

# CLIENT ALERTS

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## Issue Preclusion for Likelihood of Confusion between Sealtight and Sealtite

3.24.2015

### The Supreme Court Weighs In

Reversing the Eighth Circuit, the Supreme Court held that issue preclusion applied to this trademark matter. The district court is bound by the holding of the administrative body of Trademark Trial and Appeal Board (TTAB). In particular, whether Hargis's Sealtite was "confusingly similar" to B&B's registered trademark Sealtight had been decided affirmatively by the TTAB, and was not available for re-litigation in the courts.

### A Brief History

The Trademark Office published an application for registration of Hargis's Sealtite in 2002, prompting B&B to oppose the trademark application before the TTAB. B&B argued the proposed registration was confusingly similar to its mark, and therefore could not be registered. The TTAB agreed. B&B also sued Hargis in federal court for trademark infringement, arguing that Hargis's use of Sealtite in commerce in affiliation with its goods infringed B&B's registered mark because it was confusingly similar.

The TTAB decision came out before the district court could decide the issue, and Hargis did not seek review of the TTAB decision. Nevertheless, B&B was not able to convince the district court or the Eight Circuit that Hargis was precluded from re-litigating the issue of "confusingly similar."

### Why the Reversal?

The Eighth Circuit's primary objection to issue preclusion was that the TTAB considers different factors from the Eight Circuit when evaluating likelihood of confusion. The factors are similar, but not identical. The factors are also applied slightly differently. However, ***"if federal law provides a single standard, parties cannot escape preclusion by litigation anew in tribunals that***

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### ***apply that one standard differently.”***

The Supreme Court found that the likelihood of confusion standard for registration is the same standard as likelihood of confusion for purpose of infringement for a number of reasons. They went on to recite the rule:

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, issue preclusion should apply.

### **What does this mean for you?**

***Be careful in the TTAB; you may be living with the results. Advocate in that tribunal with the gusto appropriate to the dictates of your business objectives.*** As the Supreme Court said, there is no categorical reason to doubt the quality, extensive or fairness of the agency’s procedures. The benefits of registration are substantial; there is good reason to think that both sides will take the matter seriously when registration is opposed.

[Click here to read the decision.](#)