actually infringing [on] the mark[s] in question prior to filing suit," *Saleh*, 957 F.3d at 356, quoting *MedImmune*, 549 U.S. at 129, is directly contrary to *Saleh* and *MedImmune*.

The sixth factor, *i.e.*, "whether concerns for judicial efficiency and judicial economy favor declining to exercise jurisdiction," *Admiral*, 57 F.4th at 100 (citation and quotation marks omitted), favors jurisdiction because it would clearly be more

judicially efficient and economical to resolve the matter in which the only issue is the question of functionality rather than litigation in which that issue is potentially only one among several, including, *inter alia*, damages and injunctive relief.

In *Admiral*, this Court explained:

> [There are] three principal ways in which an abuse of discretion can occur in th[e]context [of declining to exercise declaratory-judgment jurisdiction]: (1) when a relevant factor that should have been given significant weight is not considered; (2) when an irrelevant or improper factor is considered and given significant weight; and (3) when all proper factors, and no improper ones, are considered, but the court, in weighing those factors, commits a clear error of judgment.

Admiral, 57 F.4th at 100 (citations and quotation marks omitted). The Order recounts the six factors, *see* Order at 12 (A-105) but considers only three of them: the second one, the Order's acknowledgment of which clearly *favors* jurisdiction, and, at least by implication, the fifth and sixth ones, which likewise clearly *favor* jurisdiction. The Order also considered, and rested its decision upon, an *irrelevant* factor, *i.e.*, the notion that it is proper to decline jurisdiction and instead leave Bank to "bet the farm, so to speak, by actually infringing [on] the mark[s] in question." *Saleh*, 957 F.3d at 356 (citation and quotation marks omitted). Thus, the District Court, insofar as it considered the *Admiral* factors, committed clear errors of judgment.

The District Court also abused its discretion by erroneously applying the principle against using a declaratory-judgment action to litigate an anticipated defense.

See Point I(A), *supra*; *Nat'l Institute of Family and Life Advocates v. James*, No. 24-2481-cv, --- F.4th ---, 2025 WL 3439256, *7 (2d Cir. Dec. 1, 2025) ("[a] district court abuses its discretion when [] its decision rests on an error of law" (citation and quotation marks omitted)).

CONCLUSION

The Order of the District Court should be vacated; and, Plaintiff-Appellant should be granted such other relief as is proper and authorized by law.

Dated: December 10, 2025

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CERTIFICATE OF COMPLIANCE WITH RULE 32(a)

1. This brief complies with the type-volume limitation of Fed. R. App. P. 32(a)(7)(B) because this brief contains fewer than 14,000 words, excluding the parts of the brief exempted by Fed. R. App. P. 32(a)(7)(B)(iii).

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 this brief has been prepared in a proportionally spaced typeface using 14-point Times New Roman.

Dated: December 10, 2025

s/ *Todd C. Bank*
TODD C. BANK

CERTIFICATE OF SERVICE

I hereby certify that on December 10, 2025, a true and accurate copy of the foregoing was filed electronically. Notice of this filing will be sent to all parties by operation of the Court's electronic filing system and copies will be mailed to those parties, if any, by certified mail who are not served via the Court's electronic filing system.

Dated: December 10, 2025

s/ *Todd C. Bank*
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