Attorneys React To Supreme Court's TTAB Preclusion Ruling

Law360, New York (March 24, 2015, 7:42 PM ET) -- On Tuesday, the U.S. Supreme Court ruled that federal court decisions on "likelihood of confusion" can be precluded by earlier findings on the same issue from the Trademark Trial and Appeal Board. Here, attorneys tell Law360 why the decision in B&B Hardware Inc. v. Hargis Industries Inc. is significant.

Dyan Finguerra-DuCharme, Pryor Cashman LLP

"The decision leaves open more questions rather than providing clear guidance. A party often chooses to not present the same evidence before the TTAB that it would present in federal court because the TTAB has been quite clear that it only looks to the identification of goods in the registration and application and presumes that a standard character mark can appear in any stylization. Now litigants are in a quandary — do they submit marketplace usage to the TTAB or do they stick to arguments around the identified goods and hope that the decision will not be given preclusive effect? Does the TTAB have to consider marketplace usage even if it broadens or narrows the identified goods? How does the TTAB treat visual and commercial impression similarities if the application and registration are in standard character form yet the stylization of the respective marks in the marketplace are clearly distinctive and different? When is actual usage not the paramount issue in an infringement case? The practical effect of the court's decision is likely an uptick in declaratory judgment actions and the suspension of pending opposition proceedings. If litigants are going to spend more money on the issue of confusion, they might as well do so in federal court where they can take advantage of live testimony and broader survey designs."

Dawn Rudenko Albert, Dickstein Shapiro LLP

"Like the holding, the significance is also limited. Oppositions and cancellations will continue to be filed by trademark owners as will infringement litigations after TTAB decisions. How trademark owners approach these proceedings may change. A TTAB win could set the stage for damages or injunction in federal court, or block an infringement action altogether. Because the stakes will be higher in some cases, so too will the attendant resources — money, effort, and evidence — including more frequent requests for de novo review. But this will be in a minority of cases. In the majority of cases, the parties will just be arguing over whether preclusion applies — which it won't."

Rose Auslander & John M. Griem Jr., Carter Ledyard & Milburn LLP

"The court's decision in Hargis upends another long-established rule in intellectual property law — that district courts should always take a fresh look at the evidence relevant to significant IP disputes. In the short term, Hargis will put increased pressure on parties to stay or skip TTAB proceedings in favor of more expensive federal court actions. Parties will be forced to litigate TTAB proceedings as thoroughly as possible, and to exhaust all appeal options. Hargis will also have an spillover effect in the patent arena, giving much greater weight and preclusive effect to issues resolved by the PTAB and the ITC."

Parker Bagley, Boies Schiller & Flexner LLP

"The court made the right decision. The TTAB, while an administrative body, has more expertise and experience than many district court judges in assessing the fact-intensive issue of likelihood of confusion. As the court noted, there is full discovery in TTAB proceedings; thus a party whose trademark has been found to cause confusion can't complain that a complete record was not made."

John C. Baum, Owen Wickersham & Erickson PC

"Hargis turns a bright spotlight on the decisions of the TTAB, and if the quality of the judges and their decisions in recent years are predictors, the overall effect on U.S. trademark law and practice should be positive. The TTAB's judges and attorneys have more experience deciding U.S. trademark law cases than any single court in the country. Hargis means that many more of the cases that reach these specialized judges will be litigated carefully and fully, or not at all, because the stakes will be greater. The result should be even better and more useful decisions from the TTAB."

David Bell, Haynes and Boone LLP

"Parties might find it more attractive now to litigate before the TTAB where the law appears on their side. The TTAB may provide greater certainty than a court, especially in a jury case. When obtaining a registration is of much less importance than use, however, a party may be better served by taking a trademark dispute directly to court. The court's reasoning also is not limited to likelihood of confusion between parties' marks. Issue preclusion could apply in descriptiveness, genericness, acquired distinctiveness, abandonment, priority and dilution determinations. Parties before the TTAB are likely to expend greater resources on trying to introduce or exclude evidence of mark usage, including bearing on the consumer bases, advertising channels and methods, and mark stylization."

James Bikoff, Smith Gambrell & Russell LLP

"The Supreme Court decision today holds that issue preclusion should apply when the issues considered by the TTAB are materially the same as those considered by a district court. As Justice Ginsburg points out in her concurrence, issue preclusion will not apply in a number of cases because the TTAB often

decides cases by comparing marks in the abstract and not considering their actual use in the marketplace. The decision should result in more district courts applying issue preclusion where the agency uses the same standard as the court. It should also result in a greater investment by parties to a TTAB proceeding."

Steve Borgman, Vinson & Elkins LLP

"The B&B Hardware decision raises the stakes in connection with any TTAB proceeding. In the past, many applicants would simply abandon an application for registration if an opposition was filed. We are now likely to see more oppositions filed, and more oppositions contested, than in the past. Another potential result may be that applicants now strategically narrow the description of the goods and services in the application, such as by expressly limiting them to certain channels, for example wholesale versus retail. In addition, potential applicants may choose to rely on common law rights and forego registration altogether. The reach of the court's opinion remains unclear. For example, why would it not apply to TTAB decisions involving issues of priority, descriptiveness, dilution and so on? Moreover, the court notes that preclusion applies when the use at issue in district court litigation is 'materially the same as the usages included in [the] application,' but fails to provide much guidance on this key point."

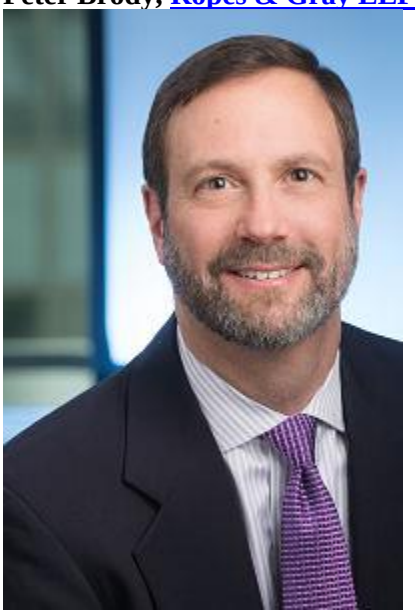
Felicia Boyd, Barnes & Thornburg LLP

"The Supreme Court flatly rejected the notion that the TTAB and the district courts apply different standards for determining likelihood of confusion in the context of registration and infringement and that issue preclusion can never apply. While there may be TTAB decisions which do not meet the ordinary

elements of issue preclusion, the Supreme Court saw no reason for a categorical rejection of the doctrine in the context of a TTAB decision. So long as the other 'ordinary elements of issue preclusion are met,' when the uses before the TTAB and the district court are materially the same, issue preclusion should apply."

Carmen Bremer & Everett Fruehling, Christensen O'Connor Johnson Kindness PLLC
"The decision represents a straightforward application of issue preclusion principles. The court simply held that if traditional elements of issue preclusion are satisfied, the TTAB's determination of an issue in registration proceedings is conclusive in subsequent infringement litigation. As a practical matter, this means that individuals who are dissatisfied with an outcome at the TTAB may find they are 'stuck' with the board's determination even in separate district court proceedings. In other words, making a case to the board may be the only bite at the apple for critical, often case-dispositive issues such as likelihood of confusion."

Peter Brody, Ropes & Gray LLP



"The B&B decision directly addresses the preclusive effect of only one issue considered by the TTAB in an opposition proceeding: likelihood of confusion. However, its logic reasonably could apply to the TTAB's determinations on many of the issues that arise in a federal court trademark infringement action, including dilution, fame, priority, abandonment, genericness, estoppel and many more. I expect we will see many parties explore the further implications of this decision on these issues in the months to come."

Andrea Calvaruso, Kelley Drye & Warren LLP

"The Supreme Court's decision will not have a practical effect for most litigants, as it affirms the practice of the majority of circuit courts, which apply the ordinary elements of issue preclusion to determine whether to give preclusive effect to TTAB decisions regarding likelihood of confusion. The court's ruling requires the few circuits that previously would never give preclusive effect to TTAB decisions to follow suit. As this is a highly fact-specific analysis regarding, among other things, whether the same issues were adjudicated, trademark attorneys should carefully consider whether the TTAB or federal court is the best forum for their clients' likelihood of confusion claims before proceeding too far down the road in the TTAB."

Laura L. Chapman, Sheppard Mullin Richter & Hampton LLP

"The B&B decision will likely result in trademark owners undergoing renewed thinking about how to pursue enforcement activities, and the pros and cons regarding whether to proceed directly to district court to sue for infringement and cancellation simultaneously in a single action, foregoing the TTAB."

John Crittenden, Cooley LLP

“The court ruled that TTAB decisions in adversarial proceedings denying registration for ‘likelihood of confusion’ may bind district court infringement cases if the issues are ‘materially the same’ and the other requirements for issue preclusion are met. Going forward, plaintiffs in TTAB opposition and cancellation cases won’t simply argue confusion in the abstract based on the goods listed in the parties’ trademark filings. Instead, they’ll increasingly offer evidence of actual use of the marks in the marketplace. TTAB proceedings will become more complicated as plaintiffs build evidentiary records with issue preclusion in later suits in mind.”

Ted Davis, Kilpatrick Townsend & Stockton LLP

"The opinion appears to be generating consternation within the trademark bar, but it adopts much the same rule as has been in place in the Second Circuit since Jim Beam Brands Co. v. Beamish & Crawford, Ltd., 937 F.2d 729 (2d Cir. 1991). Variations on that rule also have long been extant in the Third, Seventh, and Eighth Circuits, and, indeed, even the now-reversed Eighth Circuit opinion below applies a standard doctrinal test for issue preclusion consistent with the one apparently endorsed by the Court: The Court has merely made a different outcome under that test possible (but hardly inevitable)."

Daniel DeCarlo, Lewis Brisbois Bisgaard & Smith LLP

“‘Watershed’ is a term that we should not recklessly throw around when evaluating the impact of judicial opinions. And while of course only time will tell, this opinion has the potential to be extremely impactful. This ruling will put great pressure on trademark owners to make fundamental decisions as to whether to entrust their challenges to the TTAB through either opposition or cancellation proceedings. The Supreme Court has made quite clear that the likelihood of confusion rulings that come out of the TTAB will most likely be subject to issue preclusion. Because the procedure before the TTAB is not as robust as the procedure before a district court, I suspect that there may now be a hesitancy to proceed through the TTAB. This ruling, therefore, places greater emphasis on the need to carefully consider whether a

challenge through the TTAB will permit a full and fair case presentation. In the end, I think we will see more challenges through the district courts as a result of this opinion."

James H. Donoian, McCarter & English LLP

"This requires practitioners to reconsider what had been accepted strategy when deciding between TTAB and court proceedings. Brand owners can no longer rely on the opportunity to take a first bite with a TTAB proceeding without relinquishing possible judicial review. The consequences of unfavorable TTAB decisions are grave. The rule that the elements of issue preclusion must be met risks that a district court will simply find that the usages adjudicated by the TTAB are the same as those before it. Clients must now seriously consider filing lawsuits rather than risk adverse TTAB decisions and the cost and uncertainty of resulting appeals."

Stephen Driscoll, Saul Ewing LLP

"Given the substantial differences between the TTAB and district court procedures regarding discovery, testimony and hearings, a party does not have an 'adequate opportunity to litigate' an issue at the TTAB as required for issue preclusion. For example, the TTAB bars live testimony. Even though the court recognizes that this 'may materially prejudice a party,' it concludes the 'law of issue preclusion … accounts for those "rare" cases where a "compelling showing of unfairness" can be made.' It should be

the rule, however, and not the exception, that a party did not have an adequate opportunity to litigate if live testimony was banned."

Anderson Duff, Wolf Greenfield

"This decision will likely not apply in a great many instances, but it may cause trademark holders to think twice about not appealing a TTAB holding for fear that it will later be given preclusive effect."

Catherine Farrelly, Frankfurt Kurnit Klein & Selz PC

"It is important to recognize that the Supreme Court did not hold that all TTAB decisions on likelihood of confusion will collaterally estop the parties from litigating that issue in federal court. In a substantial number of cases, the TTAB's decision will not have that effect. As the court recognized, that is because a 'great many' TTAB decisions will not meet the ordinary elements of issue preclusion in that the issues under consideration by the TTAB will not have been 'materially the same' as those before the federal court."

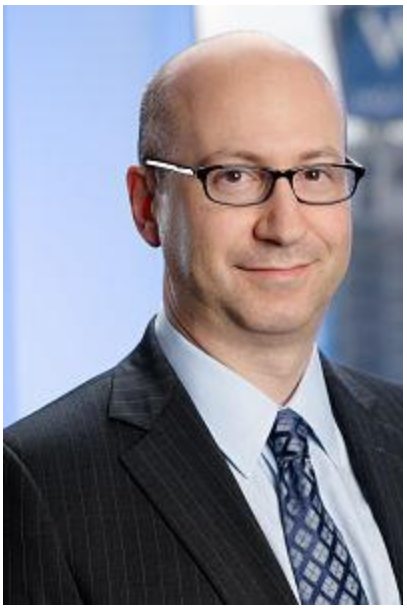
Paul R. Garcia, Partridge & Garcia PC

“The Supreme Court’s 7-2 decision in B&B Hardware could have a profound effect on federal trademark litigation, depending on the issues actually litigated in the TTAB. The decision will also impact strategic decisions parties must make on, for example, whether and how to litigate in the TTAB, whether to appeal adverse rulings in the TTAB, and whether to initiate litigation in federal court and how to defend it. B&B Hardware is an important decision that will be cited often as both a sword and a shield in federal litigation under the Lanham Act.”

Bobby Ghajar, Pillsbury Winthrop Shaw Pittman LLP

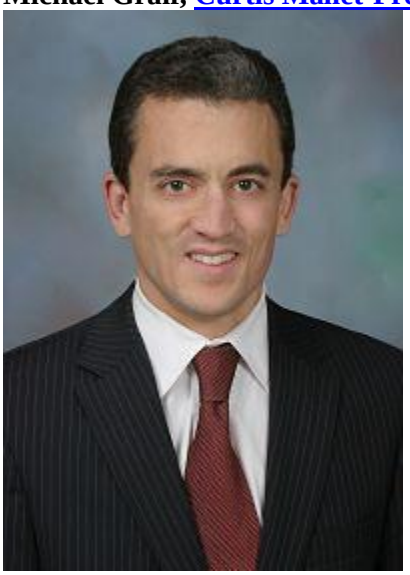
"The court's decision — although it could, and likely should, bring greater attention to the way companies litigate at the TTAB and whether they seek de novo review of an adverse TTAB decision — is not so broad as to suggest that every TTAB decision will have a preclusive effect on a court proceeding involving the same trademarks. To the contrary, I look at the language on page 18-19 of today's opinion, and it seems clear to me that if there are distinct usages of a mark at issue, or differences in the analysis presented to the TTAB and district court, there should be no deference to the former."

Evan Gourvitz, Ropes & Gray LLP



"The B&B decision is likely to be significant to both litigants and the TTAB itself. Given the potentially preclusive effect of TTAB determinations of likelihood of confusion, parties may either decide to litigate their TTAB actions more vigorously or skip them entirely in favor of federal court litigation. As for the TTAB, it may decide to better harmonize its analysis with that used by the federal courts by, for example, giving greater weight to how the marks it considers are actually used in the marketplace. In any event, the consequences of the decision will require time — and a fair amount of lower court and TTAB litigation — to sort themselves out."

Michael Graif, Curtis Mallet-Prevost Colt & Mosle LLP



"The Supreme Court has given TTAB rulings on likelihood of confusion the impact of a court's opinion. I expect that as a result of today's decision, we will see more appeals of TTAB rulings by unsuccessful trademark applicants who may have thought that they could use the mark anyway and relitigate likelihood of confusion if they were ever sued for infringement."

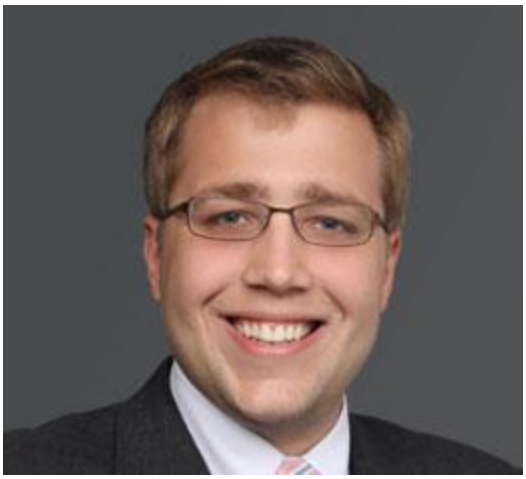
Lindy Herman, Fish & Tsang LLP

"Maintaining that applicants perceive the registration process with as much gravity as an infringement action is inaccurate. Damages are not awarded in a TTAB proceeding, thus the perceived threat to the applicant is reduced. Registration is not required to obtain trademark rights; therefore, applicants often rely on common law rights in lieu of devoting resources to a TTAB proceeding as if it were an infringement proceeding. Mere usage analysis and the commonality in confusion standards are inadequate given the different purposes of the proceedings (registration versus infringement), evidence (hypothetical versus actual), and the parties' stakes (optional registration versus paying damages)."

Jonathan Hudis, Oblon McClelland Maier & Neustadt LLP

"Today, the Supreme Court, in B&B Hardware v. Hargis Industries, held that if the likelihood of confusion issues decided by the TTAB in a registrability proceeding are materially the same as those decided in a subsequent infringement action in federal district court, the rules of collateral estoppel will preclude relitigation of those issues in the district court infringement action. The consequence of the court's decision is that parties before the board may now treat a trademark opposition or cancellation proceeding with greater seriousness. Concerned about the possible preclusive effect of the board's decision in a later court action, the parties before the board in the future may choose to submit greater volumes of documentary and testimonial evidence. This would be particularly so if one or both parties' marks are in use in the marketplace at the time the TTAB proceeding is litigated."

Paul Hughes, Mayer Brown LLP



"Following B&B Hardware, a likelihood of confusion determination by the TTAB in the context of a registration proceeding will have preclusive effect in subsequent infringement litigation in limited circumstances. The critical question for litigants is now whether the owner of the original mark 'uses its mark in ways that are materially the same as the usages included in its registration application.' If so, issue preclusion may apply. If not, issue preclusion is unavailable. The lower courts will likely be called upon to supply more detailed standards governing when an owner uses its mark in only a manner 'materially the same' as that described in the registration application. While the court hinted that the controlling test may be whether any difference in usage is 'trivial,' its failure to apply the 'materially the same' test to the facts of this case will provide litigants room for debate in future matters."

Andrea Weiss Jeffries, WilmerHale

"The court took great pains to limit its holding by emphasizing that issue preclusion applies to TTAB decisions only when the traditional test for preclusion is met, and that TTAB determinations regarding likelihood of confusion with respect to a mark will not preclude district court litigation over the same mark 'if a mark owner uses its mark in ways that are materially unlike the usages in its application.' This language sets the stage for future disputes, and will inform parties' strategic behavior in crafting applications and presenting evidence to the TTAB with an eye towards the scope of potential preclusion."

Scott M. Kareff, Schulte Roth & Zabel LLP

"At first blush, the Supreme Court decision in B&B Hardware would seem to be a big win for established trademark owners because they can now litigate the question of likelihood of confusion before the Trademark Office, which is perceived to be more plaintiff-friendly, and then run to the federal courts, which are generally perceived to be more defendant-friendly, and argue issue preclusion to get an injunction. The practical significance of the decision is likely to be more limited, however, because, one, most trademark opposition proceedings are resolved via settlement rather than Trademark Office decision and, two, issue preclusion in federal courts is not automatic."

Sarah Keefe, Womble Carlyle Sandridge & Rice LLP

“Many trademark lawyers were surprised by today’s decision and will begin reformulating how they advise clients with regard to available options and recommendations with regard to branding disputes. Previously, clients were usually offered options including the possibility of both a full administrative opposition within the Trademark Office and litigation in federal court. Today’s Supreme Court decision indicates parties may have to choose one or the other and it will affect filing strategy as attorneys deal with issue preclusion as applied to trademark likelihood of confusion analyses. An unintended consequence of this decision may be the quick increase in opposition expenses as parties feel compelled to treat an inter partes trademark opposition more aggressively, recognizing that they may only have one bite at the apple.”

Matthew Kelly, Montgomery McCracken Walker & Rhoads LLP

"Some feared that a Supreme Court decision that TTAB registration-related determinations should be given preclusive effect in infringement litigation would grant the TTAB more authority than Congress had intended — after all, the TTAB's decisions are reviewable de novo on appeal to the district courts. However, the ruling is in fact very narrow. In order for a TTAB ruling to be given preclusive effect, it must meet all of the elements of issue preclusion, which is very difficult and necessarily requires that all issues and elements considered in the TTAB are identical to those to be considered in litigation. As Justice Ginsburg noted in her concurring opinion, issues of registration in the TTAB and those of infringement in the courts will rarely be identical, as 'contested registrations are often decided upon "a comparison of the marks in the abstract and apart from their marketplace usage."' From the practitioners' standpoint, Section 2(d), likelihood of confusion, rejections by the TTAB have always been taken seriously; that is not likely to change. Evidence of marketplace usage presented in infringement litigation, however, has new significance."

Timothy Kelly, Fitzpatrick Cella Harper & Scinto

"The Supreme Court's decision rather easily concludes that TTAB decisions can form the basis of issue preclusion in later district court infringement proceedings. However, this seemingly straightforward

pronouncement may prove difficult to apply because the court limited its ruling to situations where the 'usages adjudicated by the TTAB are materially the same as before the district court.' From a practical perspective that is not always the case, as, for example, where an intent-to-use application is opposed and thus where there is no evidence of marketplace use of the opposed mark. Importantly, the decision also makes clear that the likelihood of confusion test is the same for purposes of registration and infringement. This will likely result in opposition proceedings being more vigorously litigated as trademark applicants will need to focus not only on registration of their mark, but on how an unfavorable TTAB decision on registration could later form the basis of a district court's decision on infringement."

Richard M. LaBarge, Marshall Gerstein & Borun LLP

"The decision will change the way trademark lawyers practice. The likelihood of confusion issue decided by the TTAB has long been considered to be materially different than the likelihood of confusion issue decided by the courts in infringement litigation. Today, however, the court held that even though the issues are sometimes, or even often, different, conventional issue preclusion should apply in those cases where the 'usages' are the same — 'usages' is new wording from the court that might represent a new way of looking at the issues. Consequently, a final decision from the TTAB that a mark is unregistrable for a broad 'usage' may preclude the applicant from disputing the central issue in a later infringement case."

Deborah L. Lively, Thompson & Knight LLP

"In B&B Hardware Inc. v. Hargis Industries Inc., the U.S. Supreme Court held that decisions of the USPTO's Trademark Trial and Appeal Board should be given preclusive effect in subsequent infringement actions, when the trademark use is materially the same and traditional elements of issue preclusion are present. The court held that the likelihood of confusion standard applied to registration is

the same for infringement. This ruling is likely to affect the way parties litigate before the TTAB because a party who loses on likelihood of confusion before the TTAB may be foreclosed from relitigating that issue in an infringement action."

Thomas J. Mango, Cantor Colburn LLP

"The Supreme Court's decision allows a TTAB determination of likelihood of confusion in an inter partes proceeding to preclude the relitigation of the same issue in a federal district court trademark infringement case provided that the mark owner uses its mark in the marketplace consistent with the usages in its application and that the usual elements of issue preclusion are met. This decision is significant for both opposers and applicants because it eliminates a second, time-consuming and costly adjudication of the likelihood of confusion issue in certain circumstances. A successful opposer at the TTAB could then focus its lawsuit on injunctive relief and damages, and a successful applicant could avoid a trademark infringement lawsuit altogether."

Michelle Mancino Marsh, Kenyon & Kenyon LLP

"The decision could have a significant impact on U.S. trademark practice. The court's holding that a decision in a TTAB opposition proceeding may have preclusive effect in a district court action for infringement, makes the administrative opposition proceedings a more powerful tool. Litigants must consider the impact a TTAB judgment may have on a future infringement action. A win in the TTAB

could translate into a more streamlined infringement action in a district court — the downside being that it will likely increase the cost to litigants who must pursue a TTAB case to the bitter end or risk the effect of an adverse decision in district court."

Keith Medansky, DLA Piper

"The decision today in B&B Hardware v. Hargis Industries was highly anticipated and is important. The decision may be a surprise to practitioners who thought the court would take a more limited view of preclusion, and in addition the decision is likely to have an impact on litigation strategies followed by mark owners, which could increase costs."

Helen Hill Minsker, Banner & Witcoff Ltd.

"The court raised the stakes for TTAB proceedings, holding that issue preclusion should apply 'so long as the other ordinary elements of issue preclusion are met, when the usages adjudicated by the TTAB are materially the same as those before the district court.' Litigants, now challenged with showing preclusion should not apply, can look to Justice Ginsburg's concurring opinion for help. However, evaluating the role of 'marketplace usages' and determining whether 'the usages adjudicated by the TTAB are materially the same' is going to be a battleground. Strategy and forum selection will now be more important than ever."

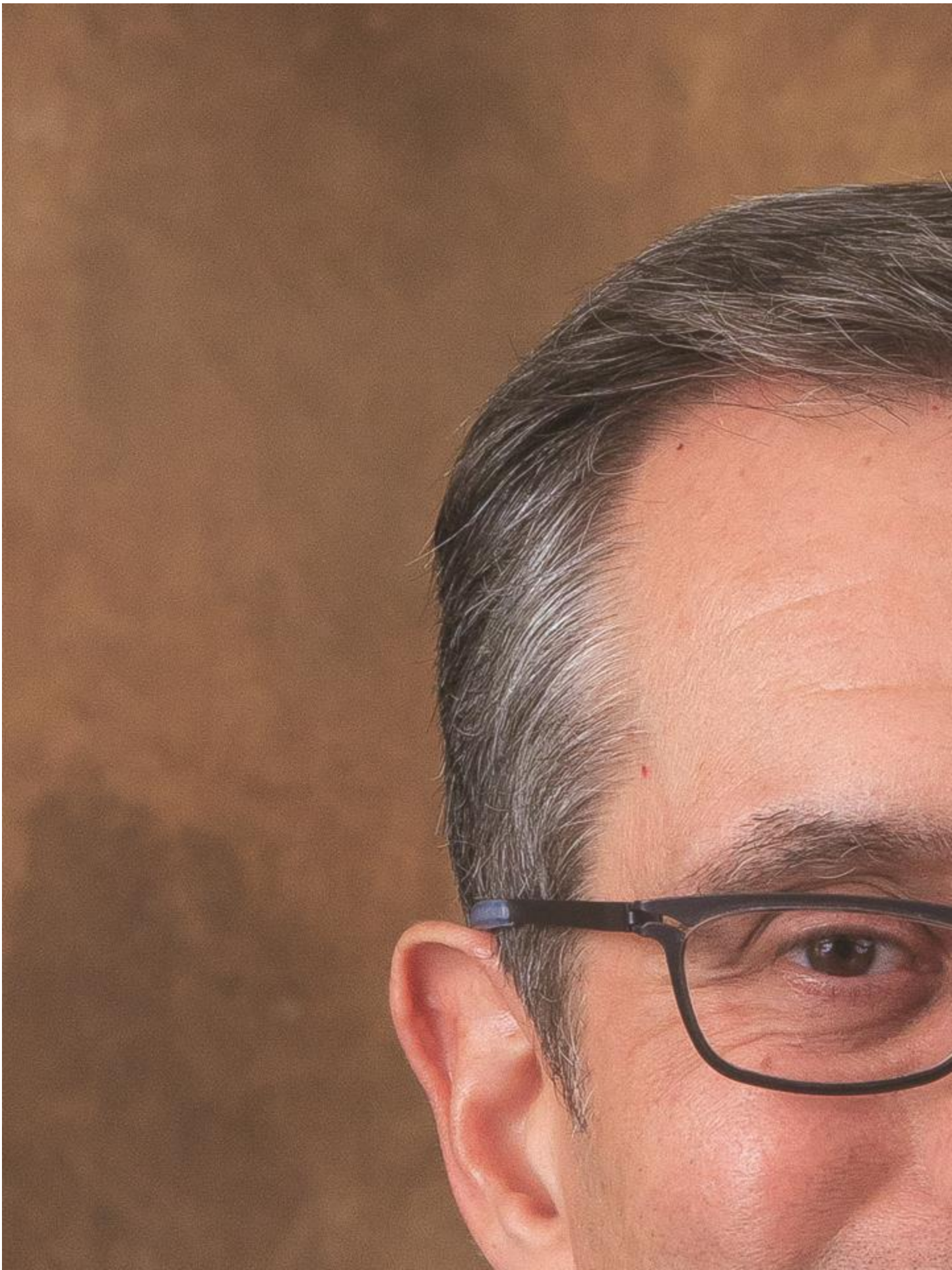
Jonathan Moskin, Foley & Lardner LLP

"I am pleased that the court reversed the Eighth Circuit decision. As I've said all along about B&B Hardware v. Hargis Industries, it would be unreasonable to deprive all TTAB cases of preclusive effect when the statutory test is the same in TTAB and federal court cases, even if it is applied somewhat differently. While not every case will be a candidate for collateral estoppel, this B&B will now allow at least some litigants to find rest and repose, as the doctrine dictates."

Bill Munck, Munck Wilson Mandala

"The Supreme Court's ruling should incentivize parties to consider 'nondisclosed usages' during general trademark prosecution and administrative proceedings. It is not enough to be aware whether the identification of goods and services as worded fully encompass the 'marketplace usages' at registration. Trademark counseling includes post-registration monitoring of usage such that when an enforcement issue arises the appropriate venue can be chosen. If the marketplace usage differs dramatically from the registration in an opposition proceeding, filing an infringement action in the district courts to adjudicate both use and registration while suspending the opposition proceeding may be the best option."

Marc J. Rachman, Davis & Gilbert LLP



"The B&B Hardware decision highlights the importance of exhausting the TTAB appeal process if a party is not satisfied with the outcome of a TTAB decision on likelihood of confusion. As the Supreme Court points out, the TTAB's decisions are reviewable by the Federal Circuit or in a new action in district court, where the judge decides the issue of registration de novo. The B&B Hardware decision is thus likely to cause an uptick in the number of TTAB decisions that are appealed."

Daniel Schloss, Greenberg Traurig LLP

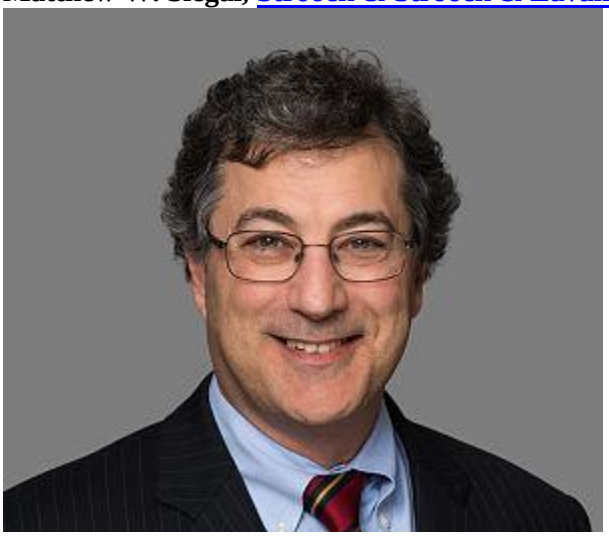
"Today's Supreme Court decision underscores the importance of careful strategic attention to the use of TTAB proceedings. TTAB proceedings are attractive because they typically are less expensive and were historically viewed as affecting only registration at the USPTO and not precluding subsequent infringement actions. Because it is now clear that a TTAB decision can bind a court in an infringement action, the decision to bring a TTAB proceeding could lower the cost of obtaining a finding of likelihood of confusion in appropriate cases. On the other hand, an adverse result could significantly impair a subsequent enforcement program."

Robert J. Schneider, Taft Stettinius & Hollister LLP

"This Supreme Court decision will likely create a change in the overall litigation strategy of certain cases. Where a likelihood of confusion case is contested, litigants will be more inclined to forego TTAB

proceedings to avoid a potentially preclusive and unfavorable determination. Federal courts offer more control and a more robust framework in which to litigate. Moreover, federal motion practice, discovery and judicial involvement offer litigants the assurance that they have been given every opportunity to plead and support their claims and defenses. When a party can afford it, they will likely proceed directly to federal court to determine whether confusion is present."

Matthew W. Siegal, Stroock & Stroock & Lavan LLP



"The decision in B&B Hardware v. Hargis increases the importance of winning inter partes proceedings before the TTAB, such as the opposition based on likelihood of confusion at issue in B&B Hardware. Often, the party to an opposition will have begun to use a mark during the course of the opposition. Based on the Supreme Court ruling, they could be precluded from opposing a claim of trademark infringement in a subsequent district court action and could be at increased risk of a preliminary injunction. Therefore, the level of effort to secure a win at the TTAB should often rise to the level of effort expected at district court proceedings, because there may be no second bite at the apple."

Scott J. Slavick, Brinks Gilson & Lione

"Most interesting about SCOTUS' decision is what constitutes identical for purposes of issue preclusion. In her concurrence, Justice Ginsburg seized on this, stating she would only agree with the court's opinion if the TTAB's analysis examined the same factors as the district court. So for many cases, issue

preclusion would not apply. If an applicant defaults in an opposition proceeding and the TTAB does not analyze likelihood of confusion factors, is that analysis identical for issue preclusion purposes in a subsequent district court action? The holding leaves that question open. Congress could also overrule; the court states that had Congress wanted a more streamlined process in all registration matters, the legislature would not have authorized de novo challenges for those dissatisfied with TTAB decisions. Might we see a new law soon? Will it reference this case? Time will tell."

Peter S. Sloane, Leason Ellis

"The decision may cause practitioners to place greater importance on TTAB cases. The court so acknowledges in stating that if board decisions can have issue-preclusive effect, parties may spend more time and money there. The court also notes, though, that dissatisfied parties can file a de novo district court action. But while the court states that issue preclusion may not apply to many infringement decisions, it did not fully address issue preclusion on subsidiary issues like distinctiveness. Since preclusion is not 'a one way street,' parties who prevail on the former, but who lose on issues like the latter may want to pursue de novo review."

Paolo A. Strino, Gibbons PC

"U.S. courts have often denied the preclusive effects of Trademark Board findings, sometimes giving the impression that the board's role on fact determination is ancillary, if not subservient, to the federal district. Today's decision marks a radical shift from that approach. It recognizes that there is no policy reason why factual questions related to registration, and already decided by the Trademark Board, should be allowed to be relitigated in court. Issue preclusion will have to be decided on a case-by-case basis to determine, for example, that the usages adjudicated by the TTAB are materially the same as those before a district court. The implication of today's decision is important, because it resolves the split of authority as to the preclusive effect of PTO inter partes adjudication. Discovery activities before the TTAB might receive increased attention and, on some likelihood of confusion issues, the Trademark Board may gain traction as the preferred battleground."

Stephen D. Susman, Susman Godfrey LLP

"It is not surprising that the court, in a continuing effort to cut down on litigation, rules that an administrative agency's finding on 'likelihood of confusion' trumps that of a federal court. Only Thomas and Scalia disagreed, and did so on the ground that such a rule trespasses on the primacy of Article III courts. The same regime prevails in the patent area: A finding of invalidity by the PTAB or ITC is preclusive of a subsequent court proceeding. The court did not reach the intriguing question of whether the preclusion rule violates the Seventh Amendment right to a jury trial, because the petitioner failed to argue it in its brief. Those of us who assume the Seventh Amendment requires a jury trial of validity in patent infringement actions, should rejoice that this court did not reach that issue."

Paul Tanck, Chadbourne & Parke LLP

"As a result of the Supreme Court's decision, parties will take TTAB proceedings more seriously and devote more litigation resources to them. The binding effect will also result in more appeals from TTAB proceedings that reach a conclusion on likelihood of confusion issues. Such appeals can be made to the district court where new evidence can be entertained, and the TTAB record may be reviewed de novo. In a nutshell, TTAB proceedings will begin to look more like district court proceedings and will require sophisticated litigation counsel."

Cynthia Johnson Walden, Fish & Richardson PC

"The Supreme Court's ruling in B&B Hardware, Inc. v. Hargis Industries, Inc. is well-reasoned. The court emphasizes that the likelihood of confusion standard is the same in the registration context and the enforcement context, and that minor variations in the application of the standard do not defeat preclusion. If an aggrieved party believes the TTAB got it wrong, it should seek judicial review. Importantly, the court noted that the general rules of issue preclusion should be applied and if use in the marketplace is a determinative issue that the TTAB did not evaluate, there would be no preclusive effect."

Bryan Wheelock, Harness Dickey

"In B&B Hardware, the Supreme Court held that issue preclusion can apply to TTAB adjudications on likelihood of confusion. The bigger story, however, is that issue preclusion only applies 'where other ordinary elements of issue preclusion are met' and where 'the usages adjudicated by the TTAB are materially the same.' Because the TTAB's application of the DuPont factors is constrained by what is before the USPTO, not what is actually going on in the marketplace, the usages adjudicated can be materially different. Like stockbrokers, we are left to advise our clients: 'TTAB results are not a guarantee of district court performance.'"

Meredith Wilkes, Jones Day

“The court's holding in B&B Hardware strikes [down] a bright-line rule that issue preclusion can never apply in a subsequent district court case. The general view of the trademark bar expressed in amicus briefing was that the TTAB decision should not be given preclusive effect. Trademark trials in a district court and trademark opposition proceedings are two very different things, with very different stakes. The takeaway today is that the court's holding suggests a case-by-case approach against the backdrop of the ‘other ordinary elements of issue preclusion’ which means that in many cases, issue preclusion should not apply. However, in some, it could. So careful consideration should be given to application drafting, how and when to introduce marketplace usage evidence in the TTAB and whether to institute an opposition at all. When opposition proceedings are filed, they could become much more contentious, and much more expensive, because the stakes could be that much higher.”

--Editing by Mark Lebetkin.