

No. 13-352

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IN THE  
**Supreme Court of the United States**

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B&B HARDWARE, INC.,

*Petitioner,*

*v.*

HARGIS INDUSTRIES, INC., D/B/A SEALTITE  
BUILDING FASTENERS, D/B/A EAST TEXAS  
FASTENERS, *et al.*,

*Respondents.*

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

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**BRIEF OF THE INTELLECTUAL PROPERTY  
LAW ASSOCIATION OF CHICAGO AS  
*AMICUS CURIAE* IN SUPPORT OF NEITHER  
PETITIONER NOR RESPONDENTS**

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**INTEREST OF *AMICUS CURIAE***

The Intellectual Property Law Association of Chicago (“IPLAC”) submits this brief as *amicus curiae*, but in support of neither party on the ultimate merits of the case.<sup>1,2,3,4</sup> Founded in 1884,

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<sup>1</sup> Pursuant to Supreme Court Rule 37.6, no counsel for a party authored this brief in whole or in any part, no such counsel or a party made a monetary contribution intended to fund the preparation or submission of this brief, and no person other than the *amicus curiae*, its members, or its counsel, made such a monetary contribution.

<sup>2</sup> In addition to the required statement of footnote 1, IPLAC adds that after reasonable investigation, IPLAC believes that (a) no member of its Board or Amicus Committee who voted to prepare this brief, or any attorney in the law firm or corporation of such a member, represents a party to this litigation in this matter, (b) no representative of any party to this litigation participated in the authorship of this brief, and (c) no one other than IPLAC, or its members who authored this brief and their law firms or employers, made a monetary contribution to the preparation or submission of this brief.

<sup>3</sup> Pursuant to Supreme Court Rule 37.2, counsel of record received timely notice of the intent to file this brief under the Rule and consent was granted.

<sup>4</sup> Although over 30 federal judges are honorary members of IPLAC, none of them was consulted or participated in any way regarding this brief.

the Intellectual Property Law Association of Chicago is a voluntary bar association of over 1,000 members who practice in the areas of patents, trademarks, copyrights, trade secrets and the legal issues they present. IPLAC is the country's oldest bar association devoted exclusively to intellectual property matters. In litigation, IPLAC's members are split about equally between plaintiffs and defendants. Its members include attorneys, in private and corporate practices, who appear before federal bars throughout the United States, as well as the U.S. Patent and Trademark Office and the U.S. Copyright Office. As part of its central objectives, IPLAC is dedicated to aiding in the development of intellectual property law, especially in the federal courts.

### **SUMMARY OF ARGUMENT**

In resolving this case and the rule of law that should apply, the Supreme Court should be aware of three matters: (1) that a significant dichotomy exists in the nature of cases resolved by the Trademark Trial and Appeal Board (sometimes "TTAB"), (2) that TTAB cases routinely function as typical litigation cases, with discovery and trial, pursuant in part to the Federal Rules of Civil Procedure and Evidence, and (3) that since the TTAB does not have juries, the Court must decide what to do about the Seventh Amendment right to a jury. On the point (1) dichotomy, some cases are resolved in a manner that permits evidence on and an assessment of the real world usage of trademarks of one of the parties. But other cases are resolved in a manner that disallows evidence on and an assessment of real world usage of

either party. In no case does the TTAB permit evidence on and assessment of the real world usage of trademarks of all parties. On point (2), the routine functioning of TTAB cases, appropriate cases are handled in major part as typical federal litigation cases, by the same lawyers who handle typical federal court trademark litigation. On point (3), the Seventh Amendment may commit likelihood of confusion decisions to juries, such that in jury situations, no preclusive effect of TTAB decisions is possible.

## ARGUMENT

### I. THERE IS A DICHOTOMY OF TTAB CASES

Consistent with the summary above, some TTAB cases are resolved in a manner that permits evidence on and an assessment of the real world usage of trademarks by one of the parties. These cases involve challenges to federal trademark registrations based on common law usages of trademarks. A typical case in this group of cases is *3M Co. v. Professional Gallery, Inc.*, Opposition No. 91173411 (July 17, 2014)(available at <http://ttabvue.uspto.gov/ttabvue/v?pno=91173411&pty=OPP&eno=98> ).

Professional Gallery applied to register FLAG-IT! for adhesive-backed labels, and a form of adhesive-backed plastic film. 3M opposed, on the basis of its rights in POST-IT, both by virtue of federal registrations and common law. The TTAB began its consideration of likelihood of confusion, as

it typically does, with a statement that it would analyze all facts in evidence related to likelihood of confusion. Pursuant to *In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357 (CCPA 1973), it analyzed the fame of the POST-IT mark, the FLAG-IT! and POST-IT marks themselves, their relative strength and weakness, the services on which the marks were used, the parties' channels of trade and the classes of consumers of their products, the conditions of sales, and actual confusion. There is no indication of any lack of attention to marketplace circumstances. The analysis reflected in the opinion appears even-handed and is commendable.

Consistent with *3M*, the TTAB decisions on likelihood of confusion based on common law rights, as in *3M*, are typically remarkably professional. They are typically written at a high level of attention to the details of the substantive facts, procedural facts, substantive law, and procedural law. They are also typically written at a high level of language, grammar and usage. They typically capture the common law rights as to the challenger's goods or services by stating a capturing description of the goods or services, in quotation marks. The opinions typically give the impression of being the work of battle-hardened veterans. To the extent an opinion lacks discussion of aspects of the challenger's real world usage of a trademark, the challenger has typically lacked for evidence to present to the TTAB, or lacked in following procedure that would permit the presentation of the evidence. The cases typically do not lack for discussion of evidence in the presence of evidence.

But, in contrast, some cases are resolved in a manner that disallows evidence on and an assessment of the real world usage of trademarks by either of the parties. These cases involve challenges to federal trademark registrations based on other federal trademark registrations. A case in this group of cases is *In re New York Football Giants, Inc.*, Serial No. 85599795 (slip op. July 3, 2014)(available at <http://ttabvue.uspto.gov/ttabvue/v?pno=85599795&pty=EXA&eno=18> ). The case is not typical, in that it explains the law that disallows the consideration of real world usage of a challenger's trademark. The case, however, is typical of those disallowing the consideration.

As the *New York Football Giants* case explains at some length, based on a direct challenge to the rule of law, a category of the cases that are presented to the TTAB require that the TTAB must analyze the likelihood of confusion involved strictly based on the descriptions of goods or services stated in a federal registration and a federal registration application. These descriptions, while prepared by the parties, and presumably intended when written to capture at least in part real world usages, sometimes do not capture what parties consider to be their real world usages at the time of the TTAB proceedings. Nevertheless, the TTAB cannot consider contentions based on new perceptions of real world usages.

For example, in *New York Football Giants*, the New York Football Giants, Inc., sought to register G-MEN for the articles of clothing, i.e., shirts, T-shirts, and tops. The registration was refused, and appealed to the TTAB. The reason for refusal was an existing



registration for GMAN Sport for articles of clothing including T-shirts and tank tops. The applicant New York Giants argued that it was the most grievous error possible in likelihood of confusion analysis to make the decision “divorced from marketplace circumstances.” *Id.*, at 2. The TTAB stated it understood the refused applicant to be contending in a direct argument that the precedent precluding consideration of real world usage was in error. *Id.*, 3.

The TTAB reviewed relevant precedent. *Id.* It reasoned that the applicant’s argument had been similarly made in a past case and rejected by the Federal Circuit, citing *Octocom Systems Inc. v. Houston Computers Services, Inc.*, 918 F.2d 937 (Fed. Cir. 1990). *Id.* There, the Federal Circuit stated that “the precedent was legion” that the decision of likelihood of confusion in this group of cases was to be made “regardless of what the record may reveal as to the particular nature of an applicant’s goods, the particular channel of trade or the class of purchasers to which sales of the goods are directed.” *Id.*, 4-5, quotation from *Octocom*.

The TTAB in *New York Football Giants*, as a result, refused consideration of real world circumstances.

Thus, a significant dichotomy exists in the nature of cases resolved by the Trademark Trial and Appeal Board. The dichotomy concerns likelihood of confusion cases, the cases that are the subject of this case. Some TTAB cases are resolved in a manner that permits consideration of evidence and an assessment of the real world usage of trademarks of

one of the parties. But other TTAB cases are resolved in a manner that disallows evidence on and an assessment of real world usage of either party.

Of course, the companion to this dichotomy is that in no case does the TTAB consider the real world usage of a registered trademark that is being challenged, or a pending trademark application that is being challenged. The TTAB judges the rights in the mark by the statement of goods or services that are found in the registration certificate of the registered trademark, and that alone. It judges the pending application by the statement of goods or services found in the application alone.

## **II. TTAB CASES ROUTINELY FUNCTION AS TYPICAL LITIGATION CASES, WITH DISCOVERY AND TRIAL**

Referencing the *3M* case again, it can be seen readily that TTAB cases of the type that involve real world usages of trademarks routinely function procedurally as typical federal litigation cases, with discovery and trial (with written transcripts).

An on-line record of the proceedings of the *3M* case, for example, is at the same address as above, <http://ttabvue.uspto.gov/ttabvue/v?pno=91173411&pty=OPP&eno=89>. As in the *3M* record, TTAB cases can include familiar federal litigation matters, such as all of the following:

- pleadings, *e.g.*, docket item 4,
- motions to amend pleadings, *e.g.*, docket item 32,
- scheduling orders, *e.g.*, docket item 3,

- negotiated confidential information protective orders, *e.g.*, docket item 6,
- stipulations and extensions of time, *e.g.*, docket item 8,
- service and responses to discovery requests, such as interrogatories and document requests, with associated motions to compel, with briefs and exhibits, including declarations and exchanges of letters of counsel, *e.g.*, docket item 10 (with its many exhibits),
- notices for taking depositions, and the taking and defending of depositions, *e.g.*, docket item 22,
- motions to quash notices and bar witnesses, *e.g.*, docket item 63,
- motions for summary judgment, with extensive declarations and exhibits, *e.g.*, docket item 43,
- motions to defer summary judgment motions to allow for the taking of discovery, *e.g.*, docket item 47,
- occasional confusion over procedure and associated issues, docket item 21,
- the occasional changes of attorneys, *e.g.*, docket item 31,
- gathering and producing evidence, including testimony and trial exhibits, and pretrial filings that give notice of evidence, *e.g.*, docket item 70, and
- extensive trial briefs, with numerous case citations, extensive analyses of evidence, and elaborate arguments, *e.g.*, docket item 90.

These are all the stuff of typical federal litigation. Can anyone doubt the high and federal quality of the efforts and advocacy of the participants in these cases when a representative trial brief, docket item

90, is a *tour de force* and begins with a dramatic rhetorical question, in this case “Can anyone really remember life before POST-IT notes?”<sup>5</sup>

The TTAB also follows both the Federal Rules of Civil Procedure and the Federal Rules of Evidence. See, *e.g.*, <http://www.uspto.gov/trademarks/process/appeal/guidelines/ttabfaq.jsp>. See also the Trademark Trial and Appeal Board Manual of Procedure (TBMP), available at [http://www.uspto.gov/trademarks/process/appeal/Preface\\_TBMP.jsp](http://www.uspto.gov/trademarks/process/appeal/Preface_TBMP.jsp). A principal difference between federal court litigation and TTAB litigation is one that has nothing to do with the substance of the proceedings. It is the difference that the TTAB works with a written record, including written transcripts of testimony, and does not preside over the taking of the testimony. TBMP at 102.03. But the great engine for the discovery of truth, cross-examination, is available for every witness through deposition. TBMP at 702, 704.13.

Further, the topics of the evidence involved in TTAB cases can include television commercials, media spots, and more broadly, television shows and movies, catalogs, inserts in magazines and newspapers, merchandising and promotional displays, information on direct mail and trade shows, Internet website information, information on sponsorships of sporting events, and summaries of data of

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<sup>5</sup> IPLAC would gladly claim the advocacy for a member, but no counsel in the case is or was a member of IPLAC, to IPLAC’s knowledge.

“impressions.” The evidence of the trial record can run to hundreds of pages, even within one category of evidence. *3M*, slip op. at 23.

This is not a kangaroo court, and it is not populated by kangaroo court judges. TTAB judges possess law degrees, are admitted to the bar of a State, and before even joining the TTAB, have pre-existing significant, specialized trademark experience. See e.g., <https://www.usajobs.gov/GetJob/PrintPreview/317830300#>. Their “PTQs,” *i.e.*, Professional Technical Qualifications, include the following:

“1) Training and experience leading to a thorough knowledge of historical trademark law concepts, the Trademark Act, The Trademark Rules of Practice, The Federal Rules of Civil Procedure, The Federal Rules of Evidence, trademark assignments and licensing, common law governing the acquisition of ownership rights of marks, and precedential decisions of the courts and the Board.

2) Experience demonstrating an ability to sift through pleadings, motions and exhibits thereto, testimony depositions and exhibits thereto, interrogatories and other discovery requests and responses thereto, documentary evidence filed by notice of reliance, and legal briefs, all to find the important facts in a case and to apply pertinent case law to those facts.

3) Demonstrated ability to write clearly and accurately; in particular the ability to state clearly the

material facts in a case, the law to be applied and the reasons supporting the decision.”

*Id.*

### **III. THE PLACE OF THE SEVENTH AMENDMENT MAY NEED TO BE RESOLVED, BY THE LOWER COURTS IN THIS CASE**

As shown, some TTAB cases consider real world usage of trademarks, and TTAB cases are conducted routinely as typical federal litigation cases. But still, the TTAB does not have juries.

The federal government in its sovereign capacity under the valid federal trademark laws created the federal trademark registration system and the rights that arise from it. Administrative fact-finding by the TTAB as to registration rights plainly does not implicate the Seventh Amendment. *See Granfinanciera, SA v. Nordberg*, 492 U.S. 33, 51 (1989). Thus, insofar as the TTAB is deciding federal registration rights in all its cases, it may do so, with binding results.

But administrative fact-finding by the TTAB that would bind parties against jury trials over wholly common-law rights would implicate the Seventh Amendment. *Id.* If the Seventh Amendment provides a right to trial of likelihood of confusion as an issue of trademark infringement litigation, then binding parties in such litigations to TTAB decisions would violate the Seventh Amendment, unless the right to trial by jury were to be waived.

If the Court should choose to decide whether a TTAB decision on likelihood of confusion could bind litigation parties in relation to their common law rights, the Court would need to conduct the historical analysis required by such cases as *Tull v. United States*, 481 U.S. 412, 417-418 (1987). While not reflecting that it has conducted the analysis in detail, the Court has already stated that “an action for damages based upon a charge of trademark infringement ... would be ... subject to cognizance by a court of law,” meaning that it would require a jury. *Dairy Queen, Inc. v. Wood*, 369 U.S. 469, 477 (1962). The Court has also stated that actions seeking damages for invasions of property rights were historically tried in courts of law. *Feltner v. Columbia Pictures Television, Inc.*, 523 U.S. 340, 349 (1998).

If the Court were to consider the right to trial by jury to be an undeveloped issue of the case, return of the case to the court of appeals for further proceedings might be appropriate. Both parties filed jury demands, there was a district court decision that the issues were to be tried to the jury, in spite of a motion otherwise, there was a jury trial, and respondents assert the superiority of the jury decision to the TTAB decision. There would not seem to be the possibility of waiver here, even with the right to jury trial not mentioned in the post-trial briefs in the district court, the court of appeal briefs, or the briefs in this Court. *E.g., Carnley v. Cochran*, 369 U.S. 506 (1962)(silence is not waiver (a right to counsel case)).

**CONCLUSION**

In resolving this case and the rule of law that should apply, the Supreme Court should be aware as follows: (1) a significant dichotomy exists in the nature of cases resolved by the Trademark Trial and Appeal Board, (2) TTAB cases routinely function as typical federal litigation cases, with discovery and trial, pursuant in part to the Federal Rules of Civil Procedure and Evidence, and (3) the Seventh Amendment may be implicated and trump any other consideration in the case.

Respectfully submitted,

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