The Honorable Ricardo S. Martinez

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
SEATTLE DIVISION

ANITA WHITE,

Plaintiff,

v.

LADY A ENTERTAINMENT, LLC, CHARLES KELLEY, DAVID HAYWOOD, AND HILLARY SCOTT

Defendants.

Case No. 2:20-CV-01360-RSM

OPPOSITION TO DEFENDANTS' MOTION TO DISMISS, OR IN THE ALTERNATIVE, TO TRANSFER OR STAY

NOTE ON MOTION CALENDAR: FRIDAY, NOVEMBER 6, 2020

JURY DEMAND

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Plaintiff Anita White, through her undersigned counsel, hereby submits this Opposition to Defendants' Motion to Dismiss, or in the Alternative, to Transfer or Stay (Dkt. 26), filed on behalf of Defendants Lady A Entertainment, LLC, David Haywood, and Hillary Scott (together "Lady Antebellum").

I. INTRODUCTION

Ms. White is a Seattle-based independent recording artist, who has used the trademark LADY A for nearly thirty years. In June, Lady Antebellum changed their band name to LADY A in violation of Ms. White's trademark rights. The band then pre-emptively sued Ms. White for declaratory relief in the United States District Court for the Middle District of Tennessee (the "Tennessee Action"), after she had rejected coexistence terms that the band had, on their own initiative, reached out to her to propose.

Lady Antebellum now invokes the "first-to-file" rule as grounds for the Court to dismiss, transfer, or stay Ms. White's substantive trademark infringement action. But the "first-to-file" rule should not be applied when, as is the case here, the first-filed action is an improper anticipatory lawsuit made for the purpose of depriving the natural plaintiff of her choice of forum. As Lady Antebellum acknowledges, Ms. White has moved to dismiss the Tennessee Action for lack of personal jurisdiction and on the ground that it is an improper anticipatory lawsuit (the "Motion to Dismiss"). If Ms. White is successful on these arguments, which is likely, then there effectively is no first-filed action to justify dismissal. Under these circumstances, the "jurisdictional uncertainty" of the first-file case renders dismissal on first-to-file grounds improper. *See Alltrade, Inc. v. Uniweld Prods., Inc.*, 946 F.2d 622, 628-29 (9th Cir. 1991).

In addition, equity militates against staying this proceeding pending a determination of the Motion to Dismiss. The Middle District of Tennessee has already stayed substantive discovery in that action until a decision is reached on the Motion to Dismiss. If this action is also stayed, Ms. White's claims will effectively be placed in hibernation while the ongoing harm caused by Lady Antebellum's use of the LADY A mark continues unabated.

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II. STATEMENT OF FACTS

Ms. White is an independent recording artist and a resident of Seattle, Washington. Dkt. 27-19 ("White Decl.") ¶¶ 2-3. For nearly thirty years, Ms. White, an independent artist, has performed music under the trademark and stage name LADY A. *Id.* ¶ 2. Throughout her career as a performing artist, Ms. White has been based out of the Seattle, Washington area. *Id.* ¶ 3.

After the death of George Floyd on May 25, 2020, and the protests that followed, Lady Antebellum announced on June 11, 2020 that it would no longer perform as "Lady Antebellum." *Id.* ¶ 5. Thereafter, they would perform as "Lady A." *Id.* Ms. White learned of Lady Antebellum's name change from texts from friends. *Id.* ¶ 6. Ms. White, as an independent artist of limited means, and having no experience with trademark disputes, she retained pro bono counsel in Memphis, Tennessee based on a referral from a friend. *Id.* ¶ 8.

The next day, Ms. White was contacted by Lady Antebellum's management team, who invited her to participate in a call with Lady Antebellum's counsel and Defendant Hillary Scott. *Id.* ¶ 9. This call led to a further invitation from Lady Antebellum for Ms. White to attend a June 15, 2020 Zoom meeting with the band to discuss her concerns about their use of the LADY A mark. *Id.* ¶ 10. Although Ms. White agreed to explore the possibility of coexistence, she remained deeply concerned that use of the LADY A name, in particular by a large, well-known and well-financed group like Lady Antebellum, would overwhelm and erase the brand identity that she had developed over decades of work. *Id.* ¶¶ 2, 8. Immediately after the June 15 meeting, Lady Antebellum had a draft agreement at the ready, *id.* ¶ 12, one that did not address the concerns that Ms. White had expressed. Dkt. 27-5 (the "Declaratory Compl.") ¶ 28.

Over the next week, Ms. White's pro bono counsel continued to negotiate with Lady Antebellum. White Decl. ¶ 13. But the revised agreement that she received on June 24, 2020 included payment of up to $10,000 "attorneys' fees and trademark filing fees incurred in the resolution of this dispute," without any compensation for her injury, or any concrete solution for the inherent conflict of the parties sharing the same name and trademark. *Id.* ¶ 14. Ms. White

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concluded that her counsel was not adequately representing her interests, and retained new pro bono counsel at Cooley LLP. *Id.* ¶ 15.

On June 25, 2020, Ms. White's new counsel, Brendan Hughes, contacted Lady Antebellum's attorneys to advise them of her new representation. Declaratory Compl. ¶ 30. Mr. Hughes identified himself as trademark litigation counsel and asked that Lady Antebellum's attorneys direct further communications concerning the dispute to Cooley. *Id.*

On July 6, Mr. Hughes provided Lady Antebellum with a revised draft settlement agreement. Declaration of Judd Lauter ("Lauter Decl."), Ex. A ¶ 4. This was only the second email communication between Lady Antebellum and Ms. White's new counsel, and the first substantive correspondence. *Id.* Without warning, Lady Antebellum filed the Complaint on July 8th. *See* Declaratory Compl.; Lauter Decl., Ex. A ¶ 5.

Ms. White filed a motion to dismiss or, in the alternative transfer, the Tennessee Action on September 16, 2020. *See* Dkt. 27-18. Ms. White seeks dismissal of Lady Antebellum's complaint on the grounds that the Middle District of Tennessee lacks personal jurisdiction over Ms. White, and because Lady Antebellum's complaint seeking declaratory relief was an improper anticipatory lawsuit. *Id.* On September 28, 2020, Lady Antebellum requested the opportunity to conduct jurisdictional discovery, which was granted. Lauter Decl. ¶ 3. Based on the schedule for jurisdictional discovery set by the Court, and the deposition of Ms. White scheduled for November 23, 2020, the Motion to Dismiss will not be fully briefed until at least December 14, 2020. *Id.* ¶ 4-5. During the Initial Case Management Conference in the Tennessee Action, Magistrate Judge Barbara D. Holmes warned the parties that litigation in Tennessee is moving slowly, and the presiding judge may not render a decision on the Motion to Dismiss until April or later. *Id.* ¶ 6. She further cautioned that a firm trial date is unlikely if the action remains in Tennessee. *Id.*

III. ARGUMENT

The first-to file rule is "a generally recognized doctrine of federal comity which permits a district court to decline jurisdiction over an action when a complaint involving the same parties

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and issues has already been filed in another district." *Pacesetter Sys., Inc. v. Medtronic, Inc.*, 678 F.2d 93, 94-95 (9th Cir. 1982). If the rule applies, the court in the second-filed action may transfer, dismiss, or stay the proceeding to allow the court in the first suit the opportunity to determine whether to keep the dispute. *Alltrade*, 946 F.2d at 622.

However, the rule is not to be applied mechanically. *Id.* at 627-28 (quoting *Kerotest Mfg. Co. v. C-O-Two Fire Equip. Co.*, 342 U.S. 180, 183 (1952)). A court "can, in the exercise of [its] discretion, dispense with the first-filed principle for reasons of equity." *Id.* at 628. "The circumstances under which an exception to the first-to-file rule typically will be made include bad faith, anticipatory suit, and forum shopping." *Id.* (internal citations omitted.)

The record before the Court reflects precisely those circumstances in which the first-to-file rule should be excepted. Ms. White is seeking dismissal of the Tennessee Action because the court lacks personal jurisdiction over her, and because Lady Antebellum's lawsuit was anticipatory and intended to deprive Ms. White of the opportunity to litigate in her home forum. As explained in further detail below, the Motion to Dismiss is likely to succeed, and thus dismissal or transfer of this action is unwarranted. Moreover, given that substantive discovery in the Tennessee Action has been stayed pending the Motion to Dismiss, a stay here will result in a lengthy and indefinite delay in resolving the parties' dispute on the merits. To avoid this, discovery should proceed.

A. Ms. White's Motion to Dismiss is Likely to Succeed.

Defendants, in describing the Motion to Dismiss the Tennessee Action, grossly mischaracterize (and even invent) the facts and ignore the law. It is simply not true that "the Tennessee MTD is based largely on the existence of this action"—it is not based on this action *at all*. Ms. White has asserted two grounds for dismissal of the Tennessee Action: (1) lack of personal jurisdiction over Ms. White, and (2) Defendants' complaint in Tennessee is an improper anticipatory lawsuit. In the alternative, Ms. White has requested transfer of the Tennessee Action "[f]or the convenience of parties and witnesses, in the interest of justice," under 28 U.S.C. § 1404(a). As set forth below, each of these claims is likely to succeed on the merits.

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The Middle District of Tennessee Lacks Personal Jurisdiction over Ms. White: In a declaratory judgment action, the relevant inquiry for establishing specific jurisdiction is "the extent to which a defendant purposefully directed enforcement activities at residents of the forum, and the extent to which the declaratory judgment claim arises out of or relates to those activities[.]" *Power Sys., Inc. v. Hygenic Corp.*, 2014 WL 2865811, at *6 (E.D. Tenn. June 24, 2014) (internal quotations and citations omitted). This is because claims for declaratory relief arise from the defendant's enforcement efforts, and the extent to which enforcement activities were directed to the forum, rather than the allegedly non-infringing activity. *Id.* at *6-7. Under this analysis, a declaratory defendant's business activities in the forum state have no bearing on the issues giving rise to the claim for declaratory relief. *Id. See e.g. J.M. Smucker Co. v. Promotion in Motion, Inc.*, 420 F. Supp. 3d 646, 654-55 (N.D. Ohio 2019) (internal citation omitted) (finding no purposeful availment despite "massive sales, marketing, and promotional activities targeting Ohio consumers"); *Ontel Prods. Corp. v. Mindscope Prods.*, 220 F. Supp. 3d 555, 561 (D.N.J. 2016) (explaining that "the relevant contacts relate to the defendant's enforcement activities, not to where the defendant commercialized its products.").

Lady Antebellum states in a conclusory manner that Ms. White has a "strong history and connection with Tennessee" based solely on allegations that she has had a few performances in the State and because, in the immediate aftermath of Lady Antebellum's name change and for a period of less than two weeks, she accepted the help of pro bono counsel located in Memphis. Dkt. 26 at p. 10:12-13 ("Mot."). Lady Antebellum does not cite a single legal precedent in this section of their brief, let alone one that supports their position. The law is clear, however: Ms. White's business activities in Tennessee do not materially bear on the jurisdictional analysis, because they are unrelated to her enforcement activity in the state; and her communications with Lady Antebellum, including through counsel, are insufficient, without more, to support the exercise of personal jurisdiction. It is well established that "a non-resident defendant who sends infringement-based letters and makes infringement-based telephone calls to a trademark infringing resident

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plaintiff does not, by those acts alone, purposefully avail himself of the benefits and protections of the laws of the resident plaintiff's state sufficient under due process to be" subject to specific jurisdiction. *America's Collectibles Network, Inc. v. Scorpiniti*, 2007 WL 470351, at *3 (E.D. Tenn. Feb. 8, 2007) (citing cases).

Lady Antebellum makes much of Ms. White's fleeting engagement of counsel located in Memphis. But by Lady Antebellum's own admission, the actions of her prior pro bono counsel are unrelated to their alleged need to seek declaratory relief. His only involvement in this matter, which lasted less than two weeks, was limited to negotiation of an agreement that had a payment of up to $10,000 in legal fees while failing to address his client's concerns. White Decl. ¶ 14. As Lady Antebellum represents in their complaint in the Tennessee Action, it was the combination of statements made by Ms. White (located in Seattle, Washington), *id*. ¶ 2, and actions by new counsel (located in Washington, D.C.), that allegedly "giv[es] rise" to the Middle District of Tennessee's "jurisdiction under 28 U.S.C. §§ 2201 and 2202." Declaratory Compl. ¶ 31.

The facts and the law favor Ms. White, and she is likely to succeed on the merits of her motion to dismiss for lack of personal jurisdiction.

The Tennessee Action is an Improper Anticipatory Lawsuit: Ms. White also seeks dismissal of the Tennessee Action on the ground that it is an improper anticipatory lawsuit. Shortly after Ms. White retained trademark litigation counsel at Cooley, and upon Cooley's first substantive communication with Lady Antebellum's attorneys—a revised draft settlement agreement—Lady Antebellum immediately initiated the Tennessee Action in the forum most convenient for them. *See* Declaratory Compl. ¶ 30; Lauter Decl., Ex. A ¶¶ 4-5. At that point, the parties' discussions regarding the LADY A mark had lasted roughly three weeks in total. *See* White Decl. ¶¶ 9-10. In circumstances like these, courts in the Sixth Circuit have not hesitated to dismiss a first-filed declaratory judgement claim in favor of the subsequently filed substantive complaint. Indeed, courts "take 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

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the purpose of acquiring a favorable forum." *AmSouth Bank v. Dale*, 386 F.3d 763, 788 (6th Cir. 2004).

For example, in *Zide Sport Shop of Ohio, Inc. v. Ed Tobergate Assocs.*, the Sixth Circuit affirmed the district court's decision to dismiss a declaratory judgment action that the plaintiffs brought a day before a negotiation deadline extension expired without informing the other side. 16 F. App'x 433, 437 (6th Cir. 2001). Quoting the district court's finding, the Sixth Circuit explained in language equally applicable here: "If Plaintiffs' conduct was not mere deceptive gamesmanship, then they would have informed Defendants that they did not intend to make another settlement offer and would prefer to seek a judicial resolution." *Id.* at 438. *See also AmSouth Bank*, 386 F.3d at 789-90 (holding that the factual record supported the "unavoidable conclusion that procedural fencing had occurred" when declaratory judgment plaintiffs filed the action during ongoing discussions with defendants regarding the course of litigation); *Catholic Health Partners v. CareLogistics, LLC*, 973 F. Supp. 2d 787, 795 (N.D. Ohio 2013) ("If plaintiffs wanted court intervention, they should have been clear about their intentions."); *Int'l Union, United Automobile, Aerospace & Agric. Implement Workers of Am.-UAW v. Dana Corp.*, 1999 WL 33237054, at *6 (N.D. Ohio 1999) ("Dana's decision to sue before responding, as Mr. Waders had told Mr. Werking that it would, to the union's request for further information shows that it wanted to get to the courthouse before the union knew the race was underway.").

Lady Antebellum is guilty of the same kind of deceptive gamesmanship criticized by courts in the cases cited above. Accordingly, the Middle District of Tennessee is unlikely to reward Lady Antebellum for rushing to the courthouse to secure a convenient forum. *Dana*, 1999 WL 33237054, at *3 ("'The federal declaratory judgment is not a prize to the winner of the race to the courthouse.'") (quoting *Tempco Elec. Heater Corp. v. Omega Eng'g, Inc.*, 819 F.2d 746, 749-50 (7th Cir. 1987)).

In the Alternative, Transfer is Warranted: Lady Antebellum does not address the substance of Ms. White's request for transfer in the alternative. Instead, the band claims that Ms.

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White filed the present action solely as a pretext to argue that transfer is warranted. Mot. at p. 11:12-16. But Ms. White's justification for seeking transfer is self-evident. First, as explained above, Ms. White's relevant connections with the State of Tennessee are *de minimis*. Second, and as Lady Antebellum knows, Ms. White is an independent artist of limited means who resides in *this* forum. White Decl. ¶¶ 2-3, 8. As she has represented in the Tennessee Action, the Western District of Washington is where all of the evidence in her possession is located, as well as most of the non-party witnesses whom she anticipates calling upon. *Id.* ¶ 17. The Western District of Washington is the obvious choice of forum for Ms. White. If the Tennessee Action is not dismissed outright, transfer is warranted given, among other reasons, the location of third-party witnesses and the significant disparity in the parties' abilities to litigate in distant forums. *See id.* ¶¶ 17-18.

B. A Stay Would Prejudice Ms. White by Delaying a Resolution.

Staying this action will delay adjudication of Ms. White's claims, even as Ms. White continues to suffer ongoing injury from Lady Antebellum's misconduct. Lady Antebellum argues that a stay is warranted because it would "eliminate risks associated with duplicative litigation, such as wasting judicial resources and the risk of conflicting results." Mot. at p. 11. But the possibility of inconsistent results, which is minimal given Ms. White's likelihood of success on the Motion to Dismiss and the early posture of each proceeding, is far outweighed by the certain dormancy that would follow a stay.

Judge Jones' decision to stay the action in *Upstart Grp. LLC v. Upstart Grp. Inc.* is instructive. 2020 WL 1934059, at *1 (W.D. Wash. Apr. 22, 2020). That matter, like this one, concerned allegations of trademark infringement; and there, as here, the complaint in Washington was filed subsequent to a declaratory judgment action in another state, Illinois, which was the subject of a pending motion to dismiss for lack of personal jurisdiction and on the ground that the earlier complaint was an improper anticipatory lawsuit. *Id.* On the recommendation of Judge Tsuchida (*see Upstart Grp. LLC v. Upstart Grp. Inc.*, 2020 WL 869743, at *3 (W.D. Wash. Jan.

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2, 2020)), Judge Jones stayed the action in Washington pending the outcome of the motion to dismiss in Illinois. *Upstart*, 2020 WL 1934059 at *1. Since then, it appears from the public record that there has been no progress in either proceeding. Lauter Decl. ¶ 7.

The same fate is likely to befall Ms. White and Lady Antebellum if this action is stayed. Magistrate Judge Holmes in the Middle District of Tennessee has warned the parties that litigation in Tennessee is moving slowly. *Id.* ¶ 6. Judge Holmes made it a point to share with the parties that the presiding judge may not render a decision on the Motion to Dismiss until April or later, and cautioned that a firm trial date is unlikely. *Id.* The very real risk of putting the parties' dispute into hibernation for a period of six months or more, far outweighs the possibility of reaching an inconsistent result with the Middle District of Tennessee. Discovery should be permitted to proceed.

IV. CONCLUSION

For the reasons set forth above, Ms. White respectfully requests that Defendants' Motion to Dismiss or in the Alternative, to Transfer or Stay be denied.

Dated: November 2, 2020

Respectfully submitted,

/s/ Judd D. Lauter

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