

IN THE
Supreme Court of the United States

B&B HARDWARE, INC.,

Petitioner,

—v.—

HARGIS INDUSTRIES, INC., D/B/A SEALTITE
BUILDING FASTENERS, D/B/A EAST TEXAS
FASTENERS, *et al.*,

Respondents.

ON WRIT OF CERTIORARI TO THE UNITED STATES
COURT OF APPEALS FOR THE EIGHTH CIRCUIT

**BRIEF OF *AMICUS CURIAE* THE INTERNATIONAL
TRADEMARK ASSOCIATION IN SUPPORT
OF NEITHER PARTY**

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**STATEMENT OF INTEREST OF THE
*AMICUS CURIAE*¹**

The International Trademark Association (“INTA”) submits this brief as *amicus curiae* in support of neither party.

Founded in 1878, INTA is a global organization dedicated to supporting trademarks and related intellectual property in order to protect consumers and to promote fair and effective commerce. INTA has more than 6,400 members in more than 190 countries. Its members include trademark and brand owners, as well as law firms and other professionals who regularly assist brand owners in the creation, registration, protection, and enforcement of their trademarks. All INTA members share the goal of promoting an understanding of the essential role that trademarks and goodwill play in fostering commerce, fair competition, and informed decision-making by consumers.

INTA was founded in part to encourage the enactment of federal trademark legislation after invalidation on constitutional grounds of the United States’ first trademark act. Since then, INTA has been instrumental in making recommendations and providing assistance to

1. In accordance with Supreme Court Rule 37.6, *amicus curiae* states that this brief was authored solely by INTA and its counsel, and no part of this brief was authored by counsel to a party. No party or counsel for a party made a monetary contribution intended to fund the preparation or submission of this brief. No person other than *amicus curiae*, its members, and its counsel made such a monetary contribution to its preparation or submission. The parties have filed blanket letters consenting to the filing of *amicus* briefs in support of either party or of neither party.

legislators in connection with major trademark and related legislation. INTA members are frequent participants in Lanham Act–related litigation as both plaintiffs and defendants. INTA has also participated as *amicus curiae* in numerous cases involving significant Lanham Act issues in this Court and others.²

INTA and its members have a particular interest in this case. This Court granted certiorari to consider whether a determination of likelihood of confusion by the TTAB, in an *inter partes* proceeding, has issue preclusive effect in subsequent civil court proceedings where likelihood of confusion is at issue and, if preclusion is inapplicable, whether the TTAB’s findings should be given any deference. The circuit court decisions on these questions conflict and provide unclear guidance.

INTA takes no position with respect to the plausibility of either party’s allegations or the merits of their substantive claims. It is in the interest of INTA and its members, however, for this Court to rule definitively

2. INTA has filed amicus briefs in this Court in the following matters: *Pom Wonderful LLC v. Coca-Cola Co.*, 134 S. Ct. 2228 (2014); *Lexmark Int’l v. Static Control Components*, 134 S. Ct. 1377 (2014); *Already, LLC v. Nike, Inc.*, 133 S. Ct. 721 (2013); *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111 (2004); *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23 (2003); *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003); *TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23 (2001); *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205 (2000); *Fla. Prepaid Postsecondary Educ. Expense Bd. v. Coll. Sav. Bank*, 527 U.S. 627 (1999); *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159 (1995); *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992); *K Mart Corp. v. Cartier, Inc.*, 486 U.S. 281 (1988).

on when preclusion or deference may apply based on a complete understanding as to the differences between the TTAB and civil court litigation involving the issue of likelihood of confusion.

SUMMARY OF THE ARGUMENT

This Court granted certiorari to answer two questions that have divided the federal Courts of Appeal and have left trademark practitioners with unclear and inconsistent guidance: (1) whether findings by the Trademark Trial and Appeal Board (“TTAB”) concerning a likelihood of confusion precludes relitigation of that issue in a federal court civil action; and (2) whether, if issue preclusion does not apply, the district court should nevertheless grant some deference to the TTAB’s findings.

INTA and its members have significant experience litigating likelihood of confusion in TTAB proceedings and in civil court. As a result, they have acquired a practical, experience-based understanding of the significant differences between litigation before the TTAB and litigation in the courts involving likelihood of confusion issues, including with respect to the standards applied, the evidence typically considered, the available remedies, and the manner in which each tribunal adjudicates the issue. In particular, because TTAB proceedings are limited to the issue of registrability, the TTAB typically focuses only on an abstract comparison of the marks and goods as listed in the application rather than on how the litigants’ marks actually are used, and perceived by consumers, in the marketplace. These marketplace factors, though – which can include the use of distinguishing features like house marks on the parties’ packaging, the channels of

trade in which the goods are offered, and the class and sophistication of consumers who purchase and consume them – often are critical in determining the key issue in trademark litigation in the courts, which is whether consumers are likely to be confused as to source or affiliation by the use of the challenged designation in the real world. Because of the TTAB's limited jurisdictional mandate, however, it typically disregards such evidence when considering the narrow question of registrability, which is based solely on how the marks are presented in the applications and registrations at issue.

The TTAB's resulting comparison of the marks as they appear on paper is no substitute for the type of real-world, evidence-based analysis undertaken in civil litigation. The significant differences between TTAB proceedings and civil court adjudication of likelihood of confusion make the application of issue preclusion in subsequent civil litigation inappropriate. INTA believes, however, that district courts should have the discretion to give evidentiary weight to the TTAB's determination in certain circumstances. If the court finds that the evidence actually presented and considered at the TTAB covers all of the factors relevant to the court's determination, and that the party sought to be bound had a full and fair opportunity to develop the evidentiary record and litigate the issues, some degree of deference may be appropriate. Based upon this particularized analysis of the evidentiary record, district courts should determine, on a case-by-case basis, whether any portion of that decision should be given deference with respect to factual issues presented in the federal action, and if so, to what degree.

ARGUMENT

I. TTAB DECISIONS ARE ELIGIBLE FOR ISSUE PRECLUSION DESPITE THE FACT THAT THE TTAB IS AN ADMINISTRATIVE AGENCY

INTA agrees with the United States that the status of the TTAB as an administrative tribunal does not deprive its decisions of potentially preclusive effect in Article III courts. *See* Brief for the United States as Amicus Curiae (“Brief for the U.S.”) at 10–11. INTA also agrees that preclusion is appropriate “when an administrative agency is acting in a judicial capacity and resolves disputed issues of fact properly before it which the parties have had an adequate opportunity to litigate.” *Astoria Fed. Sav. & Loan Ass’n v. Solimino*, 501 U.S. 104, 107 (1991); *see also United States v. Utah Constr. & Mining Co.*, 384 U.S. 394, 422 (1966).

The TTAB acts in a judicial capacity in the context of an *inter partes* proceeding. TTAB opposition and cancellation proceedings are adversarial proceedings in which both parties can be represented by counsel, present evidence, submit briefs and obtain judicial review. *EZ Loader Boat Trailers, Inc. v. Cox Trailers, Inc.*, 746 F.2d 375, 378 (7th Cir. 1984) (finding “no question” that opposition proceeding involved agency acting in a judicial capacity); *see generally* 3 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 20:99 (4th ed. 2014) (describing jurisdiction and procedure in opposition and cancellation actions).

Thus, at least in theory, a TTAB decision in an opposition or cancellation proceeding is eligible for the application of issue preclusion in subsequent civil

litigation. For example, the TTAB's determination of priority – *i.e.*, which party was the first to use a mark or otherwise acquire exclusive rights in a mark – generally can preclude the issue in a later litigation because the TTAB considers the same types of evidence and the parties have the same incentive to litigate. *See, e.g., Lewis v. Microsoft Corp.*, 410 F. Supp. 2d 432, 436-37 (E.D.N.C. 2006) (TTAB decision that plaintiff's use of the mark was junior to that of defendant's use carried preclusive effect); *Brandt Indus., Ltd. v. Pitonyak Machinery Corp.*, 2012 WL 3257886 at *7-*9 (S.D. Ind. Aug. 8, 2012) (holding that concession of priority before the TTAB carried preclusive effect, in later civil proceedings).

The fact some TTAB determinations are *eligible* for preclusive effect, however, does not mean that issue preclusion *should* be available for all TTAB determinations. Rather, as discussed below, INTA believes that TTAB decisions on likelihood of confusion should *not* be given preclusive effect, and should only be given deference in rare circumstances.

II. CIRCUIT COURTS HAVE APPLIED VARYING STANDARDS IN DECIDING WHETHER TO ACCORD PRECLUSIVE EFFECT TO TTAB DECISIONS ON CONFUSION

Courts generally apply a multifactor test to determine whether to preclude relitigation of a previously-decided issue. Issue preclusion is appropriate where “(1) the issues in both proceedings are identical, (2) the issue in the prior proceeding was actually litigated and actually decided, (3) there was full and fair opportunity to litigate in the prior proceeding, and (4) the issue previously litigated was necessary to support a valid and final judgment on

the merits.” *NLRB v. Thalbo Corp.*, 171 F.3d 102, 109 (2d Cir. 1999); *see also* 18 Wright, Miller, and Cooper, FEDERAL PRACTICE AND PROCEDURE § 4416 (2d ed. 2014). In the context of a prior TTAB decision on the issue of likelihood of confusion, the Circuits have adopted a variety of approaches, and focused on different elements of the general rule, in deciding whether to apply issue preclusion.

The Second Circuit, for example, instructs district courts to examine the extent to which the TTAB considered the “entire marketplace context” with respect to the marks at issue, and to grant preclusion only when the TTAB considered such context “in a meaningful way.” *Levy v. Kosher Overseers Ass’s of Am.*, 104 F.3d 38, 42 (2d Cir. 1997) (finding that the TTAB provided no basis to assess factors aside from similarity, thereby failing to provide evidence of “entire marketplace context”); *accord Jim Beam Brands Co. v. Beamish & Crawford Ltd.*, 937 F.2d 729, 735 (2d Cir. 1991) (finding TTAB’s consideration of retail channels and identity of customers insufficient to constitute meaningful consideration of marketplace context); *see also Light Sources, Inc. v. Cosmedico Light, Inc.*, 360 F. Supp. 2d 432, 440 (D. Conn. 2005) (although “claims that directly concern [defendant]’s right to register the . . . mark are barred by res judicata, [plaintiff]’s claims that directly concern or are derived from [defendant]’s use of the . . . mark in the marketplace might not be barred by res judicata” (emphasis in original)); *see also Alberto-Culver Co. v. Trevive, Inc.*, 199 F. Supp. 2d 1004, 1013–15 (C.D. Cal. 2002) (adopting the Second Circuit’s rule and examining the extent to which the TTAB considered (1) advertising expenditures and sales, (2) location of additional phrases on labeling and packaging, (3) slogans used to promote products, and (4) color and qualities of labels).

Other Circuits have assumed, without analysis, that the issues decided in TTAB *inter partes* proceedings and district court infringement actions are the same, and have focused instead on other factors in considering whether issue preclusion is appropriate. For example, in *EZ Loader Boat Trailers, Inc.*, 746 F.2d at 377, the Seventh Circuit affirmed the application of issue preclusion based upon a TTAB finding after concluding that the parties had had a “full and fair opportunity to litigate” before the TTAB.

By contrast, courts in the Fifth and the Eleventh Circuits decline to give TTAB decisions preclusive effect based on their interpretation of 15 U.S.C. § 1071(b), which addresses appeals of a TTAB decision to the federal courts. They reason that the availability of an appeal to the federal courts, where new evidence may be considered *de novo*, is inconsistent with giving TTAB determinations preclusive effect. *American Heritage Life Ins. Co. v. Heritage Life Ins. Co.*, 494 F.2d 3 (5th Cir. 1974); *Freedom Sav. & Loan Ass’n v. Way*, 757 F.2d 1176 (11th Cir. 1985).

The Third Circuit takes yet another approach. It allows issue preclusion only when the “essentiality” element is met. This is essentially another way of assessing whether the parties had a full and fair opportunity to litigate the matter. *See, e.g., Jean Alexander Cosmetics, Inc. v. L’Oreal USA, Inc.*, 458 F.3d 244, 250–51 (3d Cir. 2006) (affirming application of collateral estoppel after determining that TTAB’s “alternative holding” satisfied requirement that the determination was essential to the prior judgment, and noting that, “[b]ecause litigants are likely to view an issue that is necessary to the resolution of a case as important and to litigate it vigorously, it is fair to give such a determination preclusive effect”).

**III. BECAUSE OF THE SIGNIFICANT DIFFERENCES
IN THE STANDARDS AND PROCEDURES
APPLIED BY THE TTAB AND FEDERAL
COURTS, PRECLUSION SHOULD NOT APPLY
TO TTAB FINDINGS ON THE LIKELIHOOD OF
CONFUSION.**

Although it is theoretically possible that a TTAB decision on likelihood of confusion might be one in which the identical legal issue was litigated in a proceeding in which the parties were afforded a full and fair opportunity to litigate that issue as they would have done in a district court, it is the experience of INTA's members that such a situation is highly unlikely to occur. In fact, INTA is not aware of any such case.

Rather, because the stakes in a TTAB case are so different, the analyses used by the TTAB and a district court are different, and parties almost never have an incentive to engage in the type of litigation in the TTAB that normally would be permitted in court. In order to avoid fact-intensive litigation over the question of preclusion in every district court case that follows a TTAB determination, INTA urges the Court to adopt a bright-line rule that TTAB findings on the likelihood of confusion ought never be given issue-preclusive effect in a federal district court proceedings.

**A. The Eighth Circuit Properly Rejected Issue
Preclusion in Light of the Many Differences
between TTAB and Civil Court Adjudication.**

The Eighth Circuit's decision in the case below focused on the first element of the collateral estoppel inquiry, *i.e.*, whether the likelihood of confusion issue considered by the

TTAB in the prior proceeding between the parties was identical to the likelihood of confusion issue before the district court. The majority was persuaded by the fact that the TTAB considers different factors than courts within the Eighth Circuit in determining whether a likelihood of confusion exists, particularly with respect to the visual and aural similarity of the marks (on which the TTAB focused) in contrast to the differences in the marketplace context of the goods actually sold. *See* 716 F.3d at 1025 (comparing *In re E.I. DuPont DeNemours & Co.*, 476 F.2d 1357, 1361 (CCPA 1973) and *SquirtCo v. Seven-Up Co.*, 628 F.2d 1086, 1091 (8th Cir. 1980)).³ INTA agrees with that aspect of the majority’s decision.

The majority, however, did not identify all the other ways in which TTAB determinations of likelihood of confusion differ from full-blown civil court determinations. When all those differences are taken in account, it is even clearer that the TTAB’s administrative determination of likelihood of confusion should not be given preclusive weight when the same issue is raised in civil court proceedings.⁴

3. Although the standard for likelihood of confusion in infringement cases itself differs between the circuits, the difference is quite minor when compared with the standard applied in TTAB proceedings. Reconciling those differences is not essential to the outcome of this case.

4. That position comports with the way courts in foreign jurisdictions have addressed analogous issues. *See, e.g., Ferrero SpA v. OHIM (TiMi KiNDERJOGHURT)*, (Case T-140/08) [2009] ECR II-03941, at 34-36 (“[N]o force of res judicata attaches to a decision, even when final, handed down in opposition proceedings.”); *Special Effects Ltd v. L’Oreal*, [2007] EWCA Civ 1, at 77 (“Given the nature of opposition proceedings as being,

1. The TTAB's Limited Jurisdiction Constrains Its Analysis

The TTAB, by statute, is an administrative tribunal with limited jurisdiction. It is empowered, under Section 17 of the Lanham Act solely “to determine and decide the respective rights of registration.” 15 U.S.C. § 1067. As a result, the issue before the TTAB in any proceeding is limited to questions of trademark *registrability*. See TTAB Manual of Procedure (“TBMP”) § 102.01 (“The [TTAB] is empowered to determine *only the right to register*.”) (emphasis added)⁵; see also *Seculus Da Amazonia S.A. v. Toyota Jidosha*, 66 U.S.P.Q.2d 1154, 1157 n.5 (T.T.A.B. 2003) (“it is well-settled that the [TTAB] is not authorized to determine the right to use, *nor may it decide broader questions of infringement or unfair competition*”) (emphasis added) (citing *Person's Co. v. Christman*, 900 F.2d 1565 (Fed. Cir. 1990)); *Blackhorse v. Pro Football, Inc.*, 98 U.S.P.Q.2d 1633, 1638 (T.T.A.B. 2011) (TTAB has no authority to determine constitutional claims).

essentially, preliminary...and given the manner in which they are generally conducted” there is no basis for preclusion); *Alticor Inc. v. Nutravite Pharmaceuticals Inc.* (2005), 42 CPR (4th) 107 (FCA) (agreeing that no preclusion and little deference should be given to Board decision on confusion, noting that “[t]he legal system is not a stranger to different outcomes arising out of the same factual situation where different issues are at stake and different evidence is introduced”).

5. The TBMP is a compilation of authority relevant to TTAB practice and procedure. Although it is frequently used as a guide to TTAB procedure and is “generally useful for litigating cases before the TTAB,” it does not “modify, amend, or serve as a substitute for any statutes, rules or decisional law and is not binding.” TBMP § 101.05 (quoting *Rosenruist-Gestao E Servicos LDA v. Virgin Enter. Ltd.*, 511 F.3d 437 (4th Cir. 2007)).

Civil courts, by contrast, are empowered to address questions of *infringement* (as well as trademark dilution, false advertising and unfair competition, and registrability). *See* 15 U.S.C. §§ 1114, 1119 and 1125. This difference in jurisdictional scope between TTAB and civil court proceedings means that courts and the TTAB generally address fundamentally different questions: in the civil courts, the alleged harm flows from the *use* of the mark, and in the TTAB, it flows from the *registration* of the mark. *See Mayer/Berkshire Corp. v. Berkshire Fashions, Inc.*, 424 F.3d 1229 (Fed Cir. 2005) (declining to apply issue preclusion with respect to likelihood of confusion finding in TTAB proceeding); *see also Wells Fargo & Co. v. Stagecoach Properties, Inc.*, 685 F.2d 302, 306-07 (9th Cir. 1982) (“opposition proceedings...determine only whether the applicant has the exclusive right to use of the mark and so qualifies for registration”); Anne Gilson Lalonde, GILSON ON TRADEMARKS § 9.01[2][b] (2014) (jurisdiction of federal courts is “much broader” than TTAB’s; “much of the evidence relevant to infringement actions...is of little or no import to T.T.A.B. practice”).

2. The Likelihood of Confusion Analysis in A TTAB Proceeding Reflects Its Limited Jurisdiction.

The TTAB’s limited jurisdiction is reflected in its typical likelihood of confusion analysis. As the Eighth Circuit correctly held below, the legal issues considered by different tribunals may be different for estoppel purposes even when they share the same label. 716 F.3d at 1024–25 (citing *Jim Beam Brands Co.*, 937 F.2d at 734); *see also* 18 Wright, Miller, and Cooper, FEDERAL PRACTICE AND PROCEDURE § 4417 n.1 (2d ed. 2014) (“Proof

that the identical issue was involved [in the prior case]... is an absolute due process prerequisite to the application of collateral estoppel.”) (internal quotation marks and citations omitted).

Section 2(d) of the Trademark Act provides that a registration shall not issue where the applicant’s designation “[c]onsists of or comprises a mark which so resembles [another] mark, as to be likely, when used on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive....” 15 U.S.C. § 1052(d). Likewise, a registration may be cancelled when any person “believes that he is or will be damaged” as a result of the registration of the mark, providing an avenue for prior users to raise the same issue. 15 U.S.C. § 1064. Thus, the TTAB is only asked to address the likelihood of confusion question in the context of *registrability*. Registrability, in turn, depends upon whether the specific mark shown in the application should be registered for the goods/services listed in the application, or whether such registration is precluded as a result of, among other things, likely confusion with a prior registered mark.

An *inter partes* proceeding before the TTAB therefore focuses solely on whether there is a likelihood of confusion between the senior user’s mark and that of the junior user based on an evaluation of the applicant’s mark as depicted on paper and the goods or services set forth in the application.⁶ Because the TTAB’s determinations go to

6. It is true that the party asserting senior rights in a TTAB proceeding may, alternatively, challenge the allegedly junior mark based on its common-law rights derived from use of the mark in commerce. *See* 15 U.S.C. § 1052(d). Contrary to the view of the United States this situation does not create an identity

registrability, it generally does not take into account how the respective marks are actually used in the marketplace. *See Squirrtco*, 697 F.2d at 1042-43 (“where the likelihood of confusion is asserted with a registered mark, the issue must be resolved on the basis of the goods named in the registration and ... on the basis of all normal and usual channels of trade and methods of distribution”); *Checkpoint Systems, Inc. v. Check Point Software Technologies, Ltd.*, 2002 WL 1181046 at *3 (T.T.A.B. May 31, 2002) (“likelihood of confusion is determined only as to the applied-for mark on the applied good, regardless of the context of actual usage”).⁷

The TTAB’s focus on the marks as they appear in the application, devoid of marketplace context, renders its

of issue with an infringement action, *see* Brief for the U.S. at 14 (advocating a categorical rule in favor of preclusion in such situations because “the [TTAB] does consider the actual usage of the opposer’s marks”), because the TTAB is still only deciding whether the alleged junior user has a right to *register* its mark, not whether it has a right to *use* its mark, and it is still considering the junior user’s mark as presented on paper rather than in the marketplace context.

7. *See also In re New York Football Giants, Inc.*, 2014 WL 3427342 at *1 (T.T.A.B. July 3, 2014) (“While it is not unusual for an applicant to argue that...confusion is not likely because of marketplace conditions, typically such arguments fail to recognize that the TTAB is required, under applicable precedents...to analyze likelihood of confusion based on the involved identifications.”); *see also* 6 J. Thomas McCarthy, *McCARTHY ON TRADEMARKS AND UNFAIR COMPETITION* § 32:101 (4th ed. 2014) (“In an opposition, likelihood of confusion is determined only as to the registrability of the applicant’s mark exactly as shown in the application and only as to the goods listed, regardless of actual usage. The same rules are followed in cancellation proceedings.”).

determination of likelihood of confusion fundamentally different than that of a civil court, despite the surface similarity of the *DuPont* factors and the Eighth Circuit's *SquirtCo* factors.⁸

In civil trademark litigation, in contrast, likelihood of confusion is an element of a substantive *infringement* claim. 15 U.S.C. § 1114(1)(a) (authorizing civil action against any person who uses a copy or imitation of a registered mark the use of which is “likely to cause confusion, or to cause mistake, or to deceive”). Thus, a district court infringement action has a much broader scope, in that its aim is to determine whether the allegedly junior user's *actual use* of the mark is likely to cause confusion.

Because the parties' actual use is at issue, the likelihood of confusion inquiry requires the district court to consider the full market context in assessing likelihood of confusion, including the parties' respective packaging and advertising, the locations where their goods and services are offered, the sophistication of consumers, the use of any house marks, the extent to which the marks

8. Beyond the differences in policy described below, practitioners have noted that the TTAB's focus is different in many ways from civil courts handling similar disputes, all of which make TTAB decisions poorly suited to preclusive effect on later civil litigations. *See* Remarks of David W. Ehrlich, *Trademark Prosecution in the Patent and Trademark Office and Litigation in the Trademark Trial and Appeal Board*, 8 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 451, 474-82 (1998) (noting several differences in how the TTAB addresses likelihood of confusion issues, including greater tendency to favor toward owners of prior rights against challengers and skepticism toward the idea that third-party use reduces the strength of registered marks).

coexist with other similar marks, and the existence or lack thereof of actual confusion. See *Reno Air Racing Ass’n, Inc. v. McCord*, 452 F.3d 1126, 1136 (9th Cir. 2006) (“[T]he legal question is not whether the marks look similar to us but whether they look similar to ordinary consumers.”); *Sports Authority, Inc. v. Prime Hospitality Corp.*, 89 F.3d 955, 962 (2d Cir. 1996) (“In deciding whether the marks are similar as used, we do not look just at the typewritten and aural similarity of the marks, but how they are used in the marketplace.”); *Calvin Klein Cosmetics Corp. v. Lenox Laboratories, Inc.*, 815 F.2d 500, 504 (8th Cir. 1987) (“[C]aution should be exercised to avoid putting too much stock in subjective inspection done in-chambers that is devoid of market characteristics.”); *Kate Spade LLC v. Saturdays Surf LLC*, 950 F. Supp. 2d 639, 644 (S.D.N.Y. 2013) (fact that the field of marks containing the word SATURDAY was crowded reduces the strength of the mark SATURDAY SURF NYC and makes confusion unlikely by mark KATE SPADE SATURDAY).⁹

In TTAB proceedings, the marks are compared based entirely on how they are described in the application or registration sought to be canceled. Factors that may well distinguish the products when they are encountered in the real world – such as house marks, the logo design in

9. See also 4 J. Thomas McCarthy, *McCARTHY ON TRADEMARKS AND UNFAIR COMPETITION* §§ 23:2.50, 23:58 (4th ed. 2014) (“To arrive at a realistic evaluation of the likelihood of buyer confusion, the court must attempt to recreate the conditions under which prospective purchasers make their choices.”); Anne Gilson Lalonde, *GILSON ON TRADEMARKS* § 5.03[2][a] (2014) (“Although courts may examine marks’ appearance, sound and meaning separately, they emphasize the overall impression the mark gives in the marketplace.”).

which a mark is presented, or unique trade dress – are not taken into consideration and, in fact, are deliberately disregarded. See *In re New York Football Giants*, 2014 WL 3427342, at *8 (“No consideration may be given to allegedly distinguishing features which are not part of the mark sought to be registered.”); see also *Kimberly Clark Corp. v. H. Douglas Enters., Ltd.*, 774 F.2d 1144, 1147 (Fed Cir. 1985) (in denying registration, not considering trade dress differences between the marks because the application was only for the word mark). Cf. *CareFirst of Maryland, Inc. v. First Care, P.C.*, 434 F.3d 263, 271 (4th Cir. 2006) (confusion unlikely because mark was always paired or presented with other material that “will serve to lessen any confusion that might otherwise be caused by the textual similarity”); *Nabisco, Inc. v. Warner-Lambert, Co.*, 220 F.3d 43, 46 (2d Cir. 2000) (defendant’s “prominent use of its well-known house brand...significantly reduces, if not altogether eliminates, the likelihood that consumers will be confused”); *Barbecue Marx, Inc. v. Ogeden*, 235 F.3d 1041, 1044 (7th Cir. 2000) (although the marks “SMOKE DADDY” and “BONE DADDY” were similar, the presence of highly distinct nearby logos distinguished them).

In making its determination on confusion, the TTAB also assumes that, unless the channels of trade are limited in the application, all of the goods move in all channels of trade normal for those goods. See *Kangol Ltd. v. Kangaroos USA, Inc.*, 974 F.2d 161, 164 (Fed. Cir. 1992) (where application does not explicitly specify the channels to be considered, “likelihood of confusion is resolved by considering the ‘normal and usual channels of trade and method of distribution’”); *CBS Inc. v. Morrow*, 708 F.2d 1579, 1581 (Fed. Cir. 1983) (“in the absence of

specific limitations in the registration, [confusion must be decided] on the basis of all normal and usual channels of trade and methods of distribution”); *Squirtco v. Tomy Corp.*, 697 F.2d 1038, 1042-43 (Fed. Cir. 1983); *In re New York Football Giants, Inc.*, 2014 WL 3427342 at *1 (T.T.A.B. July 3, 2014). Courts, by contrast, require real-world evidence establishing the channels of trade through which the parties’ goods or services actually travel, and differences in those channels of trade may be significant in the assessment of whether confusion is likely. *See e.g., Leelanau Wine Cellars, Ltd. v. Black & Red, Inc.*, 502 F.3d 504, 516 (6th Cir. 2007) (where defendant primarily sold its wines through its tasting rooms and plaintiff primarily sold through large retail stores, there existed “very limited overlap” in channels of trade); *M2 Software, Inc. v. Madacy Entm’t*, 421 F.3d 1073, 1084 (9th Cir. 2005) (where one product is promoted in specialty music publications and not sold in stores, channels of trade factor tilts against confusion, although both products could be bought on Amazon.com); *Paul Sachs Originals Co. v. Sachs*, 325 F.2d 212, 215 (9th Cir. 1963) (where girls’ dresses and women’s dresses were sold in different stores to different customers, “[t]he evidence is ample to support the finding that the goods of the parties do not sell in the same markets”); *Sunenblick v. Harrell*, 895 F. Supp. 616, 629 (S.D.N.Y. 1995), (recordings of obscure jazz musicians are in different channel of trade than large scale rap recordings).

The TTAB further presumes, in the absence of any restriction in the application itself, that the purchasers of the goods at issue include all of those that ordinarily would purchase that broad class of goods, regardless of differences in price of quality. *See Canadian Imperial*

Bank v. Wells Fargo Bank, 811 F.2d 1490, 1496 (Fed. Cir. 1992) (“The authority is legion that the question of registrability...must be determined on the basis of the identification of goods set forth in the application *regardless of what the record may reveal* as to...the particular channels of trade or the class of purchasers to which sales of the goods are directed.”) (emphasis added). Courts, on the other hand, evaluate the consumers of the parties’ respective goods or services based on evidence as to who actually purchases or consumes them in the real world. *Compare In re Bercut-Vandervoort & Co.*, 229 U.S.P.Q. 763, 764 (T.T.A.B. 1986) (because application lacked any restriction of the customers to “extremely sophisticated wine connoisseurs,” likelihood of confusion analysis should incorporate all wine consumers); *In re New York Football Giants, Inc.*, 2014 WL 3427342 at *10 (T.T.A.B. July 3, 2014) (because application did not limit consumers “we must presume that the t-shirts and tank tops of both Applicant and Registrant would be sold to all classes of [] consumers”); *with Continental Plastic Containers v. Owens Brockway Plastic Products, Inc.*, 141 F.3d 1073, 1080-81 (Fed. Cir. 1998) (rejecting argument that consumer base should be retail consumer of bottled beverage, rather than wholesale purchaser of empty bottles; inquiry is about determining the “consumers in the market for the particular product at issue”) (quoting *Dorr-Oliver, Inc. v. Fluid-Quip, Inc.*, 94 F.3d 376, 382 (7th Cir. 1996)); *Perini Corp. v. Perini Construction, Inc.*, 915 F.2d 121, 127-28 (4th Cir. 1990) (discounting likelihood of confusion because typical consumer is “most likely a highly trained procurement professional whose sensitivity is heightened by the responsibility of sensibly spending millions of dollars”); *Oreck Corp. v. U.S. Floor Systems, Inc.*, 803 F.2d 166, 173 (5th Cir. 1986) (“[P]ersons [that]

are buying for professional and institutional purposes at a cost in the thousands of dollars...are virtually certain to be informed, deliberative buyers”).¹⁰

In sum, although it is true that some of the *DuPont* factors involve matters of marketplace context, these factors typically have no import in TTAB proceedings. Because of both legal mandate and long custom, the TTAB relies on the information in the application and eschews factual reality. Thus, its analysis of likelihood of confusion is simply not the same as in a district court.¹¹

10. The extent to which the TTAB’s analysis is divorced from marketplace context is demonstrated by the fact that the TTAB has the ability to cancel a registration based on likelihood of confusion where there is no use of the challenged mark in the United States. *Cf. Bayer Consumer Care AG v. Belmora LLC*, 110 U.S.P.Q. 2d 1623 (T.T.A.B. 2014) (cancelling registration as in violation of Section 14(3) of the Trademark Act for misrepresenting the source of the goods by suggesting they were petitioner’s Mexican product, which was not sold in the US); *Fiat Group Automobiles S.p.A. v. ISM, Inc.*, 94 U.S.P.Q. 2d 1111 (T.T.A.B. 2010) (permitting foreign trademark owner who had filed ITU application to support a dilution claim in opposition based on the use of the mark abroad).

11. A district court’s analysis of likelihood of confusion, however, should generally preclude relitigation of that issue in TTAB proceedings (assuming the criteria for issue preclusion are met). Because a court’s determination of likely confusion in an infringement context is usually based on the full marketplace context of the marks, preclusion does not raise the same issues as are raised by the case at hand. In other words, once a court determines that a mark is likely to cause confusion, any remaining dispute as to registrability becomes moot. It is clear that an actually-infringing mark should not be registered, which is why Congress empowered federal courts to determine registrability in an infringement proceeding. 15 U.S.C. § 1119.

B. TTAB Inter Partes Proceedings Do Not Afford Registrants A Full And Fair Opportunity To Litigate Likelihood Of Confusion.

The decision below and the briefing by the parties and the United States focused almost exclusively on whether a TTAB proceeding and a district court infringement action decide the same issue. But important procedural differences in the way in which TTAB and court proceedings are litigated directly impact the question of whether the parties had a full and fair opportunity to litigate the question of whether confusion is likely. Because TTAB proceedings do not afford the same procedural opportunities, it is almost never the case that a TTAB proceeding on the question of confusion affords that full and fair opportunity.

1. TTAB Procedures Do Not Afford a “Full and Fair” Opportunity to Litigate.

The contours of the “full and fair opportunity” requirement as a matter of procedure in agency proceedings have not been deeply explored by the courts. Wright & Miller, however, identifies the procedural shortcomings of specialized tribunals as a significant exception to issue preclusion, noting that “[t]he impact of deliberate limitations designed to expedite a special class of cases or to provide inexpensive but accessible justice for small cases is reflected in a wide array of settings.” Wright & Miller § 4423 n.4 (citing analogous examples including probable cause hearing, summary landlord-tenant dispossession proceeding, and other proceedings “designed to adjudicate promptly a narrow issue of law and to grant a narrow remedy”).

The limited nature of discovery and fact-finding in a TTAB proceeding suggest precisely the kind of “deliberate limitations” that Wright & Miller describe. *See Kappos v. Hyatt*, 132 S. Ct. 1690, 1696 (2012) (“The PTO, no matter how great its authority or expertise, cannot account for evidence that it has never seen.”). Discovery in TTAB proceedings – particularly electronic discovery – is substantially narrower than in civil litigation. *See* TBMP at §§ 402.01, 402.02 (noting that, “in view of the [TTAB’s] limited jurisdiction, the narrowness of the issues to be decided by the [TTAB], and the concerns existing with respect to excessive e-discovery, the burden and expense of e-discovery will weigh heavily against requiring production in most cases”); *see also Frito-Lay North Am., Inc. v. Princeton Vanguard LLC*, 100 U.S.P.Q.2d 1904 (T.T.A.B. 2011) (denying request for e-discovery, citing TTAB’s limited jurisdiction and concerns of burden; movant was seeking “broad, expansive ESI collection, review and production similar to or repetitive of discovery it conducts in federal court actions”); *Gen. Mills, Inc. v. Fage Dairy Processing Indus. S.A.*, 100 U.S.P.Q.2d 1584 (T.T.A.B. Sept. 14, 2011) (“This is not the first time the [TTAB] has expressed its displeasure about overzealous litigation in our proceedings.”). These limitations on discovery, while perhaps appropriate for registration disputes and proceedings that are meant to be more efficient than court litigation, prevent the evaluation of the complicated factual issues that typically arise in considering the likelihood that two marks will be confused in the marketplace.

Another significant difference in TTAB and court practice relates to the use of consumer perception surveys. These are perhaps the most effective way to assess

whether consumers are actually likely to be confused by a trademark. Although not required in civil actions, survey evidence on likelihood of confusion is frequently a central element in such cases. The absence of such evidence is often noted and criticized by courts. *See, e.g., Star Indus., Inc. v. Bacardi & Co. Ltd.*, 412 F.3d 373, 388 (2d Cir. 2005) (Star’s “failure to present its own customer survey weigh[ed] against a finding of customer confusion”). Because TTAB cases have less at stake and are typically litigated with lower budgets, survey evidence is not often used in proceedings before the TTAB. *See Midwestern Pet Foods, Inc. v. Societe des Produits Nestle S.A.*, 685 F.3d 1046, 1054 (Fed. Cir. 2012) (collecting cases).

When the TTAB does consider survey evidence, it limits the scope of the survey in ways that fundamentally differ from trademark surveys in civil court. In TTAB proceedings involving a plain word mark, the mark must be shown to respondents typed on a white card against a plain background—which epitomizes the TTAB’s focus on the application for registration apart from the reality of the marketplace. *See, e.g., Meier’s Wine Cellars, Inc. v. Meyer Intel. Props. Ltd.*, 2008 TTAB LEXIS 678 (T.T.A.B. 2008) (noting as flawed a survey which showed entire wine bottle, including full label, rather than just the mark, stating that the TTAB “has held that surveys... which embellish the stimulus with features that are not directly involved in the determination of likelihood of confusion, have limited probative value”) (citing *Carl Karcher Enterprises Inc. v. Stars Restaurants Corp.*, 35 U.S.P.Q. 2d 1125, 1132 n.19 (T.T.A.B. 1995); *Marshall Field & Co. v. Mrs. Field’s Cookies*, 25 U.S.P.Q. 2d 1321, 1334 (T.T.A.B. 1992)). This is the opposite of the proper survey methodology required by courts. There, the

emphasis always is on a survey design that replicates, to the extent feasible, marketplace conditions. In fact, the failure to replicate marketplace conditions is routinely held to be a reason either to exclude a survey altogether under *Daubert* or to accord it minimal weight. *See, e.g., THOIP v. Walt Disney Co.*, 690 F. Supp. 2d 218, 231 (S.D.N.Y. 2010) (“[T]he closer the survey methods mirror the situation in which the ordinary person would encounter the trademark, the greater the evidentiary weight of the survey results.”) (quoting 6 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* §§ 32:163 (4th ed. 2014)); *see also American Footwear Corp. v. General Footwear Co. Ltd.*, 609 F.2d 655, 660 n.4 (2d Cir.1979) (agreeing with district court that failure to replicate marketplace conditions was a “methodological defect”); *Pharmacia Corp. v. Alcon Laboratires, Inc.*, 201 F. Supp. 2d 335, 378 (D.N.J. 2002) (“Because the Court must assess confusion based on a well-defined set of factors intended to measure what is likely to happen in the real world...[the offered model] lacks significant probative value for the purposes for which it is offered.”).

Another procedural difference is that the TTAB decides its cases upon an entirely written record. There is no live testimony before the trier of fact. TBMP § 102.03 (“The principal difference [between the TTAB and a District Court] is that proceedings before the [TTAB] are conducted in writing, and the [TTAB’s] actions in a particular case are based upon the written record therein.”). *See also id.* at § 502.03 (oral argument by counsel permitted only by order of the TTAB). This severely limits the TTAB’s ability to evaluate the credibility of witnesses and limits the engagement between the judge and the parties.

For the same reasons, the view of the United States in this case is incomplete. The rule urged by the United States would require district courts to examine the basis for the likelihood of confusion finding in the TTAB and before the district court (*i.e.*, whether the inquiry focused on the actual use or scope of registration of each party in each tribunal), and to give preclusive effect to the TTAB's finding when the latter is the same as, or a subset of, the former. What this formulation overlooks, however, is that a challenged application or registration in a TTAB proceeding will almost *never* examine the alleged junior user's actual use in the same manner as would the district court. In nearly all cases, the context in which the question is presented in each tribunal will render the issues too different to provide an adequate basis for preclusion.

Were this Court to adopt the United States' position, there would be a substantial negative effect on the now-straightforward administrative proceedings before the TTAB. In order to preserve their position in future civil litigation, parties would likely try to introduce all of the evidence that would normally be considered by a court, and ask the TTAB to assess not only the registrability of the mark but also the prospects for confusion when the mark is used in the marketplace. Not only would this result run counter to decades of TTAB practice and procedure, but it also would risk turning TTAB proceedings – which are meant to be efficient and relatively inexpensive – into full-blown court-like battles (and it is not at all clear that the TTAB would countenance that result). Likewise, district courts would frequently be required to engage in detailed preclusion analyses. This Court should prevent these results by recognizing that, given the different issues posed in TTAB and court proceedings, preclusion

should never apply to determinations on the likelihood of confusion.

2. The Remedies Available In TTAB *Inter Partes* Proceedings Do Not Incentivize Parties To Litigate Robustly.

Because the TTAB does not have the power to enjoin a party's *use* of its mark, and because challengers may be willing to live with a conflicting registration pending a determination of whether the mark is actually causing confusion in the marketplace, both parties' incentives to litigate before the TTAB are vastly diminished as compared to the incentive to litigate aggressively in district court. The TTAB cannot, but a district court can, prevent the use of a mark or award damages and attorneys' fees.

This Court has long recognized that a mismatch in remedies, and thus a difference in incentives between two proceedings, is a reason to allow relitigation of an issue. *See, e.g., Parklane Hosiery Co., Inc. v. Shore*, 439 U.S. 322, 330 (1979) (recognizing that collateral estoppel "may be unfair" to a defendant where "in the first action [defendant] is sued for small or nominal damages... particularly if future suits are not foreseeable"); *see also* Robert L. Haig, BUSINESS AND COMMERCIAL LITIGATION IN FEDERAL COURTS § 6:13 (discussing importance of estimation of relief available to determine the proper approach to the case). In other words, as commentators have noted in discussing issue preclusion generally, "[i]f there was good reason not to contest an issue vigorously in the first action, and a party did not in fact contest it vigorously, relitigation generally should be allowed."

Wright & Miller § 4423 n.17 (citing *Maciel v. C.I.R.*, 489 F.3d 1018, 1023-1026 (9th Cir. 2007) (holding that issue preclusion should not extend from criminal sentencing to civil litigation against the government)). Moreover, the possibility that a TTAB proceeding would have preclusive effect would eliminate an important avenue for the resolution of disputes concerning registrability. As Wright & Miller observe, “[p]reclusion also may be unwise, for fear that anticipation of preclusion will augment the stakes and the cost of the first litigation.” *Id.*

The TTAB’s remedial power is starkly limited in comparison to the power of a district court in an infringement action. Most importantly, the TTAB lacks the power to enjoin the use of a mark—all it can do is to deny or cancel a federal registration. *Compare* 5 U.S.C. § 1116 (providing for injunctive relief for successful civil action under the Lanham Act) *with id.* §§ 1063 and 1064 (providing for *inter partes* opposition or cancellation of registration); *see also* 15 U.S.C. §1117 (successful civil litigants under the Lanham Act may obtain profits, damages and attorney’s fees). Moreover, the cancellation or denial of registration by the TTAB does not deny the trademark owner’s ability to enforce its use-based rights; as this Court has long recognized, the Lanham Act provides unregistered users of protectable marks to enjoin confusing use or seek damages. *See, e.g., Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992) (affirming award of damages where competitor infringed unregistered trade dress).

For these reasons—which independently bolster the conclusion that preclusion is inappropriate where the TTAB has not decided the same issue—the TTAB will

almost never have provided the litigants in a subsequent infringement action with a full and fair opportunity to dispute the issue of likelihood of confusion.¹²

IV. TTAB FINDINGS GENERALLY SHOULD NOT BE GIVEN DEFERENCE BY DISTRICT COURTS.

Petitioner also argues that the Eighth Circuit erred by refusing to accord deference to the TTAB's likelihood-of-confusion finding. *See* 716 F.3d at 1026. INTA believes that deference should be given only in limited circumstances.

The case upon which Petitioner primarily relies involved the somewhat analogous setting of a district court appeal under 15 U.S.C. § 1071(b)(1), which affords losing TTAB litigants the opportunity for *de novo* review in Article III trial court (as opposed to the parallel TTAB

12. INTA acknowledges that it is theoretically possible for two parties to agree to litigate a case before the TTAB in a matter that is as fulsome as court litigation. *Cf. Special Effects Ltd v L'Oreal* [2007] EWCA Civ 1, at 77 (“We could imagine the possibility that, if issues had been fought in that way in the Registry on an opposition, it might then be properly regarded as an abuse to fight the same issues again in court.”). Even in those cases – which INTA and its members’ represent are extremely rare – the TTAB’s consideration of the evidence will be limited and the TTAB judges will still not have the opportunity to hear live testimony, ask clarifying questions of the witnesses, and assess credibility. Thus, INTA submits that this still would not be a “fair opportunity” given the different procedural mechanisms available in court. Moreover, if this Court were to find that preclusion might apply in such rare cases, it would likely have the effect of making such cases more common, rather than rarer, which would have a highly negative impact on the efficiency, speed and cost of TTAB proceedings.

and infringement proceedings at issue in this case). *See, e.g., American Heritage Life Ins. Co. v. Heritage Life Ins. Co.*, 494 F.2d 3, 10 (5th Cir. 1974) (affirming district court’s rejection of TTAB finding that mark in suit was inherently distinctive). *See also Board of Regents v. Phoenix Intern.*, 630 F.3d 570, 574 (7th Cir. 2010) (acknowledging “tension” between APA’s “substantial evidence” deference and the parties’ opportunity to present new evidence in a § 1071(b) proceeding); *Aktieselskabet AF 21. November 2001 v. Fame Jeans*, 525 F.3d 8, 12 (D.C. Cir. 2008) (“Although a district court owes a certain degree of deference to the TTAB’s findings of fact, both parties may introduce new evidence in a § 21(b) action.”)

Based on this analogy, the Fifth Circuit in *American Heritage* articulated a standard of deference that requires acceptance of TTAB findings by district courts “unless the contrary is established by evidence which carries thorough conviction.” *American Heritage*, 494 F.2d at 10. The court did not elaborate on this standard, but affirmed the district court’s rejection of the TTAB’s finding on inherent distinctiveness as not clearly erroneous. *Id.* at 11; *see also Freedom Sav. & Loan Ass’n v. Way*, 757 F.2d 1176, 1181–82 (11th Cir. 1985) (affirming district court’s rejection of TTAB fact-finding under the same standard because it had given “most respectful consideration” to the TTAB’s findings); *see also Miguel Torres S.A. v. Cantine Mezzacorona, S.C.A.R.L.*, 108 Fed. Appx. 816, 820 (4th Cir. 2008) (calling TTAB factual determinations “powerful evidence of the presence (or lack thereof) of one or more of the factors” in the likelihood-of-confusion inquiry).

Apart from *American Heritage*, there is little guidance in the caselaw as to the amount of deference

to be given to TTAB findings in subsequent district court litigation. The United States posits that, where the issues are not identical, no deference should be given. Brief for the U.S. at 17. This position has some logical appeal for the same policy reasons as those underlying the test for applying collateral estoppel. As stated above, the likelihood of confusion will rarely, if ever, qualify for deference or estoppel because of the differences in the issue as framed in the respective proceedings. However, where an issue is identical, this position would suggest that some limited degree of deference may be appropriate, notwithstanding the differences in the proceedings.

However, this Court's recent decision in *Kappos v. Hyatt* suggests neither *American Heritage's* "thorough conviction" nor the Administrative Procedure Act's "substantial evidence" standards should apply to TTAB findings in a subsequent district court infringement action, at least where new evidence is introduced, even where the issues are identical. *Hyatt* involved an appeal of a determination of patentability to the district court from the Board of Patent Appeals pursuant to 35 U.S.C. § 145. *Hyatt*, 132 S. Ct. at 1693-94. Under the statute, the applicant could introduce new evidence bearing on patentability in the district court. *Id.* at 1694. The question presented to the Court was whether and how the "substantial evidence" standard announced in *Zurko* applied in a Section 145 proceeding when new evidence was introduced. *Id.* at 1694-95. The Court concluded that no deference was due to the PTO fact findings where additional contradictory evidence was introduced, noting that "the PTO, no matter how great its authority or expertise, cannot account for evidence that it has never seen." *Id.* at 1696. The proper means for according respect to the PTO findings was "through the court's broad

discretion over the weight to be given to evidence newly adduced in the § 145 proceedings.” *Id.* at 1701.

Though made in the context of a direct appeal and one where the inquiries made by the PTO and the district court are identical, the Court’s observations in *Hyatt* nonetheless shed some light on the question of deference in the current proceedings. First, where new facts are presented to the district court relevant to a particular issue, it is clear that no deference is warranted to the TTAB’s analysis of different facts bearing on that issue. Second, the relative weight to be accorded to the TTAB factual analysis is a matter committed to the discretion of the district court.

Logically, where the TTAB and district court are faced with the identical factual issue, a district court should consider the following in assessing the level of deference, if any, to which the TTAB’s finding is entitled: (1) the quantum and quality of pertinent evidence presented to the Board; (2) the quantum and quality of pertinent evidence presented to the court; (3) the extent to which the evidence presented to the Board is consistent with the evidence presented to the court; (4) the quality and depth of the Board’s analysis of the issue; and (5) whether the passage of time or other changes in circumstances since the Board’s decision render the Board’s finding less persuasive. Where substantial new evidence is presented to the court or the new evidence contradicts the evidence before the Board, no deference should be accorded the Board finding.

The considerations of whether to apply collateral estoppel are also relevant here, including whether the TTAB finding was necessary to its ultimate decision and

whether the party opposing deference had a full and fair opportunity to litigate the issue before the Board, due to procedural differences or otherwise. For example as to the latter, a Board determination on the issue of intent may be undermined by the lack of live testimony before the Board. Moreover, for the same reason that an estoppel should not lie, the substantial differences between the Board and court proceedings in the stakes involved will often dictate that no deference be given either.

CONCLUSION

For the foregoing reasons, INTA urges this Court to rule that: (1) TTAB determinations on the likelihood of confusion do *not* have preclusive effect in subsequent civil court proceedings; and (2) district courts should determine, on a case-by-case basis, whether, and to what extent, TTAB's determinations should be afforded deference, but such deference should be limited to fact issues that were identical and fully litigated and should not prevent a party from offering other evidence and arguments that may nevertheless compel a different result.

Respectfully submitted,

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