

UNITED STATES COURT OF APPEALS FOR THE FIRST CIRCUIT

Scholz v. Goudreau

Scholz v. Goudreau, 901 F.3d 37 (1st Cir. 2018) · No. Nos. 17-1264, 17-1316 · Decided August 21, 2018

SUMMARY

This case addresses trademark infringement, breach of contract, and abuse of process claims between former members of the rock band BOSTON. The First Circuit affirmed summary judgment on the breach of contract claim because there was no evidence the defendant directed the allegedly improper promotions, and on the abuse of process claim because the plaintiff's motives were stated in the complaint. The court also upheld the denial of attorney's fees under the Lanham Act, finding the case was not "exceptional" under **Octane Fitness**, and affirmed the admission of a promotional music video as commercial speech rather than protected parody.

CASE DETAILS

COURT	United States Court of Appeals for the First Circuit
WRITING FOR THE COURT	Torruella; Lynch; Kayatta
JURISDICTION	Federal
DECIDED	August 21, 2018
DOCKET	Nos. 17-1264, 17-1316
DISPOSITION	affirmed
PROCEDURAL POSTURE	Appeal from the United States District Court for the District of Massachusetts after summary judgment and jury trial on trademark infringement and breach of contract claims.
STANDARD OF REVIEW	Review of summary judgment is de novo. Review of denials of motions to amend and evidentiary rulings is for abuse of discretion. Review of attorney's fee determination is for manifest abuse of discretion.
PRECEDENTIAL VALUE	Published
PARTIES	Donald Thomas Scholz v. Barry Goudreau

TOPICS

- trademark infringement
- breach of contract
- summary judgment
- attorney fees
- evidence
- torts
- appellate procedure
- standard of review
- civil procedure

PRACTICE AREAS

Intellectual Property

Trademark

Contracts

Civil Procedure

QUESTIONS PRESENTED

1. Whether the district court erred in granting summary judgment to Goudreau on Scholz's breach of contract claim.
2. Whether the district court erred in denying Scholz's motions to reinstate his breach of contract claim.
3. Whether the district court erred in denying Scholz's motion for entry of judgment on his breach of contract claim.
4. Whether the district court erred in granting summary judgment to Scholz on Goudreau's abuse of process claim.
5. Whether the district court erred in denying Goudreau's motion for attorney's fees under 15 U.S.C. § 1117(a).
6. Whether the district court erred in admitting the EATA pop-up video into evidence.

HOLDINGS

1. Summary judgment was proper because Scholz failed to show a genuine issue of material fact that Goudreau personally breached the Settlement Agreement.
2. The district court did not abuse its discretion because Goudreau did not impliedly consent to litigating the claim; the evidence was relevant to existing claims.
3. The district court did not err because the jury's finding on Goudreau's counterclaim does not satisfy the damages element of Scholz's claim.
4. Summary judgment was proper because Scholz's litigation was not used for an ulterior purpose; his stated objective was legitimate.
5. The district court did not abuse its discretion because the case was not exceptional under Octane Fitness.
6. The district court did not abuse its discretion because the video was commercial speech and not protected parody, and its probative value was not outweighed by prejudice.

KEY QUOTATIONS

“Goudreau may use the term 'Formerly of Boston' for and in conjunction with any biographical usage with respect to future performances, but, except to this extent, Goudreau shall have no other interest, right or title to the name 'BOSTON.'” (at 2-3)

“Some of the pop-up messages read as follows: 'Guitarist Barry Goudreau and drummer 'Sib' Hashian are 'former' original members of the band 'Boston'.' 'Boston's' first record is the biggest selling debut in history with 17 million units sold.” (at 3-4)

“A party asserting that a fact ... is genuinely disputed must support the assertion by ... citing to particular parts of materials in the record.” (at 10)

“The bad intentions of a defendant are irrelevant if that defendant ‘has done nothing more than carry out the process to its authorized conclusion.’” (at 20)

“An ‘exceptional’ case is one that stands out from others with respect to the substantive strength of a party’s litigating position ... or the unreasonable manner in which the case was litigated.” (at 23)

FACTUAL BACKGROUND

Scholz and Goudreau were members of the rock band BOSTON. In 1983, they executed a Settlement Agreement allowing Goudreau to use the term 'Formerly of Boston' but prohibiting other uses of the band's name. Goudreau later joined Ernie and the Automatics (EATA), whose promotional materials referred to him as an 'original' or 'founding' member of BOSTON. Scholz sued for trademark infringement and breach of contract.

PROCEDURAL HISTORY

Scholz sued Goudreau for trademark infringement and breach of contract; Goudreau counterclaimed. The district court granted partial summary judgment, and a jury trial on remaining claims resulted in verdict for both respective defendants. Both parties appealed.

DISPOSITION

affirmed

CASES CITED

- Brooks v. AIG SunAmerica Life Assurance, Co., 480 F.3d 579 (1st Cir. 2007)
- Ocasio-Hernández v. Fortuño-Burset, 777 F.3d 1 (1st Cir. 2015)
- Aponte-Rosario v. Acevedo-Vilá, 617 F.3d 1 (1st Cir. 2010)
- Anderson v. Liberty Lobby, Inc., 477 U.S. 242 (1986)
- Campana v. Eller, 755 F.2d 212 (1st Cir. 1985)
- DCPB, Inc. v. City of Lebanon, 957 F.2d 913 (1st Cir. 1992)
- Rodríguez v. Doral Mortg. Corp., 57 F.3d 1168 (1st Cir. 1995)
- Cole v. Layrite Prods. Co., 439 F.2d 958 (9th Cir. 1971)
- Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417 (1984)
- Universal City Studios, Inc. v. Sony Corp of Am., 480 F. Supp. 429 (C.D. Cal. 1979)
- Linkage Corp. v. Trs. of Bos. Univ., 425 Mass. 1 (1997)
- Binkley Co. v. E. Tank, Inc., 831 F.2d 333 (1st Cir. 1987)
- Grand Light & Supply Co. v. Honeywell, Inc., 771 F.2d 672 (2d Cir. 1985)
- Browning Debenture Holders' Committee v. DASA Corp., 560 F.2d 1078 (2d Cir. 1977)
- In re Fustolo, No. 17-1984, 2018 WL 3424797 (1st Cir. 2018)
- Acumed LLC v. Advanced Surgical Servs., 561 F.3d 199 (3d Cir. 2009)
- Franchina v. City of Providence, 881 F.3d 32 (1st Cir. 2018)

- Velázquez v. Figueroa-Gómez, 996 F.2d 425 (1st Cir. 1993)
- Robinson v. Watts Detective Agency, Inc., 685 F.2d 729 (1st Cir. 1982)
- Cardiaq Valve Techs. V. Neovasc, Inc., 2016 U.S. Dist. LEXIS 150686 (D. Mass. 2016)
- Psy-Ed Corp. v. Klein, 459 Mass. 697 (2011)
- Millennium Equity Holdings, LLC v. Mahlowitz, 456 Mass. 627 (2010)
- Cohen v. Hurley, 20 Mass. App. Ct. 439 (1985)
- Broadway Mgmt. Servs. Ltd. v. Cullinet Software, Inc., 652 F. Supp. 1501 (D. Mass. 1987)
- Vigeant v. United States, 245 F. App'x 23 (1st Cir. 2007)
- The Alphas Co., Inc. v. Kilduff, 72 Mass. App. Ct. 104 (2008)
- Jones v. Brockton Public Markets, Inc., 369 Mass. 387 (1975)
- Richardson v. Miller, 279 F.3d 1 (1st Cir. 2002)
- Foster v. Mydas Assoc., Inc., 943 F.2d 139 (1st Cir. 1991)
- Flynn v. AK Peters, Ltd., 377 F.3d 13 (1st Cir. 2004)
- Poy v. Boutselis, 352 F.3d 479 (1st Cir. 2003)
- Ji v. Bose Corp., 626 F.3d 116 (1st Cir. 2010)
- Octane Fitness, LLC v. ICON Health & Fitness, Inc., 134 S. Ct. 1749 (2014)
- Fogerty v. Fantasy, Inc., 510 U.S. 517 (1994)
- Sun Earth v. Sun Earth Solar Power, 839 F.3d 1179 (9th Cir. 2016)
- Baker v. DeShong, 821 F.3d 620 (5th Cir. 2016)
- Georgia-Pacific Consumer Prods. LP v. von Drehle Corp., 781 F.3d 710 (4th Cir. 2015)
- Slep-Tone Entm't Corp. v. Karaoke Kandy Store, Inc., 782 F.3d 313 (6th Cir. 2015)
- Fair Wind Sailing, Inc. v. Dempster, 764 F.3d 303 (3d Cir. 2014)
- Nightingale Home Healthcare v. Anodyne Therapy, 626 F.3d 958 (7th Cir. 2010)
- B&B Hardware, Inc. v. Hargis Industries, Inc., 135 S. Ct. 1293 (2015)
- L.L. Bean, Inc. v. Drake Publishers, Inc., 811 F.2d 26 (1st Cir. 1987)
- Pagés-Ramírez v. Ramírez-González, 605 F.3d 109 (1st Cir. 2010)
- Cameron v. Otto Bock Orthopedic Indus., Inc., 43 F.3d 14 (1st Cir. 1994)
- Parks v. LaFace Records, 329 F.3d 437 (6th Cir. 2003)
- Wood v. Millyard, 566 U.S. 463 (2012)