

No. 13-352

In the Supreme Court of the United States

B&B HARDWARE, INC., PETITIONER

v.

HARGIS INDUSTRIES, INC., DBA SEALTITE BUILDING
FASTENERS, DBA EAST TEXAS FASTENERS, ET AL.

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

BRIEF FOR THE UNITED STATES AS AMICUS CURIAE
SUPPORTING PETITIONER

NATHAN K. KELLEY
*Solicitor and Deputy
General Counsel*
CHRISTINA J. HIEBER
SCOTT C. WEIDENFELLER
Associate Solicitors
*U.S. Patent and Trademark
Office*
Alexandria, VA 22314

DONALD B. VERRILLI, JR.
*Solicitor General
Counsel of Record*
STUART F. DELERY
Assistant Attorney General
MALCOLM L. STEWART
Deputy Solicitor General
JOHN F. BASH
*Assistant to the Solicitor
General*
MARK R. FREEMAN
SYDNEY FOSTER
Attorneys
Department of Justice
Washington, D.C. 20530-0001
SupremeCtBriefs@usdoj.gov
(202) 514-2217

QUESTIONS PRESENTED

The United States Patent and Trademark Office's Trademark Trial and Appeal Board (Board) determined that respondent was not entitled to register the trademark SEALTITE because respondent's use of that mark was likely to cause confusion with petitioner's previously registered mark SEALTIGHT. Petitioner brought a trademark-infringement action against respondent in federal district court, alleging that respondent's use of its SEALTITE mark was likely to cause confusion with petitioner's mark. The questions presented are as follows:

1. Whether the district court in the infringement action should have given preclusive effect to the Board's likelihood-of-confusion determination.
2. Whether, in the alternative, the district court should have given some measure of deference to the Board's likelihood-of-confusion determination.

TABLE OF CONTENTS

	Page
Interest of the United States	1
Statutory provisions involved.....	1
Statement.....	2
A. Statutory scheme	2
B. Procedural history	6
Summary of argument	14
Argument.....	15
A. The doctrine of issue preclusion applies to Board determinations in opposition proceedings	16
B. Issue preclusion likely barred relitigation of the Board’s likelihood-of-confusion determination	19
C. The court of appeals’ grounds for denying preclusive effect to the Board’s likelihood-of-confusion determination were legally erroneous	28
D. Faithfully enforcing traditional preclusion doctrines is especially important in the trademark context	34
Conclusion.....	35
Appendix — Statutory provisions	1a

TABLE OF AUTHORITIES

Cases:

<i>American Heritage Life Ins. Co. v. Heritage Life Ins. Co.</i> , 494 F.2d 3 (5th Cir. 1974)	18
<i>Asplundh Tree Expert Co. v. Defibrator Fiberboard Aktiebolag</i> , 208 U.S.P.Q. (BNA) 954 (T.T.A.B. 1980)	5
<i>Astoria Fed. Sav. & Loan Ass’n v. Solimino</i> , 501 U.S. 104 (1991)	14, 16, 17, 18
<i>B&B Hardware, Inc. v. Hargis Indus.</i> , 252 F.3d 1010 (8th Cir. 2001)	7

IV

Cases—Continued:	Page
<i>Bose Corp. v. QSC Audio Prods., Inc.</i> , 293 F.3d 1367 (Fed. Cir. 2002).....	31
<i>Bridgestone Ams. Tire Operations, LLC v. Federal Corp.</i> , 673 F.3d 1330 (Fed. Cir. 2012).....	33
<i>Delaware River Port Auth. v. Fraternal Order of Police</i> , 290 F.3d 567 (3d Cir. 2002).....	24
<i>Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc.</i> , 109 F.3d 1394 (9th Cir.), cert. dismissed, 521 U.S. 1146 (1997).....	32
<i>E.I. DuPont DeNemours & Co., In re</i> , 476 F.2d 1357 (C.C.P.A. 1973)	4, 5
<i>EZ Loader Boat Trailers, Inc. v. Cox Trailers, Inc.</i> , 746 F.2d 375 (7th Cir. 1984).....	18
<i>Edwards Lifesciences Corp. v. VigiLanz Corp.</i> , 95 U.S.P.Q.2d (BNA) 1399 (T.T.A.B. 2010)	31
<i>Federated Dep't Stores, Inc. v. Moitie</i> , 452 U.S. 394 (1981).....	15, 19, 30
<i>Freedom Sav. & Loan Ass'n v. Way</i> , 757 F.2d 1176 (11th Cir.), cert. denied, 474 U.S. 845 (1985).....	18, 19
<i>Genesco Inc. v. Martz</i> , 66 U.S.P.Q.2d (BNA) 1260 (T.T.A.B. 2003).....	32
<i>Giant Food, Inc. v. Nation's Foodservice, Inc.</i> , 710 F.2d 1565 (Fed. Cir. 1983).....	20
<i>Hayfield N. R.R. v. Chicago & N. W. Transp. Co.</i> , 467 U.S. 622 (1984)	17
<i>Jump Designs LLC, In re</i> , 80 U.S.P.Q.2d (BNA) 1370 (T.T.A.B. 2006).....	27
<i>KP Permanent Make-Up, Inc. v. Lasting Impres- sion I, Inc.</i> , 543 U.S. 111 (2004).....	3, 6
<i>Kremer v. Chemical Constr. Corp.</i> , 456 U.S. 461 (1982).....	17

Cases—Continued:	Page
<i>Lambert Pharmacal Co. v. Bolton Chem. Corp.</i> , 219 F. 325 (S.D.N.Y. 1915)	32, 33
<i>Lambert Pharmacal Co. v. Mentho-Listine Chem.</i> <i>Co.</i> , 47 App. D.C. 197 (D.C. Cir. 1917).....	33
<i>Leelanau Wine Cellars, Ltd. v. Black & Red, Inc.</i> , 502 F.3d 504 (6th Cir. 2007)	20
<i>Levi Strauss & Co. v. Abercrombie & Fitch Trading</i> <i>Co.</i> , 719 F.3d 1367 (Fed. Cir. 2013).....	23
<i>M2 Software, Inc. v. M2 Communications, Inc.</i> , 450 F.3d 1378 (Fed. Cir.), cert. denied, 549 U.S. 1096 (2006).....	5
<i>Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.</i> , 469 U.S. 189 (1985)	3
<i>Planters Nut & Chocolate Co. v. Crown Nut Co.,</i> <i>Inc.</i> , 305 F.2d 916 (C.C.P.A. 1962)	33
<i>Qualitex Co. v. Jacobson Prods. Co., Inc.</i> , 514 U.S. 159 (1995).....	34
<i>Ring v. Arizona</i> , 536 U.S. 584 (2002).....	22
<i>Smith v. Bayer Corp.</i> , 131 S. Ct. 2368 (2011).....	21, 22
<i>SquirtCo v. Seven-Up Co.</i> , 628 F.2d 1086 (8th Cir. 1980)	12
<i>Taylor v. Sturgell</i> , 553 U.S. 880 (2008).....	16, 20, 34
<i>Two Pesos, Inc. v. Taco Cabana, Inc.</i> , 505 U.S. 763 (1992).....	6
<i>United States v. Stauffer Chem. Co.</i> , 464 U.S. 165 (1984).....	24
<i>United States v. Utah Constr. & Mining Co.</i> , 384 U.S. 394 (1966)	16, 17, 18
<i>University of Tenn. v. Elliott</i> , 478 U.S. 788 (1986).....	17, 18, 21
<i>Wal-Mart Stores, Inc. v. Samara Bros.</i> , 529 U.S. 205 (2000).....	2

VI

Case—Continued:	Page
<i>Yamaha Int’l Corp. v. Hoshino Gakki Co.</i> , 840 F.2d 1572 (Fed. Cir. 1988).....	4, 31

Constitution, statutes and regulations:

U.S. Const. Art. III	12
Trademark Act of 1946 (Lanham Act), 15 U.S.C. 1051 <i>et seq.</i>	2
15 U.S.C. 1051(a)(1)	2
15 U.S.C. 1051(a)(2)	2
15 U.S.C. 1052(d)	<i>passim</i> , 1a
15 U.S.C. 1052(e)(1)	7, 2a
15 U.S.C. 1057(b)	3
15 U.S.C. 1062(a).....	3
15 U.S.C. 1063(a).....	4
315 U.S.C. 1064(1).....	8
15 U.S.C. 1064(3).....	8
15 U.S.C. 1065	3, 3a
15 U.S.C. 1067	1
15 U.S.C. 1067(a).....	4
15 U.S.C. 1071(a).....	6, 4a
15 U.S.C. 1071(b)	6, 19, 6a
15 U.S.C. 1072	3
15 U.S.C. 1114	20
15 U.S.C. 1114(1)(a).....	6, 14, 20, 22, 31, 8a
15 U.S.C. 1114(1)(b).....	20, 23, 8a
15 U.S.C. 1115(a).....	3, 9a
15 U.S.C. 1115(b)	3, 10a
15 U.S.C. 1125(a)(1)(A)	6, 14, 20, 22, 31, 12a
35 U.S.C. 2(a)(1).....	2

VII

Regulations—Continued:	Page
37 C.F.R.:	
Section 2.32(a)(6).....	2
Section 2.32(c).....	2
Section 2.101(b).....	4
Section 2.120(a)(1).....	4
Section 2.122(a).....	4
Section 2.123.....	4
Miscellaneous:	
Anne Gilson LaLonde, <i>Gilson on Trademarks</i>	
(2014):	
Vol. 1.....	2, 3
Vol. 2.....	21, 29
Vol. 3.....	4, 5
H.R. Rep. No. 219, 79th Cong., 1st Sess. (1945).....	34
J. Thomas McCarthy, <i>McCarthy on Trademarks</i>	
and <i>Unfair Competition</i> (2014):	
Vol. 3.....	32
Vol. 4.....	27
18 James Wm. Moore, <i>Moore’s Federal Practice</i>	
(3d ed. 2014).....	24
PTO:	
Off. Gaz. Pat. & Trademark Office (Nov. 5, 2002).....	8
Trademark Manual of Examining Procedure	
(Apr. 2014).....	27
<i>Trademark Trial and Appeal Board Manual of</i>	
<i>Procedure</i> (June 2014).....	4, 32
Restatement (Second) of Judgments (1982).....	19

In the Supreme Court of the United States

No. 13-352

B&B HARDWARE, INC., PETITIONER

v.

HARGIS INDUSTRIES, INC., DBA SEALTITE BUILDING
FASTENERS, DBA EAST TEXAS FASTENERS, ET AL.

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

**BRIEF FOR THE UNITED STATES AS AMICUS CURIAE
SUPPORTING PETITIONER**

INTEREST OF THE UNITED STATES

This case concerns the preclusive effect of decisions of the Trademark Trial and Appeal Board, a tribunal within the United States Patent and Trademark Office, in trademark-infringement suits. 15 U.S.C. 1067. At the Court's invitation, the United States filed a brief as amicus curiae at the petition stage of this case.

STATUTORY PROVISIONS INVOLVED

The pertinent statutory provisions are reproduced in the appendix to this brief. App., *infra*, 1a-12a.

STATEMENT

A. Statutory Scheme

In the Trademark Act of 1946 (Lanham Act), 15 U.S.C. 1051 *et seq.*, Congress created a comprehensive national trademark-registration system and established a federal administrative and judicial framework for protecting trademarks against infringement, dilution, and unfair competition. This case concerns the interaction between two adjudicative provisions of that statutory scheme: the registration provisions, which are administered by the United States Patent and Trademark Office (PTO), and the infringement provisions, which are enforced by civil actions in federal district courts.

1. a. Under the common law of unfair competition, a person acquires rights in a trademark—generally, a word or symbol used to identify goods—through the use of the mark in commerce. 1 Anne Gilson LaLonde, *Gilson on Trademarks* § 3.02[2][a] (2014) (*Gilson*). Once established, those common-law rights enable the owner of the trademark to exclude others from using certain similar marks on goods. See *ibid.*

The Lanham Act confers additional benefits on trademark owners who federally register their marks. See *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205, 209 (2000). The “owner of a trademark used in commerce” may apply to the PTO to register the mark on the PTO’s “principal register.” 15 U.S.C. 1051(a)(1); 35 U.S.C. 2(a)(1). The application must include a description of the goods in connection with which the applicant uses the mark. 15 U.S.C. 1051(a)(2); 37 C.F.R. 2.32(a)(6) and (c). Registration, if approved by the PTO, operates as “prima facie evidence * * * of the [registrant’s] exclusive right to

use the registered mark in commerce on or in connection with the goods * * * specified in the [registration] certificate, subject to any conditions or limitations stated in the certificate.” 15 U.S.C. 1057(b), 1115(a). It also serves as nationwide constructive notice of the registrant’s claim of ownership of the mark, 15 U.S.C. 1072, which forecloses certain defenses in infringement actions. See 1 *Gilson* § 4.02.

A registered trademark can become “incontestable” after five years, at which point its validity can be challenged only on limited grounds. 15 U.S.C. 1065, 1115(b); see *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 117 (2004); 1 *Gilson* § 4.03. For example, although trademarks that are “merely descriptive” of the owner’s goods are generally invalid unless they have acquired “secondary meaning,” *Park ’N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 194 (1985), an incontestable mark cannot be invalidated for mere descriptiveness, 15 U.S.C. 1065, 1115(b).

In determining whether to register a mark, the PTO evaluates whether the mark described in the application for registration “so resembles” an existing 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). If a likelihood of confusion exists, registration must be denied. *Ibid.* But if it appears to a PTO examiner that the applicant is entitled to registration, the mark is published in the Official Gazette of the PTO. 15 U.S.C. 1062(a). “Any person who believes that he would be damaged by the registration of [that] mark” may then “file an opposition in the [PTO]” within a specified period. 15 U.S.C. 1063(a).

b. “Opposition proceedings” take place before the PTO’s Trademark Trial and Appeal Board (Board or TTAB). 15 U.S.C. 1067(a); 37 C.F.R. 2.101(b). Those proceedings are “similar to a civil action in a federal district court,” with the “principal difference [being] that * * * the Board’s actions in a particular case are based upon the written record.” PTO, *Trademark Trial and Appeal Board Manual of Procedure* § 102.03, at 100-12 (June 2014) (TTAB Manual). The Board’s rules incorporate the Federal Rules of Civil Procedure and Federal Rules of Evidence, with certain modifications, and parties may submit oral testimony through transcribed depositions. 37 C.F.R. 2.120(a)(1), 2.122(a), 2.123; TTAB Manual §§ 401, 702.02, at 400-5, 700-12.

The most common ground for opposing registration is that the proposed mark, if registered, would be likely to cause confusion with the opposing party’s own previously used or registered mark. 3 *Gilson* § 9.01[2][a][i]. The party opposing registration—the “opposer”—bears the burden of persuasion on that issue. See *Yamaha Int’l Corp. v. Hoshino Gakki Co.*, 840 F.2d 1572, 1579-1580 (Fed. Cir. 1988); see also TTAB Manual § 702.04(a), at 700-14.

As particularly relevant here, in evaluating whether a likelihood of confusion between the two marks exists, the Board considers evidence of how the marks are used in the marketplace, including the products on which the marks appear and the members of the public to whom the marks are directed. The Board employs the 13-factor test set out in *In re E.I. DuPont DeNemours & Co.*, 476 F.2d 1357, 1361 (C.C.P.A. 1973). Among the factors considered are the similarity or dissimilarity of the marks, goods, and channels

of trade; the “conditions under which and buyers to whom sales are made”; the “fame of the prior mark (sales, advertising, length of use)”; and the “nature and extent of any actual confusion.” *Ibid.*

In conducting that inquiry, however, the Board does not necessarily consider all usages—*i.e.*, goods on which the marks appear and channels of trade used to sell those goods. For the applicant’s mark, the Board considers only those usages disclosed in its application. See, *e.g.*, *M2 Software, Inc. v. M2 Communications, Inc.*, 450 F.3d 1378, 1382-1383 (Fed. Cir.), cert. denied, 549 U.S. 1096 (2006); see also 3 *Gilson* § 9.03[2][a][ii]. For example, if the application discloses the use of a mark on cars, the Board will consider the *DuPont* factors in connection with that usage, but not in connection with the applicant’s use of the mark on bicycles.

Similarly, the Board does not necessarily consider all of the opposer’s usages. When the opposition is based exclusively on a mark previously registered with the PTO, the Board typically reviews only the usages encompassed by the registration. See 3 *Gilson* §§ 9.02[2][l][ii], 9.03[2][a][ii]. An opposer, however, may also assert common-law rights in certain usages not encompassed by its registration. In such cases, the Board bases its decision on how the mark is actually used on the opposer’s products in which it has established common-law rights. See *Asplundh Tree Expert Co. v. Defibrator Fiberboard Aktiebolag*, 208 U.S.P.Q. (BNA) 954, 959 (T.T.A.B. 1980).

After considering the evidence, the Board may accept or refuse registration. Any party that is dissatisfied with the Board’s decision may appeal directly to the United States Court of Appeals for the Federal

Circuit. 15 U.S.C. 1071(a). Alternatively, a party may file a civil action in a district court, where the parties can present additional evidence and the court will review de novo any Board finding for which new evidence is offered. 15 U.S.C. 1071(b).

2. The owner of a registered mark may bring a civil action for infringement in a district court against any person who, without the trademark owner's consent, "use[s] in commerce any reproduction * * * 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, or to cause mistake, or to deceive." 15 U.S.C. 1114(1)(a). A similar cause of action exists for infringement of unregistered marks. See 15 U.S.C. 1125(a)(1)(A); *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 767-768 (1992). In such actions, the plaintiff bears the burden of proving that the defendant's mark is likely to cause confusion. See *KP Permanent Make-Up*, 543 U.S. at 118.

B. Procedural History

Petitioner and respondent each manufacture fasteners (*e.g.*, screws, nuts, and bolts). For the last 18 years, they have engaged in litigation before federal courts and the Board over their respective marks, SEALTIGHT and SEALTITE.

1. In 1993, the PTO granted petitioner a certificate of registration for the mark SEALTIGHT. J.A. 223a (Registration No. 1,797,509). That registration encompasses "threaded or unthreaded metal fasteners and other related hardwar[e]; namely, self-sealing nuts, bolts, screws, rivets and washers, all having a

captive o-ring, for use in the aerospace industry.” *Ibid.* (capitalization altered).

In 1996, respondent sought to register the mark SEALTITE for “self-piercing and self-drilling metal screws for use in the manufacture of metal and post-frame buildings.” J.A. 70a (capitalization altered). The PTO initially refused registration on the grounds that respondent’s mark was likely to engender confusion among consumers in light of petitioner’s phonetically identical mark, 15 U.S.C. 1052(d), and that the mark was merely descriptive, 15 U.S.C. 1052(e)(1). J.A. 76a-79a.

The PTO then temporarily suspended examination of respondent’s application after respondent requested that the Board cancel petitioner’s SEALTIGHT registration. See 4:06-cv-1654 Docket entry No. 91-22 (E.D. Ark. May 3, 2010); U.S. Trademark Application Serial No. 75/129229 (05/21/97 Suspension Letter). The Board initially granted the cancellation request, but it reinstated petitioner’s registration and stayed cancellation proceedings pending resolution of a trademark-infringement suit that petitioner had filed against respondent in the United States District Court for the Eastern District of Arkansas (No. 4:98-cv-372). See Docket entry Nos. 17, 20, Canc. No. 92026016 (T.T.A.B. Oct. 19 and Dec. 9, 1998). In May 2000, a jury in that suit found that petitioner’s mark was invalid because it was merely descriptive and had not acquired secondary meaning. 4:98-cv-372 Docket entry No. 68 (May 12, 2000). The Eighth Circuit affirmed the judgment for respondent. *B & B Hardware, Inc. v. Hargis Indus., Inc.*, 252 F.3d 1010 (2001).

The Board then resumed its consideration of respondent’s request that petitioner’s registration for

SEALTIGHT be canceled. The Board ultimately upheld the registration. J.A. 99a. The Board stated that the Arkansas jury's finding that petitioner's mark was merely descriptive would otherwise be entitled to preclusive effect in the cancellation proceeding. See J.A. 93a-94a. The Board determined, however, that the descriptiveness finding was now legally irrelevant because petitioner's mark had been registered for more than five years and therefore could not be canceled for mere descriptiveness, see 15 U.S.C. 1064(1) and (3). J.A. 96a-99a.

2. a. After the Eighth Circuit's decision, the PTO also resumed its consideration of respondent's application to register SEALTITE. The PTO withdrew its likelihood-of-confusion finding, see U.S. Trademark Application Serial No. 75/129229 (10/3/01 PTO Office Action), and published the mark, see Off. Gaz. Pat. & Trademark Office TM 345 (Nov. 5, 2002). Petitioner then filed a notice of opposition with the Board. See Opp. No. 91155687 Docket entry No. 1 (Feb. 28, 2003).

During the opposition proceedings, both parties presented transcripts of deposition testimony by their corporate officers or employees, and petitioner presented additional testimony of an academic. Pet. App. 43a-44a. Petitioner argued that the six most relevant *DuPont* factors, considered in light of "actual marketplace realities," supported a finding of likelihood of confusion. Opp. No. 91155687 Docket entry No. 40, at 4-18 (Aug. 21, 2006). For example, with respect to the channels-of-trade factor, petitioner pointed out that the largest distributor of fasteners, a company called Fastenal, sold both parties' products. *Id.* at 11. Petitioner also relied on what it characterized as "an abundance of evidence showing actual confusion"

among consumers, including evidence that respondent had received calls from consumers seeking to purchase petitioner's products. *Id.* at 14-16.

Respondent "absolutely agree[d]" that the Board was required to "take into account the realities of the goods * * * in the marketplace." Opp. No. 91155687 Docket entry No. 41, at 18 (Sept. 20, 2006) (citation omitted). It presented testimony about "the difference in the respective products, their uses, and [their] channels of trade." *Id.* at 7. Respondent argued that Fastenal accounts for a miniscule portion of its sales, see *id.* at 11, 22, and that "[t]he evidence of actual confusion is so insubstantial that it is entitled to receive no weight," *id.* at 28. Respondent asserted that, aside from Fastenal, "[t]he parties operate in entirely different channels of trade and distribution," and that "[t]he goods are dissimilar in feature, function and use." *Id.* at 29.

b. After considering the record evidence and the parties' arguments, the Board rejected respondent's application to register its SEALTITE mark, holding that the mark is likely to cause consumer confusion in light of petitioner's SEALTIGHT mark. Pet. App. 55a-71a.

i. The Board first explained that it was declining to consider any of petitioner's products other than those disclosed in its registration. See Pet. App. 54a-55a. Petitioner had argued during the opposition proceedings that its mark was used in connection with a "full range of fasteners," *id.* at 54a., rather than only those disclosed in its registration (*i.e.*, those with leakproof protection and captive o-rings used in the aerospace industry). The Board held that the Arkansas jury's descriptiveness verdict precluded consider-

ation of any usages other than what was disclosed in the registration, because petitioner’s rights in registered usages were the only rights that had become (or could become) incontestable. *Id.* at 55a.¹

ii. The Board then analyzed the relevant *DuPont* factors. On the one hand, the Board found that petitioner’s mark is not famous, Pet. App. 55a-56a, and that (Fastenal aside) the products move in different channels of trade, *id.* at 62a-64a. On the other hand, the Board found that “the marks are substantially similar,” *id.* at 56a; that “[c]onsumers encountering different fasteners under the substantially similar marks * * * may believe that the products are related,” *id.* at 57a-62a; and that the evidence of actual confusion, though “not especially compelling,” lends “support to finding that consumers are likely to believe that the use of similar marks (SEALTIGHT and SEALTITE) in connection with different types of fasteners signif[ies] origin from a single source,” *id.* at 68a-70a. The Board also determined that the evidence about consumers’ degree of care was neutral. *Id.* at 65a-68a.

The Board balanced the competing factors and concluded that a likelihood of confusion exists. Pet. App. 70a-71a. The Board cited as “the most critical factors” in its analysis the “similarities of the marks and the similarity of the goods,” which would lead consumers

¹ One sentence in the Board’s opinion seems to refer to a broader range of fasteners than those specified in petitioner’s registration. See Pet. App. 71a (referring to all “fasteners that provide leakproof protection from liquids and gases” and all “fasteners that have a captive o-ring”). But given the Board’s holding that any broader consideration was barred by issue preclusion, that sentence was likely an error.

to “mistakenly believe that they emanate from the same source.” *Ibid.* The Board added that, “[t]o the extent that any doubts might exist as to the correctness of our likelihood of confusion analysis, especially considering the prior determination that opposer’s mark is merely descriptive and has not acquired secondary meaning, we resolve such doubts against applicant.” *Id.* at 71a.

3. While the Board proceedings were pending, petitioner brought a new infringement action against respondent. That suit was commenced in the Central District of California but was subsequently transferred to the Eastern District of Arkansas. See 569 F.3d 383, 386 n.1 (8th Cir. 2009), cert. denied, 558 U.S. 1113 (2010). The district court initially dismissed the suit as barred by issue preclusion in light of the prior jury verdict. 4:06-cv-1654 Docket entry No. 36, at 9-23 (Sept. 13, 2007). The court of appeals reversed that ruling, however, holding that the jury’s finding that petitioner’s mark was merely descriptive was irrelevant in the current suit now that petitioner’s rights in the registered mark had become incontestable. J.A. 61a-64a.

On remand, petitioner moved for summary judgment. Petitioner argued that the Board’s since-issued decision that respondent’s mark creates a likelihood of confusion about the source of the parties’ products should be given preclusive effect or, in the alternative, some measure of deference. The district court rejected that argument. Pet. App. 27a-28a. The case was tried to a jury, which found that respondent’s mark was not likely to cause confusion and therefore returned a verdict against petitioner on infringement (as well as on other claims not relevant here). *Id.* at 21a-

22a; J.A. 330a. Petitioner moved for a new trial on preclusion grounds, but the district court denied that motion, holding that Board decisions cannot give rise to issue preclusion in a judicial proceeding because the Board is not an Article III court. Pet. App. 27a-28a.

4. The court of appeals affirmed. Pet. App. 4a-13a.

a. The court of appeals assumed without deciding that Board decisions may be given preclusive effect in judicial proceedings. See Pet. App. 7a. The court held, however, that preclusion was “not appropriate here because * * * the same likelihood-of-confusion issues were not decided by the [Board] as those brought in the action before the district court.” *Ibid.*

In so concluding, the court of appeals found it significant that the Board had “used only 6 of the 13 factors from [*DuPont*],” whereas courts in the Eighth Circuit “apply the six-factor test from *SquirtCo* [v. *Seven-Up Co.*, 628 F.2d 1086 (8th Cir. 1980)].” Pet. App. 8a-9a. The court recognized that “some of the [*DuPont*] factors are the same or comparable to the *SquirtCo* factors.” *Id.* at 9a-10a. The court stated, however, that “for collateral estoppel to apply, the [Board] must have examined the entire marketplace context as is done in trademark infringement actions.” *Id.* at 10a (citation and internal quotation marks omitted). The court noted the Board’s finding that some “evidence of marketplace context—that the types of fasteners are different and marketed to vastly different industries and customers—weighed against a finding of likelihood of confusion.” *Ibid.* The court concluded that, because the Board had “placed greater emphasis on the appearance and sound when spoken of the two marks” than on the marketplace context,

the Board had effectively decided a likelihood-of-confusion question that was different from the one presented in the infringement suit. *Ibid.* The court also attached significance to its belief that respondent had borne the burden of persuasion before the Board, whereas petitioner had borne that burden in the infringement action. *Id.* at 10a-11a.

Having concluded that the Board's likelihood-of-confusion determination was not entitled to preclusive effect, the court of appeals further held that the Board's determination was not otherwise entitled to any measure of deference. See Pet. App. 11a-12a.

b. Judge Colloton dissented. Pet. App. 14a-20a. He would have held that, because the Board had "previously decided the same question about the likelihood of confusion that was at issue in the trial of this case, [respondent] should not have been permitted to relitigate that point." *Id.* at 14a. In Judge Colloton's view, the fact "that the six factors considered by the [Board] in its analysis are not exactly the same as the six factors listed by [the Eighth Circuit] for assessing likelihood of confusion in *SquirtCo*" did not "justify dispensing with collateral estoppel, just as variations in analysis among the circuits about a legal issue does not mean that one circuit's decision lacks preclusive effect in another." *Id.* at 17a. With respect to the burden of persuasion, Judge Colloton interpreted the Board's opinion to have indicated that the burden was immaterial to its analysis of the likelihood-of-confusion issue. See *id.* at 19a-20a.

SUMMARY OF ARGUMENT

The Board's likelihood-of-confusion determination is likely entitled to preclusive effect in this infringement suit.

A. Under traditional principles, determinations made by the Board in opposition proceedings can be given preclusive effect in subsequent infringement suits. This Court presumes that, "[w]hen 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," preclusion doctrines apply. *Astoria Fed. Sav. & Loan Ass'n v. Solimino*, 501 U.S. 104, 107 (1991) (citation omitted). Nothing in the text or structure of the Lanham Act overcomes that presumption.

B. When the Board concludes in an opposition proceeding that a likelihood of confusion does or does not exist with respect to particular usages, that determination precludes relitigation of the likelihood-of-confusion question in a subsequent infringement action between the same parties for the same usages. The likelihood-of-confusion standard for both opposition proceedings, 15 U.S.C. 1052(d), and infringement suits, 15 U.S.C. 1114(1)(a), 1125(a)(1)(A), is identical. Infringement suits, however, will sometimes involve different usages than an opposition proceeding. In such cases, issue preclusion applies only for those usages actually adjudicated by the Board and for those usages that do not materially differ from the usages adjudicated by the Board.

In this case, it appears that the usages adjudicated by the Board are materially identical to the usages at issue in the infringement suit. Accordingly, the district court likely should have given preclusive effect to

the Board's determination. To the extent that the Board did adjudicate usages that materially differed from those at issue in the jury trial, however, the Board's determination would not be entitled to either preclusive effect or any measure of deference.

C. The court of appeals' three grounds for denying issue preclusion in this case each lacked merit. The fact that the Board and the Eighth Circuit have adopted somewhat different multi-factor tests for determining likelihood of confusion does not defeat preclusion. Issue preclusion would have little function if it applied only when the second tribunal concludes that the first tribunal's ruling was correct. See *Federated Dep't Stores, Inc. v. Moitie*, 452 U.S. 394, 398 (1981). For substantially the same reason, the court of appeals' disagreement with the weight that the Board gave to marketplace context is not a legitimate ground for denying preclusion. Finally, the court of appeals was mistaken in believing that the burden of persuasion differed in the two proceedings.

D. The basic purposes of trademark law are well served by fully enforcing traditional preclusion doctrines. Trademark law seeks to reduce consumer uncertainty in discerning the origins of the myriad goods available in the modern marketplace. That goal is frustrated when parties cannot quickly achieve certainty about their respective rights in particular marks.

ARGUMENT

The court of appeals erred in its approach to deciding whether a Board likelihood-of-confusion determination precludes relitigation of the same issue in a subsequent infringement action. The court's grounds for denying preclusion here—that the Board employs

a different multi-factor standard than does the Eighth Circuit, that the Board did not give sufficient weight to marketplace context, and that respondent bore the burden of persuasion before the Board—were each legally insufficient. Instead, issue preclusion depends on whether the usages considered by the Board materially differed from the usages at issue in the infringement action. Under that standard, the Board’s likelihood-of-confusion determination is likely entitled to preclusive effect here.

A. The Doctrine Of Issue Preclusion Applies To Board Determinations In Opposition Proceedings

Issue preclusion “bars successive litigation of an issue of fact or law actually litigated and resolved” and “essential to the prior judgment.” *Taylor v. Sturgell*, 553 U.S. 880, 892 (2008) (citation and internal quotation marks omitted). In appropriate cases, a final Board determination that a trademark is or is not likely to engender confusion among consumers about the source of goods is entitled to preclusive effect in a later infringement action.

1. This Court has “long favored application of the common-law doctrines of collateral estoppel (as to issues) and res judicata (as to claims) to those determinations of administrative bodies that have attained finality.” *Astoria Fed. Sav. & Loan Ass’n v. Solimino*, 501 U.S. 104, 107 (1991) (*Astoria*). In *United States v. Utah Construction & Mining Co.*, 384 U.S. 394 (1966) (*Utah Construction*), the Court recognized a presumption that, “[w]hen 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 agency’s determination is entitled to preclusive effect in subse-

quent judicial proceedings if the traditional requirements of claim or issue preclusion are met. *Id.* at 422; see *Hayfield N. R.R. v. Chicago & N. W. Transp. Co.*, 467 U.S. 622, 636 n.15 (1984); *Kremer v. Chemical Constr. Corp.*, 456 U.S. 461, 484 n.26 (1982). Because “Congress is understood to legislate against a background of common-law adjudicatory principles” when it authorizes federal agencies to resolve disputes, “the courts may take it as given that Congress has legislated with an expectation that [the rules of preclusion] will apply except when a statutory purpose to the contrary is evident.” *Astoria*, 501 U.S. at 108 (citation and internal quotation marks omitted).

The presumption favoring application of preclusion rules in this context reflects “the sound and obvious principle of judicial policy that a losing litigant deserves no rematch after a defeat fairly suffered, in adversarial proceedings, on an issue identical in substance to the one he subsequently seeks to raise.” *Astoria*, 501 U.S. at 107. A refusal to give preclusive effect to administrative determinations would “drain the resources of an adjudicatory system with disputes resisting resolution.” *Id.* at 108. Indeed, in light of the “sound policy [of] apply[ing] principles of issue preclusion to the factfinding of administrative bodies acting in a judicial capacity,” even the final decisions of state administrative agencies are presumptively entitled to preclusive effect in federal-court suits. *University of Tenn. v. Elliott*, 478 U.S. 788, 797 (1986).

That “interpretive presumption” can be overcome by an indication that a particular statutory scheme does not contemplate the application of claim and issue preclusion to an agency’s determinations. See *Astoria*, 501 U.S. at 107-110. For example, a require-

ment that a complainant pursue administrative remedies before filing a civil action would make little sense if an adverse administrative decision foreclosed judicial relief. See *id.* at 110-112 (Age Discrimination in Employment Act); *University of Tenn.*, 478 U.S. at 795-796 (Title VII). But absent such an indication from text or structure, an agency's adjudicatory decision should ordinarily be given preclusive effect in later judicial proceedings.

2. In light of that presumption, final Board decisions in opposition proceedings are entitled to preclusive effect in infringement actions. The Board acts in a "judicial capacity" when it evaluates an opposition petition, *Utah Constr.*, 384 U.S. at 422, because it resolves a concrete dispute between two parties in an adversarial setting. See *EZ Loader Boat Trailers, Inc. v. Cox Trailers, Inc.*, 746 F.2d 375, 378 (7th Cir. 1984). Both the applicant and the opposer have a full and fair opportunity to present evidence and argument and may appeal the Board's decision. See pp. 4-6, *supra*. Nothing in the statutory scheme indicates, moreover, that Congress intended to deny preclusive effect to Board determinations that have attained finality.

Respondent does not contend that Board likelihood-of-confusion determinations invariably lack preclusive effect in infringement actions. See Resp. Cert. Supp. Br. 2. The Fifth and Eleventh Circuits have adopted that view, however, as did the district court here. See *American Heritage Life Ins. Co. v. Heritage Life Ins. Co.*, 494 F.2d 3, 9-10 (5th Cir. 1974); *Freedom Sav. & Loan Ass'n v. Way*, 757 F.2d 1176, 1180 (11th Cir.), cert. denied, 474 U.S. 845 (1985). Those courts have reasoned that, because Congress

provided for de novo judicial review of Board decisions in district courts, Congress did not intend for preclusion doctrines to apply. *Ibid.*

That reasoning is flawed. Courts can and do give preclusive effect to prior unappealed legal rulings that would have been reviewed de novo if they had been appealed. Restatement (Second) of Judgments §§ 27 cmt. c & illus. 6, 28 cmt. a. & illus. 1, at 252, 254, 274, 276 (1982); cf. *Federated Dep't Stores, Inc. v. Moitie*, 452 U.S. 394, 398 (1981) (explaining that “the res judicata consequences of a final, unappealed judgment on the merits” are not “altered by the fact that the judgment may have been wrong or rested on a legal principle subsequently overruled in another case”). Were it otherwise, rulings on legal issues could continually be relitigated before new tribunals by the same parties.

As discussed, when a statutory scheme contemplates a judicial action after the conclusion of an administrative adjudication, it would contravene congressional intent to give the agency decision preclusive effect in *that* suit. See pp. 17-18, *supra*. But that is not the situation here. Respondent did not challenge the Board’s decision through a civil action under 15 U.S.C. 1071(b). An infringement suit is an entirely new action, and nothing in the Lanham Act suggests that Congress expected parties to relitigate a likelihood-of-confusion question finally determined in an opposition proceeding.

B. Issue Preclusion Likely Barred Relitigation Of The Board’s Likelihood-Of-Confusion Determination

Because the Board appears to have decided the same likelihood-of-confusion question that is presented in this infringement suit, the district court likely

should have given the Board's determination preclusive effect.

1. For issue preclusion to apply, the first tribunal must have decided the precise issue for which preclusion is sought in the second tribunal. *Taylor*, 553 U.S. at 892. That will sometimes, though not always, be the case when a Board likelihood-of-confusion determination is followed by an infringement suit (or vice versa) between the same parties.

a. The statutory standards for opposition proceedings and infringement suits are materially identical. Under the statutory provision that governs registration of trademarks, the Board shall deny registration if the challenged mark is "likely, when used on or in connection with the goods of the applicant, to cause confusion." 15 U.S.C. 1052(d). The provision that governs infringement of a registered trademark makes it a violation to "use 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)(a); see 15 U.S.C. 1114(1)(b), 1125(a)(1)(A).

Under the longstanding judicial interpretation of those provisions, both the Board and courts must decide whether "use of the disputed mark is likely to cause confusion among consumers regarding the origin of the goods offered by the parties." *E.g.*, *Lee-lanau Wine Cellars, Ltd. v. Black & Red, Inc.*, 502 F.3d 504, 515 (6th Cir. 2007) (internal quotation marks omitted) (Section 1114); see, *e.g.*, *Giant Food, Inc. v. Nation's Foodservice, Inc.*, 710 F.2d 1565, 1569 (Fed. Cir. 1983) (Section 1052(d)). As a leading treatise on

trademark law explains, the “same statutory test [applicable in infringement suits] applies where the trademark * * * owner * * * seeks relief in a [PTO] opposition or cancellation proceeding against another’s right to register or continue registration of a trademark.” 2 *Gilson* § 5.01[1]. That congruity reflects the fact that the registration and infringement provisions have the same basic purpose of preventing the use of marks in ways that impair the rights of other trademark owners by confusing consumers about the origin of trademarked goods. It also reflects the fact that, in deciding whether a new trademark should be registered, the Board will consider in part whether the mark can be used in commerce without infringing the rights of existing trademark owners.

b. The fact that the likelihood-of-confusion standard for infringement actions is housed in different statutory provisions than the standard applicable in opposition proceedings does not cast doubt on that conclusion. Courts regularly apply issue preclusion when a prior tribunal resolved the same question under a different statute. In *University of Tennessee, supra*, for example, this Court held that a state agency’s finding, under a state administrative-procedure statute, that an employer lacked discriminatory intent was entitled to preclusive effect in a subsequently-filed Section 1983 action in federal court. 478 U.S. at 791, 796-799. In *Smith v. Bayer Corp.*, 131 S. Ct. 2368 (2011), this Court explained that federal-court determinations of issues under federal law are entitled to preclusive effect in subsequent state-court suits raising state-law questions when “state law parallels its federal counterpart.” *Id.* at 2377 (class certification standards).

To be sure, the close textual resemblance between the Lanham Act’s registration and infringement provisions does not *by itself* prove that the phrase “likely * * * to cause confusion” in Section 1052(d) has the same meaning (and thus raises the “same issue” for preclusion purposes) as the phrase “likely to cause confusion” in Sections 1114(1)(a) and 1125(a)(1)(A). See *Smith*, 131 S. Ct. at 2377 (explaining that identically-worded federal- and state-law provisions are sometimes interpreted differently, and that “[i]f a State’s procedural provision tracks the language of a Federal Rule, but a state court interprets that provision in a manner federal courts have not, then the state court is using a different standard and thus deciding a different issue”).² Here, however, the argument for preclusion is not simply that Sections 1052(d), 1114(1)(a), and 1125(a)(1)(A) contain nearly

² A State’s highest court has ultimate authority to construe its own State’s law. *Ring v. Arizona*, 536 U.S. 584, 603 (2002). Thus, if a State’s highest court has interpreted a state-law provision differently from the established meaning of an identically-worded federal analogue, that is dispositive evidence that the two provisions *actually have* different meanings, notwithstanding their textual similarity. Cf. *Smith*, 131 S. Ct. at 2378. By contrast, the fact that the Board and some courts of appeals have articulated somewhat different tests for determining likelihood of confusion does not prove that the phrase “likely * * * to cause confusion” in Section 1052(d) has a different meaning than the phrase “likely to cause confusion” in Sections 1114(1)(a) and 1125(a)(1)(A). Rather, the diverse multi-factor tests simply reflect the sort of variation among tribunals that often occurs even with respect to the interpretation of a single statutory provision. So long as the Board has adjudicated the same usages that are at issue in a subsequent infringement suit, the Board and the court are deciding what for preclusion purposes is the “same issue,” even if the two tribunals use somewhat different tests for assessing likelihood of confusion.

identical references to likelihood of confusion. In addition, the provisions are linked components of an integrated statutory scheme and are derived from common statutory and common-law antecedents. See generally Pet. Br. 25-34. Indeed, neither the court of appeals nor respondent has identified any reason to believe that Congress intended the likelihood-of-confusion language in the provisions to be interpreted differently.

c. Although the basic likelihood-of-confusion inquiry in opposition proceedings and infringement actions is identical, the factual context in which that standard is applied may differ in specific cases.

As discussed, a party opposing an application to register a mark before the Board often relies only on its federal registration, not on any common-law rights in usages not encompassed by its registration. In such a case, the Board typically analyzes the marks, goods, and channels of trade only as set forth in the application and in the opposer's registration, regardless of whether the actual usage of the marks by either party differs. See p. 5, *supra*. The Board's determination that a likelihood of confusion does or does not exist will not resolve the confusion issue with respect to non-disclosed usages.

In a later infringement action, however, the opposer may rely on its additional usages in seeking damages, or it may allege that the defendant committed infringement through usages other than those disclosed in the registration application. If those usages materially differ from the usages adjudicated by the Board, then issue preclusion will not apply with respect to them. See *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, 719 F.3d 1367, 1372-1374 (Fed. Cir.

2013). Of course, if the differences in usages at issue in the two proceedings are trivial or immaterial to the likelihood-of-confusion inquiry, issue preclusion should apply. That follows from the principle that “[i]ssue preclusion is proper when factual differences ‘are of no legal significance whatever in resolving the issue presented in both cases.’” *Delaware River Port Auth. v. Fraternal Order of Police*, 290 F.3d 567, 575 (3d Cir. 2002) (quoting *United States v. Stauffer Chem. Co.*, 464 U.S. 165, 174 (1984)); see also 18 James Wm. Moore, *Moore’s Federal Practice* § 132.02[2][e], at 132-27 (3d ed. 2014).

Thus, the basic principle is that, when the usages adjudicated in the two proceedings are materially identical, or when the usages at issue in the infringement action represent a subset of the usages adjudicated in the Board proceeding, issue preclusion applies. But when the infringement action concerns usages not ruled upon by the Board, issue preclusion does not apply to those additional usages.

d. Hypothetical examples help illustrate that principle. Suppose that Company A owns the registered mark “Cromulent” for T-shirts sold to department stores, and that Company B uses the unregistered mark “Kromulent” on various products.

Example 1. Company B seeks to register “Kromulent” for T-shirts sold to department stores. Company A opposes, citing its registered mark, and the Board refuses registration, determining that a likelihood of confusion exists. Company A then sues Company B for infringement of its registered mark through Company B’s sale of “Kromulent” T-shirts to department stores. The Board’s determination precludes Compa-

ny B from arguing that no likelihood of confusion exists.

Example 2. Same as *Example 1*, except that the infringement suit challenges Company B’s use of “Kromulent” on both T-shirts sold to department stores and watches sold to specialty stores. The Board’s determination precludes Company B from arguing that no likelihood of confusion exists with respect to the T-shirts, but not with respect to the watches.

Example 3. Company B seeks to register “Kromulent” for T-shirts sold to specialty stores. Company A opposes, citing its registered mark, and the Board refuses registration, determining that a likelihood of confusion exists, despite the fact that Company A’s registration encompasses the sale of T-shirts to department stores only. Company A sues Company B for infringement of its registered mark through Company B’s sale of T-shirts to *department stores*. The Board’s determination may preclude Company B from arguing that no likelihood of confusion exists. Although the channel of trade in the infringement suit differs from the channel of trade set forth in Company B’s refused application, a court may determine that the difference is not material because Company B’s sale of products in the same channel of trade disclosed in Company A’s registration could only increase the likelihood of confusion. See p. 24, *supra*.

2. Under the foregoing framework, the district court likely should have given preclusive effect to the Board’s determination that respondent’s mark SEALTITE creates a likelihood of confusion with petitioner’s registered mark SEALTIGHT.

In the opposition proceeding, respondent sought to register SEALTITE for “self-piercing and self-

drilling metal screws for use in the manufacture of metal and post-frame buildings.” J.A. 70a (capitalization altered). In refusing registration, the Board appeared to find a likelihood of confusion only with respect to the usages of SEALTIGHT set forth in petitioner’s registration (*i.e.*, fasteners with leakproof protection and a captive o-ring for use in the aerospace industry), not with respect to any additional usages as to which petitioner might have common-law rights. See pp. 9-10 & n.1, *supra*. The district court’s post-verdict opinion appears to describe in similar terms the goods that were at issue in the trial, although that is not perfectly clear (for example, the opinion does not refer to the “aerospace industry”). See Pet. App. 35a; see also *id.* at 37a (district court discussion of the parties’ markets and pricing); *id.* at 60a-67a (Board discussion of same). Petitioner has asserted that the usages in the two proceedings were identical, see Pet. Br. 17, 54, and respondent has not identified any difference in the products or channels of trade.

Respondent does argue that the two proceedings differed insofar as the Board did not consider that respondent “always uses the term ‘Sealtite’ in the context of ‘Sealtite Building Fasteners,’” whereas the infringement court allegedly did. Resp. Cert. Supp. Br. 12 (quoting Pet. App. 35a); cf. Pet. Br. 55 (disputing respondent’s characterization of trial record). That purported difference does not reflect a difference in usages (*i.e.*, the goods and channels of trade), but rather a different *mark* than the one the Board considered. Petitioner’s complaint, however, alleged that SEALTITE (and Sealtite.com), not “Sealtite Building Fasteners,” infringes its SEALTIGHT mark, see

Docket entry No. 114, at 9, and the jury was instructed on SEALTITE, see J.A. 321a. To the extent that the usages in the two proceedings were identical, petitioner was thus entitled to the preclusive effect of the Board's determination with respect to SEALTITE.³

Accordingly, it appears that the jury resolved precisely the same likelihood-of-confusion issue as the Board. Because the issues and parties are identical, the district court likely should have given preclusive effect to the Board's determination, and the appropriate course would be to reverse the judgment below. See Pet. Br. 56. But if in its merits brief respondent identifies a reasonable basis in the record to believe that the usages in the two proceedings materially differed, the Court may choose to clarify the applicable standard for issue preclusion and remand the case to the lower courts to apply that standard to the record

³ In the infringement suit, respondent could have raised the defense that in fact it uses a different mark on its products—"Sealtite Building Fasteners." Petitioner then could have asked the district court to hold that the difference was not material because adding a generic or descriptive term to an infringing mark typically has little impact on the infringement analysis. See 4 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 23:50 (2014) ("If a junior user takes the entire mark of another, addition of a suggestive or descriptive element is generally not sufficient to avoid confusion."); see also PTO, *Trademark Manual of Examining Procedure* 1207.01(b)(iii), at 1200-201 (Apr. 2014); see, e.g., *In re Jump Designs LLC*, 80 U.S.P.Q.2d (BNA) 1370, 1375 (T.T.A.B. 2006). Were it otherwise, adjudicated infringers could avoid the impact of adverse judgments merely by adding generic or descriptive words to their marks. But however that hypothetical dispute might have been resolved, respondent's argument would not have foreclosed petitioner from relying on the preclusive effect of the Board's judgment with respect to the mark SEALTITE.

here in the first instance (and to address any preservation question). See U.S. Cert. Amicus Br. 17.

3. The second question presented asks whether, if preclusion does not apply in this case, the district court should have deferred to the Board's resolution of the likelihood-of-confusion issue absent strong evidence rebutting its determination. If a Board determination is not entitled to preclusive effect because the Board has resolved a question different from the issue that is disputed in subsequent infringement litigation, there is no sound reason to give the Board decision any measure of deference. See Pet. App. 11a-12a. Accordingly, if this Court affirms the court of appeals' conclusion that the infringement suit presented a likelihood-of-confusion issue different from the one the Board had previously decided, no degree of deference would be appropriate. The deference question might be answered differently when issue preclusion is inappropriate for another reason—for example, when an issue actually resolved by the Board was not necessary to its ultimate disposition—but that situation is not presented here.

C. The Court Of Appeals' Grounds For Denying Preclusive Effect To The Board's Likelihood-Of-Confusion Determination Were Legally Erroneous

The court of appeals erred in failing to evaluate the issue-preclusion question under the standard described in Part B. Rather than analyzing whether the usages before the district court materially differed from the usages considered by the Board, the court of appeals relied on three legally irrelevant factors in declining to give the Board's determination preclusive effect.

1. The court of appeals first observed that the Board, in deciding the likelihood-of-confusion question, uses a multi-factor test different from the test that the Eighth Circuit has adopted. See Pet. App. 9a-10a. As Judge Colloton explained, however, the fact that different tribunals have adopted different formulations of a legal standard could not defeat issue preclusion. See *id.* at 17a-18a. If that were a sufficient basis for allowing relitigation of a contested legal issue, even a final judgment of a federal court of appeals in a trademark-infringement action would not be entitled to preclusive effect if a second infringement suit were brought in another circuit that had adopted a different multi-factor standard. Indeed, the regional circuits have adopted standards containing between 7 and 11 factors relevant to likelihood of confusion, such as the “*Polaroid* factors,” the “*Pizzeria Uno* factors,” the “*Sleekcraft* factors,” and the Eighth Circuit’s “*SquirtCo* factors,” see 2 *Gilson* § 5.02[1], and the Board applies the Federal Circuit’s 13 “*DuPont* factors.”

2. The court of appeals stated that the Board had decided a different likelihood-of-confusion issue because the Board had given greater weight to the similarity of the two marks than to the marketplace context. See Pet. App. 10a. Respondent defends the court of appeals’ judgment on that ground, but it is also incorrect. See Resp. Cert. Supp. Br. 7-8, 11.

The parties litigated the question of marketplace context before the Board through the submission of evidence and argument, and the Board evaluated the marketplace context in reaching its decision. The Board’s opinion contains a detailed discussion of the nature of the goods the parties sell, where those goods

are sold and advertised, their price and price sensitivity, the structure of the fastener industry, the extent of direct competition between the parties, the sophistication of the parties' customers, and the proffered evidence of actual confusion among consumers. See Pet. App. 57a-70a. The court of appeals described the Board as finding "that the evidence of marketplace context weighed against a finding of likelihood of confusion." *Id.* at 10a. In declining to give the Board's decision preclusive effect, the court described that decision as "plac[ing] greater emphasis on the appearance and sound when spoken of the two marks." *Ibid.* The court stated that this approach "ignores a critical determination of trademark infringement, that being the marketplace usage of the marks and products." *Ibid.*

Contrary to the court of appeals' summary, the Board actually found that the similarity of the two parties' goods (one aspect of "marketplace context") *avored* a determination of likelihood of confusion. Compare Pet. App. 10a with *id.* at 61a-62a, 70a. The court's more serious error, however, was in assuming that a second tribunal can decline to give a prior decision preclusive effect if it believes that the first tribunal erroneously balanced the relevant factors of a multi-factor test. As Judge Colloton explained, the doctrine of issue preclusion "prevent[s] relitigation of wrong decisions just as much as right ones." *Id.* at 19a (citation omitted); cf. *Federated Dep't Stores*, 452 U.S. at 398 ("[A]n erroneous conclusion reached by the court in the first suit does not deprive the [parties] in the second action of their right to rely upon the plea of *res judicata*."). If it were other-

wise, principles of issue preclusion would have little or no practical import.

Alternatively, this aspect of the court of appeals' opinion could be read to suggest that two of the factors relevant to the likelihood-of-confusion inquiry—*i.e.*, the appearance of the marks and the marketplace context—should be given different relative weight in infringement actions than in opposition proceedings. See Pet. App. 10a (“While [the Board’s] approach may be appropriate when determining issues of registration, it ignores a critical determination of trademark infringement, that being the marketplace usage of the marks and products.”). As explained above, however, the text, structure, history, and purposes of the relevant provisions all indicate that the phrase “likely * * * to cause confusion” in Section 1052(d) has the same meaning as the phrase “likely to cause confusion” in Sections 1114(1)(a) and 1125(a)(1)(A). See pp. 21-23, *supra*. To the extent the Board and the court of appeals weighed the relevant factors differently in this case, the inconsistent outcomes reflect divergent applications of a unitary legal standard, not any substantive differences between the relevant statutory provisions.

3. The court of appeals stated that, unlike in the infringement suit, respondent bore the burden of persuasion in the Board proceeding. That is incorrect. As the party opposing registration, petitioner bore the burden of persuasion, just as it did in the district court. See *Bose Corp. v. QSC Audio Prods., Inc.*, 293 F.3d 1367, 1370 (Fed. Cir. 2002); *Yamaha Int’l Corp. v. Hoshino Gakki Co.*, 840 F.2d 1572, 1579-1580 (Fed. Cir. 1988); *Edwards Lifesciences Corp. v. VigiLanz Corp.*, 94 U.S.P.Q.2d (BNA) 1399, 1410, 1412 (T.T.A.B.

2010); *Genesco Inc. v. Martz*, 66 U.S.P.Q.2d (BNA) 1260, 1267 (T.T.A.B. 2003); 3 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 20:3 (2014). The Board’s manual of procedure explains that, “[i]n either an opposition or cancellation [proceeding], the burden of proof remains with the plaintiff, who must establish its case by a preponderance of the evidence.” TTAB Manual § 702.04(a), at 700-16 (comparing accelerated proceeding to “traditional Board proceeding”).

The court of appeals believed that the burden rested on respondent in the opposition proceeding because the Board’s opinion, after announcing its likelihood-of-confusion determination, adverted to the principle cited in some Board decisions and judicial opinions that “[i]n a close case amounting to a tie, doubts are resolved in favor of the senior user.” *Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1404 n.14 (9th Cir.), cert. dismissed, 521 U.S. 1146 (1997). But as Judge Colloton explained, the Board’s statement followed its actual holding and “was not material to the decision.” Pet. App. 19a. The statement was designed to reassure a skeptical reader who “might” harbor doubts about the “correctness” of the Board’s actual holding, not to explain the basis for that holding. *Id.* at 71a.

In any event, the principle to which the Board adverted does not reflect a departure from the ordinary burden of persuasion. It appears to have originated in *Lambert Pharmacal Co. v. Bolton Chemical Corp.*, 219 F. 325 (S.D.N.Y. 1915), in which Judge Hand held that the defendant’s use of the mark “Listogen” infringed the plaintiff’s trademark “Listerine.” *Id.* at 326-328. He explained that, “[i]n choosing an arbi-

trary trade-name, there was no reason whatever why [the defendant] should have selected one which bore so much resemblance to the plaintiff's; and in such cases any possible doubt on the likelihood of damage should be resolved in favor of the plaintiff." *Id.* at 326. But Judge Hand quickly reconfirmed that "[o]f course, the burden of proof always rests upon the moving party." *Ibid.*

Judge Hand's maxim was handed down through recent Federal Circuit decisions,⁴ but it has not been understood as shifting the burden of persuasion. Indeed, the Federal Circuit has recited the principle while simultaneously making clear that "[i]t is the opposer's burden to establish facts sufficient to support the conclusion that confusion, mistake, or deception is likely." *Bridgestone Ams. Tire Operations, LLC v. Federal Corp.*, 673 F.3d 1330, 1333 (2012). Rather, the principle seems to embody the view that, when an alleged infringer is a "newcomer" to a market and chooses a mark very similar to an existing mark, it raises the "suspicion that his purpose is to appropriate to himself some of the good will of his competitor," a bad intent that favors a determination of infringement. *Planters Nut & Chocolate Co. v. Crown Nut Co., Inc.*, 305 F.2d 916, 920 (C.C.P.A. 1962) (citation omitted). The principle therefore merely reflects one factor that the Board and some infringement courts have found relevant under the likelihood-of-confusion

⁴ See *Lambert Pharmacal Co. v. Mentho-Listine Chem. Co.*, 47 App. D.C. 197, 198 (D.C. Cir. 1917) (citing Judge Hand's opinion); *Planters Nut & Chocolate Co. v. Crown Nut Co.*, 305 F.2d 916, 920 (C.C.P.A. 1962) (citing *Mentho-Listine Chem.*); *Bridgestone Ams. Tire Operations, LLC v. Federal Corp.*, 673 F.3d 1330, 1333 (Fed. Cir. 2012) (citing *Planters Nut & Chocolate*).

standard. Accordingly, the fact that a second tribunal does not adopt or recite the principle in applying that unitary standard does not alter the issue-preclusion analysis. See p. 29, *supra*.

D. Faithfully Enforcing Traditional Preclusion Doctrines Is Especially Important In The Trademark Context

The robust application of traditional preclusion doctrines is particularly important to achieving the objectives of trademark law. In all areas of the law, preclusion doctrines “protect against the expense and vexation attending multiple lawsuits, conserv[e] judicial resources, and foste[r] reliance on judicial action by minimizing the possibility of inconsistent decisions.” *Taylor*, 553 U.S. at 892 (brackets in original; citation and internal quotation marks omitted). Those concerns are well-illustrated by the dispute between petitioner and respondent, which has persisted for nearly two decades.

But the importance of finality in trademark law has another dimension as well. A central concern of trademark law “is to protect the public so it may be confident that, in purchasing a product bearing a particular trade-mark which it favorably knows, it will get the product which it asks for and wants to get.” H.R. Rep. No. 219, 79th Cong., 1st Sess. 2 (1945). “[B]y preventing others from copying a source-identifying mark,” trademark law “reduce[s] the customer’s costs of shopping and making purchasing decisions, * * * for it quickly and easily assures a potential customer that *this* item—the item with this mark—is made by the same producer as other similarly marked items that he or she liked (or disliked) in the past.” *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 163-

164 (1995) (brackets in original; citation and internal quotation marks omitted).

If parties using particular marks cannot quickly obtain final determinations about their respective rights, it will be more difficult for the public to rely on marks in selecting products for purchase. The watered-down version of issue preclusion that the court of appeals applied in this case thus inhibits trademark law from achieving one of its most fundamental objectives: reducing consumer confusion in an exceedingly complex marketplace.

CONCLUSION

The judgment of the court of appeals should be reversed.

Respectfully submitted.

NATHAN K. KELLEY
*Solicitor and Deputy
 General Counsel*
 CHRISTINA J. HIEBER
 SCOTT C. WEIDENFELLER
*Associate Solicitors
 U.S. Patent and Trademark
 Office*

DONALD B. VERRILLI, JR.
Solicitor General
 STUART F. DELERY
Assistant Attorney General
 MALCOLM L. STEWART
Deputy Solicitor General
 JOHN F. BASH
*Assistant to the Solicitor
 General*
 MARK R. FREEMAN
 SYDNEY FOSTER
Attorneys

SEPTEMBER 2014

APPENDIX

1. 15 U.S.C. 1052(d)-(f) provides:

Trademarks registrable on principal register; concurrent registration

No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it—

* * * * *

(d) Consists of or comprises a mark which so resembles a mark registered in the Patent and Trademark Office, 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, or to cause mistake, or to deceive: *Provided*, That if the Director determines that confusion, mistake, or deception is not likely to result from the continued use by more than one person of the same or similar marks under conditions and limitations as to the mode or place of use of the marks or the goods on or in connection with which such marks are used, concurrent registrations may be issued to such persons when they have become entitled to use such marks as a result of their concurrent lawful use in commerce prior to (1) the earliest of the filing dates of the applications pending or of any registration issued under this chapter; (2) July 5, 1947, in the case of registrations previously issued under the Act of March 3, 1881, or February 20, 1905, and continuing in full force and effect on that date; Or (3) July 5, 1947, in the case of applications filed under the Act of February 20, 1905, and registered after July 5, 1947. Use prior to the filing date of any pending application or a registration shall not be re-

(1a)

quired when the owner of such application or registration consents to the grant of a concurrent registration to the applicant. Concurrent registrations may also be issued by the Director when a court of competent jurisdiction has finally determined that more than one person is entitled to use the same or similar marks in commerce. In issuing concurrent registrations, the Director shall prescribe conditions and limitations as to the mode or place of use of the mark or the goods on or in connection with which such mark is registered to the respective persons.

(e) Consists of a mark which (1) when used on or in connection with the goods of the applicant is merely descriptive or deceptively misdescriptive of them, (2) when used on or in connection with the goods of the applicant is primarily geographically descriptive of them, except as indications of regional origin may be registrable under section 1054 of this title, (3) when used on or in connection with the goods of the applicant is primarily geographically deceptively misdescriptive of them, (4) is primarily merely a surname, or (5) comprises any matter that, as a whole, is functional.

(f) Except as expressly excluded in subsections (a), (b), (c), (d), (e)(3), and (e)(5) of this section, nothing in this chapter shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce. The Director may accept as prima facie evidence that the mark has become distinctive, as used on or in connection with the applicant's goods in commerce, proof of substantially exclusive and continuous use thereof as a mark by the applicant in commerce for the five years before the date on which the claim of distinctiveness is made. Nothing in this section shall prevent the registration of a mark which, when

used on or in connection with the goods of the applicant, is primarily geographically deceptively misdescriptive of them, and which became distinctive of the applicant's goods in commerce before December 8, 1993.

2. 15 U.S.C. 1065 provides in pertinent part:

Incontestability of right to use mark under certain conditions

Except on a ground for which application to cancel may be filed at any time under paragraphs (3) and (5) of section 1064 of this title, and except to the extent, if any, to which the use of a mark registered on the principal register infringes a valid right acquired under the law of any State or Territory by use of a mark or trade name continuing from a date prior to the date of registration under this chapter of such registered mark, the right of the owner to use such registered mark in commerce for the goods or services on or in connection with which such registered mark has been in continuous use for five consecutive years subsequent to the date of such registration and is still in use in commerce, shall be incontestable: *Provided, That—*

(1) there has been no final decision adverse to the owner's claim of ownership of such mark for such goods or services, or to the owner's right to register the same or to keep the same on the register; and

(2) there is no proceeding involving said rights pending in the United States Patent and Trademark Office or in a court and not finally disposed of; and

(3) an affidavit is filed with the Director within one year after the expiration of any such five-year period setting forth those goods or services stated in the reg-

istration on or in connection with which such mark has been in continuous use for such five consecutive years and is still in use in commerce, and other matters specified in paragraphs (1) and (2) of this section; and

(4) no incontestable right shall be acquired in a mark which is the generic name for the goods or services or a portion thereof, for which it is registered.

* * * * *

3. 15 U.S.C 1071 provides:

Appeal to courts

(a) Persons entitled to appeal; United States Court of Appeals for the Federal Circuit; waiver of civil action; election of civil action by adverse party; procedure

(1) An applicant for registration of a mark, party to an interference proceeding, party to an opposition proceeding, party to an application to register as a lawful concurrent user, party to a cancellation proceeding, a registrant who has filed an affidavit as provided in section 1058 of this title or section 1141k of this title, or an applicant for renewal, who is dissatisfied with the decision of the Director or Trademark Trial and Appeal Board, may appeal to the United States Court of Appeals for the Federal Circuit thereby waiving his right to proceed under subsection (b) of this section: *Provided*, That such appeal shall be dismissed if any adverse party to the proceeding, other than the Director, shall, within twenty days after the appellant has filed notice of appeal according to paragraph (2) of this subsection, files notice with the Director that he elects to have all further proceedings conducted as provided in subsection (b) of this

section. Thereupon the appellant shall have thirty days thereafter within which to file a civil action under subsection (b) of this section, in default of which the decision appealed from shall govern the further proceedings in the case.

(2) When an appeal is taken to the United States Court of Appeals for the Federal Circuit, the appellant shall file in the United States Patent and Trademark Office a written notice of appeal directed to the Director, within such time after the date of the decision from which the appeal is taken as the Director prescribes, but in no case less than 60 days after that date.

(3) The Director shall transmit to the United States Court of Appeals for the Federal Circuit a certified list of the documents comprising the record in the United States Patent and Trademark Office. The court may request that the Director forward the original or certified copies of such documents during pendency of the appeal. In an *ex parte* case, the Director shall submit to that court a brief explaining the grounds for the decision of the United States Patent and Trademark Office, addressing all the issues involved in the appeal. The court shall, before hearing an appeal, give notice of the time and place of the hearing to the Director and the parties in the appeal.

(4) The United States Court of Appeals for the Federal Circuit shall review the decision from which the appeal is taken on the record before the United States Patent and Trademark Office. Upon its determination the court shall issue its mandate and opinion to the Director, which shall be entered of record in the United States Patent and Trademark Office and shall govern the further proceedings in the case. However, no final judgment

shall be entered in favor of an applicant under section 1051(b) of this title before the mark is registered, if such applicant cannot prevail without establishing constructive use pursuant to section 1057(c) of this title.

(b) Civil action; persons entitled to; jurisdiction of court; status of Director; procedure

(1) Whenever a person authorized by subsection (a) of this section to appeal to the United States Court of Appeals for the Federal Circuit is dissatisfied with the decision of the Director or Trademark Trial and Appeal Board, said person may, unless appeal has been taken to said United States Court of Appeals for the Federal Circuit, have remedy by a civil action if commenced within such time after such decision, not less than sixty days, as the Director appoints or as provided in subsection (a) of this section. The court may adjudge that an applicant is entitled to a registration upon the application involved, that a registration involved should be canceled, or such other matter as the issues in the proceeding require, as the facts in the case may appear. Such adjudication shall authorize the Director to take any necessary action, upon compliance with the requirements of law. However, no final judgment shall be entered in favor of an applicant under section 1051(b) of this title before the mark is registered, if such applicant cannot prevail without establishing constructive use pursuant to section 1057(c) of this title.

(2) The Director shall not be made a party to an inter partes proceeding under this subsection, but he shall be notified of the filing of the complaint by the clerk of the court in which it is filed and shall have the right to intervene in the action.

(3) In any case where there is no adverse party, a copy of the complaint shall be served on the Director, and, unless the court finds the expenses to be unreasonable, all the expenses of the proceeding shall be paid by the party bringing the case, whether the final decision is in favor of such party or not. In suits brought hereunder, the record in the United States Patent and Trademark Office shall be admitted on motion of any party, upon such terms and conditions as to costs, expenses, and the further cross-examination of the witnesses as the court imposes, without prejudice to the right of any party to take further testimony. The testimony and exhibits of the record in the United States Patent and Trademark Office, when admitted, shall have the same effect as if originally taken and produced in the suit.

(4) Where there is an adverse party, such suit may be instituted against the party in interest as shown by the records of the United States Patent and Trademark Office at the time of the decision complained of, but any party in interest may become a party to the action. If there are adverse parties residing in a plurality of districts not embraced within the same State, or an adverse party residing in a foreign country, the United States District Court for the Eastern District of Virginia shall have jurisdiction and may issue summons against the adverse parties directed to the marshal of any district in which any adverse party resides. Summons against adverse parties residing in foreign countries may be served by publication or otherwise as the court directs.

4. 15 U.S.C. 1114(1) provides:

Remedies; infringement; innocent infringement by printers and publishers

(1) Any person who shall, without the consent of the registrant—

(a) use 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, or to cause mistake, or to deceive; or

(b) reproduce, counterfeit, copy, or colorably imitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive,

shall be liable in a civil action by the registrant for the remedies hereinafter provided. Under subsection (b) hereof, the registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such imitation is intended to be used to cause confusion, or to cause mistake, or to deceive.

As used in this paragraph, the term “any person” includes the United States, all agencies and instrumentalities thereof, and all individuals, firms, corporations, or other persons acting for the United States and with the authorization and consent of the United States, and any

State, any instrumentality of a State, and any officer or employee of a State or instrumentality of a State acting in his or her official capacity. The United States, all agencies and instrumentalities thereof, and all individuals, firms, corporations, other persons acting for the United States and with the authorization and consent of the United States, and any State, and any such instrumentality, officer, or employee, shall be subject to the provisions of this chapter in the same manner and to the same extent as any nongovernmental entity.

5. 15 U.S.C. 1115 provides:

Registration on principal register as evidence of exclusive right to use mark; defenses

(a) Evidentiary value; defenses

Any registration issued under the Act of March 3, 1881, or the Act of February 20, 1905, or of a mark registered on the principal register provided by this chapter and owned by a party to an action shall be admissible in evidence and shall be prima facie evidence of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the registration subject to any conditions or limitations stated therein, but shall not preclude another person from proving any legal or equitable defense or defect, including those set forth in subsection (b) of this section, which might have been asserted if such mark had not been registered.

(b) Incontestability; defenses

To the extent that the right to use the registered mark has become incontestable under section 1065 of this title, the registration shall be conclusive evidence of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce. Such conclusive evidence shall relate to the exclusive right to use the mark on or in connection with the goods or services specified in the affidavit filed under the provisions of section 1065 of this title, or in the renewal application filed under the provisions of section 1059 of this title if the goods or services specified in the renewal are fewer in number, subject to any conditions or limitations in the registration or in such affidavit or renewal application. Such conclusive evidence of the right to use the registered mark shall be subject to proof of infringement as defined in section 1114 of this title, and shall be subject to the following defenses or defects:

- (1) That the registration or the incontestable right to use the mark was obtained fraudulently; or
- (2) That the mark has been abandoned by the registrant; or
- (3) That the registered mark is being used by or with the permission of the registrant or a person in privity with the registrant, so as to misrepresent the source of the goods or services on or in connection with which the mark is used; or
- (4) That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a mark, of the party's individual name in his own

business, or of the individual name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin; or

(5) That the mark whose use by a party is charged as an infringement was adopted without knowledge of the registrant's prior use and has been continuously used by such party or those in privity with him from a date prior to (A) the date of constructive use of the mark established pursuant to section 1057(c) of this title, (B) the registration of the mark under this chapter if the application for registration is filed before the effective date of the Trademark Law Revision Act of 1988, or (C) publication of the registered mark under subsection (c) of section 1062 of this title: *Provided, however,* That this defense or defect shall apply only for the area in which such continuous prior use is proved; or

(6) That the mark whose use is charged as an infringement was registered and used prior to the registration under this chapter or publication under subsection (c) of section 1062 of this title of the registered mark of the registrant, and not abandoned: *Provided, however,* That this defense or defect shall apply only for the area in which the mark was used prior to such registration or such publication of the registrant's mark; or

(7) That the mark has been or is being used to violate the antitrust laws of the United States; or

(8) That the mark is functional; or

(9) That equitable principles, including laches, estoppel, and acquiescence, are applicable.

6. 15 U.S.C. 1125(a)(1) provides:

False designations of origin, false descriptions, and dilution forbidden

(a) Civil action

(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which—

(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or

(B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities,

shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.