

**CASTING OUT CONFUSION: HOW EXCLUSIVE APPELLATE  
JURISDICTION IN THE FEDERAL CIRCUIT WOULD CLARIFY  
TRADEMARK LAW**

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*Uniformity in trademark law has always been desired, in order to ensure that a person's bundle of rights in their trademark is the same in a particular state and across the United States. However, uniform would be one of the least likely words describing trademark law currently. Smaller Circuits have fewer judges sitting on the bench, giving each of those judges a disproportionate amount of power in shaping trademark law than a judge in a more populous Circuit. As a result of the varying power and influence an individual judge might have, trademark law is developed differently across the country, leading to ambiguity and confusion. Different outcomes for trademark infringement cases even result for similar products, depending upon the Circuit in which the case is litigated. In order to ensure people's bundle of rights in their trademark are uniform across the country, exclusive appellate jurisdiction of trademark cases is needed.*

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## INTRODUCTION

“*Much unhappiness has come into the world because of bewilderment and things left unsaid*”<sup>1</sup>

Uniformity in trademark law has always been desired, in order to ensure that a person’s bundle of rights in their trademark is the same both in a particular state and across the United States.<sup>2</sup> Uniformity has played such an important and historical role in the development of trademark law that Congress was motivated to create the Lanham Act, the main body of federal trademark law,<sup>3</sup> in order to preserve such uniformity.<sup>4</sup> However, if someone were to look at the tests comprising federal trademark law, and enforcement of those tests in states such as Massachusetts and California, uniform would be the least likely word that person would apply.

For example, trademark appeals make up 9.44% of the total number of cases the First Circuit hears, the Circuit where Massachusetts is located.<sup>5</sup> However, the First Circuit only has six judges and 4.47% of the U.S. population in its jurisdiction.<sup>6</sup> In contrast, the Ninth Circuit, the Circuit that hears California’s appeals, has 19.74% of people, one of the largest populations in the United States, and 29 judges, the largest number of judges in any district.<sup>7</sup> These Ninth Circuit statistics are paired with a 3.2% rate of hearing appellate level trademark cases.<sup>8</sup> From these statistics, it is clear that judges in the First Circuit hear almost three times as many trademark cases as the judges in the Ninth Circuit. Such inequality in rates of hearing appeals means that disproportionately fewer judges shape trademark law in smaller Circuits, like the First Circuit, compared to larger Circuits, such as the Ninth Circuit. Further, as a result of the different caseloads the various Circuits have, the different Circuits will have different tests and doctrines for various aspects of trademark law, and most prominently for trademark infringement. These different case loads thus result in circuit splits, which should be avoided.

As a result of the disproportionate impact and power individual judges have on trademark law for some Circuits, ambiguity and confusion are still prevalent for several elements of

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<sup>1</sup> Fyodor Dostoyevsky, GOODREADS INC., <http://www.goodreads.com/quotes/tag/confusion> (last visited June 28, 2015).

<sup>2</sup> See S. REP. NO. 79-1333, at 5 (1946)

Many years ago the Supreme Court held and has recently repeated that there is no Federal common law. It is obvious that the States can change the common law with respect to trade-marks and many of them have, with the possible result that there may be as many different varieties of common law as there are States. A man’s rights in his trade-mark in one State may differ widely from the rights which he enjoys in another. However, trade is no longer local, but is national.

<sup>3</sup> MATTHEW G. DORE, 6 IA. PRAC., BUSINESS ORGANIZATIONS § 37:1 (6th ed. 2014) (“Today there are three bodies of law governing trademarks: common law, state law, and federal law (the Lanham Act.)” (citations omitted).

<sup>4</sup> MARK P. MCKENNA, *Trademark Law’s Faux Federalism*, INTELLECTUAL PROPERTY AND THE COMMON LAW, 307 (Shyamkrishna Balganesh ed., 2013).

<sup>5</sup> Trademark Cases between January 1, 2014 and July 2, 2015, JUSTIA Dockets & Filings available at [https://dockets.justia.com/search?court=all\\_appeals&nos=840&cases=between&after=2014-1-1&before=2015-7-2](https://dockets.justia.com/search?court=all_appeals&nos=840&cases=between&after=2014-1-1&before=2015-7-2).

<sup>6</sup> 2010 Census Data, UNITED STATES CENSUS 2010 IT’S IN OUR HANDS (2010),

<http://www.census.gov/2010census/data/>.

<sup>7</sup> *Id.*

<sup>8</sup> Trademark Cases between January 1, 2014 and July 2, 2015, JUSTIA DOCKETS & FILINGS

[https://dockets.justia.com/search?court=all\\_appeals&nos=840&cases=between&after=2014-1-1&before=2015-7-2](https://dockets.justia.com/search?court=all_appeals&nos=840&cases=between&after=2014-1-1&before=2015-7-2) (last visited July 20, 2015).

trademark law, including trademark infringement. Because such ambiguity and confusion exist, trademark owners are at risk of not having the same set of rights across the Circuits and the United States. For example, in order to use a trademark in commerce, it does not have to be registered at the United States Patent and Trademark Office.<sup>9</sup> Since there is no mandatory registration for trademarks, and because the Circuits have different interpretations and familiarity with the law, trademark infringement cases can have different outcomes, even if the same products are at issue.<sup>10</sup> As a result, trademark appellate cases are risky, because two products could have identical or almost identical logos, designs, and names, and be found confusingly similar in one circuit, yet not confusingly similar in another.

Therefore, a stronger solution is needed to fix such a problem, if trademark owners want to keep the same bundle of rights in their trademarks across the United States. This article proposes granting the Federal Circuit exclusive appellate jurisdiction in trademark law. By doing so, the Federal Circuit will be able to create a precedent allowing for more consistent results in trademark infringement cases. If the Federal Circuit possessed exclusive appellate jurisdiction over trademark law, there would be incentives for “firms to create and market products of desirable qualities”<sup>11</sup> across the country, not just in Circuits where trademark cases are most frequently litigated.

Part I of this paper explains the likelihood of confusion test and standard of review for likelihood of confusion, analyzes the circuit splits in trademark law for the likelihood of confusion test and the standard of review for likelihood of confusion, shows that the Supreme Court currently does not often involve itself frequently enough with fundamental issues of trademark law, and that conventional solutions for fixing circuit splits in trademark law, such as Congressional intervention, are not adequate. Part II argues that due to the problems caused in Part I, the best way to solve them is to create exclusive appellate jurisdiction in the Federal Circuit for trademark law, and highlights the reasons for adopting this proposal. Part III addresses a few criticisms to the solution proposed in Part II, and explain why those criticisms do not apply.

## **I. The Problem with Current Appellate Review of Trademark Law**

In order to understand why the Federal Circuit needs to have exclusive appellate jurisdiction in trademark law, it is first important to understand the severity of the problems caused by the circuit splits for likelihood of confusion. Therefore, this Section analyzes the circuit splits in trademark law, specifically for likelihood of confusion and the standard of review for likelihood of confusion, shows how the Supreme Court does not involve itself enough, and why conventional solutions, such as Congressional intervention, are not enough to solve the problem.

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<sup>9</sup> *Maintain your registration*, TRADEMARK PROCESS (Feb. 12, 2015, 1:56 PM), <http://www.uspto.gov/trademarks-getting-started/trademark-process#step6>.

<sup>10</sup> Jane C. Ginsburg, et al., TRADEMARK AND UNFAIR COMPETITION LAW 419 (3d ed. 2001) (“Predictably, the diverging viewpoints in this area have produced a muddled body of case law, characterized by such inconsistency among and within the circuits that it has become difficult to predict how a court will deal with a particular case.”).

<sup>11</sup> Marshall A. Leafer, *The New World of International Trademark Law*, 2 MARQ. INTELL. PROP. L. REV. 1, 5-6 (1998); *See also* S. REP. NO. 79-133, at 3 (1946).

## A. Circuit Splits in Trademark Law

In order to explain the severity of circuit splits for fundamental tests in trademark law such as likelihood of confusion and the standard of review for likelihood of confusion in appellate cases, it is important to know exactly what the circuit splits are for these tests. Therefore, this Section first explains and outlines the circuit splits for likelihood of confusion and the standard of review for likelihood of confusion. Second, this Section details how the current lack of uniformity caused by these circuit splits creates problems, and affects the outcomes of trademark cases.

### 1. Circuit Splits on Fundamental Issues of Trademark Law

Currently, there are two major circuit splits relating to the likelihood of confusion test for trademark infringement. This Section will explain and outline the circuit splits for likelihood of confusion and the standard of review for likelihood of confusion.

#### a. Likelihood of Confusion

One of the fundamental tests for trademark infringement,<sup>12</sup> a likelihood of confusion exists between two marks if the defendant's mark is so similar to the plaintiff's mark that it is likely to cause, or has caused, consumer confusion in terms of the origin of the plaintiff's goods.<sup>13</sup> While the test was originally developed in 1944,<sup>14</sup> the official statutory definition for likelihood of confusion has evolved several times, leading to the current definition under §43(a)(1)(A) of the Lanham Act.<sup>15</sup> However, due to the test's frequent evolution, the individual circuits have split off and developed their own versions of likelihood of confusion.

For example, the *Polaroid Corp. v. Polarad Electronics Corp.* case was one of the first cases to address likelihood of confusion,<sup>16</sup> and served as the basis for subsequent analysis of the test in the other Circuits.<sup>17</sup> The Second Circuit held in *Polaroid* that eight factors were relevant

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<sup>12</sup> Anne Gilson LaLonde & Jerome Gilson, *Likelihood of Confusion and Counterfeiting*, GILSON ON TRADEMARKS, 2014, at 1, LEXIS. ("The central aim of trademark law is to avoid confusion among an appreciable number of the purchasing public").

<sup>13</sup> Ann Bartow, *Likelihood of Confusion*, 41 SAN DIEGO L. REV. 722, 744 (2004) (citing 15 U.S.C. § 1114(1) (2000)).

<sup>14</sup> 15 U.S.C. § 32 (1944) ("[U]se 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").

<sup>15</sup> 15 U.S.C. § 43(a)(1)(A) (1987)

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 an combination thereof . . . which 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 of another person . . . shall be liable in a civil action by any such person who believes that he or she is likely to be damaged by such act. (emphasis added)

<sup>16</sup> Richard A. Dillgren III, *As a Matter of Fact, It's a Question of Law: A Case for De Novo Review of Likelihood of Confusion*, 28 HASTINGS COMM. & ENT L.J. 109, 112 (2005) ("The seminal case on trademark infringement is *Polaroid Corp. v. Polarad Electronics Corp.*").

<sup>17</sup> *Polaroid Corp. v. Polarad Electronics Corp.*, 287 F.2d 492, 495 (2d Cir. 1961).

when conducting a likelihood of confusion analysis:<sup>18</sup> 1) the strength of the mark; 2) the proximity of the goods; 3) the similarity of the marks; 4) evidence of actual confusion; 5) the marketing channels used; 6) the type of goods and the degree of care likely to be exercised by the purchaser; 7) the defendant's intent in selecting the mark and 8) the likelihood of expansion of the product lines.

However, a thirteen-factor test for likelihood of confusion is used at the Federal Circuit, and is currently known as the *Du Pont* test.<sup>19</sup> The factors in the *Du Pont* test include: “1) the similarity of the marks as to appearance, sound, and commercial impression; 2) the similarity and nature of the goods and services; 3) the similarity of the channels of trade; 4) the sophistication of the buyers; 5) the fame of the prior mark; 6) the number and nature of similar marks in use on similar goods; 7) the nature and extent of any actual confusion; 8) the length of time and conditions under which there has been concurrent use without evidence of actual confusion; 9) the variety of goods on which a mark is used or not used; 10) the market interface between applicant and the owner of a prior mark: . . . 11) the extent to which an applicant has a right to exclude others from use of its mark; 12) the extent of potential confusion; 13) any other established fact probative of the effect of use.”<sup>20</sup>

For further reference, Table 1 details the Circuits and the number of factors each Circuit has when conducting a likelihood of confusion analysis:<sup>21</sup>

**Table 1**

<b>Number of Factors in Likelihood of Confusion</b>	<b>Circuit</b>
6	Eighth & Tenth
7	Fourth, Fifth, Seventh & Eleventh
8	First, Second, Sixth & Ninth
10	Third
13	Federal Circuit

Despite the differences in numbers of factors for the Circuits,<sup>22</sup> all of the Circuits have some factors in common. Generally, no single factor is dispositive in a likelihood of confusion analysis,<sup>23</sup> but some factors are stronger than others depending on the facts and the case.<sup>24</sup>

<sup>18</sup> *Id.*

<sup>19</sup> J. Thomas McCarthy, 4 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, §24:43, (4th ed. 2015).

<sup>20</sup> *In re DuPont*, 476 F.2d 1357, 1361 (C.C.P.A. 1973).

<sup>21</sup> Christina P. Mott, *Multifactors, Multiconfusion? Refining “Likelihood of Confusion” Factors for Reverse-Confusion Trademark Infringement Claims To Achieve More Consistent and Predictable Results*, 47 SUFFOLK U. L. REV. 421, 438 (2014)

The Second Circuit uses the most well-known set of factors . . . and like the First, Sixth, Ninth, and D.C. Circuits, analyzes eight elements. Other circuit courts, such as the Seventh and Fourth, typically use seven factors, while the Third generally uses ten and the Federal Circuit uses thirteen. Still others, including the Eighth and Tenth Circuits, use a six-factor test.

<sup>22</sup> *Id.*

<sup>23</sup> *Sabinsa Corp. v. Creative Compounds, LLC*, 609 F.3d 175, 182-83 (3rd Cir. 2010) (“None of these factors is determinative in the likelihood of confusion analysis, and each factor must be weighed and balanced one against the



Further, because the test is a likelihood of confusion, it is not necessary to prove actual confusion in order to show that a likelihood of confusion exists.<sup>25</sup> Despite these similarities, when the factors are applied, the Circuits will often apply the likelihood of confusion test differently, and come to different conclusions.<sup>26</sup>

This difference in applying the likelihood of confusion test is most apparent in terms of the circuits deciding which of the factors takes on the most prominence in the analysis.<sup>27</sup> Depending on which factor is considered most prominent for a certain Circuit, the outcome of the case can change as well.<sup>28</sup>

## **b. Standard of Review**

In appellate cases, the standard of review determines the amount of deference that an appellate court will give to the decisions of a lower court or agency.<sup>29</sup> The standard of review can “appear in the discussion of the issue or under a separate heading before”<sup>30</sup> discussing the issues. Parties will thus use the standard of review to frame the case in ways that improve their chances of success on appeal.<sup>31</sup>

Even though parties can creatively use standard of review to frame their case, a circuit split still exists for the standard of review applied to likelihood of confusion cases.<sup>32</sup> The majority of Circuits hold that the standard of review for likelihood of confusion is clear error, but the Second, Sixth, and Federal Circuits hold that likelihood of confusion is an issue of law that should be reviewed de novo.<sup>33</sup> For the minority Circuits, the underlying factors considered in the likelihood of confusion analysis is a factual issue.<sup>34</sup>

The standard of review for each of the Circuits is illustrated below in Table 2.<sup>35</sup>

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other.”) (quoting *Checkpoint Systems, Inc. v. Check Point Software Technologies, Inc.*, 269 F.3d 270, 280 (3rd Cir. 2001)).

<sup>24</sup> *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036, 1054 (9th Cir. 1999) (“Some factors are much more relevant than others, and the relevant importance of each individual factor will be case-specific.”).

<sup>25</sup> *Brookfield*, 174 F.3d at 1050 (“The failure to prove instances of actual confusion is not dispositive against a trademark plaintiff, because actual confusion is hard to prove”).

<sup>26</sup> Barton Beebe, *An Empirical Study of the Multifactor Tests for Trademark Infringement*, CALIF. L. REV. 1581, 1581-82 (2006) (“[T]his Article finds significant variation among the circuits in the application and outcome of their respective tests . . . Judges employ ‘fast and frugal’ heuristics to short-circuit the multi-factor analysis. A few factors prove to be decisive”).

<sup>27</sup> *Id.* at 1622.

<sup>28</sup> *Id.* (“We have seen that the core factors drive the outcome of the test, and that some factors are far more influential than others.”).

<sup>29</sup> See Steven Alan Childress & Martha S. Davis, FEDERAL STANDARDS OF REVIEW (2d ed. 1992).

<sup>30</sup> *Fed. R. App.* 28(a)(9)(B).

<sup>31</sup> Randall H. Warner, *A Crash Course in Appellate Standards of Review*, 36-OCT ARIZ. ATT’Y 30, 31 (1999).

<sup>32</sup> J. Thomas McCarthy, *Likelihood of confusion on appeal: federal courts – a survey of the circuits*, 4 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, §23:73, (4th ed. 2015).

<sup>33</sup> *Id.*

<sup>34</sup> *Id.*

<sup>35</sup> *Id.*

**Table 2**

Standard of Review for Likelihood of Confusion	Circuit
Clear Error	First, Third, Fourth, Seventh, Eighth, Ninth, Tenth & Eleventh
De Novo	Second, Fifth, Sixth & Federal Circuit

Therefore, there are two major circuit splits for a fundamental test of trademark law. While a single circuit split for a fundamental test in an area of law is highly important, the fact that a second split exists regarding the standard of review for the test further illustrates that a strong solution must be implemented. Fundamentally different results for likelihood of confusion may occur depending on the circuit, and ultimately affect the rights and ability of a trademark owner to properly distinguish their goods and services across the country.

## **2. How the Current Lack of Uniformity in Trademark Law Creates Problems and Affects Outcomes**

As a result of the circuit splits, the likelihood of confusion test is not only applied differently throughout the Circuits, but also prevents trademark law from being completely uniform. For example, the win rate for likelihood of confusion differs throughout the Circuits. Plaintiffs won the likelihood of confusion test 37% of the time in the Second Circuit.<sup>36</sup> However, in the Ninth Circuit, plaintiffs won the likelihood of confusion test 64% of the time, while the rest of the circuits in general won the likelihood of confusion test 51% of the time.<sup>37</sup> The statistics therefore suggest that plaintiffs would be less likely to argue a trademark infringement claim in the Second Circuit, but would be encouraged to do so in the Ninth Circuit. Each of the Circuits has further identified either a certain single factor or combination of factors when conducting a likelihood of confusion analysis.<sup>38</sup> The sole factor or combination of factors for each of the circuits is unique, and therefore, leads to the differences in win rates for likelihood of confusion in each of the circuits.<sup>39</sup>

However, the difference in win rates is not the only reason why a lack of uniformity causes problems in trademark law. For example, trademark law is a statutory body of law, because practitioners and judges have to interpret the Lanham Act, the main body of trademark law.<sup>40</sup> When one court interprets the Lanham Act for trademark infringement in one way, and other courts subsequently interpret the decision and the Act in a different way, it prevents the law from developing a sense of predictability, since it makes unclear which law undecided circuits

<sup>36</sup> Beebe, *supra* note 26 at 1597.

<sup>37</sup> *Id.*

<sup>38</sup> *Id.*

The Second Circuit, for example, has pointed to the similarity of the marks and the proximity of the goods, or to the strength of the plaintiff's mark, similarity, and proximity; the Third to similarity; the Fourth to evidence of actual confusion; the Sixth to proximity; the Seventh to similarity, the defendant's intent, and actual confusion; the Ninth to similarity, proximity, and the commonality of the parties' marketing channels; and the Eleventh to the "type of mark" and actual confusion.

<sup>39</sup> *Id.*

<sup>40</sup> Dore, *supra* note 3.

will apply to their courts.<sup>41</sup> This can clearly be seen for trademark infringement and likelihood of confusion. The Second Circuit was the first Circuit to interpret the Lanham Act provision dealing with likelihood of confusion, which developed an eight-factor test.<sup>42</sup> However, when other Circuits interpreted the Lanham Act provision for likelihood of confusion and the Second Circuit's analysis, they came up with a test for trademark infringement encompassing anywhere from six to thirteen factors, as seen in Table 1 above.<sup>43</sup> As a result, a sense of predictability in trademark law across the Circuits is jeopardized, because for a fundamental test in trademark law, the Circuits do not read either the statute or a case of first precedent in the exact same way.

Moreover, while uniformity in some areas of law, like administrative law, is not highly valued, uniformity in other areas of law are of the utmost importance for federal courts.<sup>44</sup> Trademark law is an area of law where uniformity would be highly desired and important. The fundamental test for trademark infringement analyzes whether a consumer would find two marks confusingly similar.<sup>45</sup> If a test detailing whether a customer would be confused by two similar marks is not uniform, practitioners trying to interpret the statute and precedent will only end up confused themselves. Beyond the irony of being confused by a test called likelihood of confusion, if trademark law is not uniform, then owners of trademarks do not have the same bundle of rights in their trademark across the country. Trademarks are powerful, and provide the owner an exclusive right to use the trademarks in commerce, and prevent other people, companies, and businesses from using them in the marketplace.<sup>46</sup> Without uniformity in trademark law, the trademark owners will not have the same exclusive rights in their trademarks. Without these exclusive rights, the ability of trademark owners to participate in commerce across the nation is diminished.

From the above analysis, it is clear that there are differences in applying the likelihood of confusion test. Each circuit has a different number of factors to apply for likelihood of confusion, and can even have a different standard of review in some cases. Therefore, because a circuit split exists for likelihood of confusion in terms of the number of factors the circuits apply, along with the standard of review, the factor of greatest importance varies between the circuits when analyzing trademark infringement. As a result, differences in outcomes can result for trademark owners in trademark infringement cases, and compromise the exclusive rights they have for their trademarks across the country.

## **B. The Supreme Court is not Currently Involved Enough with Trademark Law**

While circuit splits can usually be resolved by having the Supreme Court hear and accept petitions on certiorari, waiting for the Supreme Court to accept trademark cases is not enough. This Section will show how the Supreme Court has not involved itself enough in trademark law

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<sup>41</sup> Orin Kerr, *How Important is the Uniformity of Federal Law?*, THE VOLOKH CONSPIRACY (Sept. 29, 2009, 7:29 PM), <http://volokh.com/2009/09/29/how-important-is-the-uniformity-of-federal-law/>.

<sup>42</sup> *Polaroid Corp. v. Polarad Electronics Corp.*, 287 F.2d 492, 495 (2d Cir. 1961).

<sup>43</sup> Mott, *supra* note 21, at 438.

<sup>44</sup> Kerr, *supra* note 41.

<sup>45</sup> Bartow, *supra* note 13, at 744.

<sup>46</sup> Vanessa Kaster, *Owning a Trademark = Owner (Exclusive Use of a Trademark)*, IP LEGAL FREEBIES BLOG (Jan. 6, 2011), <https://iplegalfreebies.wordpress.com/2011/01/06/owning-a-trademark-exclusive-use-of-the-trademark/>.

to serve as a viable solution for the circuit splits described in Part A through the Supreme Court's past and current actions in trademark cases, along with its current involvement in patent cases.

## 1. How the Supreme Court Currently Involves itself in Trademark Law

Currently, the Supreme Court does not involve itself enough in trademark cases. The first reason is due to statistics. Out of all the appellate cases decided across the Circuits every year, the Supreme Court only grants certiorari to 1.1 percent of those cases.<sup>47</sup> As a result, the Supreme Court will hear fewer than one hundred appellate cases in any given year, while the Circuits hear thousands of such cases.<sup>48</sup>

Further, since 1879, the Supreme Court has heard fewer than thirty cases in trademark law.<sup>49</sup> While the Supreme Court has recently granted certiorari to two cases in trademark law, neither of those cases dealt with likelihood of confusion, nor issues where there were circuit splits. For example, the Court held in *Hana Financial v. Hana Bank* that the standard of review for tacking was clear error.<sup>50</sup> While *Hana* addressed the standard of review issue, it did not do so in any context of trademark infringement, or likelihood of confusion. The Court instead ruled on the standard of review for tacking and priority in ownership of a trademark,<sup>51</sup> an obscure issue in trademark law.<sup>52</sup>

The Court also ruled in *B&B Hardware v. Hargis* that issue preclusion could result in cases coming from the Trademark Trial and Appeal Board (TTAB), and that courts would have to defer to TTAB rulings.<sup>53</sup> The Court granted certiorari, because the Eighth Circuit upheld a finding of no likelihood of confusion between the SEALTITE and SEALTIGHT marks, even though the TTAB found a likelihood of confusion before the district court made its decision on the issue.<sup>54</sup> When the court made its determination on issue preclusion, it did not analyze the likelihood of confusion standard across the circuits. Instead, it held that for purposes of issue preclusion, the standards for likelihood of confusion for registration purposes was the same standard as trademark infringement.<sup>55</sup> While such measures are a promising start, many trademark cases are not tried at the TTAB.<sup>56</sup> Instead, most trademark cases start at the district

<sup>47</sup> Kedar S. Bhatia, *Likelihood of a Petition Being Granted*, DAILY WRIT (Jan. 10, 2013), <http://dailywrit.com/2013/01/likelihood-of-a-petition-being-granted/>.

<sup>48</sup> *U.S. Courts of Appeals*, THE LEADERSHIP CONFERENCE, <http://www.civilrights.org/judiciary/courts/appeals.html?referrer=https://www.google.com/> (last visited June 28, 2015).

<sup>49</sup> David S. Welkowitz, *The Supreme Court and Trademark Law in the New Millennium*, WM. MITCHELL L. REV., 1659, 1660-85 (2004) (discussing the Supreme Court cases in trademark law).

<sup>50</sup> *Hana Financial v. Hana Bank*, 135 S.Ct. 907, 913 (2015) (“The Ninth Circuit correctly held that whether two marks may be tacked for purposes of determining priority is a question of fact for the jury”).

<sup>51</sup> *Id.* at 910.

<sup>52</sup> Matthew D. Asbell & Cassidy Merriam, *U.S. Supreme Court: Trademark Tacking Should be Determined by the Jury*, EDUCATION CENTER, <http://ladas.com/u-s-supreme-court-trademark-tacking-determined-jury/> (last visited July 21, 2015) (“Trademark tacking is a relatively obscure doctrine, and courts, including the Supreme Court in *Hana*, have emphasized that it should only be applied in ‘exceptionally narrow circumstances.’”).

<sup>53</sup> *B&B Hardware v. Hargis Industries, Inc.*, 135 S.Ct. 1293 (2015).

<sup>54</sup> *Id.* at 1302.

<sup>55</sup> *Id.* at 1307.

<sup>56</sup> Jeremy Klass, *Weaving B&B Hardware Into TTAB Litigation Strategy*, LAW360 (May 13, 2015, 10:36 AM ET), <http://www.law360.com/articles/654298/weaving-b-b-hardware-into-ttab-litigation-strategy> (“The TTAB only

courts across the Circuits. Therefore, Circuit courts do not have to defer to a uniform body of law such as the TTAB if the case never started there in the first place. More importantly, even though the Supreme Court has become more active in trademark law, neither of the recent decisions address the problems imposed by the circuit splits, or even the splits themselves, as discussed in Part A.

The Supreme Court's lack of involvement could also be seen when the Ninth Circuit found no presumption of irreparable harm after finding a likelihood of confusion in *Herb Reed Enterprises v. Florida Entertainment Management*.<sup>57</sup> The Estate of Herb Reed subsequently filed a petition for certiorari, but on October 6, 2014, the Supreme Court denied the plaintiff's petition.<sup>58</sup> Therefore, as of 2014, the Supreme Court has shown no desire or intent to resolve a more frequently heard issue in trademark law. Thus, while the Supreme Court may be starting to take small steps in making trademark law more uniform, based on prior trends and the current focus on obscure issues in trademark law, stronger measures must be taken.

## 2. Comparing the Supreme Court's Actions with Patent Law

In contrast, the Supreme Court has heard more than 90 patent law cases,<sup>59</sup> more than tripling the total number of trademark cases the Court has heard since the 1800s. In fact, within the past two years, the Supreme Court has heard nine patent cases,<sup>60</sup> and twenty-eight cases in patent law over the past ten years.<sup>61</sup>

However, one explanation for the Supreme Court's new found involvement in patent law over the past fifteen years is because the Court has become "active, if not hyperactive, in patent law."<sup>62</sup> During this time, the Supreme Court decided to become substantively active in changing fundamental tests in patent law<sup>63</sup> by ruling on: doctrine of equivalents and prosecution history estoppel,<sup>64</sup> subject matter eligibility,<sup>65</sup> induced infringement,<sup>66</sup> and obviousness.<sup>67</sup> Such rulings

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decided 132 cases . . . This means the TTAB issues final judgments in less than one-half of one percent of all oppositions and cancellations.”)

<sup>57</sup> *Herb Reed Enterprises v. Florida Entertainment Management Co.*, 736 F.3d 1239 (9th Cir. 2013).

<sup>58</sup> Timothy Kenny & Shelby Bruce, *US Supreme Court will not clarify the split in the circuits on the issue of presumption of irreparable harm in trademark preliminary injunction actions*, THE BRAND PROTECTION BLOG (Oct. 14, 2014), <http://www.thebrandprotectionblog.com/us-supreme-court-will-not-clarify-the-split-in-the-circuits-on-the-issue-of-presumption-of-irreparable-harm-in-trademark-preliminary-injunction-actions/>.

<sup>59</sup> Elizabeth D. Lauzon, *Construction and Application of Patent Act – United States Supreme Court Cases*, 27 A.L.R. FED. 2d 151 (2008).

<sup>60</sup> Lisa L. Ouellette, *Supreme Court Patent Cases*, WRITTEN DESCRIPTION (2015), <http://writtendescription.blogspot.com/p/patents-scotus.html>.

<sup>61</sup> *Id.*

<sup>62</sup> Timothy R. Holbrook, *Explaining the Supreme Court's Interest in Patent Law*, IP THEORY, vol. 3 issue 2 62, 63 (2013).

<sup>63</sup> *Id.* at 64.

<sup>64</sup> See *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722 (2002); *Warner-Jenkinson Co. v. Hilton Davis Chemical Co.*, 520 U.S. 17 (1997).

<sup>65</sup> See *Assoc. for Molecular Pathology v. Myriad Genetics*, 133 S.Ct. 694 (2012); *Mayo v. Prometheus*, 132 S. Ct. 1289 (2012); *Bilski v. Kappos*, 130 S. Ct. 3218 (2010); *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 134 S. Ct. 2347 (2014).

<sup>66</sup> See *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S.Ct. 2060 (2011).

<sup>67</sup> See *KSR Int'l Co. v. Teleflex Inc.*, 127 S.Ct. 1727 (2007).

came about because the Supreme Court has not only taken a general interest in patent law, but has also taken an active interest in undermining the Federal Circuit's exclusivity and bias in patent law.<sup>68</sup> In fact, for the doctrinal areas of patent law that the Supreme Court has ruled on, the Court often drew on other areas of law during its analysis, such as criminal law.<sup>69</sup> Therefore, the Supreme Court has taken more of an active interest in patent law than trademark law, and thus is not currently involving itself enough in trademark law.

### C. Congressional Intervention Will Not Adequately Solve the Problem

Further, conventional solutions to solving the problem imposed by the circuit splits are not enough. One conventional solution, having the Supreme Court issue a ruling on these circuit splits, will not come in the near future, as discussed earlier in Part B. This Section will show how Congressional intervention, another typical avenue for changing law, will not be well suited to handle the problem, and how a court with specialized experience might be able to serve as a solution to the problems imposed by the circuit splits.

#### 1. Congress is not Well-Suited To Address Recurring Conflicts

While Congress created the Lanham Act in 1946,<sup>70</sup> and the Lanham Act currently serves as the main body of law for trademarks, the U.S. Constitution does not explicitly give Congress power over trademark law unlike patent or copyright law.<sup>71</sup> Congress's ability to create or change trademark law instead falls under the Commerce Clause.<sup>72</sup>

While such broad power would normally allow for Congress to make broad changes to trademark law easily, the usual process for congressional intervention currently shows why it is not a good solution to fixing the circuit splits in trademark law. For example, because few bills move through the committee process and traditional rules of the legislative process, "many lawmakers jump on any vehicle to address their issues."<sup>73</sup> Even if there are bipartisan bills popular with both parties, due to the polarization of American politics, some members of Congress care more about currying favor with their political parties than solving problems.<sup>74</sup> The process of getting a bill or law passed through Congress is also arduous, with the bill having to pass committee consideration, floor debate, and conference committees in each house before being passed.<sup>75</sup> Therefore, there are several ways that a bill could die, and as a result, less than ten percent of proposed bills actually become law.<sup>76</sup>

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<sup>68</sup> Holbrook, *supra* note 62, at 71.

<sup>69</sup> *Id.* at 72.

<sup>70</sup> Lanham Act, Pub. L. 79-489, 60 Stat. July 5, 1946, 15 U.S.C. § 1051.

<sup>71</sup> U.S. CONST. art. I, § 8, cl. 8 ("To promote the Progress of Science and Useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries").

<sup>72</sup> ABOUT US, <http://www.uspto.gov/about-us> (last visited July 8, 2015).

<sup>73</sup> Elahe Izadi & Claire Foran, *Why Congress Sometimes Can't Even Pass Moderate, Bipartisan Bills*, NATIONAL JOURNAL (2013), <http://www.nationaljournal.com/daily/why-congress-sometimes-can-t-even-pass-moderate-bipartisan-bills-20130915>.

<sup>74</sup> *Id.* ("[T]here are some people who are more interested in scoring political points [than] in solving specific problems, and that's very regrettable because we all pay for that").

<sup>75</sup> *6e. How a Bill Becomes Law*, AMERICAN GOVERNMENT, (2014), <http://www.ushistory.org/gov/6e.asp> (last visited June 30, 2015).

<sup>76</sup> *Id.*

Further, even when Congress tries to pass bills in trademark law, the proposed solution to the problems frequently do not work in practice as Congress expected. For example, Congress tried to defeat cyber-squatters by passing the Federal Trademark Dilution Act (FTDA) in 1996, with relatively little debate.<sup>77</sup> However, by doing so, it failed to define many ambiguous terms in the Act, which resulted in a wide variety of judicial interpretations of the FTDA.<sup>78</sup> Rather than admit it was wrong, Congress then passed the Anticybersquatting Consumer Protection Act (ACPA), and blamed cybersquatters for the failure of the FTDA.<sup>79</sup> Despite Congress's best efforts, the ACPA only applied to trademarks in the form of domain names, and did nothing to lower the high burden of proving the fame of the mark, as required by the FTDA.<sup>80</sup> If the defendant did not use the dilutive trademark as a domain name, trademark owners could not use the ACPA as a cause of action, and were forced to look to the unclear decisions the Circuits made regarding the FTDA.<sup>81</sup> Therefore, when Congress tried to resolve a new and complex problem in trademark law, it not only failed to solve the problem, but also created new problems in trademark law. As a result, if Congress tried to address the circuit splits for likelihood of confusion, it would likely not be successful in resolving the problems described above.

A stronger solution is thus needed if the circuit splits plaguing trademark law for likelihood of confusion are to be addressed or successfully resolved in the near future.

## **II. Proposal: The Federal Circuit Should Have Exclusive Jurisdiction Over Trademark Appeals**

The best way to solve the problems mentioned in Part I would be allowing the Federal Circuit to have exclusive appellate jurisdiction over trademark law. This Section will thus detail the proposal, explain the reasons why the proposal should be adopted, and show how the proposal would not be overly burdensome for the Federal Circuit.

### **A. How to Implement Exclusive Appellate Jurisdiction in Trademark Law**

In order to eliminate the circuit splits for likelihood of confusion and trademark law, the Federal Circuit should have exclusive appellate jurisdiction for cases in trademark law. The circuit splits for likelihood of confusion and the standard of review for likelihood of confusion described in Part I would vanish, because there would be one consistent body of trademark law.

This would mirror the single, consistent body of patent law that developed after the Federal Circuit was given exclusive appellate jurisdiction over patent law.<sup>82</sup> An exclusive body

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<sup>77</sup> Xuan-Thao N. Nguyen, *Blame it on the Cybersquatters: How Congress Partially Ends the Circus Among the Circuits With the Anticybersquatting Consumer Protection Act*, 32 LOY. L.J. 777, 778 (2001).

<sup>78</sup> *Id.*; see also Xuan-Thao N. Nguyen, *The New Wild West: Measuring and Proving Fame and Dilution Under the Federal Trademark Dilution Act*, 63 ALBANY L. REV. 201 (1999).

<sup>79</sup> *Sporty's Farm L.L.C. v. Sportsman's Mkt., Inc.*, 202 F.3d 489, 496 (2d Cir. 2000) ("[T]he ACPA was passed to remedy the perceived shortcomings of applying the FTDA in cybersquatting cases.").

<sup>80</sup> Nguyen, *supra* note 77, at 779.

<sup>81</sup> *Id.*

<sup>82</sup> John Duffy, *The Federal Circuit in the Shadow of the Solicitor General*, 78 GEO. WASH. L. REV. 518 (2010) ("[T]he court was expected to provide a unified body of patent precedents . . . That goal has largely been achieved").

of appellate jurisdiction would also promote the development of trademark law, because the judges hearing the cases would have substantial experience and expertise in the field.<sup>83</sup> Finally, with exclusive appellate jurisdiction, if problems still developed for likelihood of confusion and trademark infringement, the Supreme Court would be more likely to hear a case dealing with such a fundamental issue of trademark law, based on its past activities with fundamental tests in patent law.<sup>84</sup> Therefore, the best solution to the problems described in Part I would be for the Federal Circuit to have exclusive appellate jurisdiction for trademark cases.

The easiest way to implement exclusive appellate jurisdiction in trademark law would be for Congress to amend the U.S. Court of Appeals for the Federal Circuit Act of 1982. While this may appear contradictory to the analysis described in Part I, Part I detailed how Congress would not be efficient or qualified enough to determine the ultimate standards for likelihood of confusion by itself. By amending the Federal Circuit Act of 1982, Congress would be relieved of its burden to ultimately decide the standard for trademark infringement and likelihood of confusion, because the Federal Circuit, over the course of several cases and years, would be able to resolve the issue by itself. Congress would thus be able to focus on the problems it has the ability and resources to address by allowing the Federal Circuit to resolve the splits and problems surrounding trademark law. Thus, the proposed method is the best way to implement the proposal.

An example of the proposal, as drafted in a bill, would appear as follows:

JURISDICTION OF THE UNITED STATES COURT OF THE APPEALS FOR THE FEDERAL CIRCUIT:

Sec. 127. (a) Chapter 83 of title 28, United States Code, is amended by adding at the end thereof the following new sections:

"§ 1295. Jurisdiction of the United States Court of Appeals for the Federal Circuit

"(a) The United States Court of Appeals for the Federal Circuit shall have exclusive jurisdiction—

"(1) of an appeal from a final decision of a district court of the United States, the United States District Court for the District of the Canal Zone, the District Court of Guam, the District Court of the Virgin Islands, or the District Court for the Northern Mariana Islands, if the jurisdiction of that court was based, in whole or in part, on section 1338 of this title, except that a case involving a claim arising under any Act of Congress relating to copyrights ~~or trademarks~~ and no other claims under section 1338(a) shall be governed by sections 1291, 1292, and 1294 of this title;

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<sup>83</sup> Rochelle Cooper Dreyfuss, *The Federal Circuit: A Case Study in Specialized Courts*, 64 N.Y.U. L. REV. 1, 7 n.47 (1989) (quoting congressional testimony of Chief Judge Markey, who explained the benefits of expertise by hypothesizing "[i]f I am doing brain surgery every day, day in and day out, chances are very good that I will do your brain surgery much quicker, or a number of them, than someone who does brain surgery once every couple of years").

<sup>84</sup> Holbrook, *supra* note 62, at 63.



11) of an appeal *under the Lanham Act*.

The proposal would also implement the current Federal Rules of Appellate Procedure for the appellate procedures used by the Federal Circuit.<sup>85</sup> By doing so, trademark appeals would be uniform substantively and procedurally. The practitioners in the Circuits would not be heavily burdened by learning new and complex appellate procedure, because they would be using the same procedures they were already using in the Circuits. While Federal Circuit Rules exist, the Federal Circuit applies these rules in tandem with the Federal Rules of Appellate Procedure.<sup>86</sup> Since the Federal Circuit has had successful exclusive jurisdiction over patent law since 1982,<sup>87</sup> implementing exclusive appellate jurisdiction for trademark law would also likely be successful.

## **B. Reasons for Adopting Proposal**

There are several reasons why the Federal Circuit obtaining exclusive appellate jurisdiction for trademark cases would be the best solution. This Section will show how exclusive appellate jurisdiction for trademark cases is in line with the original goals of the Federal Circuit as a specialized court, how it prevents certain Circuits from dominating trademark law, and how it would not be overly burdensome for the Federal Circuit to absorb the Circuits' appellate trademark cases.

### **1. Adopting the Proposal would Match the Original Goals of the Federal Circuit**

When the Federal Circuit was created in 1982, the designers of the court wanted to promote greater uniformity in certain areas of federal law, and reduce the burden on the dockets of the Supreme Court and the regional Circuit courts.<sup>88</sup> While initially designed to serve as an exclusive jurisdiction for patent law, the new court was also authorized to hear appeals from federal administrative agencies.<sup>89</sup> By extension, appeals from the Board of Patent Appeals and Interferences, the original patent appellate board in the USPTO, and the TTAB could be heard, because they were located in the USPTO, an administrative agency.<sup>90</sup> The committee appointed by Justice Burger also proposed in a 1975 report that a national court of appeals would resolve any circuit splits by deciding cases referred to it from the Supreme Court and the Circuit Courts.<sup>91</sup> While such a proposal ultimately did not come to fruition, one of the original intents of

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<sup>85</sup> STAFF OF H. COMM. ON THE JUDICIARY, 113th CONG., FEDERAL RULES OF APPELLATE PROCEDURE, WITH FORMS 6 (Comm. Print Dec. 1, 2014).

<sup>86</sup> *Rules of Practice*, UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT, <http://www.ca9c.uscourts.gov/sites/default/files/rules-of-practice/rules.pdf> (last visited July 31, 2015).

<sup>87</sup> 28 U.S.C. § 1295 (1982) (“The United States Court of Appeals for the Federal Circuit shall have exclusive jurisdiction . . . (1) of an appeal from a final decision of a district court . . . In any civil action arising under . . . Any Act of Congress relating to patents”).

<sup>88</sup> THE U.S. COURT OF APPEALS FOR THE FEDERAL CIRCUIT: “AN ACT TO ESTABLISH A UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT, TO ESTABLISH A UNITED STATES CLAIM COURT, AND FOR OTHER PURPOSES 96 Stat. 25 (1982), [http://www.fjc.gov/history/home.nsf/page/landmark\\_22.html](http://www.fjc.gov/history/home.nsf/page/landmark_22.html).

<sup>89</sup> *Id.*

<sup>90</sup> *Id.*

<sup>91</sup> *Id.*

the Federal Circuit was to promote uniform rulings in certain specialized areas of the law,<sup>92</sup> such as patents and trademarks.

While the Federal Circuit generally defers to the law of the regional circuit in which a case originates if the Federal Circuit does not have primary jurisdiction, such deference did not come about as a result of the original legislative intent behind the Federal Circuit.<sup>93</sup> Instead, members of the Federal Circuit give deference to the regional circuits based on their own sensibilities and judgments.<sup>94</sup> Even though the members of the Court have found that this approach could lead to “disparate results,”<sup>95</sup> they find it would be “preferable for the twelve judges of this court to handle such conflicts rather than for countless practitioners and hundreds of district court judges to do so.”<sup>96</sup> Therefore, there is currently no reason why the Federal Circuit would need to follow Circuit law for issues arising in trademark law.

Having the Federal Circuit as a specialized court for patent and trademark law would thus be in line with the original goals of the Federal Circuit. By having exclusive appellate jurisdiction over trademark law, the Federal Circuit would be able to handle the conflicts caused by the circuit splits in likelihood of confusion for the practitioners and district court judges. Therefore, judicial resources and time spent by practitioners could be reduced with exclusive appellate jurisdiction for trademark law in the Federal Circuit.

## **2. Even Without Exclusive Appellate Jurisdiction, Trademark Cases Inherently Favor One Circuit and Court**

Second, by granting exclusive appellate jurisdiction, certain Circuits, and courts within those Circuits, would no longer predominate trademark law. It is first important to note that the differences in overall win rates for likelihood of confusion discussed in Part I are the result of differences in the win rate for preliminary injunctions in the Circuits.<sup>97</sup> Because there are differences in the number of cases won for trademark infringement and the number of parties awarded a preliminary injunction, certain courts, with different understandings of likelihood of confusion and trademark infringement, are chosen over others, and thus shape a large portion of trademark law.

Table 3 illustrates the win rates for likelihood of confusion for each of the circuits.<sup>98</sup>

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<sup>92</sup> *Id.*

<sup>93</sup> Brian Dean Abramson, *A Question of Deference: Contrasting the Patent and Trademark Jurisdiction of the Federal Circuit*, 29 TEMP. J. SCI. TECH. & ENVTL. L. 1, 4 (2010).

<sup>94</sup> *Id.*

<sup>95</sup> *Panduit Corp. v. All States Plastic Mfg. Co.*, 744 F.2d 1564, 1575 (Fed Cir. 1984).

<sup>96</sup> *Id.*

<sup>97</sup> Beebe, *supra* note 26, at 1597 (“[I]n the Second Circuit, the plaintiff win rate in such opinions (41%) was significantly lower than that in all other circuits (59%) while, in the Ninth Circuit, the plaintiff win rate (69%) was higher than all other circuits (50%)”).

<sup>98</sup> *Graph S: Comparison of the Percentage of Cases in Each Circuit with Infringement Established and Not Established*, MITCHELL STUDY ON TRADEMARK LITIGATION, <https://web.wmitchell.edu/intellectual-property/wp-content/uploads/2011/01/WM-TMStudy-GraphS.pdf> (last visited July 3, 2015).

**Table 3**

Circuit	Win Percentage for Likelihood of Confusion
First	52.14%
Second	46.55%
Third	53.74%
Fourth	55.16%
Fifth	52.17%
Sixth	48.65%
Seventh	43.25%
Eighth	48.17%
Ninth	50.76%
Tenth	43.75%
Eleventh	65.46%

While the percentages of these outcomes do not appear to significantly differ from each other, these statistics do not operate in a vacuum. For example, the Second Circuit will often constitute more than one third of the total opinions in trademark law in a given year, and 78% of those opinions come from the Southern District of New York.<sup>99</sup> Due to the large number of cases from the Southern District of New York, 25% of the district court cases in trademark law across the nation originate from that district.<sup>100</sup> This is important to note, because as discussed in Part 1, the Second Circuit has eight factors in the likelihood of confusion analysis, and is one of the minority Circuits where the standard of review for likelihood of confusion is *de novo* review.<sup>101</sup> Therefore, in a landscape without exclusive appellate jurisdiction, one Circuit and court in that Circuit predominately shape trademark law. By giving the Federal Circuit exclusive appellate jurisdiction over trademark law, it would effectively end the reign the Second Circuit and the Southern District of New York have over trademark law, and promote a uniform and precise trademark law that would not inherently favor one Circuit's laws or geography over the others.

### **3. Exclusive Appellate Jurisdiction for Trademark Law would not be Overly Burdensome**

Further, the Federal Circuit would be able to easily absorb the other Circuits' trademark cases. While intellectual property cases made up 54% of the cases that the Federal Circuit heard in 2014, 38% of the Intellectual Property cases were Patent cases appealed from the district court.<sup>102</sup> Most of the Intellectual Property cases the Federal Circuit recently heard were patent cases, because only 2% of the Intellectual Property cases were trademark cases.<sup>103</sup> In sum, out of

<sup>99</sup> Beebe, *supra* note 26, at 1596.

<sup>100</sup> *Id.*

<sup>101</sup> Mott, *supra* note 21, at 438; McCarthy, *supra* note 30.

<sup>102</sup> UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT APPEALS FILED, BY CATEGORY FY 2014, STATISTICS

[http://www.ca9.uscourts.gov/images/stories/thecourt/statistics/caseload\\_by\\_category\\_appeals\\_filed\\_2014.pdf](http://www.ca9.uscourts.gov/images/stories/thecourt/statistics/caseload_by_category_appeals_filed_2014.pdf) (last visited July 10, 2015).

<sup>103</sup> *Id.*

1,492 appeals filed in the Federal Circuit in 2014,<sup>104</sup> only thirty of those cases were trademark cases. Fifteen of the thirty trademark cases in 2014 were appealed from the USPTO, which means that only fifteen of the trademark cases the Federal Circuit heard originated in the district courts.<sup>105</sup>

Therefore, the Federal Circuit currently does not hear many appellate level trademark cases, and could also easily absorb the number of trademark appeals cases heard in each of the Circuits. The total number of appellate cases in trademark law across the Circuits from January 1, 2014 to July 2, 2015 was 179 cases.<sup>106</sup> If the total number of appellate level trademark cases stays within that range in the future, the added cases to the Federal Circuit load would only be a little more than 10% of the total number of cases the Federal Circuit hears.

A graphic representation of the number of district court cases by Circuit, appellate cases by Circuit, and the overall percentage of trademark district court cases receiving appellate review by Circuit is shown below in Table 4.<sup>107</sup>

**Table 4**

Circuit	Number of Trademark District Court Cases from Jan. 2014 – June 2015	Number of Trademark Appeals by Circuit from Jan. 2014 – June 2015	Percentage of cases that get Appealed by Circuit from Jan. 2014 – June 2015
First	127	12	9.44%
Second	580	12	2.1%
Third	285	10	3.5%
Fourth	293	17	5.8%
Fifth	337	12	3.6%
Sixth	292	18	6.2%
Seventh	439	18	4.1%
Eighth	710	3	0.4%
Ninth	1353	43	3.2%
Tenth	200	6	3.0%
Eleventh	686	23	3.4%

As seen from Table 4, the number of trademark cases appealed from each of the Circuits is low. While such data reinforce the Federal Circuit easily being able to absorb the total number of appellate cases in trademark cases from the other Circuits, it further illustrates the burden that

<sup>104</sup> UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT HISTORICAL CASELOAD, STATISTICS, [http://www.cafc.uscourts.gov/images/stories/the-court/statistics/appeals\\_filed\\_terminated\\_pending\\_2014.pdf](http://www.cafc.uscourts.gov/images/stories/the-court/statistics/appeals_filed_terminated_pending_2014.pdf) (last visited July 10, 2015).

<sup>105</sup> *See id.*

<sup>106</sup> *Trademark Cases between January 1, 2014 and July 2, 2015*, JUSTIA DOCKETS & FILINGS, [https://dockets.justia.com/search?court=all\\_appeals&nos=840&cases=between&after=2014-1-1&before=2015-7-2](https://dockets.justia.com/search?court=all_appeals&nos=840&cases=between&after=2014-1-1&before=2015-7-2) (last visited July 12, 2015).

<sup>107</sup> *Id.*

will be relieved from the other Circuits. This effect will be most prominent in Circuits that hear trademark appeals at greater percentages.

Therefore, the proposal would be best implemented by having Congress amend sections 1 and 11 of the Federal Circuit Act of 1982. By doing so, neither the Second Circuit, nor smaller Circuits such as the First Circuit would have as powerful an effect on trademark law across the country. No longer would an entire area of law be shaped by either the sheer volume of cases heard in one city, or as few as six judges in another area of the country. Trademark law would become uniform again, and the Federal Circuit would be able to easily shoulder the burden of the appellate trademark cases formerly heard by the Circuits. Such a proposal is necessary in order to ensure that trademark owners have the same bundle of rights across the country.

### **III. Responding to Objections**

However, such a proposal is certain to have critics and detractors. The proposal advocates eliminating appellate jurisdiction in many circuits, even though some people welcome and encourage splits in their respective Circuits. This Section will therefore address two of these criticisms in further detail, but also show why they are ultimately unwarranted.

#### **A. The Federal Circuit Should Not Have Exclusive Jurisdiction over Intellectual Property Law**

One major criticism of the proposal is that the Federal Circuit should not have exclusive jurisdiction over Intellectual Property cases at all. This Section will first explain the criticism in more detail, and then show why the Federal Circuit should have exclusive appellate jurisdiction for cases in trademark law.

##### **1. The Federal Circuit Should Not Exclusive Jurisdiction Over any Area of Law**

The biggest critique of the proposal is that the Federal Circuit does not need to have and should not have exclusive appellate jurisdiction for trademark law at the Federal Circuit. These critics have proposed that the Federal Circuit should not have any kind of exclusive appellate jurisdiction at all.<sup>108</sup> While these critics acknowledge that the Federal Circuit was created to promote uniformity in patent law, they also argue “uniformity says nothing about quality or accuracy”<sup>109</sup> of the decisions reached by the Federal Circuit in patent cases. Most importantly, while patent and trademark law are both complex fields, they are no more complex than antitrust, environmental law, or Food and Drug cases, which do not have exclusive appellate jurisdiction at the Federal Circuit.<sup>110</sup> Further, each of the other complex areas of law previously discussed is not only tried in the same generalist district courts, but also in the Circuit courts.<sup>111</sup> With this in

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<sup>108</sup> Diane P. Wood, *Is It Time to Abolish the Federal Circuit’s Exclusive Jurisdiction in Patent Cases?*, 13 CHI.-KENT J. INTELL. PROP. 1 (2014).

<sup>109</sup> *Id.* at 3 (“A broken clock tells the time with impeccable uniformity: the only problem is that it is right only twice a day.”).

<sup>110</sup> *Id.* at 4.

<sup>111</sup> *Id.* at 7.

mind, critics think that no Circuit, including the Federal Circuit, should have exclusive jurisdiction in any area of law, much less Intellectual Property Law.

Further, the Federal Circuit as an institution has been heavily criticized. In patent law, critics think the Federal Circuit promotes insular thinking.<sup>112</sup> These critics argue that the point of the several Circuits is to create differing viewpoints on issues across the country and the courts.<sup>113</sup> Circuit splits are something to be welcomed and encouraged, because it allows for the Supreme Court to consider the various viewpoints on an issue before issuing a final decision and deciding which viewpoint is proper.<sup>114</sup> Therefore, these critics think that having a single appellate court is unwise, because there are fewer viewpoints for the Supreme Court to consider before issuing a decision.

## 2. The Federal Circuit Should Have Exclusive Jurisdiction in Patent and Trademark Cases

However, exclusive appellate jurisdiction in trademark law, along with patents, is needed in the Federal Circuit. As stated previously, the most important benefit of exclusive appellate jurisdiction in the Federal Circuit is uniformity.<sup>115</sup> Before the Federal Circuit was created in the 1980s, for patent cases, a patent could be held invalid in St. Louis, while a patent could be valid in Illinois.<sup>116</sup> However, with the creation of the Federal Circuit, such appellate forum shopping was eliminated in patent law.<sup>117</sup> As described above, a similar form of forum shopping already occurs in trademark law. For example, the Second Circuit is highly familiar with trademark law, hearing more than one third of the total trademark cases, as discussed in Part II.<sup>118</sup> A party wanting to defeat a trademark infringement claim would be more likely to have the case heard in the Second Circuit, due to the greater number of trademark infringement cases in that circuit, and the fact that plaintiffs have the lowest percentage of winning, at only 41%.<sup>119</sup> By giving the Federal Circuit exclusive appellate jurisdiction over trademark law, forum shopping would be prevented, and uniformity would allow for more equal outcomes in trademark law, if not true outcomes.<sup>120</sup>

Further, unlike other forms of complex litigation, patent and trademark law are better served with exclusive appellate jurisdiction. This can be seen by the fact that trademarks and

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<sup>112</sup> *The Rogue Court that Made Patents So Destructive*, TECHDIRT (Oct. 1, 2012), <https://www.techdirt.com/articles/20121001/03314720555/rogue-court-that-made-patents-so-destructive.shtml>.

<sup>113</sup> *Id.*

<sup>114</sup> *Id.*

<sup>115</sup> Harold C. Wegner, *Federal Circuit Exclusive Appellate Patent Jurisdiction: A Response to Chief Judge Wood*, 13 CHI.-KENT J. INTELL. PROP. 394, 397 (2014).

<sup>116</sup> *Id.* (“Under the old regime, a patent challenged . . . could yield the opposite result, all based upon whether the appellate review was to the most anti-patent circuit in the United States—the Eighth Circuit—or in one of the more moderate fora—the Seventh Circuit.”).

<sup>117</sup> Dreyfuss, *supra* note 83, at 6-7.

<sup>118</sup> Beebe, *supra* note 26, at 1596.

<sup>119</sup> *Id.*

<sup>120</sup> Wood, *supra* note 108, at 3 (“I realize the delicacy of saying that an appellate court reaches the “right” or “accurate” answer”).

patents have become crucial parts of the business world.<sup>121</sup> As a result, “[t]he greatest pressure to move toward specialization appears to be coming from the business community, which would like faster justice for itself, but who does not want that?”<sup>122</sup> Businesses were also heavily involved in the creation of the Federal Circuit, and fiercely advocated for its development.<sup>123</sup> Such sentiments are further shown in the other types of cases the Federal Circuit hears.<sup>124</sup> As a result, while environmental, antitrust and food and drug cases are all examples of complex cases relevant to businesses, the business community likely did not see those areas of law needing specialization, nor the expertise that the Federal Circuit could provide. Therefore, exclusive jurisdiction for patent and trademark law would be proper.

## **B. The Federal Circuit Does Not Have Specialized Jurisdiction in the First Place**

Another major criticism of the proposal, despite seeming contradictory to the critique discussed in Part A, is that the Federal Circuit does not even really have exclusive jurisdiction over the areas of law it hears. This section will explain this critique, and ultimately show why the Federal Circuit can and does have exclusive jurisdiction over the areas of law it hears.

### **1. Specialized Jurisdiction in the Federal Circuit Does Not Exist**

As described in Part II, the Federal Circuit has exclusive jurisdiction on areas of law other than patent law. For example, Veterans and Federal Personnel cases made up 28% of the total number of cases the Federal Circuit heard in 2014,<sup>125</sup> and are also areas of law that have exclusive jurisdiction at the Federal Circuit.<sup>126</sup> However, critics of the Federal Circuit argue that none of the judges at the Federal Circuit have any significant experience in those areas of law, because most of the appointed judges only have experience in patent law.<sup>127</sup>

While proponents of the Federal Circuit argue that the judges would learn the law from hearing the cases, if the judges on the Federal Circuit are not interested in learning the fields of law in which they are not experts, critics further argue that the judges will “prefer doctrines that will lead to quicker, easier, and faster decisions over resolutions that safeguard accuracy.”<sup>128</sup> These heuristic shortcuts, critics argue, are dangerous, because while the Federal Circuit has exclusive jurisdiction over a large number of tribunals, the benefits from the specialized

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<sup>121</sup> *Patents as Business Intelligence Tools*, PATENT AND TRADEMARK RESOURCE CENTER ASSOCIATION, <http://ptrca.org/newsletters/2014/jansen> (last visited July 12, 2015).

<sup>122</sup> Diane P. Wood, *Generalist Judges in a Specialized World*, 50 SMU L. REV. 1755, 1768 (1997)

<sup>123</sup> Paul R. Gugliuzza, *Rethinking Federal Circuit Jurisdiction*, 100 GEO. L.J. 1437, 1454 n. 85 (2012).

<sup>124</sup> *Id.* at 1461 (showing the Federal Circuit is responsible for Tucker Act cases, unfair trade cases, government contract cases, cases concerning federal workers, and appeals from the TTAB and PTAB as representative examples).

<sup>125</sup> UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT APPEALS FILED, BY CATEGORY FY 2014, STATISTICS, [http://www.cafc.uscourts.gov/images/stories/thecourt/statistics/caseload\\_by\\_category\\_appeals\\_filed\\_2014.pdf](http://www.cafc.uscourts.gov/images/stories/thecourt/statistics/caseload_by_category_appeals_filed_2014.pdf) (last visited July 10, 2015).

<sup>126</sup> Gugliuzza, *supra* note 123, at 1467.

<sup>127</sup> *Id.* (citing Judges, U.S. COURT OF APPEALS FOR THE FEDERAL CIRCUIT, <http://www.cafc.uscourts.gov/judges/randall-r-rader-chief-judge.html>).

<sup>128</sup> Rochelle Cooper Dreyfuss, *In Search of Institutional Identity: The Federal Circuit Comes of Age*, 23 BERKLEY TECH. L.J. 787, 796 (2008).

adjudication can become compromised if the Federal Circuit judges do not have more than a basic understanding of the area of law at hand.<sup>129</sup> Such criticism is also levied against exclusive jurisdiction of patent law, because while the judges in the Federal Circuit might be knowledgeable about patent law, “no judge could master all of the diverse technological fields in which cases arise.”<sup>130</sup> Therefore, critics argue that if the Federal Circuit truly cannot serve as a specialized court, then it truly does not have exclusive jurisdiction over area of law like patent law.

## 2. The Federal Circuit has Specialized Jurisdiction

However, just because the Federal Circuit hears cases in more than one type of law, it still has exclusive jurisdiction over the areas of law in which it hears. According to the definition used in civil procedure, exclusive jurisdiction means that a certain court is the only forum in which a certain type of case may be heard.<sup>131</sup> In other words, exclusive jurisdiction has nothing to do with the number of different types of cases that a court hears, but instead deals with whether a particular court is the only court hearing certain types of cases. Further, exclusive jurisdiction for an area of law can come from any provision in legislation.<sup>132</sup> Because the Federal Circuit Act of 1982 was an act of Congressional intervention, it is a piece of legislation that grants exclusive jurisdiction to patent law, along with several administrative bodies of law.<sup>133</sup>

However, even if the critique addressed above were taken into account, implementing it would be impractical. This is based on the fact that federal courts, which include the Circuit and district courts, have exclusive jurisdiction over cases dealing with federal questions,<sup>134</sup> and diversity of citizenship.<sup>135</sup> According to the logic in the critique, no federal district court judge could ever hope to have more than a basic understanding of admiralty, antitrust, or bankruptcy law, and therefore, jurisdiction of such cases should go to state courts as well. However, bringing such types of cases to state courts would only result in chaos, because it would either be physically impossible to determine which state the action occurred in, in the case of admiralty law, or so complex that it could stretch the state court’s resources too thin, in the case of antitrust or securities regulations cases. As a result, exclusive jurisdiction is highly beneficial, because having a limited number of qualified judges hear cases in certain areas of law is preferable to having countless practitioners being unable to understand an area of law, based on the countless interpretations made by both state and federal courts.

<sup>129</sup> Gugliuzza, *supra* note 123, at 1476.

<sup>130</sup> *Id.* (citing Arti K. Rai, *Engaging Facts and Policy: A Multi-Institutional Approach to Patent System Reform*, 103 COLUM. L. REV. 1035, 1068-69 (2003)).

<sup>131</sup> WEBSTER’S NEW WORLD LAW DICTIONARY (2010), <http://www.yourdictionary.com/exclusive-jurisdiction> (“The provision, made in the United States Constitution, *in legislation* . . . that a particular court is the sole forum in which a certain type of case may be brought.”) (emphasis added).

<sup>132</sup> *Id.*

<sup>133</sup> THE U.S. COURT OF APPEALS FOR THE FEDERAL CIRCUIT: “AN ACT TO ESTABLISH A UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT, TO ESTABLISH A UNITED STATES CLAIM COURT, AND FOR OTHER PURPOSES 96 Stat. 25 (1982), [http://www.fjc.gov/history/home.nsf/page/landmark\\_22.html](http://www.fjc.gov/history/home.nsf/page/landmark_22.html).

<sup>134</sup> AREAS OF EXCLUSIVE FEDERAL JURISDICTION, <http://civilprocedure.uslegal.com/jurisdiction/areas-of-exclusive-federal-jurisdiction/> (last visited July 20, 2015) (explaining that federal crimes, suit between states, patent cases, trademark cases, copyright cases, antitrust, bankruptcy, admiralty, and securities regulation cases are federal questions).

<sup>135</sup> *Id.*



#### **IV. Conclusion**

The Federal Circuit should obtain exclusive jurisdiction over appellate level trademark cases. The current system currently develops trademark law disproportionately across the circuits, wherein both a smaller number of judges in circuits such as the First Circuit affect trademark law for a whole region, and the Second Circuit functions as a quasi-exclusive appellate jurisdiction for trademark law, since it currently hears more than a third of the total appellate level trademark cases. The Supreme Court and Congress also are not able to address the issue by themselves. If Congress amended the 1982 Federal Circuit Act by amending sections 1 and 11, the problems described above would be resolved. Further, such a proposal would be in line with the original goals of the Federal Circuit to serve as a specialized court, and would not be overly burdensome for the Federal Circuit. While objections to the proposal exist, they are ultimately not applicable to the solution discussed. As a result, “the things left unsaid” in trademark law can finally be addressed, and clear out the unhappiness and bewilderment in the Circuits and trademark practitioners across the United States.