

SUPREME COURT OF THE UNITED STATES

B&B Hardware, Inc. v. Hargis Industries, Inc.

575 U.S. 138 (2015) · No. No. 13-352 · Decided March 24, 2015

SUMMARY

The Supreme Court held that a decision of the Trademark Trial and Appeal Board may have issue-preclusive effect in subsequent trademark infringement litigation when the ordinary elements of issue preclusion are satisfied. The Court rejected categorical rules based on differences between TTAB and district-court procedures, likelihood-of-confusion factors, or burdens of persuasion. It reversed the Eighth Circuit’s judgment and remanded for further proceedings.

CASE DETAILS

COURT	Supreme Court of the United States
WRITING FOR THE COURT	Justice Alito; Chief Justice Roberts; Justice Kennedy; Justice Ginsburg; Justice Breyer; Justice Sotomayor; Justice Kagan
JURISDICTION	Federal
DECIDED	March 24, 2015
DOCKET	No. 13-352
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	B&B Hardware appealed from a federal district court judgment rejecting the preclusive effect of a Trademark Trial and Appeal Board decision and a jury verdict finding no likelihood of confusion. The Eighth Circuit affirmed, and the Supreme Court granted certiorari.
STANDARD OF REVIEW	The Supreme Court reviewed the legal availability and applicability of issue preclusion de novo.
PRECEDENTIAL VALUE	U.S. Supreme Court precedent
PARTIES	B&B Hardware, Inc. v. Hargis Industries, Inc., dba Sealtite Building Fasteners, dba East Texas Fasteners, et al.

TOPICS

- trademark law
- trademark infringement
- res judicata
- civil procedure

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether an agency decision, including a TTAB decision, can have issue-preclusive effect in a later federal court action.
2. Whether the Lanham Act precludes giving a TTAB decision preclusive effect.
3. Whether TTAB registration proceedings and federal trademark infringement litigation apply the same likelihood-of-confusion standard.
4. Whether differences between TTAB and district-court procedures categorically prevent issue preclusion.
5. Whether the TTAB decision could have preclusive effect when the usages adjudicated by the TTAB were materially the same as those before the district court.

HOLDINGS

1. An agency decision can have issue-preclusive effect when the agency acts in a judicial capacity, resolves a disputed issue properly before it, and the ordinary elements and exceptions of issue preclusion are satisfied.
2. The Lanham Act does not categorically bar giving preclusive effect to TTAB decisions when the ordinary elements of issue preclusion are met.
3. The same likelihood-of-confusion standard applies to trademark registration and infringement, even though the proceedings may use different but not fundamentally different factors.
4. Issue preclusion applies when the usages adjudicated by the TTAB are materially the same as the usages before the district court, provided the ordinary elements of issue preclusion are otherwise satisfied.
5. Differences between TTAB and district-court procedures do not categorically defeat issue preclusion; the relevant inquiry is whether the prior procedures were fundamentally poor, cursory, or unfair.

KEY QUOTATIONS

“We therefore reverse the judgment of the Eighth Circuit and remand for further proceedings.” (575 U.S. at 146)

“Here, however, the same likelihood-of-confusion standard applies to both registration and infringement.” (575 U.S. at 157)

“So long as the other ordinary elements of issue preclusion are met, when the usages adjudicated by the TTAB are materially the same as those before the district court, issue preclusion should apply.” (575 U.S. at 162)

FACTUAL BACKGROUND

B&B Hardware owned the SEALTIGHT trademark for metal fasteners used in the aerospace industry. Hargis sought to register SEALTITE for metal screws used in construction, and B&B opposed registration, arguing that the marks were confusingly similar. The TTAB found a likelihood of confusion based principally on the

similarity of the marks and goods, while the parallel federal infringement action resulted in a jury finding no likelihood of confusion.

PROCEDURAL HISTORY

Hargis applied to register SEALTITE under the Lanham Act, and B&B opposed registration based on its SEALTIGHT mark. The TTAB sustained B&B's opposition after finding a likelihood of confusion. Hargis did not seek judicial review of the TTAB decision. In parallel infringement litigation, the district court declined to give the TTAB decision preclusive effect, and a jury found no likelihood of confusion. The Eighth Circuit affirmed, holding that issue preclusion was unwarranted because the TTAB and court used different factors, the TTAB emphasized appearance and sound, and the burdens of persuasion differed. The Supreme Court reversed and remanded.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The Eighth Circuit was instructed to apply the rule that, so long as the ordinary elements of issue preclusion are met, a TTAB decision should receive preclusive effect when the usages adjudicated by the TTAB are materially the same as those before the district court.

CASES CITED

- United States v. Detroit Timber & Lumber Co., 200 U.S. 321, 337 (1906)
- Cromwell v. County of Sac, 94 U.S. 351, 354 (1877)
- Baldwin v. Iowa State Traveling Men's Assn., 283 U.S. 522, 525 (1931)
- Montana v. United States, 440 U.S. 147, 153-154, 164 n.11 (1979)
- Astoria Fed. Sav. & Loan Assn. v. Solimino, 501 U.S. 104, 107-111 (1991)
- Bobby v. Bies, 556 U.S. 825, 834 (2009)
- New Hampshire v. Maine, 532 U.S. 742, 748-749 (2001)
- Baker v. General Motors Corp., 522 U.S. 222, 233 n.5 (1998)
- University of Tennessee v. Elliott, 478 U.S. 788, 796-799 (1986)
- United States v. Utah Construction & Mining Co., 384 U.S. 394, 421-422 (1966)
- Hayfield Northern R. Co. v. Chicago & North Western Transportation Co., 467 U.S. 622, 636 n.15 (1984)
- Kremer v. Chemical Construction Corp., 456 U.S. 461, 484-485 n.26 (1982)
- Plaut v. Spendthrift Farm, Inc., 514 U.S. 211, 231-232 (1995)
- Parklane Hosiery Co. v. Shore, 439 U.S. 322, 331, 333, 337 (1979)
- Dairy Queen, Inc. v. Wood, 369 U.S. 469, 477, 479-480 (1962)
- American Heritage Life Insurance Co. v. Heritage Life Insurance Co., 494 F.2d 3, 9-10 (5th Cir. 1974)
- Federated Department Stores, Inc. v. Moitie, 452 U.S. 394, 398 (1981)

- Kappos v. Hyatt, 566 U.S. 431 (2012)
- In re E. I. DuPont DeNemours & Co., 476 F.2d 1357 (C.C.P.A. 1973)
- SquirtCo v. Seven-Up Co., 628 F.2d 1086, 1091 (8th Cir. 1980)
- Smith v. Bayer Corp., 564 U.S. 299, 312 n.9 (2011)
- Clark v. Clark, 984 F.2d 272, 273 (8th Cir. 1993)
- United States v. Stauffer Chemical Co., 464 U.S. 165, 172 (1984)
- Park 'N Fly, Inc. v. Dollar Park & Fly, Inc., 469 U.S. 189, 193-194 (1985)
- Trade-Mark Cases, 100 U.S. 82, 92 (1879)
- Motor Vehicle Manufacturers Assn. of United States, Inc. v. State Farm Mutual Automobile Insurance Co., 463 U.S. 29, 59 (1983) (Rehnquist, J., concurring in part and dissenting in part)
- Perez v. Mortgage Bankers Assn., 575 U.S. 92 (2015) (Thomas, J., concurring in judgment)
- Stern v. Marshall, 564 U.S. 462 (2011)
- Northern Pipeline Construction Co. v. Marathon Pipe Line Co., 458 U.S. 50, 68-70 (1982) (plurality opinion)
- Ex parte Bakelite Corp., 279 U.S. 438, 451 (1929)
- Smelting Co. v. Kemp, 104 U.S. 636, 640, 646 (1882)
- Johnson v. Towsley, 13 Wall. 72, 87 (1871)
- Sunshine Anthracite Coal Co. v. Adkins, 310 U.S. 381, 401-404 (1940)
- Tait v. Western Maryland R. Co., 289 U.S. 620, 622-624 (1933)
- Crowell v. Benson, 285 U.S. 22, 57, 62-63 (1932)
- Pearson v. Williams, 202 U.S. 281, 284-285 (1906)
- Churchill Tabernacle v. FCC, 160 F.2d 244, 246 (D.C. Cir. 1947)
- Aurora City v. West, 7 Wall. 82, 102 (1869)
- Hopkins v. Lee, 6 Wheat. 109, 113-114 (1821)
- Isbrandtsen Co. v. Johnson, 343 U.S. 779, 783 (1952)
- Kirtsaeng v. John Wiley & Sons, Inc., 568 U.S. 519 (2013)
- CBOCS West, Inc. v. Humphries, 553 U.S. 442, 469-470 (2008) (Thomas, J., dissenting)

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