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October 19, 2026

**VIA ECF**

The Honorable Michael E. Farbiarz  
United States District Judge  
U.S. District Court for the District of New Jersey  
Martin Luther King Jr. Building & U.S. Courthouse  
50 Walnut St., Room 4015  
Newark, NJ 07101

**Re: *Palazzi v. National Court Reporters Ass'n*,  
Case No.: 2:25-cv-00077-MEF-JSA (D.N.J.)  
Defendant's Letter Brief Re Product Markets Alleged (ECF No. 41)**

To the Honorable Court:

Defendant National Court Reporters Association ("NCRA") respectfully submits this letter pursuant to the Court's October 13, 2026 Text Order (ECF No. 41), in response to Plaintiffs' letter concerning the certification product market alleged in the First Amended Complaint ("FAC"). ECF No. 39.

As NCRA explains in its pending motion to dismiss, NCRA sells two products of relevance to this Sherman Act § 1 tying case: (1) an **entry level skills and knowledge exam** that anyone can take and is all that is required to work or become licensed except in a handful of states; and (2) a **membership package** that includes the right to use NCRA's trademarked RPR certification mark as long as the reporter abides by NCRA's stringent continuing education and ethics requirements. The Plaintiffs' claim fails at the threshold because certification and membership are a single,

unified product, not separate products traded in separate markets. There is therefore no distinct antitrust “certification market.” ECF No. 33, at 21–24. NCRA does not concede otherwise here. Even assuming, however, that a distinct certification (tying) market exists, Plaintiffs’ claim fails under either of the two certification market definitions identified by the Court.

The Court understood the FAC to allege two alternative definitions of the certification market: (1) a single-product market limited to NCRA’s certification, FAC ¶¶ 9, 72; or (2) a multi-product market encompassing all nationally recognized court-reporter certifications, including competing certifications offered by the National Verbatim Reporters Association (“NVRA”), FAC ¶¶ 40, 43–44, 121. ECF No. 37. The Court directed Plaintiffs to clarify which market they intended to allege if they meant to pursue only one of these alternatives. *Id.*

That distinction matters. A *per se* tying claim requires market power in the tying-product market, which must be defined to include reasonably interchangeable substitutes, considering factors such as cross-elasticity of demand. *Queen City Pizza, Inc. v. Domino’s Pizza, Inc.*, 124 F.3d 430, 436 (3d Cir. 1997). The certification market definition thus determines whether Plaintiffs have alleged a cognizable market in which NCRA possesses market power.

Plaintiffs’ letter does not directly answer the Court’s question. Instead, it addresses whether the certification and membership markets are distinct—a premise NCRA disputes—and describes the certification market as encompassing “state licensing and certification boards, as well as national organizations such as NCRA, NVRA, and AAERT.” ECF No. 39, at 1. That description suggests Plaintiffs intend to pursue the Court’s second, multi-product definition. But Plaintiffs do not disclaim the FAC’s allegations supporting the first, single-product definition. The Court need not resolve that ambiguity because neither definition supports a viable tying claim.

The single-product market fails because it is circular. If the market consists solely of NCRA's own certification, NCRA necessarily accounts for 100% of that market. But that result follows from the market's definition, not from any competitive reality. A relevant market must account for reasonably interchangeable substitutes; it cannot be drawn around the defendant's product alone to manufacture market power. *Queen City Pizza*, 124 F.3d at 436. Indeed, the FAC alleges "no reasonable substitutes for NCRA certification." FAC ¶¶ 149, 160. That allegation does not cure the defect; it underscores that Plaintiffs' proposed market excludes potential substitutes by definition.

The multi-product market fails because Plaintiffs do not allege facts establishing NCRA's market power within it. The FAC's own state-by-state chart identifies NVRA, AAERT, and state certifications as alternatives accepted across numerous jurisdictions. As NCRA explained in its reply, only two states require NCRA certification; the others accept alternatives. ECF No. 36, at 10. Yet Plaintiffs' letter identifies no facts establishing NCRA's share of this broader market or otherwise demonstrating market power.

The two proposed definitions thus present opposite but equally fatal defects. A market broad enough to account for competing certifications avoids the circularity of the single-product definition but leaves Plaintiffs without adequately pleaded facts establishing NCRA's market power. A market limited to NCRA's own certification produces the asserted "dominance" only by defining competing alternatives out of existence.

NCRA does not ask the Court to resolve its pending motion through this letter and incorporates its prior briefs rather than repeating them. ECF Nos. 33, 36. The point here is

narrower: Plaintiffs' October 12 letter does not cure the market-definition deficiencies identified in those briefs and by the Court. Under either market definition, the tying claim fails.<sup>1</sup>

Respectfully submitted,

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cc: All Counsel of Record

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<sup>1</sup> Plaintiffs' letter also invokes a "Stenographic Membership Market." That is the alleged tied market, not the tying (certification) market addressed by the Court's order. The relevant inquiry here is whether Plaintiffs have adequately alleged market power in the tying market; the competitive effects of the alleged tie are addressed in NCRA's pending briefs. ECF Nos. 33, 36.