

SCOTUS Opts Not To Remand Case Raising Preclusion Question Answered in B&B Hardware

April 29, 2015

On April 27, the Supreme Court surprisingly denied certiorari in *Escamilla v. M2 Tech., Inc.*, U.S., No. 14-1012 rather than remanding the case for further consideration in light of the High Court's recent decision in *B&B Hardware, Inc. v. Hargis Industries, Inc. et al.*, No. 13-352, 575 U.S. ____ (2015).

The petitioner in *Escamilla* owns the "M2" trademark and sought to enjoin the respondents from continuing to use the mark "M2 Technology" on the grounds that such use was likely to cause confusion with the petitioner's mark. The district court denied the petitioner's claim for injunctive relief finding, among other things, no likelihood of confusion between the marks. On appeal, the petitioner made a number of arguments, including that the Trademark Trial and Appeal Board (TTAB) found (in an adversarial proceeding) that there was a likelihood of confusion between the marks and that the district court erred in failing to give this determination preclusive effect. Although the Fifth Circuit affirmed the district court's finding of no likelihood of confusion without ever opining on the preclusion issue, it had to have rejected the petitioner's preclusion argument in light of the TTAB's prior confusion determination. Such a rejection would have been fully in accord with circuit precedent holding that TTAB decisions *never* have preclusive effect. See *Am. Heritage Life Ins. Co. v. Heritage Life Ins. Co.*, 494 F.2d 3, 9-10 (5th Cir. 1974).

However, such a rejection appears to be at odds with the Supreme Court's recent decision in *B&B Hardware*, wherein the Court held that TTAB likelihood of confusion determinations *can* have preclusive effect so long as (i) the other ordinary elements of issue preclusion are met; and (ii) the usages adjudicated by the TTAB are "materially" the same as those litigated in the infringement action. It is therefore surprising that the Court chose to deny certiorari rather than remand the case to the Fifth Circuit for further consideration in light of *B&B Hardware*.

See the Supreme Court's decision in *B&B Hardware* [here](#).

Proskauer's Trademark lawyers have followed and reported on *B&B Hardware* from its inception:

- [The Stakes in Your TTAB Opposition Proceeding Just Went Way Up: Trademark Trial and Appeal Board "Likelihood of Confusion" Determinations May Have Preclusive Effect in Contemporaneous or Later-Filed Infringement Actions](#) (March 25, 2015)
- [Supreme Court Told That TTAB Preclusion Raises Constitutional Concerns](#) (November 13, 2014)
- [Amici Weigh in with SCOTUS on Likelihood of Confusion Determinations by the Trademark Trial and Appeal Board](#) (September 23, 2014)
- [U.S. Supreme Court Will Decide What Preclusive Effect, If Any, Should Be Given to Likelihood of Confusion Findings by the Trademark Trial and Appeal Board](#) (July 2, 2014)
- [Solicitor General Supports Cert in Case on Preclusive Effect of TTAB Likelihood of Confusion Findings](#) (May 29, 2014)
- [Petition for Certiorari Filed Regarding Preclusive Effect of Likelihood of Confusion Findings by the Trademark Trial and Appeal Board; Supreme Court Invites Solicitor General to Submit Views](#) (Feb. 28, 2014)