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Amici Weigh in With SCOTUS on Likelihood of Confusion Determinations by the Trademark Trial and Appeal Board

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As we reported in our July 2 client alert, the Supreme Court has granted a petition for certiorari seeking a determination of whether likelihood of confusion findings by the Trademark Trial and Appeal Board ("TTAB") are entitled to preclusive effect in federal court and, if not, what level of deference, if any, such determinations should be accorded.

Petitioner, B&B Hardware, filed its merits brief on September 4, 2014 asserting that there is no substantive difference between likelihood of confusion for registration purposes and likelihood of confusion for infringement purposes and that, as a result, the TTAB's confusion rulings should be given preclusive effect.

Several amici have since weighed in, including the United States and the International Trademark Association.

Relying on the presumption that preclusion doctrines apply "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," the Solicitor General took the position that the TTAB's likelihood of confusion determinations are "likely entitled to preclusive effect." The Solicitor General rejected each of the Eighth Circuit's grounds for denying issue preclusion, asserting that the difference in tests employed by the TTAB and the Eighth Circuit was of no moment; that disagreement with the weight that the TTAB gave to marketplace context was not a legitimate ground for denying preclusion; and that the burden of persuasion did not differ between the two proceedings.

By contrast, the International Trademark Association ("INTA") asserted that there are real, practical differences between likelihood of confusion determinations in registration proceedings and in infringement actions. Whereas "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," likelihood of confusion determinations in infringement actions regularly turn on marketplace factors, including 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 the goods. Relying on what it described as "significant differences between TTAB proceedings and civil court adjudication of likelihood of confusion," INTA urged the Supreme Court to find that the application of issue preclusion to TTAB confusion determinations is inappropriate. INTA nonetheless advocated affording district courts the discretion "to give evidentiary weight to the TTAB's determination in certain circumstances," e.g., "[i]f 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."

Amicus briefs were also submitted by the American Intellectual Property Law Association and the Intellectual Property Law Association of Chicago. Respondent, Hargis Industries, Inc., will file its merits brief on October 24, 2014. The case is set for argument on December 2, 2014.

Proskauer's False Advertising & Trademark lawyers will continue to monitor this case and will continue to update our clients. The case is *B&B Hardware, Inc. v. Hargis Industries, Inc.*, No. 13-352.