No.

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 Petition for a Writ of Certiorari
to the United States Court of Appeals
for the Eighth Circuit

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

Under the Trademark Act of 1946 (Lanham Act), a person generally may neither use nor register a mark that would be "likely to cause confusion" with an existing mark. If a person uses a mark that "is likely to cause confusion" with an existing registered mark, the owner of the registered mark may sue in federal court for trademark infringement. 15 U.S.C. § 1114(1). If a person seeks to register a mark that is "likely . . . to cause confusion" with an existing registered mark, the owner of the existing registered mark may oppose the registration of the new mark before the Trademark Trial and Appeal Board (TTAB). 15 U.S.C. § 1052(d); *see id.* §§ 1063, 1067(a).

In this case, petitioner B&B Hardware, Inc. (B&B), manufactures sealing fasteners and owns the registered mark "SEALTIGHT." Respondent Hargis also manufactures sealing fasteners; it used and sought to register the mark "SEALTITE." The TTAB held that Hargis's mark created a likelihood of confusion with B&B's mark.

The questions presented are as follows:

1. Whether the TTAB's finding of a likelihood of confusion precludes Hargis from relitigating that issue in infringement litigation, in which likelihood of confusion is an element.

2. Whether, if issue preclusion does not apply, the district court was obliged to defer to the TTAB's finding of a likelihood of confusion absent strong evidence to rebut it.

RULE 29.6 STATEMENT

Petitioner has no parent corporation, and no publicly held company owns 10% or more of its stock.

PARTIES TO THE PROCEEDING

In addition to the parties named in the caption, "East Texas Fasteners" and John Does 1-10 were named as defendants in the district court and listed as appellees in the court of appeals. Only Hargis Industries, Inc., appeared as a party.

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PETITION FOR A WRIT OF CERTIORARI

B&B Hardware, Inc., respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Eighth Circuit.

OPINIONS BELOW

The decision of the court of appeals (Pet. App. 1a-20a) is reported at 716 F.3d 1020. The decision of the district court denying petitioner's post-verdict motions (Pet. App. 21a-38a) is reported at 736 F. Supp. 2d 1212. A prior decision of the court of appeals in this case is reported at 569 F.3d 383.

JURISDICTION

The judgment of the court of appeals was entered on May 1, 2013. A petition for rehearing was denied on June 20, 2013 (Pet. App. 39a-40a). The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

Pertinent provisions of the Trademark Act of 1946 (Lanham Act) are reprinted in the Appendix, *infra*, at 72a-74a.

STATEMENT

A. The Lanham Act Allows Likelihood of Confusion To Be Litigated In Specialized Administrative Tribunals And Also In District Courts

This case concerns two of the ways in which the "likelihood of confusion" between two trademarks

may be litigated under the Lanham Act. Those two paths involve different procedures and different decisionmakers, but the same statutory question, expressed in the same statutory language: is one party's mark "likely . . . to cause confusion" with the other party's mark?

1. The first forum that may consider likelihood of confusion is the Trademark Trial and Appeal Board (TTAB). That body consists primarily of administrative trademark judges—specialist adjudicators selected by the Secretary of Commerce—as well as certain high-ranking officials of the Patent and Trademark Office (PTO). *See* 15 U.S.C. § 1067(b).

One of the PTO's duties is to register trademarks. Registration entitles the owner of a trademark to certain legal benefits. But no trademark can be registered if it would create confusion with an existing mark. The statute provides that the PTO may not register an applicant's trademark if it "[c]onsists of or comprises a mark which so resembles a mark registered in the [PTO], or a mark or trade name previously used in the United States by another and not abandoned, as to be *likely*, when used on or in connection with the goods of the applicant, *to cause confusion*." *Id.* § 1052(d) (emphasis added).

Sometimes the PTO will deny an application for registration on the ground of likelihood of confusion. If the PTO determines that the mark appears to be entitled to registration, the PTO will publish the mark in its Official Gazette to solicit opposition. *See id.* § 1062; 37 C.F.R. §§ 2.80, 2.101(c). At that time, the owner of the competing mark (or some other person with standing) may initiate an "opposition" proceeding and raise the likelihood of confusion as a

reason for denying registration. 15 U.S.C. § 1063. If the registration is granted without opposition, the objection may still be raised in a "cancellation" proceeding under certain circumstances. Such a proceeding usually must be brought within five years from the date of registration. *Id.* § 1064. Opposition and cancellation proceedings are known as "*inter partes*" proceedings ("between parties," as opposed to the PTO's *ex parte* review of an application).

Oppositions, petitions for cancellation, and certain other proceedings are decided by the TTAB. "An inter partes proceeding before the Board is similar to a civil action in a federal district court." *TTAB Manual of Procedure* § 102.03, at 100-11. The proceedings are governed by the Federal Rules of Civil Procedure and the Federal Rules of Evidence, with limited exceptions set out in the TTAB's rules. *See* 37 C.F.R. §§ 2.116(a), 2.122(a). *Inter partes* proceedings are generally resolved by a three-judge panel of the TTAB.

In an opposition proceeding, the opposer is the plaintiff. 37 C.F.R. §§ 2.116(b). The opposer bears the burden of proof; if the opposition is not sustained, the registration must issue. 15 U.S.C. § 1063(b).

Decisions of the TTAB may be reviewed in either of two ways. A losing party may appeal directly to the Federal Circuit, or may instead file an action in a federal district court for review of the TTAB's decision. *See* 15 U.S.C. 1071.

2. Parties may also litigate "likelihood of confusion" directly in district court. The Lanham Act creates a civil right of action that allows the owner of a

registered mark to enforce its rights against any infringement that would create a likelihood of confusion. The statute provides for civil liability for "us[ing] in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is *likely to cause confusion*." 15 U.S.C. § 1114(1) (emphasis added).

B. The TTAB Rules That Respondent's Mark Creates A Likelihood Of Confusion With B&B's Mark

This dispute has a lengthy procedural history, most of which is irrelevant to the questions presented. The salient points for resolving those questions are that the TTAB has concluded that respondent's mark creates a likelihood of confusion with B&B's mark, but the Eighth Circuit has allowed respondent to relitigate that question before a jury, on the theory that the TTAB's decision answered a different question and so is not entitled to preclusion.

1. B&B and respondent[1] are both in the fastener business. B&B's signature product is a self-sealing fastener, sold under the name "SEALTIGHT," which is designed to seal any hole using a metal screw and a rubber washer. In 1990, B&B applied to register the mark "SEALTIGHT" for use on its fasteners. *See* Pet. App. 42a. No one opposed the application, and registration was granted in 1993. *Id.* at 42a n.1.

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[1] Respondent Hargis Industries does business as Sealtite Building Fasteners, which appears to have no separate corporate existence but is named as a party in some pleadings. This petition refers to Hargis/Sealtite as "respondent."

In 1996, respondent applied to register the mark "SEALTITE" for use on its own sealing fasteners (metal screws with rubber washers). *Id.* at 42a. Respondent initially asserted that it had used the mark since 1989, but it later withdrew that claim and asserted that it first used the mark in 1992, after B&B had already applied to register its mark.

B&B filed an opposition to respondent's application with the TTAB and an infringement action against respondent in federal district court (a different action from this case). The TTAB opposition proceeding was largely stayed while the infringement action proceeded.

The infringement action ended in judgment for respondent. *See B&B Hardware, Inc. v. Hargis Indus., Inc.*, 252 F.3d 1010 (8th Cir. 2001). That judgment, however, did not resolve the issues at stake before the TTAB (and in this proceeding). The district court did not decide whether respondent's mark created a likelihood of confusion. Instead, it rested on the notion that B&B's mark was "merely descriptive"; because B&B's mark has now become incontestable, that issue is no longer in the case. *See* Pet. App. 47a-48a.

2. The opposition proceeding resumed before the TTAB.[2] In discovery, respondent admitted that

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[2] In addition, respondent brought a separate proceeding before the TTAB to cancel B&B's registration. The TTAB initially thought that principles of issue preclusion required it to grant that cancellation application. *Sealtite Building Fasteners v. Bogatz*, Cancellation No. 26,016, 2002 WL 1453606 (TTAB July 1, 2002). On reconsideration, however, the TTAB recognized that respondent's cancellation petition was untimely, *see* 15 U.S.C. § 1064(c)(1), and denied it.

there had been actual incidents of customer confusion between B&B's "SEALTIGHT" fasteners and respondent's "SEALTITE" fasteners. B&B accordingly commenced this case, a civil action for infringement against respondent, in district court. *See infra* Section C.

Respondent contended that the previous judgment barred B&B from proceeding before the TTAB. The TTAB agreed that the district court's judgment was preclusive in one respect: it precluded B&B from relying on any common law rights, as distinct from the federal statutory rights of a registered trademark owner. Pet. App. 54a-55a. But because the district court had not ruled on the likelihood of confusion, B&B was not precluded from seeking a decision on that issue. *See id.* at 47a-48a; *B&B Hardware, Inc. v. Sealtite Building Fasteners*, Opposition No. 91155687, 2004 WL 1776636, at *3 (TTAB Aug. 6, 2004).

3. In 2007, following extensive discovery and deposition testimony subject to cross-examination, *see* Pet. App. 43a-44a, the TTAB sustained B&B's opposition and denied respondent's attempt to register the mark "SEALTITE." *Id.* at 41a-71a. The TTAB concluded that because the marks were "substantially identical" and "used on closely related products," respondent's mark was likely to cause confusion with B&B's. *Id.* at 70a.

The TTAB's decision reflected a balancing of the numerous factors that, under TTAB and Federal Circuit precedent, inform the likelihood-of-confusion analysis. Pet. App. 55a (citing *In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357 (C.C.P.A. 1973)). The TTAB concluded that the marks are highly similar,

id. at 56a-57a; that the goods are similar enough that the similar marks would confuse consumers, *id.* at 61a-62a; and that there was evidence of actual consumer confusion, even if not "especially compelling" evidence. The TTAB acknowledged that B&B's mark is not famous and that the parties' products move in different channels of trade, which cut in respondent's favor. *Id.* at 55a-56a, 62a-64a. Considering all the factors, but giving particular weight to the similarity of the marks and of the goods, the TTAB found a likelihood of confusion. *Id.* at 70a-71a. At the end of its decision, the TTAB added: "To the extent that any doubts might exist as to the correctness of our likelihood of confusion analysis, especially considering the prior determination that [B&B's] mark is merely descriptive and has not acquired secondary meaning, we resolve such doubts against [respondent]." *Id.* at 71a.

Respondent did not appeal the TTAB's decision to either the Federal Circuit or a district court.

C. The Eighth Circuit Disagrees With The TTAB's Finding Of Likelihood Of Confusion

The action then returned to district court, where B&B pressed its trademark-infringement action against respondent. Both the district court and, on appeal, a divided panel of the Eighth Circuit refused to accord preclusive effect to the TTAB's decision.[3]

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[3] Respondent raised a claim-preclusion defense, but the Eighth Circuit ruled that the judgment in the first civil action did not preclude B&B from bringing a new infringement action once its right to use its mark became incontestable under 15 U.S.C.

1. Before trial, B&B sought summary judgment based on the preclusive effect of the TTAB's decision on likelihood of confusion. The district court refused to grant summary judgment. Pet. App. 27a.

The case proceeded to trial. B&B sought to introduce the TTAB's decision into evidence. The district court precluded its admission. *Id.* at 3a, 28a-29a. The jury was told only of the TTAB's ultimate conclusion.

The jury found for respondent on the trademark-infringement claim.[4] B&B filed post-judgment motions, again seeking to have the TTAB's decision treated as preclusive or at least admitted into evidence. The district court denied those motions. Pet. App. 27a-29a.

The district court's sole rationale for rejecting preclusion was that "the findings were made by the TTAB" and not "affirmed by . . . an Article III court." *Id.* at 28a. The district court also reiterated its decision to bar the TTAB's decision from evidence, principally because "not all of the factors" that the TTAB relied upon are factors in the Eighth Circuit's own multi-factor test for likelihood of confusion. *Id.* at 28a-29a.

Finally, the district court assessed both costs and attorney's fees against B&B, under the Lanham Act's attorney's-fee provision. The court found that B&B's Lanham Act claim was so extraordinary as to justify awarding fees against B&B. Dkt. No. 242.

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§ 1065. *See B&B Hardware, Inc. v. Hargis Indus., Inc.*, 569 F.3d 383, 388 (8th Cir. 2009).

[4] The jury also found for respondent on other claims and counterclaims not at issue here. Pet. App. 21a-22a.

2. On appeal, a divided panel of the Eighth Circuit affirmed. Pet. App. 1a-20a.

The panel majority refused to apply issue preclusion because it thought "the same likelihood-of-confusion issues were not decided by the TTAB as those brought in the action before the district court." Pet. App. 7a. No other element of preclusion was at issue. *Id.* at 8a.

The Eighth Circuit noted that the TTAB applies the thirteen-factor *DuPont* test for likelihood of confusion, whereas the Eighth Circuit has its own six-factor test, set out in *SquirtCo v. Seven-Up Co.*, 628 F.2d 1086 (8th Cir. 1980), and only "some" of the factors overlap. Pet. App. 8a-9a. The majority viewed the TTAB as having given inadequate weight to "the marketplace usage of the marks and products." *Id.* at 10a. The panel majority acknowledged that the TTAB had *considered* the "market usage of the products," *id.* at 9a, but had held those facts to be outweighed by the similarity of the marks and the goods, *id.* In the Eighth Circuit's view, the evidence of "marketplace usage" was "critical" to the issue before it, and so the TTAB's approach was not "appropriate" to an infringement proceeding. *Id.* at 10a.[5]

The majority also added an observation about the burden of proof. It gave some citations for the proposition that a party's "failure to carry the burden of persuasion" in one proceeding is not preclusive in a second proceeding where that party does not have

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[5] The court of appeals did not endorse the district court's apparent view that TTAB decisions may never be preclusive. *See id.* at 7a (noting that applying collateral estoppel to administrative tribunals' decisions "may be appropriate," but only "[a]ssuming" that TTAB rulings "may be entitled to preclusive effect").

the burden. Pet. App. 10a-11a (citations omitted). "Thus," it observed, "the fact that [respondent] was unable to overcome B&B's challenge to the registration of [respondent's] mark on the basis of likelihood of confusion does not establish that B&B can meet its burden of persuasion for trademark infringement purposes." *Id.* at 11a.

The majority also rejected B&B's claims for lesser relief. It declined to instruct the district court to give greater deference to the TTAB's findings (finding B&B's case citation distinguishable). *Id.* at 11a-12a. And it sustained the district court's decision to exclude the TTAB's opinion, reiterating the view that the issues before the TTAB were different from the issues before the district court. *Id.* at 12a-13a.

Finally, the majority sustained the award of attorney's fees against B&B. Even though the TTAB had ruled in B&B's favor, the panel nonetheless characterized B&B's Lanham Act claim as sufficiently "groundless" to warrant an award of fees. Pet. App. 14a. The panel did reduce the award slightly, because the district court erroneously awarded fees even for an appeal on which B&B prevailed, *id.*; the district court has now entered judgment against B&B for more than $540,000 in attorney's fees. Dkt. No. 310.

3. Judge Colloton dissented. Pet. App. 14a-20a. He warned that the majority's rule was "tantamount to holding that a finding of the [TTAB] on likelihood of confusion will never be preclusive in an infringement action." *Id.* at 18a.

Judge Colloton concluded that the issues before the TTAB and the district court were in fact the same.

Id. at 17a-19a. That the TTAB relied on different factors than the ones recited in the Eighth Circuit's *SquirtCo* precedent reflects only a "[m]odest difference in analytical approach," not a full-scale rupture between two different concepts of likelihood of confusion." *Id.* at 17a. The TTAB did look at the "entire marketplace context"; while it weighed that factor differently than the Eighth Circuit would, that is no reason to deny preclusion, Judge Colloton stated. *Id.* at 18a. Indeed, he noted, every one of the various federal judicial circuits has a different test for likelihood of confusion, each with its own list of factors—yet one circuit's decision still has preclusive effect in another, as between the same parties. *Id.* at 17a-18a.

Ultimately, Judge Colloton stated, the panel majority simply *disagrees with* the TTAB's analysis, based on its own precedent. But "issue preclusion prevent[s] relitigation of wrong decisions just as much as right ones. Otherwise, the doctrine[] would have no effect and be useless." *Id.* at 19a (citing *Clark v. Clark*, 984 F.2d 272, 273 (8th Cir. 1993)).

Judge Colloton also refuted the panel majority's observation about the burden of proof. In this case, he stated, "the burden of persuasion was not material to the [TTAB's] decision." *Id.* The TTAB mentioned it in a single sentence, only after the TTAB had completed its analysis, and only "[t]o the extent that any doubts might exist." *Id.* At most, therefore, it was "an alternative holding based on an uncertain contingency," and it could not undermine the preclusive effect of the TTAB's decision. *Id.* at 20a.

Finally, Judge Colloton rejected the district court's different, even more categorical holding that TTAB

decisions may never be preclusive because the TTAB is an administrative body. *Id.* at 16a.

4. The court of appeals denied rehearing. Pet. App. 39a-40a.

REASONS FOR GRANTING THE WRIT

Under the law of judgments, litigants get *one* full and fair opportunity to litigate a particular legal issue. Once that issue is litigated to final judgment, the first tribunal's decision binds all other subsequent tribunals deciding the same issue. In this case, the Eighth Circuit disregarded that bedrock principle by declaring that the issue before it had *not* previously been decided—even though under the Lanham Act, both the TTAB and the district court were to decide whether respondent's mark was "likely to cause confusion" with B&B's. After taking extensive evidence and considering the marketplace context, the TTAB decided that respondent's mark would cause confusion. By allowing respondent to re-litigate the same issue, the Eighth Circuit created a split with the Federal Circuit and several other regional circuits, which themselves have varying approaches—under all of which B&B would have prevailed. Moreover, the Eighth Circuit seriously misapplied the law of judgments. This Court should grant review to resolve the conflict and correct the error on this important and recurring issue.

I. The Court of Appeals' Decision Conflicts With Decisions Of Other Courts Of Appeals

The Eighth Circuit refused to apply collateral estoppel primarily because it thought that the "likeli-

hood of confusion" issue that the TTAB considers is somehow different from the "likelihood of confusion" issue that infringement litigation presents. That decision creates an intolerable conflict among the appellate courts. First, the TTAB itself and its reviewing court, the Federal Circuit, treat the "likelihood of confusion" issue as identical in both contexts. District court judgments in infringement actions get preclusive effect before the TTAB and Federal Circuit, but under the Eighth Circuit's ruling, the TTAB's judgments will not get preclusive effect in district court. Those approaches cannot be reconciled. Either "likelihood of confusion" presents the same issue in both forums, in which case the first decision is preclusive (whether by the TTAB or a district court), or the issues are not the same, in which case no preclusion should apply in either forum. If A equals B, then B must equal A. This Court should decide whether preclusion runs both ways, or neither.

Second, the Eighth Circuit stands alone in refusing to accord either preclusive effect or heavy weight to the TTAB's judgments in "likelihood of confusion" cases like B&B's. The Second, Third, and Seventh Circuits have all endorsed preclusion under these circumstances—although they are divided among themselves about where to draw the line. Two other circuits, the Fifth and Eleventh, would deny preclusion but afford the TTAB's decision a heavy presumption of correctness. While B&B would win reversal under the approach of any of those five other circuits, the differences in approach further heighten the need for this Court's review of the questions presented.

A. The Eighth Circuit Will Not Give Preclusive Effect To TTAB And Federal Circuit Decisions, But The TTAB And Federal Circuit Routinely Give Preclusive Effect To District Court Judgments

The Eighth Circuit concluded that "likelihood of confusion" means different things to the TTAB, in cancellation proceedings, and to district courts (or at least to district courts in the Eighth Circuit), in infringement proceedings. As Judge Colloton pointed out, that is "tantamount to holding that a finding of the Trademark Board on likelihood of confusion will never be preclusive in an infringement action." Pet. App. 18a.

But where the Eighth Circuit sees divergence, the TTAB and the Federal Circuit see perfect identity. The TTAB regularly applies preclusion to district courts' "likelihood of confusion" findings, because the TTAB believes it *is* deciding the same issue that district courts decide. And the Federal Circuit, which has direct appellate authority over TTAB decisions, has ratified the TTAB's approach. The conflict between the Eighth Circuit and the Federal Circuit introduces a significant asymmetry into federal trademark practice, which alone is a sufficient basis for review by this Court.

In a long line of decisions, from the 1960s to just a few months ago, the TTAB has consistently been willing to give preclusive effect to a district court's "likelihood of confusion" finding. *See, e.g.*, *Midland Cooperatives, Inc. v. Midland Int'l Corp.*, 421 F.2d 754, 756 (C.C.P.A. 1970) (district court found no likelihood of confusion, and TTAB accordingly held the losing party "estopped" from relitigating that issue);

Black Box Corp. of Pa. v. Betterbox Commc'n, Opposition Nos. 91107800 & 91107801, 2003 WL 22969340, at *3-4 (TTAB Dec. 11, 2003); *Bros. Research Corp. v. Dura Lube, LLC*, Opposition No. 91101367, 2006 WL 1968613, at *5 (TTAB July 5, 2006); *GMA Accessories, Inc. v. Dorfman-Pac. Co.*, Opposition No. 91196926, at 9-11 (TTAB June 7, 2013) ("The likelihood of confusion issue presented here is identical to that presented in the civil suit, involving the same marks and the same parties. . . . Where the findings of the federal court regarding likelihood of confusion are binding on the Board, the parties may not now relitigate the likelihood of confusion issue before the Board.").

Throughout that time period, the Federal Circuit and its predecessor have held that the TTAB's approach is the correct one. For instance, in *Midland Cooperatives*, the Court of Customs and Patent Appeals agreed that the "likelihood of confusion" issue had been "competently resolved" in infringement litigation in district court, and that there was "no other alternative" but to dismiss the TTAB proceedings on preclusion grounds because the party that had lost in district court was seeking to relitigate the same issue. 421 F.2d at 758.[6] Similarly, in *Mother's Restaurant Inc. v. Mama's Pizza, Inc.*, 723 F.2d 1566 (Fed. Cir. 1983), the TTAB accorded preclusive effect to a *state* court judgment finding no likelihood of confusion. The Federal Circuit affirmed: the issue of "confusing similarity" was the same, the court held, so "a trial in connection with the cancellation petition

[6] Decisions of the Court of Customs and Patent Appeals remain binding on the Federal Circuit. *See South Corp. v. United States*, 690 F.2d 1368, 1369, 1370 (Fed. Cir. 1982) (en banc).

would only be a replay of the state court proceedings." *Id.* at 1570. The court of appeals emphasized that "[t]he prime purpose of the doctrine of issue preclusion is to avoid this type of repetitious litigation." *Id.* *See also Jet, Inc. v. Sewage Aeration Sys.*, 223 F.3d 1360, 1365-66 (Fed. Cir. 2000) (remanding for the TTAB to consider issue preclusion and citing both *Mother's* and *Midland* for the proposition that a judicial finding of likelihood of confusion "will allow issue preclusion to operate, if the issues are indeed identical").[7]

Thus, while the Eighth Circuit may think the TTAB in cancellation cases is deciding (and the Federal Circuit is reviewing) a different question from the one presented in infringement litigation, the TTAB and the Federal Circuit are firmly of the opposite view. The TTAB and Federal Circuit have repeatedly treated opposition proceedings before the Board as involving the very same "likelihood of confusion" issue that district courts face in infringement litigation. Thus, the TTAB and Federal Circuit would undoubtedly have treated a district court decision on likelihood of confusion as preclusive, if it had

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[7] The Federal Circuit has recognized that sometimes, as a factual matter, litigation before the TTAB involves a broader class of goods than an infringement litigation over a particular product, in which case the TTAB may find confusion where a district court finds none. *See, e.g.*, *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, 719 F.3d 1367, 1373-74 (Fed. Cir. 2013). But the Federal Circuit noted that a district court finding of likely confusion *would* bind the TTAB. *Id.* at 1374. Furthermore, there was no such difference in scope between the TTAB and district court proceedings here, and the Eighth Circuit did not hold that there was; instead, it held that as a *legal* matter the TTAB had answered a different question than the one before the district court. *See* Pet. App. 10a.

come first.[8] The Eighth Circuit should have afforded the TTAB's decision the same respect.

B. The Eighth Circuit's Decision Also Conflicts With Decisions Of Other Regional Circuits

The Eighth Circuit is alone among the regional circuits in its view that "likelihood of confusion" necessarily means different things before the TTAB and the district courts. Other circuits have routinely accorded preclusive effect to TTAB decisions on the likelihood of confusion. The Second Circuit has taken a somewhat different, more fact-sensitive approach, but the TTAB's decision in B&B's case plainly would meet the Second Circuit's standard for issue preclusion. And two other circuits, even while denying preclusion, have accorded precisely the type of deference to TTAB findings that the court of appeals rejected in this case. The split among the regional circuits therefore is not only multidimensional, it was outcome-determinative in this case.

1. The Third and Seventh Circuits Have Applied Issue Preclusion Under Identical Circumstances

The Third and Seventh Circuits have unambiguously accorded preclusive effect to TTAB decisions on the likelihood of confusion. As Judge Colloton emphasized, these cases would alone be enough to create a circuit conflict.

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[8] In fact, respondent itself sought to rely on preclusion before the TTAB. *See* p. 6, *supra*. But the district court did not decide likelihood of confusion in the first action, so respondent could not benefit from issue preclusion on that question. *See* Pet. App. 47a-48a.

In *Jean Alexander Cosmetics, Inc. v. L'Oreal USA, Inc.*, 458 F.3d 244 (3d Cir. 2006), *cert. denied*, 549 U.S. 1305 (2007), the Third Circuit extensively examined the applicability of issue preclusion and concluded that a Lanham Act litigant was precluded by the TTAB's prior finding on likelihood of confusion. In particular, the Third Circuit recognized that the legal issue before the two tribunals was the same.

Before the TTAB, L'Oreal petitioned to cancel Jean Alexander's registration on grounds of likelihood of confusion; the TTAB denied the petition, concluding (among other things) that there was no likelihood of confusion between L'Oreal's mark and Jean Alexander's. *Id.* at 246-47. Jean Alexander then sued L'Oreal for infringing its mark. The district court and the Third Circuit both held that the TTAB's finding on likelihood of confusion precluded Jean Alexander from bringing the infringement action.

"Having raised and litigated this specific claim" concerning likelihood of confusion before the TTAB, the Third Circuit wrote, "Jean Alexander cannot now avoid the Board's determination of it because its own interests *or the litigation context* ha[s] changed." *Id.* at 256 (emphasis added). The identity of the issue was key to the Third Circuit's decision. Indeed, although Jean Alexander did not contest that it had actually litigated the same issue, *see id.* at 249, the Third Circuit nonetheless took pains to examine exactly what the TTAB had considered, because likelihood of confusion was only one of the alternative grounds on which the TTAB had ruled. The Third Circuit emphasized that because the same issue had been "actually litigated" before the TTAB and, indeed, had been central to those proceedings, it was

appropriate to apply issue preclusion even though the TTAB had ruled on other grounds as well. *Id.* at 254. Failing to apply preclusion against Jean Alexander, the court concluded, "would significantly weaken the principle that 'later courts should honor the first actual decision of a matter that has been actually litigated.'" *Id.* (quoting 18 Charles Alan Wright et al., *Federal Practice and Procedure* § 4416, at 386 (2d ed. 2002)).

The Seventh Circuit has reached a similar conclusion and applied preclusion to the TTAB's findings on lack of confusion. *EZ Loader Boat Trailers, Inc. v. Cox Trailers, Inc.*, 746 F.2d 375 (7th Cir. 1984). Just as in this case, the TTAB denied a trademark registration based on likelihood of confusion. *Id.* at 376. The Federal Circuit affirmed. *Id.* EZ, which lost before the TTAB, contended that the TTAB was not authorized to decide the question of infringement under the Lanham Act. *Id.* at 377-78. That did not matter, the Seventh Circuit held, because the TTAB did decide the *issue* in question—"whether a likelihood of confusion exists between EZ's and Cox's marks." *Id.* at 377.[9] And the TTAB examined "not only the marks in isolation," but also evidence of the marketplace context in which they were used. *Id.* at 379. Accordingly, the Seventh Circuit concluded that EZ had had a full and fair opportunity to litigate the same issue before the TTAB, and should not have

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[9] *See also EZ Loader Boat Trailers, Inc. v. Cox Trailers, Inc.*, 568 F. Supp. 1229, 1230-31 (N.D. Ill. 1983) (discussing in further detail why "the identity of issues prong of the collateral estoppel test has been met"), *aff'd*, 746 F.2d 375 (7th Cir. 1984).

another chance to litigate the issue in federal district court.[10]

If this action had proceeded in the Third or Seventh Circuits, preclusion would have applied and B&B would have prevailed. Under *Jean Alexander* and *EZ Loader*, respondent could not have prevailed on its argument that "likelihood of confusion" in district court and "likelihood of confusion" before the TTAB present different issues.

2. The Second Circuit Has Applied A Distinct Approach That Would Require Preclusion On The Facts Of This Case

Both the panel majority and Judge Colloton in dissent sought support from the Second Circuit's approach to the preclusion issue. Pet. App. 10a, 18a. But Judge Colloton correctly understood that the Second Circuit's rule favors B&B in this case. As a way of ensuring that the issues before the TTAB and the district court truly are the same, the Second Circuit

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[10] Although the Seventh Circuit in *EZ Loader* referred to giving preclusive effect to the Federal Circuit's decision affirming the TTAB, rather than to the TTAB's decision, the Seventh Circuit's reasoning is equally controlling when the litigant that loses before the TTAB decides to *forgo* either of the statutory avenues of judicial review. The Seventh Circuit's reasoning focused on the TTAB's "acting in a judicial capacity" to decide the same issue raised in the infringement action. *Id.* at 377, 378. Courts in the Seventh Circuit thus have read the decision as *requiring* that a TTAB decision receive preclusive effect, whether or not it was appealed. *See, e.g.*, *Brandt Indus., Ltd. v. Pitonyak Mach. Corp.*, No. 1:10-cv-0857, 2012 WL 3257886, at *8 n.7 (S.D. Ind. Aug. 8, 2012); *see also, e.g.*, *C&N Corp. v. Kane*, No. 12-C-0257, 2013 WL 2947777, at *1, *6-8 (E.D. Wis. June 14, 2013) (according preclusive effect to a TTAB decision on likelihood of confusion that was not appealed).

asks whether the TTAB heard evidence about the likelihood of confusion in the entire marketplace context. Here it did, as Judge Colloton stated. *Id.* at 18a. The Second Circuit's test does *not* make preclusion turn on whether the TTAB elevates evidence of marketplace context above all other factors, as the majority here thought.

The Second Circuit's test is set out most fully in *Levy v. Kosher Overseers Ass'n of Am.*, 104 F.3d 38 (2d Cir. 1997). As the Second Circuit explained, endorsing the view of the leading treatise in the field, "where the [TTAB] has indeed compared conflicting marks in their *entire marketplace context*, the factual basis for the likelihood of confusion issue is the same, the issues are the same, and collateral estoppel is appropriate." *Id.* at 42 (quoting 4 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 32:1[2], at 32-125 (3d ed. 1996) (*McCarthy*)); *see also* 6 *McCarthy* § 32:101, at 32-231 (4th ed. 2012).

The Second Circuit's test rules out collateral estoppel in cases where the TTAB looks at the marks divorced from their marketplace context. Thus, for instance, in *Jim Beam Brands Co. v. Beamish & Crawford Ltd.*, 937 F.2d 729 (2d Cir. 1991), the TTAB "only compared the typewritten names and sounds of the two trademarks." *Levy*, 104 F.3d at 42. Similarly, in *Levy*, "the TTAB relied solely on a visual examination of the two marks." *Id.* To warrant preclusion, "the TTAB or the Federal Circuit must have taken into account, in a meaningful way, the *context* of the marketplace." *Id.* The Second Circuit did not hold that the TTAB must balance the factors the same way that the Second Circuit would, only that it

must look at the marketplace as well as the marks. *See, e.g.*, *Alberto-Culver Co. v. Trevive, Inc.*, 199 F. Supp. 2d 1004, 1012, 1015 (C.D. Cal. 2002) (following the Second Circuit's approach and applying preclusion because "[a]ny fair reading of the [TTAB] and Federal Circuit opinions demonstrates that both . . . meaningfully considered the entire marketplace context in determining the likelihood of confusion issue").

Here, too, the TTAB unquestionably examined the marketplace, not just the marks. *See* Pet. App. 18a (Colloton, J., dissenting). It considered the extent to which B&B and respondent's products "would or could be encountered by the same persons," *id.* at 60a-61a; evidence of actual customer confusion in the market, *id.* at 68a-70a; the effect of segmentation in the fastener market, *id.* at 61a, 64a; and the companies' channels of trade, *id.* at 62a-64a. Under the Second Circuit's standard, B&B would be entitled to preclusion.

3. The Fifth and Eleventh Circuits Withhold Preclusion But Substitute A Form Of Deferential Review

Two other circuits—the Fifth Circuit and its descendant, the Eleventh—follow a 1974 precedent that incorrectly denies preclusive effect to TTAB decisions. That precedent prevents the law of preclusion from developing in those circuits and further strengthens the case for review by this Court. Moreover, those circuits apply a form of deference to the TTAB as a substitute for preclusion. The Eighth Circuit failed even to accord that level of deference to the TTAB's conclusions because it disagreed with the

weight the TTAB gave certain factors. Thus, even adopting the Fifth and Eleventh Circuit's approach would be enough to reverse the judgment below.

Nearly forty years ago, the Fifth Circuit held that TTAB decisions cannot be preclusive. *Am. Heritage Life Ins. Co. v. Heritage Life Insurance Co.*, 494 F.2d 3, 9-10 (5th Cir. 1974). The Fifth Circuit concluded that Congress itself had made TTAB decisions subject to relitigation. The Fifth Circuit thought that TTAB decisions could be reviewed *de novo* on *appeal* to a district court; so, the court reasoned, those decisions can also be relitigated in later suits in district court. *Id.* at 9. The court concluded that the existence of an appeal "in the nature of a trial de novo" in district court "indicates a congressional intent not to invoke the immunizing doctrines of res judicata or collateral estoppel in connection with Patent Office proceedings." *Id.*

Significantly, however, the Fifth Circuit did not authorize full relitigation *de novo*. The court recognized that depriving the TTAB's decision of *all* future effect would waste the agency's "expertise" and disserve the "useful purpose [of] preventing the relitigation of issues properly determined administratively." *Id.* at 9. Accordingly, the Fifth Circuit held that district courts—including those hearing "infringement and cancellation action[s]"—"must" accept the TTAB's "findings as to confusing similarity of marks . . . as controlling unless the contrary is established by 'evidence which, in character and amount carries thorough conviction.'" *Id.* (some internal quotation marks omitted).

Following *American Heritage* as binding precedent,[11] the Eleventh Circuit has likewise held that a TTAB decision is entitled to great weight but not to preclusive effect. *See Freedom Sav. & Loan Ass'n v. Way*, 757 F.2d 1176, 1180, 1181 (11th Cir. 1985). The Eleventh Circuit reiterated that, "out of respect for the expertise of the TTAB," it follows the rule that "the findings of the TTAB *will control* in a subsequent infringement suit unless the contrary is established by evidence that, in character and amount, carries 'thorough conviction.'" *Id.* at 1181 (quoting *American Heritage*, 494 F.2d at 10) (emphasis added).

The Fourth Circuit has followed a somewhat similar approach in an unpublished decision. "At the very least," the Fourth Circuit wrote, the TTAB's "findings should be considered 'powerful *evidence*' of the presence (or lack thereof) of one or more of the factors that must be considered in an infringement action." *Miguel Torres, S.A. v. Cantine Mezzacorona, S.c.a.r.l.*, 108 F. App'x 816, 820 (4th Cir. 2004). Even in that unpublished decision, one judge took the trouble to add his view that the court should "give presumptive validity to the findings of the Patent and Trademark Office which have survived both administrative review and review by the Federal Circuit." *Id.* at 821 (Widener, J., concurring and dissenting).

The Fifth and Eleventh Circuits' rules would require a different outcome in this case. The Eighth Circuit did not treat the TTAB's decision as pre-

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[11] *See Bonner v. City of Prichard*, 661 F.2d 1206, 1207 (11th Cir. 1981) (en banc) (adopting as circuit precedent all Fifth Circuit decisions handed down before the Eleventh Circuit's creation).

sumptively "controlling," nor did it assess the evidence presented at trial under the demanding "thorough conviction" standard.[12] To the contrary, it refused to do so based on its belief that that standard applies only in proceedings to review TTAB decisions. Pet. App. 12a. But the Fifth Circuit specifically held that the deferential standard applies to "infringement and cancellation action[s]" in district court, *American Heritage*, 494 F.2d at 10. And the Eleventh Circuit, following *American Heritage*, likewise has applied the deferential standard in an infringement action. *Freedom Savings*, 757 F.2d at 1179, 1181.

As discussed below, the Fifth and Eleventh Circuits' approach ultimately is inadequate. TTAB decisions are subject to judicial review, but if a litigant does not take that option, the TTAB's decision becomes final. And a final decision by a specialized tribunal should not be second-guessed by a court in a later case, even if that court has a "thorough conviction" that the TTAB has erred. But the sharp divide between those circuits' approach and the Eighth Circuit's rejection of it unquestionably bolsters the need for certiorari review.

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[12] The district court asserted in the alternative that the TTAB's findings failed the "thorough conviction" standard. Pet. App. 28a. The Eighth Circuit did not reach that question. And if this Court were to reverse and remand for application of such a standard, the district court's decision could not stand. For one thing, the jury was never instructed that respondent must meet such an elevated burden of proof, nor did it even have the benefit of the TTAB's actual decision. (Both *American Heritage* and *Freedom Savings & Loan* involved review of judges' decisions following bench trials. *See Freedom Savings*, 757 F.2d at 1179; *American Heritage,* 494 F.2d at 8.)

II. The Eighth Circuit Has Incorrectly Resolved An Important And Recurring Issue

There is only one Lanham Act. Applying the statutory phrase "likely . . . to cause confusion" is the same endeavor, whether it occurs before the TTAB or in district court. To be sure, the TTAB and individual federal courts sometimes differ in construing that statute, just as federal courts regularly do until this Court settles the differences. But those differences do not justify allowing respondent to seek a new answer in district court to a question that a competent tribunal (indeed, an expert one) has already resolved after thorough and fair proceedings.

A. The Eighth Circuit Misapplied The Law Of Preclusion

As this Court has often said, the application of preclusion "is a rule of fundamental and substantial justice" that "serves vital public interests beyond any individual judge's ad hoc determination of the equities in a particular case." *Federated Dep't Stores, Inc. v. Moitie*, 452 U.S. 394, 401 (1981). A particular legal question should be resolved definitively the first time around; the first resolution remains definitive "even if the issue recurs in the context of a different claim." *Taylor v. Sturgell*, 553 U.S. 880, 892 (2008). And the need to respect the first resolution is not "altered by the fact that the judgment may have been wrong." *Federated Dep't Stores*, 452 U.S. at 398.

The court of appeals, however, has adopted a position that would prevent the TTAB's decisions on likelihood of confusion from ever being treated as definitive. Indeed, the logic of the court of appeals' posi-

tion likely would preclude *judicial* decisions from other circuits from being recognized as covering the same issue. Every circuit has its own multifactor balancing test for assessing likelihood of confusion, ranging from six to thirteen factors. Every circuit considers different factors to be the most important. *See* Barton Beebe, *An Empirical Study of the Multifactor Tests for Trademark Infringement*, 94 Calif. L. Rev. 1581, 1582-83, 1598-99 (2006). And every circuit's test is different from the Eighth Circuit's test in some way. *See id.* at 1591 tbl.1 (depicting the circuit's tests in tabular form). Accordingly, as Judge Colloton pointed out in dissent, it is hard to see why the Eighth Circuit's position would not compel courts in that circuit to re-examine *judicial* decisions as well as administrative ones. Pet. App. 17a-18a.

In fact, in this context, rejecting administrative decisions based on a difference in approach is even *less* legitimate than rejecting judicial decisions would be. The Eighth Circuit's elevation of its own approach to the Lanham Act over the TTAB's ignores the proper allocation of interpretive authority. The TTAB is the expert tribunal, appointed by the Secretary of Commerce, with the duty to construe the Lanham Act in the first instance and resolve ambiguities in trademark law. *See, e.g.*, *Kohler Co. v. Moen Inc.*, 12 F.3d 632, 634 (7th Cir. 1993) (applying *Chevron* deference to TTAB rulings); *Buti v. Perosa, SrL*, 139 F.3d 98, 105 (2d Cir. 1998). To the extent that the likelihood-of-confusion test reflects case-by-case policy judgments, they are properly the agency's to make. The Eighth Circuit had no warrant to substitute its own preference for how the various factors should be balanced.

The Eighth Circuit's position is shared by no other court of appeals. Accordingly, it significantly worsens the situation observed by Professor McCarthy in the leading treatise:

> [T]he courts have generally been too ready to deny preclusive status to findings of the Trademark Board. The volume of federal court litigation has become too pressing not to make use of the doctrine of collateral estoppel when the setting calls for it.

6 *McCarthy, supra*, § 32:99, at 32-228 (4th ed. 2013). This case is emblematic of those in which "the setting calls for" preclusion.

B. The Preclusion Question Warrants This Court's Review

Two aspects of the circuit conflict particularly call out for this Court's review. First, the Eighth Circuit's decision creates an invitation to forum-shop in seeking appellate review of TTAB decisions. The Federal Circuit has broadly sustained the TTAB's approach to preclusion; the Eighth Circuit has now effectively rejected it. And both of those courts play a role in reviewing the TTAB: the administrative tribunal's decisions can be appealed either to the Federal Circuit or to a district court, with review by a regional circuit. *See* 15 U.S.C. § 1071. Thus, in any case in which venue is proper in the Eighth Circuit, the TTAB's decision to apply preclusion in line with Federal Circuit precedent can be set aside by a district court that must follow the Eighth Circuit's precedent. Just as this Court often grants review to resolve a conflict between two appellate courts covering the same geographic jurisdiction, a conflict be-

tween the Federal Circuit and another court with concurrent appellate jurisdiction over the same subject matter is particularly deserving of review.

Second, the issue recurs frequently and deserves a nationwide resolution. "By far the most common basis" for rejection of a trademark registration by the PTO is a likelihood of confusion with an existing registered trademark. 3 *McCarthy*, *supra*, § 19:75, at 19-66 (4th ed. 2013). Thus, of the more than 5000 opposition and cancellation proceedings filed with the TTAB every year, a large number will turn on the TTAB's judgment as to likelihood of confusion. And virtually all of those cases potentially can give rise to infringement litigation. Of the more than 3000 trademark cases filed in federal court each year,[13] a significant proportion either have already been before the TTAB or will be. There is already a substantial body of law about when parallel litigation may go forward before those two tribunals simultaneously. *See, e.g.*, *Rhoades v. Avon Prods.*, 504 F.3d 1151, 1162-63 (9th Cir. 2007) (citing cases); *Driving Force, Inc. v. Manpower, Inc.*, 498 F. Supp. 21, 25-26 (E.D. Pa. 1980). Litigants deserve to know whether they will be pressing their cases on likelihood of confusion in one tribunal or two.

III. This Case Is An Appropriate Vehicle To Answer The Questions Presented

There can be no doubt that the questions presented would be dispositive in this case. Indeed, the district

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[13] *See* Administrative Office of the U.S. Courts, *Federal Judicial Caseload Statistics: March 31, 2012*, tbl.C-2, http://www.uscourts.gov/Statistics/FederalJudicialCaseloadStatistics/FederalJudicialCaseloadStatistics2012.aspx.

court treated B&B's likelihood-of-confusion claim as "groundless," with substantial monetary consequences, *see* Pet. App. 14a, despite B&B's meritorious argument that it should have prevailed on preclusion grounds based on the TTAB's ruling without the need to relitigate the issue at trial.

The Eighth Circuit squarely decided this case based on the notion that the "likelihood of confusion" issue was not the same issue that the TTAB resolved. Neither of the potential alternative bases for sustaining its judgment has any merit.

A. To The Extent The Eighth Circuit Relied On A "Burden-Shifting" Rationale, That Rationale Is Also Incorrect And Creates A Circuit Conflict

The Eighth Circuit briefly referred to the notion that preclusion should not apply where the burden has shifted between the proceedings. Pet. App. 10a-11a. Respondent may seek to defend the judgment on that ground. But in fact, B&B bore—and carried—the burden of persuasion before the TTAB. And even if the burden-shifting rationale could apply to the facts of this case, denying preclusion on that basis would create another circuit conflict.

The most fundamental reason that the burden-shifting rationale does not apply is that B&B bore the burden before the TTAB, just as it did in district court. "In an opposition proceeding, the opposer, as the party in the position of a plaintiff, has the burden of proof to establish that [the] applicant does not have the right to register its mark." 3 *McCarthy*, *supra*, § 20:3, at 20-10 (footnotes omitted) That is no less true for likelihood of confusion: "In a likelihood

of confusion case under [15 U.S.C. § 1052(d)], this burden requires an opposer to prove that it has some prior trademark right and that [the] applicant's mark is likely to cause confusion with that trademark." *Id.* § 20:15, at 20-42 (quoting *Life Zone Inc. v. Middleman Group, Inc.*, 87 U.S.P.Q.2d 1952, 1959, 2008 WL 2781162 (TTAB 2008)).

The TTAB's reference to resolving doubts, Pet. App. 71a, speaks only to how it as the decisionmaker chooses to balance the various factors collectively—*not* to who bears the burden of proof. And a difference in analytical approaches to the same issue is not a ground for resisting preclusion.

Second, as Judge Colloton pointed out (*id.* at 19a-20a), even construing the TTAB's final sentence as referring to the burden of proof, that reference made no difference in this case. The TTAB's decision demonstrates that the factors the TTAB found most compelling were proved by sound evidence, and the TTAB gave less weight to factors on which it thought the evidence was less compelling or neutral. *See, e.g.*, *id.* at 67a-68a, 70a.

Finally, even if the TTAB had placed the burden squarely on respondent (which it did not), the significance of that allocation would create its own circuit conflict and heighten the need for this Court's review. The Third Circuit rejected an indistinguishable argument in *Jean Alexander*. In that case, the unsuccessful party before the TTAB asserted in the federal courts that it had not borne the burden and therefore lacked a sufficient incentive to litigate the issue vigorously in that forum. The Third Circuit dismissed that rationale "out of hand." 458 F.3d at 258 n.5.

B. The TTAB's Status As An Administrative Tribunal Does Not Deprive Its Decisions Of Preclusive Effect

The district court appeared to rely on the notion that TTAB decisions are *never* entitled to preclusive effect unless they are reviewed by a federal court and affirmed. *See* Pet. App. 28a. The court of appeals correctly declined to rely on that rationale, *see id.* at 7a, and Judge Colloton ably debunked it. *Id.* at 16a-17a.

As noted above, the Fifth and Eleventh Circuits hold that position, although they mitigate it by applying a strong rule of deference. But that position is no longer tenable, under the law as it has evolved since the Fifth Circuit decided *American Heritage*. During that time, this Court has held that decisions by specialized administrative tribunals presumptively are entitled to preclusive effect. *E.g.*, *Astoria Fed. Sav. & Loan Ass'n v. Solimino*, 501 U.S. 104, 108, 109-10 (1991). And the Fifth Circuit's sole basis for denying preclusion—that the TTAB's judgments may be reviewed in district court—is inadequate to rebut that presumption, for three reasons.

First, the fact that a party could have sought judicial review of a first decision—but did not—is no reason to let that party seek a second decision from a second tribunal. *Federated Dep't Stores*, 452 U.S. at 400-01 (parties must live with the preclusion consequences of their "calculated choice to forgo their appeals"); *accord, e.g.*, *Univ. of Tenn. v. Elliott*, 478 U.S. 788, 792, 797-99 (1986) (affording preclusive effect to an agency decision where the losing party could have sought judicial review, but did not).

Second, the availability of judicial review is a factor *supporting* preclusion: it helps to establish that the first proceeding was sufficiently full and fair to bar a second proceeding. *See, e.g.*, *Kremer v. Chem. Constr. Corp.*, 456 U.S. 461, 484 (1982) (citing the availability of judicial review as a reason why giving preclusive effect to an agency decision affirmed on appeal did not violate the Due Process Clause). Many decisions by trial-level tribunals are reviewable *de novo* on appeal, but those decisions still are indubitably preclusive if they are not appealed. *See, e.g.*, *Ins. Corp. of Ir. v. Compagnie des Bauxites de Guinée*, 456 U.S. 694, 706 (1982) (even default judgments are preclusive in subsequent litigation). The same is true of decisions by a specialized administrative tribunal.

Third, the Fifth Circuit was simply incorrect in suggesting that when a party seeks review of a TTAB decision in district court rather than in the Federal Circuit, the party gets something "in the nature of a trial de novo." *Am. Heritage*, 494 F.2d at 9. As this Court subsequently made clear, courts ordinarily review decisions of PTO tribunals under the deferential "substantial evidence" standard set out in the Administrative Procedure Act (APA). *Dickinson v. Zurko*, 527 U.S. 150 (1999). While parties may submit new evidence to the district court, if they do not do so, the PTO tribunal's decision is reviewed deferentially. *See Cae, Inc. v. Clean Air Eng'g, Inc.*, 267 F.3d 660, 675-76 (7th Cir. 2001); *accord Hyatt v. Kappos*, 625 F.3d 1320, 1336 (Fed. Cir. 2010) (en banc) (stating the "well settled" rule "that a reviewing court must apply the APA's court/agency standard of review to [PTO] fact findings when no new ev-

idence is admitted in a [district court] action"), *aff'd*, 132 S. Ct. 1690 (2012).[14]

This Court has held that giving preclusive effect to an administrative tribunal's findings is fully "harmonious with general principles of collateral estoppel." *United States v. Utah Constr. & Mining Co.*, 384 U.S. 394, 421 (1966). The tribunal in *Utah Construction*, too, was subject to judicial review, under a standard not meaningfully different than the standard that applies to review of TTAB proceedings where no new evidence is adduced. *Id.* at 420. As the Court observed, where "both parties had a full and fair opportunity to argue their version of the facts and an opportunity to seek court review of any adverse findings," there can be "neither need nor justification for a second evidentiary hearing on these matters already resolved as between these two parties." *Id.* at 422.

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"Application of [issue preclusion] is central to the purpose for which civil courts have been established, the conclusive resolution of disputes within their jurisdictions." *Montana v. United States*, 440 U.S. 147, 153 (1979). The Eighth Circuit's decision threatens to render TTAB decisions anything but conclusive. The result will be to double the burden on a trade-

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[14] Both *Zurko* and *Hyatt* involved decisions of the Board of Patent Appeals and Interferences, now known as the Patent Trial and Appeal Board, *see* 35 U.S.C. § 6 & note (Supp. V 2011). That entity is another tribunal within the PTO and is similar to the TTAB in most respects, including the availability of review either in the Federal Circuit or a district court. *See* 35 U.S.C. §§ 141, 145.

mark litigant—whether registrant or opposer, plaintiff or defendant.

This Court has reserved the "ultimate authority to determine and declare" the preclusive effect of a federal judgment. *Taylor*, 553 U.S. at 891. The Court should promptly exercise that authority, resolve the many lines of disagreement among the lower courts, and settle once and for all whether the TTAB may have the last word.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted.

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