

UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT
Thurgood Marshall U.S. Courthouse 40 Foley Square, New York, NY 10007 Telephone: 212-857-8500

MOTION INFORMATION STATEMENT

Docket Number(s): No. 24-1903; Cross-Appeal No. 24-2014

Caption [use short title]

Motion for: leave to file amicus brief in support of neither party.

Cesari S.R.L. v. Peju Province Winery L.P. et al.,

Set forth below precise, complete statement of relief sought:

The International Trademark Association (INTA) seeks leave to file
an amicus brief in support of neither party. The basis for INTA's motion
is set forth in greater detail in the attached memorandum of law.

MOVING PARTY: International Trademark Association

☐ Plaintiff

☐ Defendant

☐ Appellant/Petitioner

☐ Appellee/Respondent

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Court-Judge/Agency appealed from: United States District Court for the Southern District of New York (Buchwald, J.)

Please check appropriate boxes:

Has movant notified opposing counsel (required by Local Rule 27.1):

☒ Yes ☐ No (explain): _____

Opposing counsel's position on motion:

☐ Unopposed ☒ Opposed ☐ Don't Know

Does opposing counsel intend to file a response:

☐ Yes ☐ No ☒ Don't Know

**FOR EMERGENCY MOTIONS, MOTIONS FOR STAYS AND
INJUNCTIONS PENDING APPEAL:**

Has request for relief been made below?

☐ Yes ☐ No

Has this relief been previously sought in this Court?

☐ Yes ☐ No

Requested return date and explanation of emergency: _____

Is oral argument on motion requested?

☐ Yes ☒ No (requests for oral argument will not necessarily be granted)

Has argument date of appeal been set?

☐ Yes ☒ No If yes, enter date: _____

Signature of Moving Attorney:

David Donahue

Date: December 16, 2024

Service by: ☒ CM/ECF

☐ Other [Attach proof of service]

24-1903-cv(L), 24-2014-cv(XAP)

United States Court of Appeals
for the
Second Circuit

PEJU PROVINCE WINERY L.P., a California Limited Partnership,
PEJU FAMILY OPERATING PARTNERSHIP L.P.,
a California Limited Partnership,

Defendants-Appellants-Cross-Appellees,

PEJU PROVINCE CORPORATION, a California Corporation,

Defendant,

— v. —

CESARI S.R.L., an Italian Limited Liability Company,

Plaintiff-Appellee-Cross-Appellant.

ON APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

**MEMORANDUM OF LAW IN SUPPORT OF MOTION OF
INTERNATIONAL TRADEMARK ASSOCIATION FOR LEAVE TO
FILE *AMICUS CURIAE* BRIEF IN SUPPORT OF NEITHER PARTY**

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**MEMORANDUM OF LAW IN SUPPORT OF MOTION OF
INTERNATIONAL TRADEMARK ASSOCIATION FOR LEAVE TO FILE
AMICUS CURIAE BRIEF IN SUPPORT OF NEITHER PARTY**

For the reasons stated below, the International Trademark Association (“INTA”) requests, pursuant to Federal Rule of Appellate Procedure 29(a)(3), leave to file the attached amicus curiae brief in support of neither party.

Appellants Peju Province Winery L.P. and Peju Family Operating Partnership L.P. have consented to INTA’s proposed filing, but Appellee Cesari S.R.L. has denied INTA’s request for consent.

Statement of Interest of Amicus Curiae

Founded in 1878, amicus curiae the International Trademark Association (INTA) is a not-for-profit organization dedicated to the support and advancement of trademarks and related intellectual-property concepts as essential elements of trade and commerce. INTA has more than 7,200 members in 191 countries. Its members include trademark owners, law firms and other professionals who regularly assist brand owners in the creation, registration, protection, and enforcement (or defense) of their trademarks.

INTA (formerly known as the United States Trademark Association) was founded in part to encourage the enactment of federal trademark legislation after the invalidation on constitutional grounds of the United States’ first trademark act. Since then, INTA has assisted legislators in connection with major trademark legislation.

INTA has participated as *amicus curiae* in numerous cases involving significant trademark issues.¹ INTA's members are frequent participants—as plaintiffs, defendants, and advisors—in legal actions brought under the Lanham Act and, therefore, are interested in the development of clear, consistent, and equitable principles of trademark law.

As explained further below, INTA and its members have a particular, and longstanding, interest in the interpretation of the Supreme Court's decision in *B & B Hardware, Inc. v. Hargis Industries, Inc.*, 575 U.S. 138 (2015), which is central to the outcome of the present appeal. In *B & B Hardware*, the Supreme Court held that “a court should give preclusive effect to TTAB decisions if the ordinary elements of issue preclusion are met.” On remand in that case, the Eighth Circuit determined that, under the standard set forth by the Supreme Court, a prior TTAB decision

¹ Cases in which INTA has recently filed *amicus* briefs include: *Vidal v. Elster*, 602 U.S. 286 (2024); *Abitron Austria GmbH v. Hetronic Int'l, Inc.*, 600 U.S. 412 (2023); *Jack Daniel's Props., Inc. v. VIP Prods. LLC*, 599 U.S. 140 (2023); *U.S. Pat. & Trademark Off. v. Booking.com B. V.*, 591 U.S. 549 (2020); *Romag Fasteners, Inc. v. Fossil, Inc.*, 590 U.S. 212 (2020); *Peter v. Nantkwest, Inc.*, 589 U.S. 23 (2019); *B & B Hardware, Inc. v. Hargis Indus., Inc.*, 575 U.S. 138 (2015); *Vans, Inc. v. MSCHF Prod. Studio, Inc.*, 88 F.4th 125 (2d Cir. 2023); *Shammas v. Focarino*, 784 F.3d 219 (4th Cir. 2015); *Chloe v. Queen Bee of Beverly Hills, LLC*, 616 F.3d 158 (2d Cir. 2010); *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97 (2d Cir. 2009); and *ITC Ltd. v. Punchgini, Inc.*, 482 F.3d 135 (2d Cir. 2007). A full list of cases in which INTA has participated as *amicus curiae* over the last 20 years is available at <https://inta.org/amicusbriefs>.

entered after a trial that considered the full spectrum of marketplace evidence was preclusive in subsequent infringement litigation.

The present case is the first opportunity for a circuit court to consider the impact of *B & B Hardware* on cases in which the TTAB *did not* consider marketplace usage evidence when it assessed of the likelihood of confusion.

Why an Amicus Brief Is Desirable and Relevant

INTA's perspective is broader than the interest of the parties. INTA is primarily concerned with the precedential impact of the present case on INTA's members, many of whom are often parties to both TTAB proceedings and infringement actions in federal court.

INTA has closely followed the development of precedent in this area for many years. INTA filed an amicus brief in the United States Supreme Court when *B & B Hardware* was before the Court. Since then, INTA has monitored several cases, including the instant case, in which district courts have been called upon to interpret the Supreme Court's decision in *B & B Hardware*. It has done so because the principal issue in *B & B Hardware* and in this case—whether and under what circumstances TTAB decisions on registrability have preclusive effect on subsequent federal court infringement proceedings—directly implicates the interests of INTA's members, who are frequent litigants in TTAB proceedings to determine

registrability of trademarks as well as in infringement actions to determine the right to use trademarks in commerce.

INTA's proposed amicus brief demonstrates that the TTAB decision at issue in this case, which expressly refused to consider evidence of marketplace distinctions between the rival trademarks, is completely different from the TTAB decision at issue in *B & B Hardware*, which fully adjudicated the full spectrum of marketplace evidence. Consequently, *B & B Hardware* does not require that the instant TTAB decision be given preclusive effect. Indeed, doing so is inconsistent with this Court's pre-*B & B Hardware* cases² that Professor McCarthy recognizes as applying "essentially the same" standard as *B & B Hardware*. 6 J. Thomas McCarthy, *McCarthy on Trademarks & Unfair Competition* § 32:98 & n.3 (5th ed.).

INTA's proposed amicus brief goes further and demonstrates that the TTAB decision here is typical of many TTAB decisions that exclude evidence of marketplace distinctions. Indeed, this practice is so common that it has come to be called the "*Octocom* Rule," a reference to *Octocom Systems, Inc. v. Houston Computers Services Inc.*, 918 F.2d 937 (Fed. Cir. 1990), the leading case most often

² See *Jim Beam Brands Co. v. Beamish & Crawford Ltd.*, 937 F.2d 729, 731-32 (2d Cir. 1991), and *Levy v. Kosher Overseers Association of America, Inc.*, 104 F.3d 38, 39 (2d Cir. 1997).

cited to support the exclusion of marketplace evidence in inter partes proceedings before the TTAB.

The large number of TTAB cases following the *Octocom* Rule amplifies precedential impact of the present case. This is important because if this Court rules (as the District Court did) that the present TTAB decision deserves preclusive effect, then the precedential impact on trademark infringement litigation could be far greater than the Supreme Court's decision in *B & B Hardware*, which merely held that TTAB decisions *may* have preclusive effect under circumstances that were present in *B & B Hardware*—*i.e.*, a federal court infringement case following an atypical and relatively uncommon trial in which the TTAB considered all marketplace evidence in the record in determining whether there is a likelihood of confusion between the parties' marks—and which are not present here.

INTA offers its amicus brief to caution against an unwarranted expansion of *B & B Hardware* that would be harmful to trademark litigants other than the parties. However, since INTA takes no position on the ultimate question whether there is a likelihood of confusion between the parties' respective marks, INTA requests leave to file an amicus brief in support of neither party.

Conclusion

For the foregoing reasons, INTA urges this Court to grant INTA leave to file a brief as amicus curiae in support of neither party.

Dated: December 16, 2024

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**CERTIFICATION OF COMPLIANCE WITH TYPE-VOLUME
LIMITATION, TYPEFACE REQUIREMENTS, AND TYPE-STYLE
REQUIREMENTS**

I do hereby certify that this brief complies with the type-volume limitation of FRAP 27(d)(2) because this brief contains 1,045 words.

The brief complies with FRAP 27(d)(1) and the typeface requirement of FRAP 32(a)(5) and the type-style requirements of FRAP 32(a)(6) because this brief has been prepared in a proportionally spaced typeface using Microsoft Word 365 in 14-point font size and Times New Roman type style.

Dated: December 16, 2024

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PROPOSED AMICUS BRIEF

24-1903-cv(L), 24-2014-cv(XAP)

United States Court of Appeals
for the
Second Circuit

PEJU PROVINCE WINERY L.P., a California Limited Partnership,
PEJU FAMILY OPERATING PARTNERSHIP L.P.,
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Defendants-Appellants-Cross-Appellees,

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Defendant,

— v. —

CESARI S.R.L., an Italian Limited Liability Company,

Plaintiff-Appellee-Cross-Appellant.

ON APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

**BRIEF OF *AMICUS CURIAE* INTERNATIONAL TRADEMARK
ASSOCIATION IN SUPPORT OF NEITHER PARTY**

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CORPORATE DISCLOSURE STATEMENT

Pursuant to Federal Rule of Appellate Procedure (“FRAP”) 26.1, *amicus curiae*, the International Trademark Association (“INTA”) states that it is not a publicly held corporation or other publicly held entity. INTA does not have any parent corporation, and no publicly held corporation or other publicly held entity holds 10% or more of INTA’s stock.

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STATEMENT OF INTEREST OF *AMICUS CURIAE*¹

Founded in 1878, *amicus curiae* The International Trademark Association (INTA) is a not-for-profit organization dedicated to the support and advancement of trademarks and related intellectual-property concepts as essential elements of trade and commerce. INTA has more than 7,200 members in 191 countries. Its members include trademark owners, law firms and other professionals who regularly assist brand owners in the creation, registration, protection, and enforcement (or defense) of their trademarks.

INTA (formerly known as the United States Trademark Association) was founded in part to encourage the enactment of federal trademark legislation after the invalidation on constitutional grounds of the United States' first trademark act. Since then, INTA has assisted legislators in connection with major trademark legislation. INTA has participated as *amicus curiae* in numerous cases involving significant trademark issues.² INTA's members are frequent participants—as

¹ In accordance with FRAP 29(a)(4)(E), *amicus curiae* states that no part of this brief was authored by counsel to a party. No party or counsel for a party made a monetary contribution intended to fund the preparation or submission of this brief. No person other than *amicus curiae*, its members, and its counsel made such a monetary contribution to its preparation or submission.

² Cases in which INTA has recently filed *amicus* briefs include: *Vidal v. Elster*, 602 U.S. 286 (2024); *Abitron Austria GmbH v. Hetronic Int'l, Inc.*, 600 U.S. 412 (2023); *Jack Daniel's Props., Inc. v. VIP Prods. LLC*, 599 U.S. 140 (2023); *U.S. Pat. & Trademark Off. v. Booking.com B. V.*, 591 U.S. 549 (2020); *Romag*

plaintiffs, defendants, and advisors—in legal actions brought under the Lanham Act and, therefore, are interested in the development of clear, consistent, and equitable principles of trademark law.

INTA and its members have a particular interest in this case, as it is the first to consider the impact of *B & B Hardware, Inc. v. Hargis Industries, Inc.*, 575 U.S. 138 (2015), on cases in which the TTAB did not consider marketplace usage in its assessment of the likelihood of confusion.

SUMMARY

Although the Supreme Court in *B & B Hardware* ruled that a TTAB finding of likelihood of confusion *may* give rise to issue preclusion in subsequent infringement litigation, it specifically did not hold that issue preclusion is *required*. Rather, the Supreme Court emphasized that application of issue preclusion is not the general rule and that the applicability of preclusion must be decided on a case-by-case basis, depending on whether the “ordinary elements of issue preclusion are met [and] the usages adjudicated by the TTAB are materially the same as those before

Fasteners, Inc. v. Fossil, Inc., 590 U.S. 212 (2020); *Peter v. Nantkwest, Inc.*, 589 U.S. 23 (2019); *B & B Hardware, Inc. v. Hargis Indus., Inc.*, 575 U.S. 138 (2015); *Vans, Inc. v. MSCHF Prod. Studio, Inc.*, 88 F.4th 125 (2d Cir. 2023); *Shammas v. Focarino*, 784 F.3d 219 (4th Cir. 2015); *Chloe v. Queen Bee of Beverly Hills, LLC*, 616 F.3d 158 (2d Cir. 2010); *Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.*, 588 F.3d 97 (2d Cir. 2009); and *ITC Ltd. v. Punchgini, Inc.*, 482 F.3d 135 (2d Cir. 2007). A full list of cases in which INTA has participated as *amicus curiae* over the last 20 years is available at <https://inta.org/amicusbriefs>.

the district court.” *B & B Hardware*, 575 U.S. at 160. In support of neither party, INTA proposes that this Court should interpret *B & B Hardware* in a manner consistent with this Court’s precedent that TTAB decisions should not have preclusive effect in subsequent infringement actions where the TTAB failed to consider actual marketplace conditions in determining whether there is a likelihood of confusion between the parties’ marks.³

FACTS RELEVANT TO AMICUS CURIAE ARGUMENTS

In 2003, Peju Province applied to register LIANA for “wine.” (SPA3.⁴) Cesari opposed based on its registration for LIANO for “wines.” Peju Province denied confusion was likely, highlighting differences between the parties’ respective uses in the marketplace. (A142-43.⁵) The TTAB granted summary judgment for Cesari, without considering Peju Province’s proffered marketplace distinctions. (See A130-31.)

³ INTA argues that the District Court erred when it gave preclusive effect to the TTAB’s 2004 decision, and therefore, did not consider whether the evidence of marketplace differences prevented a likelihood of confusion. However, INTA offers no opinion about whether Peju Province should otherwise prevail on the likelihood of confusion issue. Consequently, INTA supports neither party on the ultimate disposition of this appeal.

⁴ Citations herein to the Special Appendix of Appellants Peju Province Winery L.P. and Peju Family Operating Partnership L.P. are denoted as “SPA__.”

⁵ Citations herein to the Appendix of Appellants Peju Province Winery L.P. and Peju Family Operating Partnership L.P. are denoted as “A__.”

Peju Province did not appeal and abandoned its application but continued use of the mark for some time. (SPA4.)

In 2016, Cesari filed an infringement action against Peju Province and a related entity—Peju Partnership. (*Id.* at 4-5.) In May 2017, Cesari moved for partial summary judgment in the infringement action against Peju Province, arguing it was collaterally estopped from relitigating the TTAB’s 2004 decision. (*Id.* at 6.) Peju Province opposed, arguing that the TTAB only compared the recitations in Cesari’s registration and Peju Province’s application, without considering any evidence of the actual uses (including differences in types of wines, label designs, and areas where the products were sold). (*Id.* at 7-8; *see also* A274-77.) The District Court disregarded Peju Province’s proffered evidence of marketplace distinctions and granted Cesari’s motion, ruling that the 2004 TTAB decision was preclusive against Peju Province as to likelihood of confusion. (SPA9-10.)

The collateral estoppel was later extended to Peju Province’s co-defendant, Peju Partnership. (SPA 37-38.)

ARGUMENT

I. THE SUPREME COURT AND THIS COURT REQUIRE THAT A TTAB FINDING OF LIKELY CONFUSION BE GIVEN PRECLUSIVE EFFECT ONLY IF THE ISSUE WAS ACTUALLY LITIGATED AND DETERMINED BASED ON MEANINGFUL CONSIDERATION OF PROFFERED MARKETPLACE EVIDENCE.

A. *B&B Hardware* Held That a TTAB Finding of Likely Confusion May Be Preclusive if the TTAB Proceeding Actually Litigated and Determined the Effect of Evidence of Marketplace Usage on the Issue.

In *B & B Hardware*, the Supreme Court made clear that the TTAB’s decisions *can* be preclusive if “the other ordinary elements of issue preclusion are met [and] the usages adjudicated by the TTAB are materially the same as those before the district court.” 575 U.S. at 160. The Supreme Court cautioned, however, that “for a great many registration decisions issue preclusion obviously will not apply because the ordinary elements will not be met.” *Id.* at 153.

To define the “ordinary elements of issue preclusion,” the Supreme Court looked to the Restatement (Second) of Judgments, which explains:

[S]ubject to certain well-known exceptions, the general rule is that “[w]hen an issue of fact or law is actually litigated and determined by a valid and final judgment, and the determination is essential to the judgment, the determination is conclusive in a subsequent action between the parties, whether on the same or a different claim.” Restatement (Second) of Judgments § 27, p. 250 (1980).

Id. at 148.

The Supreme Court recognized that in many *inter partes* cases the TTAB does not consider marketplace usage evidence, instead confining its attention to the

applications and registrations before it. *Id.* at 156-57. In such a case, if the “mark owner uses its mark in ways that are materially unlike the usages in its [previously opposed or cancelled] application, then the TTAB is not deciding the same issue. Thus, if the TTAB does not consider the marketplace usage of the parties’ marks, the TTAB’s decision should ‘have no later preclusive effect in a suit where actual usage in the marketplace is the paramount issue.’” *Id.* (citing 6 J. Thomas McCarthy, *McCarthy on Trademarks & Unfair Competition* § 32:101, at 32-246 (4th ed. 2014)).

Justice Ginsburg’s concurrence in *B & B Hardware* emphasizes this point:

The Court rightly recognizes that “for a great many registration decisions issue preclusion obviously will not apply.” *Ante*, at 1306. That is so because contested registrations are often decided upon “a comparison of the marks in the abstract and apart from their marketplace usage.” 6 J. McCarthy, *Trademarks and Unfair Competition* § 32:101, p. 32–247 (4th ed. 2014). When the registration proceeding is of that character, “there will be no [preclusion] of the likel[ihood] of confusion issue ... in a later infringement suit.” *Ibid.*

575 U.S. at 160-61.

B. The TTAB’s Finding of Likely Confusion at Issue in *B & B Hardware* Followed a Trial That Included Meaningful Consideration of Actual Marketplace Evidence Relevant to All *Dupont* Factors.

In contrast to the TTAB’s 2004 ruling under review here, the TTAB in *B & B Hardware* conducted a trial and considered the full range of the parties’ actual marketplace usage evidence, which went beyond mere comparison of the parties’ respective registration and application:

At trial, applicant cross-examined opposer's witness regarding the nature of opposer's products, deposed its own witnesses to introduce testimony regarding the differences between the products of the parties, and, in its brief, addressed the issue of the similarity or dissimilarity of the goods. Because applicant did not object and, in fact, participated in presenting testimony on this issue, we deem it to have been tried by consent.

B&B Hardware, Inc. v. Sealtite Bldg. Fasteners, Opp. No. 91155687, 2007 WL 2698310, at *3 (T.T.A.B. Aug. 28, 2007).⁶ As a result, the TTAB passed the Restatement's preclusion test—the TTAB determined that confusion was likely after the parties “actually litigated” the full spectrum of marketplace evidence with respect to each of the *DuPont* factors, including: fame of the marks; price differences and customer sensitivity to the difference; comparison of advertising and distribution channels; comparison of customer profiles and advertising channels; degree of consumer care; and instances of confusion. *Id.* at *6-12.

Importantly, as the TTAB noted at the time, the parties in *B & B Hardware* consented to the comprehensive evaluation of marketplace evidence. *Id.* at *3. In section II below, we explain that this is not typical.

The dependency of *B & B Hardware's* outcome on the particular thoroughness of the TTAB's examination of actual marketplace usage in that case is further illustrated by the Eighth Circuit's split decision that led to the appeal. The

⁶ The TTAB's decision may also be viewed in the TTABVue public database at <https://ttabvue.uspto.gov/ttabvue/v?pno=91155687&pty=OPP&eno=45>.

majority held that issue preclusion was not appropriate due to differences between the respective likelihood of confusion *tests* applied by the TTAB and the Eighth Circuit but acknowledged that the TTAB did examine real-life marketplace context in that particular case. *See B & B Hardware, Inc. v. Hargis Indus., Inc.*, 716 F.3d 1020, 1025 (8th Cir. 2013) (“[T]he TTAB also determined that the specific fasteners are significantly different products and are marketed to different industries and customers, and that those findings would not support a finding of likelihood of confusion”), *judgment rev’d & remanded by* 575 U.S. 138 (2015). In dissent, Judge Colloton argued that “[w]here, as here, the Trademark Board has indeed compared conflicting marks in their *entire marketplace context*, the factual basis for the likelihood of confusion issue is the same, the issues are the same, and collateral estoppel is appropriate.” *Id.* at 1029 (Colloton, J., dissenting) (internal citation omitted) (emphasis in original).

The Supreme Court’s subsequent analysis is consistent with Judge Colloton’s dissent. In reversing and remanding, the Court instructed the Eighth Circuit to apply the rule that “[s]o long as the 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.” 575 U.S. at 160 (emphasis added). On remand, the Eighth Circuit held that issue preclusion should apply because “the TTAB compared the marks in question in the marketplace context when it

determined the likelihood of confusion issue for purposes of trademark registration.”

B & B Hardware, Inc. v. Hargis Indus., Inc., 800 F.3d 427, 427 (8th Cir. 2015) (per curiam).

C. This Court’s Pre-*B & B Hardware* Precedent Also Requires That a TTAB Finding of Likely Confusion Will Have Preclusive Effect Only if the TTAB Gives Meaningful Consideration to the *Entire Marketplace Context*.

This Court’s pre-*B & B Hardware* decisions concerning the collateral estoppel effect of TTAB decisions in infringement actions comport with the Supreme Court’s holding in *B&B Hardware* and are squarely at odds with the District Court’s decision below.

In *Jim Beam Brands Co. v. Beamish & Crawford Ltd.*, 937 F.2d 729, 731-32 (2d Cir. 1991), this Court reversed a summary judgment ruling that a prior TTAB finding of likely confusion in a cancellation action was preclusive in subsequent infringement litigation. Jim Beam Brands Co. (“Jim Beam”) petitioned to cancel Beamish & Crawford Ltd.’s (“B&C”) registration for BEAMISH for stout based on likely confusion with Jim Beam’s prior registrations for BEAM and JIM BEAM for whisky and other alcoholic beverages. *James B. Beam Distilling Co. v. Beamish & Crawford Ltd.*, 868 F.2d 1277, 1989 WL 6729, at *1 (Fed. Cir. 1989) (unpublished). The TTAB rejected the petition to cancel; but the Federal Circuit reversed, holding that confusion was likely as a matter of law. *Id.* at *2.

Jim Beam subsequently commenced an infringement action seeking to enjoin B&C's use of the BEAMISH mark. *Jim Beam Brands*, 937 F.2d at 732. The district court held on summary judgment that the Federal Circuit's prior determination was preclusive, notwithstanding B&C's evidence and argument that its BEAMISH mark was not likely to cause confusion because its appearance on B&C's labels for its stout differentiated the mark from Jim Beam's mark as used on whisky—a usage the Federal Circuit had not considered. *Id.*

On appeal, this Court reversed, holding that collateral estoppel should not apply because the Federal Circuit had not considered evidence comparing the parties' marks as they appeared in the marketplace:

In the cancellation proceeding at issue here, the TTAB and the Federal Circuit applied the standard that was appropriate to that proceeding. Thus, though both the BEAMISH and the BEAM labels were part of the administrative record, the TTAB and Federal Circuit discussions of the degree of similarity of the parties' respective marks made no mention of the actual use or appearance of those marks. The TTAB's factual findings made no reference to either party's labels, and its legal conclusions rested solely on the relationship between the appearances and pronunciation of the typewritten marks BEAM and BEAMISH and on the significance of the “–ISH” suffix. The Federal Circuit, in reaching a different legal conclusion, also relied solely on the relationship between the “BEAM” and “BEAMISH” marks in the abstract.

Id. at 735. Notably, this Court expressly distinguished *EZ Loader Boat Trailers, Inc. v. Cox Trailers, Inc.*, 746 F.2d 375, 377-79 (7th Cir. 1984), and *Flavor Corp. of America v. Kemin Industries, Inc.*, 358 F. Supp. 1114, 1117-21 (S.D. Iowa 1973),

aff'd, 493 F.2d 275 (8th Cir. 1974), because “those courts ruled that collateral estoppel applied because the TTAB had in fact examined the marks not only in the abstract but also in light of, *inter alia*, the manner in which they were affixed to the products in question and their appearance in sales and advertising materials.” *Jim Beam Brands*, 937 F.2d at 735.

This Court came to a similar conclusion in *Levy v. Kosher Overseers Association of America, Inc.*, 104 F.3d 38, 39 (2d Cir. 1997). Levy had opposed an application for a kosher certification mark, arguing that KOA’s encircled half-moon K mark was likely to cause confusion with Levy’s “circle K” kosher certification mark. *Id.* at 39-40. The TTAB sustained the opposition, finding confusion was likely. *Id.* at 40. In subsequent infringement litigation, the district court ruled that the TTAB’s finding as to likely confusion should be given collateral estoppel effect.

On appeal, this Court reversed, observing that:

[f]or a TTAB or Federal Circuit determination of ‘likelihood of confusion’ to have collateral estoppel effect in a trademark infringement action, the TTAB or the Federal Circuit must have taken into account, in a meaningful way, the context of the marketplace. *Id.* at 42. In the opposition proceeding, the TTAB had considered marketplace factors to a limited degree, observing that “both marks, consisting of the letter K within a circle, are displayed in relatively small size on the products so marked.”

Id. (internal quotation marks omitted). This Court held that such passing references to marketplace conditions were insufficient because “the TTAB decision provide[d] no basis for the conclusion that it examined any of the other relevant *Polaroid*

factors.” *Id.* at 43. Accordingly, “the TTAB decision is not the sort of decision contemplated in *Beam*—a decision that required examination of the ‘entire marketplace context’ of the trademarks in dispute ... and therefore cannot preclude litigation of the trademark infringement action before [the court].” *Levy*, 104 F.3d at 43 (citing *Jim Beam Brands*, 937 F.2d at 734).

Taken together, this Court’s pre-*B & B Hardware* decisions instruct district courts to examine the extent to which the TTAB considered the “entire marketplace context” with respect to the marks at issue, and to grant preclusion only when the TTAB considered such context “in a meaningful way.” *Levy*, 104 F.3d at 42 (2d Cir. 1997); *Jim Beam Brands*, 937 F.2d at 735. This standard is “essentially the same as” the standard set forth by the Supreme Court in *B & B Hardware*. 6 J. Thomas McCarthy, *McCarthy on Trademarks & Unfair Competition* § 32:98 & n.3 (5th ed.).

II. THE TTAB RARELY CONSIDERS ACTUAL MARKETPLACE USAGE IN ITS LIKELIHOOD OF CONFUSION ANALYSIS.

It is very common for the TTAB to disregard real world marketplace evidence in *inter partes* proceedings, which is appropriate when the only question is whether to register a mark but not when infringement is contested in a district court. The District Court’s erroneous preclusion ruling below would support preclusive consequences in infringement litigation based on myriad TTAB rulings that exclude

the marketplace evidence courts routinely consider relevant when evaluating the likelihood of confusion.

A. The TTAB’s Mandate Is Limited to Registration, Not Infringement.

The TTAB sometimes⁷ considers actual marketplace usage in its likelihood of confusion analysis, as it did in *B & B Hardware*.⁸ In the vast majority of cases, however, including the present case, the TTAB focuses solely on comparing (1) the parties’ marks as depicted on paper and (2) the goods and/or services set forth in the applications and/or registrations, without considering marketplace realities. In fact, it is the experience of INTA’s members that an adjudication of the likelihood of confusion based on marketplace realities is highly unlikely to occur in any given TTAB case.

This is because the TTAB is an administrative tribunal with limited jurisdiction “to determine and decide the respective rights of registration.” 15 U.S.C. § 1067(a). The issue before the TTAB in any proceeding is limited to questions of

⁷ For a review of exceptions to the general rule, see Lorelei D. Richie, *Recognizing the “Use”-fulness of Evidence at the TTAB*, 112 THE TRADEMARK REP. 635 (2022).

⁸ As noted above, both parties submitted marketplace evidence in the *B & B Hardware* Opposition proceedings and the TTAB deemed these issues tried by consent. (See I.B., *supra*; see also ACA 6-7.)

trademark *registrability*. See TBMP § 102.01 (“The [TTAB] is empowered to determine *only the right to register*.”) (emphasis added); see also *Seculus Da Amazonia S/A v. Toyota Jidosha Kabushiki Kaisha*, 66 U.S.P.Q.2d 1154, 1157 n.5 (T.T.A.B. 2003) (“it is well-settled that the [TTAB] is not authorized to determine the right to use, *nor may it decide broader questions of infringement or unfair competition*”) (emphasis added) (citing *Person’s Co. v. Christman*, 900 F.2d 1565 (Fed. Cir. 1990)). Registrability, in turn, depends upon whether the specific mark shown in an application should be registered for the goods/services listed therein, or whether registration is precluded as a result of, among other things, likely confusion with a prior mark.

B. The TTAB’s Reliance on the *Octocom* Rule to Exclude Real World Marketplace Evidence Is Typical.

Because the TTAB determines registrability only, it generally does not take into account how the respective marks are actually used in the marketplace. That is what happened here. In its 2004 ruling, the TTAB cited the leading case on this point—*Octocom Systems, Inc. v. Houston Computer Services Inc.*, 918 F.2d 937 (Fed. Cir. 1990)—to justify its refusal to consider Peju Province’s contention that confusion was unlikely given the real-world marketplace differences between the parties’ products, labels, and channels of trade. (See A130.)

In *Octocom*, the Federal Circuit stated the following general rule of practice concerning the TTAB’s determination of the right to register a trademark:

The authority is legion that the question of registrability of an applicant’s mark must be decided on the basis of the identification of goods set forth in the application regardless of what the record may reveal as to the particular nature of an applicant’s goods, the particular channels of trade or the class of purchasers to which sales of the goods are directed.

Octocom Sys., 918 F.2d at 942 (collecting cases). The TTAB’s narrow focus on the language of an application or registration, in explicit reliance on *Octocom*, is so common that it has come to be known as the “*Octocom* rule.” See Richie, *supra*, note 3, at 638; see also Lorelei D. Richie, *What Is “Likely To Be Confusing” About Trademark Law: Reconsidering The Disparity Between Registration And Use*, 70 AM. U. L. REV. 1331, 1344 n.64 (2021) (“Since 1990, *Octocom* has been cited in at least 91 precedential TTAB cases and 16 precedential Federal Circuit cases ... and 2,787 TTAB cases ... as of March 2021”).

Importantly, the TTAB and the Federal Circuit have continued to rely on *Octocom* since the Supreme Court’s *B & B Hardware* decision in 2015. See, e.g., *In re Detroit Athletic Co.*, 903 F.3d 1297, 1308 (Fed. Cir. 2018) (relevant inquiry focuses on goods and services described in application and registration, not on real-world conditions); *Vision Rsch., Inc. v. DJI GmbH*, Opp. No. 91227510, 2024 WL 2956401, at *36 (T.T.A.B. June 10, 2024) (rejecting applicant’s attempts to differentiate parties’ goods and stating that TTAB’s “focus is on the identification

of goods as set forth in the application and registration rather than on ‘real-world conditions.’”).

C. In Contrast to the TTAB’s Analysis, Likelihood of Confusion Determinations in Infringement Actions Typically Are Based on Actual Marketplace Conditions.

Unlike the typical TTAB decision—in which marketplace conditions are ignored under the *Octocom* rule—actual marketplace conditions are paramount in infringement proceedings before federal courts. For example:

- In infringement actions, federal courts “must analyze the mark’s overall impression on a consumer, considering the context in which the marks are displayed and the totality of factors that could cause confusion among prospective purchasers.” *Louis Vuitton Malletier v. Burlington Coat Factory Warehouse Corp.*, 426 F.3d 532, 537 (2d Cir. 2005) (citation and internal quotation marks omitted). In contrast, if a mark is rendered in standard characters in an application or registration, the TTAB typically will not consider any evidence submitted by the applicant suggesting that its particular presentation of its mark renders confusion unlikely. *See, e.g., GTFM, Inc. v. Wilson*, Opp. No. 91170761, 2007 WL 4663348, at *3 (T.T.A.B. Dec. 27, 2007) (“[A]n applicant cannot, by presenting its mark in special form, avoid likelihood of confusion with a mark that is registered in standard

characters because the registered marks presumably could be used in the same manner of display.”).

- In infringement actions, federal courts consider whether one party’s use of its house mark alongside the mark at issue will lessen or aggravate the likelihood of confusion. *See Register.com, Inc. v. Verio, Inc.*, 356 F.3d 393, 406 (2d Cir. 2004). In contrast, the TTAB will ignore any argument that the likelihood of confusion is lessened by a party’s use of a “house mark” alongside the applied-for or registered mark. *See, e.g., Monaco Coach Corp. v. Mitsubishi Motors N. Am., Inc.*, Canc. No. 92041358, 2005 WL 521168, at *2 n.6 (T.T.A.B. Feb. 24, 2005) (“[F]acts concerning house mark usage are not relevant where, as here, the marks in the involved registrations do not include a house mark.”).
- In infringement actions, federal courts considering infringement claims must consider whether the parties’ respective goods are sold in the same trade channels to the same class of consumers. *See, e.g., Plus Prods. v. Plus Disc. Foods, Inc.*, 722 F.2d 999, 1008 (2d Cir. 1983) (“The isolation of [plaintiff’s] line in supermarkets, its non-appearance in [defendant’s] stores, the marketing differences of the two parties’ goods and their separate groups of customers are important countervailing indicators [that confusion is not likely].”). In contrast, if the registration

or application at issue does not expressly limit the particular trade channels, the TTAB will “presume that the identified goods move in all normal and usual channels of trade and methods of distribution for those goods, and that they are available for purchase by all the usual purchasers.” *KME Ger. GmbH v. Zhejiang Hailiang Co.*, Opp. No. 91267675, 2023 WL 6366806, at *8 (T.T.A.B. Sept. 29, 2023) (citations omitted); *see also Octocom Sys.*, 918 F.2d at 942.

- In infringement actions, federal courts observe the rule that “if the use of the marks by the registrant and the unauthorized user are confined to two sufficiently distinct and geographically separate markets then the registrant is not entitled to enjoin the junior user’s use of the mark.” *Dawn Donut Co. v. Hart’s Food Stores, Inc.*, 267 F.2d 358, 364 (2d Cir. 1959). In contrast, if the registration or application at issue does not expressly limit the geographic area in which the party’s goods will be rendered, the TTAB will observe the rule that “[f]ederal registration creates the presumption that respondent has the exclusive right to use its mark throughout the United States and any present geographic limitation in markets [will be deemed] irrelevant.” *Slim N’ Trim, Inc. v. Mehadrin Dairy Corp.*, Canc. No. 92025986, 2000 WL 1759735, at *4 (T.T.A.B. Nov. 15, 2000).

As these examples illustrate, the TTAB typically ignores marketplace evidence that courts regularly receive as relevant and material when determining likelihood of confusion in infringement actions.

III. THE DISTRICT COURT ERRED IN APPLYING *B & B HARDWARE* TO A TTAB DECISION THAT DID NOT DETERMINE LIKELIHOOD OF CONFUSION BASED ON ACTUAL LITIGATION OF MARKETPLACE EVIDENCE.

As explained above (*see* Facts Relevant to Amicus Curiae Arguments, *supra*), the TTAB, in holding in 2004 that there was a likelihood of confusion, did not consider Peju Province’s contention⁹ that marketplace distinctions prevented confusion:

With regard to the goods of the pleaded registration and involved application, there is no genuine issue that the parties’ goods are identical. Applicant’s assertion that its wine is distinguishable because it is a dessert wine is unpersuasive. *Octocom Systems, Inc. v. Houston Computer Services Inc.*, 918 F.2d 937, 16 USPQ2d 1783, 1787 (Fed. Cir. 1990) (“The authority is legion that the question of registrability of an applicant’s mark must be decided on the basis of the identification of goods set forth in the application regardless of what the record may reveal as to the particular nature of an applicant’s goods, the particular channels of trade or the class of purchasers to which the sales of goods are directed”). Here, neither opposer’s pleaded registration nor the involved application has restrictions as to the channels of trade or purchasers.

⁹ Peju Province had argued that “[t]he LIANA mark is used only in the United States. There is no likelihood that prospective buyers of an Italian red Sangiovese/Cabernet Sauvignon wine called LIANO, whose label clearly sets forth that it is Italian, would be confused by a late harvest Chardonnay Dessert wine named LIANA, whose label clearly identifies it as a Napa Valley Wine, and which is made and sold in the United States. LIANA is a PEJU family name, which PEJU should be entitled to continue using.” (A142-43.)

(A130.)

Ten years later, Cesari filed an infringement action against Peju Province and a related entity, Peju Partnership, and moved for summary judgment, arguing that the 2004 TTAB ruling precluded relitigating likelihood of confusion previously decided by the TTAB in 2004. (SPA2; SPA7-13.) Peju Province countered that preclusion was not required because the TTAB did not consider evidence about the marketplace realities, but instead only compared the recitations in Cesari's registration and Peju Province's application. (*Id.* at 9-10; A268-70 (Responses to Statement Nos. 30-32).) Peju Province proffered evidence that the parties' marketplace presentations were different in many respects: different wine types (red vs. late harvest white), different label format and logo designs, different regions of origin (Italy/"Old World" vs. Napa Valley/"New World"), different channels of trade and geographic markets (Peju Province only sold its wines at its own winery and on its own website). (A275-77.) Peju Province also argued that consumers of the parties' wines were likely to be sophisticated and discerning due to the relatively high price points of the wine (*id.* at 276) and emphasized that there was no evidence of actual confusion despite the parties' coexistence in the marketplace for several years (*id.* at 277).

The District Court ruled that the 2004 TTAB decision was preclusive as to Peju Province’s contention and evidence that its actual marketplace usage of LIANA is materially different from what the TTAB adjudicated, finding that Peju Province used the LIANA mark “in ways that are materially the same as the usages adjudicated in the TTAB,” *i.e.*, on wine. (SPA9.) The District Court further explained:

The specific trade channels and classes of consumers that purportedly characterize the LIANA mark’s usage are among the “reasonable trade channels” and “usual classes of consumers” the TTAB considered. In other words, the marketplace usage the TTAB considered, wines, entirely encompasses the narrower usages defendants proffer in this litigation. Wines purchased by sophisticated consumers, after all, are still wines. Because defendants have not offered any evidence that LIANA is used with respect to goods other than wines (bicycles or soda, for instance), there are no “non-disclosed” usages that might necessitate a successive adjudication. *See B & B Hardware*, 135 S. Ct. at 1307-08.

(*Id.* at 10.)

The District Court’s analysis was erroneous for at least two reasons.

A. Unlike the TTAB’s Decision in *B & B Hardware*, the TTAB’s Decision Here Did Not Satisfy the *Ordinary Requirements for Issue Preclusion* Because It Excluded, Rather Than Adjudicated, Marketplace Evidence.

B & B Hardware endorsed the Restatement’s requirement that a prior finding be given preclusive effect only if it was “actually litigated and determined.” 575 U.S. at 148 (citing Restatement (Second) of Judgments § 27, p. 250 (1980)). The District Court did not enforce this requirement, instead giving preclusive effect to

the TTAB’s decision even though it relied on abstract presumptions rather than “actually litigated” determinations.

The 2004 TTAB decision at issue now is the exact opposite of the TTAB decision at issue in *B & B Hardware*, as the TTAB here expressly refused to consider actual marketplace usage evidence and instead ruled based solely on the parties’ trademark office filings, despite attempts by Peju Province to introduce evidence of actual marketplace usage.

This is a crucial difference, because *B & B Hardware* made it clear that preclusion would not be required if marketplace evidence was not “actually litigated and determined,” as preclusion applies only “if the ordinary elements of issue preclusion are met.” 575 U.S. at 141-42. Thus, Justice Alito’s opinion made clear that “if the TTAB does not consider the marketplace usage of the parties’ marks, the TTAB’s decision should have no later preclusive effect in a suit where actual usage in the marketplace is the paramount issue.” *Id.* at 156-57 (citation and internal quotation marks omitted). This was further emphasized by Justice Ginsburg’s concurrence. *Id.* at 160-61 (“[w]hen the registration proceeding is” “decided upon a comparison of the marks in the abstract and apart from their marketplace usage [,]” “there will be no preclusion of the likelihood of confusion issue . . . in a later infringement suit.”) (citation and internal quotation marks omitted).

The District Court’s preclusion ruling also is inconsistent with this Court’s decisions in *Jim Beam Brands Co. v. Beamish & Crawford Ltd.*, 937 F.2d 729, 731-32 (2d Cir. 1991), and *Levy v. Kosher Overseers Association of America, Inc.*, 104 F.3d 38, 39 (2d Cir. 1997), both of which required, as a pre-condition to preclusion, that the TTAB give meaningful consideration to the proffered marketplace evidence.

B. The District Court Erred by Requiring That Marketplace Differences Relate to “Non-Disclosed” Usages

The District Court ruled below that the proffered marketplace distinctions were immaterial because they were encompassed within the goods (“wine”) described within the parties’ respective trademark registration and application. In support of this conclusion, the District Court focused on the following statement in *B & B Hardware*:

If a mark owner uses its mark in ways that are materially the same as the usages included in its registration application, then the TTAB is deciding the same likelihood-of-confusion issue as a district court in infringement litigation.

575 U.S. at 156. The District Court interprets this passage in *B & B Hardware* to mean that proffered actual marketplace usage distinctions must exist completely outside the scope of the use described in the application or registration. (*See* SPA9.) This interpretation was erroneous for two reasons.

i. The TTAB Precedent Cited by the District Court Does Not Support Its Ruling.

In rejecting Peju Province’s marketplace evidence, the District Court relied on a TTAB decision that stated “[i]n the absence of any limitations in the parties’ identifications of goods, [the TTAB] must presume that the goods move through all reasonable trade channels for such goods to all usual classes of consumers for such goods.” (SPA10 (*quoting C&N Corp. v. Ill. River Winery, Inc.*, Opp. No. 91174718, 2008 WL 4803896, at *3 (T.T.A.B. Oct. 21, 2008)).)

It was error to apply a presumption that may apply in the TTAB—where, as explained above, marketplace evidence is generally excluded—in order to exclude such evidence in a federal district court infringement action—where, in contrast, such evidence is routinely considered relevant and material (and here was actually contained in the record). The District Court’s reliance on a TTAB case demonstrates the District Court’s disregard of the critical difference between TTAB proceedings, where presumptions control and marketplace evidence is usually ignored, and infringement actions in a federal district court, where proffered evidence must be considered and adjudicated. The TTAB does not consider (*i.e.*, “actually litigate and determine”) every possible *difference* in trade channels used by the parties in determining whether confusion is likely; rather, it *ignores* any such differences and *presumes* that the parties’ goods are sold in the *same* trade channels to the *same* consumers. Indeed, the sentence in the TTAB’s *C&N Corp.* decision immediately

following the sentence quoted by the District Court illustrates this point: “Accordingly, we *presume* that the parties’ wines are sold in the *same trade channels* to the *same classes of purchasers*.” *C&N Corp.*, 2008 WL 4803896, at *3 (emphases added).

ii. Material Differences Are Not Limited to Non-Disclosed Usages.

The District Court rejected Peju Province’s marketplace evidence, explaining:

Because defendants have not offered any evidence that LIANA is used with respect to goods other than wines (bicycles or soda, for instance), there are no “non-disclosed” usages that might necessitate a successive adjudication. *See B & B Hardware*, 135 S. Ct. at 1307-08.

(SPA10.) In support of this ruling, the District Court cited to *B & B Hardware*’s quotation of the *amicus curiae* brief of the United States: “[t]he Board’s determination that a likelihood of confusion does or does not exist will not resolve the confusion issue with respect to non-disclosed usages.” (SPA8-9 (quoting *B & B Hardware*, 575 U.S. at 156).)

To be sure, proof that a party’s use would be outside the scope of the goods and services described in the opponent’s registration would avoid preclusion; but the Supreme Court’s opinion does not say that this is the *only* difference that may be considered material when analyzing preclusion. The District Court’s ruling wrongly equates material differences with non-disclosed usage, elevating a particular species of material difference (a non-disclosed usage) to the status of genus.

In the paragraph following the above quotation taken from the United States amicus curiae brief, the Supreme Court framed the issue in terms of “materiality,” and there is no indication that the Court meant to equate “materiality” with “non-disclosed usage.” *B & B Hardware*, 575 U.S. at 156. The Court did not require that the actual marketplace use must be entirely outside the scope of the use described in the application or registration to be materially different. Rather, all that is required is that the parties’ actual use have material implications for consideration of whether confusion is likely.

The Supreme Court then went on to discuss materiality, clarifying that “trivial variations between the usages set out in the application and the use of a mark in the marketplace,” such as adding an immaterial feature to a mark following an adverse TTAB judgment, would not overcome the materiality requirement. *Id.* at 157. Note that this example—a hypothetical trivial change *to the mark*—does not relate to the scope of *the goods and services description*, and thereby reveals that the Court did not mean to rule that only non-disclosed uses” could be considered material differences.

C. The Marketplace Distinctions That Peju Province Proffered Are Routinely Considered Material

The marketplace differences that Peju Province proffered in opposition to summary judgment tracked the *DuPont* factors. INTA takes no position on whether

the proffered marketplace distinctions would be sufficient to avoid confusion in the case at issue, but it notes that courts routinely consider such evidence as relevant and material when evaluating likelihood of confusion, even though such real-world evidence is often not considered in *inter partes* cases before the TTAB. *See* II.C., *supra*. In light of *B & B Hardware* and this Court's precedents, the District Court erred by applying issue preclusion to justify its refusal to consider such evidence.

CONCLUSION

For the foregoing reasons, INTA urges this Court to rule that, under *B & B Hardware*, a prior TTAB decision based on a likelihood of confusion should be given preclusive effect only where, the TTAB received, considered, and resolved the dispute based on evidence of actual marketplace usage—which is not the case here.

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I do hereby certify that this brief complies with the type-volume limitation of FRAP 29(a)(5) and Circuit Rule 29.1(c) because this brief contains 5,943 words, excluding the parts of the brief exempted by FRAP 32(f).

The brief complies with the typeface requirement of FRAP 32(a)(5) and the type-style requirements of FRAP 32(a)(6) because this brief has been prepared in a proportionally spaced typeface using Microsoft Word 365 in 14-point font size and Times New Roman type style.

Dated: December 16, 2024

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CERTIFICATION OF SERVICE

The undersigned hereby certifies that on December 16, 2024, an electronic copy of the Brief of amicus curiae International Trademark Association was filed with the Clerk of the Court for the United States Court of Appeals for the Second Circuit by using the CM/ECF system. The undersigned also certifies that all participants are registered CM/ECF users and will be served via the CM/ECF system.

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