

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

DONALD THOMAS SCHOLZ,
Plaintiff and Defendant-in-Counterclaim,

v.

BARRY GOUDREAU,
Defendant and Plaintiff-in-Counterclaim.

Civil Action No. 1:13-cv-10951-DJC

DEFENDANT/PLAINTIFF-IN-COUNTERCLAIM'S
[REVISED] PROPOSED SPECIAL VERDICT FORM

In accordance with the Court's direction at the Sept. 8, 2016 Final Pre-Trial Conference (D. 219), Defendant and Plaintiff-in-Counterclaim Barry Goudreau hereby submits his [Revised] Proposed Special Verdict Form, attached here.

* * *

NOTES:

The Underlying Trademark Infringement (Question Nos. 1 & 2) – To succeed in his remaining claims of either contributory or vicarious trademark infringement against Goudreau, Plaintiff Scholz must prove that ERNIE AND THE AUTOMATICS (“EATA”) infringed upon Scholz’s “Boston” trademark; stated another way, direct infringement by EATA is a necessary predicate to indirect infringement by Goudreau. See, e.g., *CrossFit v. Mustapha*, No. 13-11498, 2014 WL 3499589, at *2 (D. Mass. July 10, 2014); *Lyons v. Gillette*, 882 F. Supp. 2d 217, 226 (D. Mass. 2012) (to establish direct infringement by EATA, Scholz must prove at trial that: (1) Scholz owns and uses the “Boston” word mark; (2) EATA used a similar or identical mark without permission; and (3) EATA’s unauthorized use likely confused consumers, harming Scholz). Of the elements necessary to establish direct infringement by EATA, Goudreau proposes to instruct and query the jury on likelihood of confusion and resultant harm; Scholz’s ownership of the “Boston” word mark and EATA’s use of that mark (the latter on at least one occasion anyway) are uncontested. An answer in the negative to either one of these two queries ends Scholz’s entire case against Goudreau. D. 113, at 26-27.

The Fair Use Defense (Question No. 3) – Because nominative fair use is embedded in any claim of trademark infringement against EATA (given the manner in which EATA used the “Boston” word mark), Goudreau proposes to instruct and query the jury on that defense. *Swarovski v. Bldg.*, No. 19, 704 F.3d 44, 50 (1st Cir. 2013); *Stevo Design v. SBR Marketing*, 919

F. Supp. 2d 1112, 1124-25 (D. Nev. 2013) (direct infringer's fair use defense available to alleged indirect infringer); *Kelly-Brown v. Winfrey*, No. 11 CIV. 7875 PAC, 2012 WL 701262, at *7 (S.D.N.Y. Mar. 6, 2012) (same), aff'd in part, vacated in part, 717 F.3d 295 (2d Cir. 2013). An answer in the affirmative to this query ends Scholz's entire case against Goudreau. D. 113, at 26-27.

The Contributory Trademark Infringement Claim (Question Nos. 4-6) – Goudreau proposes to instruct and query the jury on the elements of contributory trademark infringement, as limited by the Court's summary judgment ruling to the subject of Goudreau's "direct control and monitoring" of the EATA advertising in issue. D. 113, at 16-17. An answer in the negative to any of these three queries ends Scholz's contributory trademark infringement case against Goudreau.

The Vicarious Trademark Infringement Claim (Question Nos. 7 & 8) – Goudreau proposes to instruct and query the jury on the elements of vicarious trademark infringement, as limited by the Court's summary judgment ruling to the subject of Goudreau's grant of "apparent authority" to EATA relating to the EATA advertising in issue. D. 113, at 19. An answer in the negative to either one of these two queries ends Scholz's vicarious trademark infringement case against Goudreau.

Trademark Damages (Question Nos. 9-11) – As Scholz has disclaimed and does not intend to prove any actual damages flowing from the infringement of his "Boston" word mark in this case (see Tr. [D. 224] at 11:1-3 & 25:25-26:5), Goudreau proposes to instruct and query the jury on the elements of disgorgement of profits. *Fishman Transducers v. Paul*, 684 F.3d 187, 191 et seq. (1st Cir. 2012) (predicate to disgorgement of profits under Lanham Act is evidence of either "direct competition" or willfulness). Goudreau proposes these queries together with their

accompanying jury instructions with the proviso that the issue of profit disgorgement under the federal Lanham Act rightly belongs to the Court for adjudication in this case. D. 203, at 17 (citing *Visible Sys. v. Unisys*, 551 F.3d 65, 77 (1st Cir. 2008)). Goudreau proposes Question No. 9 together with its accompanying jury instruction (D. 208-3, at 33) with the proviso that on the state of the current (and expected) record, Scholz has no competent evidence of direct “one-for-one” competition between himself or the band BOSTON, on the one hand, and Goudreau or EATA, on the other hand; it is also unclear who Scholz says are the direct competitors. *Fishman*, 684 F.3d at 196 (plaintiff must proffer “organized economic evidence [allowing] the jury to estimate [disgorgement] damages” and “direct competition requires a substantial degree of equivalence and substitutability”). Goudreau proposes Question No. 10 to address contributory infringement only because apparent authority obtains by operation of law; by definition one cannot have an instance of willful *apparent* authority (that would constitute *actual* authority, which the Court has ruled out on summary judgment, D. 113, at 19). *Theos & Sons v. Mack Trucks*, 431 Mass. 736, 745 (2000) (“Apparent authority, is ‘created as to a third person by written or spoken words or any other conduct of the principal which, reasonably interpreted, causes the third person to believe that the principal consents to have the act done on his behalf by the person purporting to act for him.’”).

Breach of Contract and Implied Covenant of Good Faith Claims (Question Nos. 12-22) –

Goudreau proposes to instruct and query the jury on the parties’ remaining claims in accordance with Massachusetts state law. Goudreau proposes Question No. 14 with the proviso that the issue of profit accounting or “disgorgement” on Scholz’s claim for breach of the implied covenant of good faith – in effect, a purely equitable, unjust enrichment remedy not generally available for a breach of contract claim – rightly belongs to the Court for adjudication, should it

lie at all in the circumstances of this case. *Kansas v. Nebraska*, ___ U.S. ___, 135 S.Ct. 1042, 1068 (2015) (citing *Restatement (Second) of Contracts*, § 12.7(4), at 171); *Chedd–Angier v. Omni Publ'ns*, 756 F.2d 930, 937 (1st Cir.1985) (“Under Massachusetts law, an equitable accounting is available only if there exists a fiduciary or trust relationship between the parties.”). See also 3 *Farnsworth on Contracts*, Remedies § 12.20a, at 338 et seq. (3d ed. 2004) (“Close examination of such [disgorgement] principle suggests: first, it is not sound as a general proposition; and second, there is nonetheless a case for its limited application.”) (explaining further that such case involves either fiduciary relationship or sale of land). Moreover, Goudreau maintains his evidentiary objection to admission of his royalty entitlements under the parties’ 1983 Settlement Agreement for any purpose relating to damages as *first*, those payments do not constitute “profit” in any sense of the word and *second*, those payments have no causal connection whatsoever to his secondary liability, if any, for EATA’s alleged trademark infringement of Scholz’s “Boston” word mark.

Other Issues – Goudreau proposes no instructions or queries to the jury on his abuse of process claim. As urged by Scholz (D. 89, at 21), the Court dismissed that claim as it related to Scholz’s unlawful attempt through abuse of process to obtain all royalty rights to and copyrights in BOSTON’s first two albums on the ground that rescission of the parties’ 1983 Settlement Agreement was a “stated purpose” of Scholz’s complaint. D. 113, at 34. However, that purpose no longer exists: In the face of one of Goudreau’s motions in limine, Scholz has now abandoned his rescission claim. D. 212, at 5-6. See also Tr. (D. 224) at 24:16-21. That abandonment – coming on the first real test of that claim following the Court’s summary judgment decision – constitutes a striking admission that the “stated purpose” (i.e., the claim of rescission) insulating Scholz from liability for this abuse of process was not “properly pursued” in this case and never

existed in the first place. Accordingly, the Court should reinstate this part of Goudreau's abuse of process claim, and Goudreau will provide instructions and queries for the jury on that claim if the Court agrees to do so.

Goudreau reserves his right to supplement or amend the attached as the case proceeds to and through trial.

Dated: Sept. 15, 2016

Respectfully submitted,

BARRY GOUDREAU
By His Attorneys,

/s/ Daniel P. Tarlow
Daniel P. Tarlow
Copani, Tarlow & Cranney
265 Broadway
Methuen, MA 01844
Telephone: 978-686-0010
Fax: 978-688-2890
BBO #562126
Email: dantarlow@ctclegal.com

/s/ Jeffrey S. Baker
Baker and Associates, P.C.
Suite 100
2 West Hill Place
Boston, MA 02114
Telephone: 617 573 9505
Fax: 617 573 9503
BBO#544929
E-mail: bakerlaw@aol.com

/s/ David M. Given
Phillips, Erlewine, Given & Carlin LLP
39 Mesa Street, Suite 201
The Presidio
San Francisco, CA 94129
415-398-0900
E-mail: DMG@phillaw.com
PRO HAC VICE COUNSEL

CERTIFICATE OF SERVICE

I hereby certify that on this 15th day of September 2016, a true and correct copy of this document was electronically filed with the Clerk of the Court through the ECF system and will be sent electronically to the registered participants as identified on the Notice of Electronic Filing (NEF) pursuant to Local Rule 5.4(C).

/s/ David M. Given
David M. Given

ATTACHMENT 1

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

DONALD THOMAS SCHOLZ,
Plaintiff and Defendant-in-Counterclaim,

v.

Civil Action No. 1:13-cv-10951-DJC

BARRY GOUDREAU,
Defendant and Plaintiff-in-Counterclaim.

SPECIAL VERDICT FORM

We, the members of the jury in the above-entitled matter, find the following special verdict on the questions submitted to us:

I. SCHOLZ’S TRADEMARK INFRINGEMENT CLAIMS

A. EATA’S DIRECT INFRINGEMENT/FAIR USE

QUESTION NO. 1: Was EATA’s use of Mr. Scholz’s “Boston” trademark likely to confuse consumers?

Check “yes” or “no.”

ANSWER: YES _____ NO _____

If your answer to Question No. 1 is “yes,” please complete Question No. 2. If your answer to Question No. 1 is “no,” please skip to and answer Question No. 16.

QUESTION NO. 2: Did EATA’s use of Mr. Scholz’s “Boston” trademark harm him?

Check “yes” or “no.”

ANSWER: YES _____ NO _____

If your answer to Question No. 2 is “yes,” please complete Question No. 3. If your answer to Question No. 2 is “no,” please skip to and answer Question No. 16.

QUESTION NO. 3: Did EATA engage in a fair use of Mr. Scholz’s “Boston” trademark?

Check “yes” or “no.”

ANSWER: YES _____ NO _____

If your answer to Question No. 3 is “yes,” please skip to Question No. 16. If your answer to Question No. 3 is “no,” please complete Question No. 4.

B. SCHOLZ’S CONTRIBUTORY INFRINGEMENT CLAIM

QUESTION NO. 4: Did EATA use Mr. Goudreau’s recording and performing services to infringe Mr. Scholz’s “Boston” trademark?

Check “yes” or “no.”

ANSWER: YES _____ NO _____

If your answer to Question No. 4 is “yes,” please complete Question No. 5. If your answer to Question No. 4 is “no,” please skip to and answer Question No. 7.

QUESTION NO. 5: Did Mr. Goudreau supply his services to EATA while knowing or having reason to know that EATA was infringing Mr. Scholz’s “Boston” trademark?

Check “yes” or “no.”

ANSWER: YES _____ NO _____

If your answer to Question No. 5 is “yes,” please complete Question No. 6. If your answer to Question No. 5 is “no,” please skip to and answer Question No. 7.

QUESTION NO. 6: Did Mr. Goudreau have direct control and monitoring of the advertising used by EATA that infringed Mr. Scholz’s “Boston” trademark?

Check “yes” or “no.”

ANSWER: YES _____ NO _____

Please answer Question No. 7.

C. SCHOLZ’S VICARIOUS INFRINGEMENT CLAIM

QUESTION NO. 7: Did Mr. Goudreau profit directly from the infringing activity of EATA?

Check “yes” or “no.”

ANSWER: YES _____ NO _____

If your answer to Question No. 7 is “yes,” please complete Question No. 8. If your answer to Question No. 7 is “no,” please skip to and answer Question No. 16, UNLESS you answered Question No. 6 “yes,” in which case skip to and answer Question No. 9.

QUESTION NO. 8: Did EATA act with Mr. Goudreau’s apparent authority when it infringed Mr. Scholz’s “Boston” trademark?

Check “yes” or “no.”

ANSWER: YES _____ NO _____

If your answer to either Questions Nos. 6 or 8 is “yes,” please answer Question No. 9. If your answers to both Questions Nos. 6 and 8 is “no,” please skip to and answer Question No. 16.

D. TRADEMARK DAMAGES

QUESTION NO. 9: Are Mr. Scholz/BOSTON and Mr. Goudreau/EATA direct competitors?

Check “yes” or “no.”

ANSWER: YES _____ NO _____

Answer Question No. 10.

QUESTION NO. 10: Was Mr. Goudreau’s contributory infringement willful?

Check “yes” or “no.”

ANSWER: YES _____ NO _____

If your answer to either Questions Nos. 9 or 10 is “yes,” answer Question No. 11. If your answer to both Questions Nos. 9 and 10 is “no,” skip to and answer Question No. 12.

QUESTION NO. 11: Did Mr. Goudreau earn profits attributable to his contributory or vicarious infringement? If so, what amount of profits is attributable to the infringement?

Check “yes” or “no.”

ANSWER: YES _____ NO _____

If yes, state the amount.

AMOUNT: \$ _____

Answer Question No. 12.

II. SCHOLZ’S GOOD FAITH AND FAIR DEALING CLAIM

QUESTION NO. 12: Did Mr. Scholz perform his obligations to Mr. Goudreau under the 1983 settlement agreement (the “Settlement Agreement”) (or was he excused from performance because of Mr. Goudreau’s prior conduct)?

Check “yes” or “no.”

ANSWER: YES _____ NO _____

If your answer to Question No. 12 is “yes,” please answer Question No. 13. If your answer to Question No. 12 is “no,” please skip to and answer Question No. 16.

QUESTION NO. 13: Did Mr. Goudreau breach his implied covenant of good faith and fair dealing in the Settlement Agreement?

Check “yes” or “no.”

ANSWER: YES _____ NO _____

If your answer to Question No. 13 is “yes,” please complete Question No. 14. If your answer to Question No. 13 is “no,” please skip to and answer Question No. 16.

QUESTION NO. 14: Did Mr. Goudreau earn profits attributable to his breach of the implied covenant of good faith and fair dealing? If so, in what amount?

Check “yes” or “no.”

ANSWER: YES _____ NO _____

If yes, state the amount. (This amount may not overlap with the amount indicated in response to Question No. 11.)

AMOUNT: \$ _____

Answer Question No. 15.

QUESTION NO. 15: Did Mr. Scholz establish that Mr. Goudreau breached his implied covenant of good faith and fair dealing on or by a particular date? If so, what date?

Check "yes" or "no."

ANSWER: YES _____ NO _____

If yes, state the date.

DATE: _____

Answer Question No. 16.

III. GOUDREAU'S BREACH OF CONTRACT CLAIM

QUESTION NO. 16: Did Mr. Goudreau perform his obligations under the Settlement Agreement (or was he excused from performance because of Mr. Scholz's prior conduct)?

Check "yes" or "no."

ANSWER: YES _____ NO _____

If your answer to Question No. 16 is "yes," please complete Question No. 17. If your answer to Question No. 16 is "no," please sign and date this form and inform the court officer that you have reached a verdict.

QUESTION NO. 17: Did Mr. Scholz breach or violate the Settlement Agreement?

Check "yes" or "no."

ANSWER: YES _____ NO _____

If your answer to Question No. 17 is "yes," please complete Question No. 18. If your answer to Question No. 17 is "no," please skip to and answer Question No. 20.

QUESTION NO. 18: Did Mr. Goudreau suffer damages as a result of Mr. Scholz's breach of the Settlement Agreement? If so, in what amount?

Check "yes" or "no."

ANSWER: YES _____ NO _____

If yes, state the amount.

AMOUNT: \$ _____

Answer Question No. 19.

QUESTION NO. 19: Did Mr. Goudreau establish that Mr. Scholz breached the Settlement Agreement on or by a particular date? If so, what date?

Check “yes” or “no.”

ANSWER: YES _____ NO _____

If yes, state the date.

DATE: _____

Please answer Question No. 20.

IV. GOUDREAU’S GOOD FAITH AND FAIR DEALING CLAIM

QUESTION NO. 20: Did Mr. Scholz breach his implied covenant of good faith and fair dealing in the Settlement Agreement?

Check “yes” or “no.”

ANSWER: YES _____ NO _____

If your answer to Question No. 20 is “yes,” please complete Question No. 21. If your answer to Question No. 20 is “no,” please sign and date the form and inform the court officer that you have reached a verdict.

QUESTION NO. 21: Did Mr. Scholz’s breach of his implied covenant of good faith and fair dealing damage Mr. Goudreau? If so, in what amount?

Check “yes” or “no.”

ANSWER: YES _____ NO _____

If yes, state the amount.

AMOUNT: \$ _____

If your answer to Question No. 21 is “yes,” please complete Question No. 22. If your answer to Question No. 21 is “no,” please sign and date the form and inform the court officer that you have reached a verdict.

QUESTION NO. 22: Did Mr. Goudreau establish that Mr. Scholz breached his implied covenant of good faith and fair dealing on or by a particular date? If so, what date?

Check "yes" or "no."

ANSWER: YES _____ NO _____

If yes, state the date.

DATE: _____

Please sign and date the form and inform the court officer that you have reached a verdict.

Dated:

FOREPERSON