

# A New Deference Standard: The Rebuttable Presumption of Validity for USPTO Trademark Likelihood-of-Confusion Determinations

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*ABSTRACT: Circuit courts are split on how much deference should be given to a United States Patent and Trademark Office (“USPTO”) trademark likelihood-of-confusion determination during litigation under Lanham Act section 43(a)(1)(A). While some courts afford a substantial amount of deference to the USPTO’s findings regarding a likelihood of confusion when it refuses to register a mark on the principal register, other courts afford little to no deference to the USPTO’s findings regarding a likelihood of confusion. This disparity among courts outlines a need for a solution that best fulfills the goals of the various courts in order to create a unified precedent of deference. By analyzing each court’s approach as to how much deference to give and by taking a closer look into the deference given to USPTO patent determinations, this Note proposes that USPTO likelihood-of-confusion determinations receive a presumption of validity in subsequent litigation. A challenger can rebut this when (1) a USPTO examiner failed to consider or was unaware of relevant evidence; (2) an examiner’s actions were arbitrary and capricious; or (3) there exists evidence of unfair prejudice. This solution better fulfills efficiency than reasonable alternatives, and in an overarching effort to create homogeneity, better creates a uniform precedent of deference.*

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## I. INTRODUCTION

Circuits are split as to how much deference should be given to a United States Patent and Trademark Office (“USPTO”) trademark likelihood-of-confusion factual determination. Likelihood of confusion with an existing mark can be grounds for denial of a trademark application.<sup>1</sup> Some courts afford a substantial amount of deference to the USPTO’s findings regarding

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1. 15 U.S.C. § 1052(d) (2012).

a likelihood of confusion when it refuses to register a mark on the principal register.<sup>2</sup> Other courts afford little to no deference to these determinations.<sup>3</sup>

Courts analyze the question of deference differently for legal and factual determinations. Courts have concluded that USPTO *legal* determinations do not have controlling deference.<sup>4</sup> The Supreme Court in *Chevron U.S.A. Inc. v. Natural Resources Defense Council, Inc.* announced a two-part test for judicial review of agency legal determinations regarding agency-administered statutes.<sup>5</sup>

The first step is to determine “whether Congress has directly spoken to the precise question at issue. If the intent of Congress is clear . . . the court, as well as the agency, must give effect to the unambiguously expressed intent of Congress.” If the court determines that Congress has not addressed the question at issue, then the court determines whether the agency’s construction of the [rule] is reasonable.<sup>6</sup>

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2. See, e.g., *Syntex Labs., Inc. v. Norwich Pharmacal Co.*, 437 F.2d 566, 569 (2d Cir. 1971) (explaining that USPTO determinations are not conclusive, but should be given great weight); *Miles Shoes, Inc. v. R.H. Macy & Co.*, 199 F.2d 602, 603 (2d Cir. 1952) (“One factor to be considered in this case is the decision of the Commissioner of Patents denying registration, since his familiarity in dealing with such problems may properly be accorded substantial weight.”); *Pizzeria Uno Corp. v. Temple*, 566 F. Supp. 385, 397 (D.S.C. 1983) (“Trademark Office examiners who are experts in applying the test of likelihood of confusion between two marks, is entitled to great weight.”); *Miss Universe, Inc. v. Little Miss U.S.A., Inc.*, 212 U.S.P.Q. 425, 427 n.6 (N.D. Ga. 1981) (“In reaching this conclusion [that confusion is likely], the court has given serious consideration to the Patent and Trademark Office’s rejection of the defendant’s application for registration. . . . [B]ecause of the Patent Office’s expertise in this field, the court . . . is not inclined to ignore or discount its findings.”); *D.M. & Antique Imp. Corp. v. Royal Saxe Corp.*, 311 F. Supp. 1261, 1274 (S.D.N.Y. 1969) (“While the court is not bound by the determination of the Patent Office, nevertheless the expertise of the trademark examiners does entitle their views to respectful consideration.”).

3. See, e.g., *Everest Capital Ltd. v. Everest Funds Mgmt., L.L.C.*, 393 F.3d 755, 764 (8th Cir. 2005) (explaining that the USPTO’s determinations are merely tentative opinions and should not be given weight); *Kos Pharm., Inc. v. Andrx Corp.*, 369 F.3d 700, 715 (3d Cir. 2004) (finding that a USPTO’s determination may be considered, but does not need to be given weight); *A & H Sportswear, Inc. v. Victoria’s Secret Stores, Inc.*, 237 F.3d 198, 221 (3d Cir. 2000) (holding that USPTO determinations should not be given weight because the USPTO makes low-level preliminary determinations and therefore does not have all evidence in front of it); *Mktg. Displays, Inc. v. Traffix Devices, Inc.*, 200 F.3d 929, 934 (6th Cir. 1999) (“[N]o deference is due [to] a PTO decision with respect to evidence the PTO did not consider.”); *Carter-Wallace, Inc. v. Procter & Gamble Co.*, 434 F.2d 794, 802 (9th Cir. 1970) (“Any such determination made by the Patent Office . . . [is] regarded as inconclusive . . . .”); *Progressive Distrib. Servs., Inc. v. United Parcel Serv., Inc.*, 186 F. Supp. 3d 741, 749 (W.D. Mich. 2016) (finding that weight should not be given to USPTO determinations because the examiner did not review all evidence).

4. See *Chevron U.S.A. Inc. v. Nat. Res. Def. Council, Inc.*, 467 U.S. 837, 842–43 (1984).

5. *Id.*; Michael J. Pender, *Judicial Review of PTO Patentability: Determinations Under the Substantial Evidence Standard of Review*, 82 J. PAT. & TRADEMARK OFF. SOC’Y 431, 443 (2000).

6. Pender, *supra* note 5, at 443 (quoting *Chevron*, 467 U.S. at 842–43).

The U.S. Court of Appeals for the Federal Circuit has held that this standard of deference is not applicable to USPTO regulations—“[b]ecause Congress has not vested the [USPTO] with any general substantive rulemaking power, USPTO regulations cannot possibly have the force and effect of law.”<sup>7</sup> Therefore, the court concluded that “the rule of controlling deference set forth in *Chevron* does not apply.”<sup>8</sup>

Alternatively, USPTO *factual* determinations receive a different standard of deference. The standard of review given to an agency’s fact-finding is outlined in Section 706 of the Administrative Procedure Act (“APA”).<sup>9</sup> In *Zurko v. Dickinson*, the Supreme Court rejected the Federal Circuit’s contention that a “clearly erroneous” standard applied, holding “that the APA does govern the Patent and Trademark Office’s decision-making.”<sup>10</sup> The Court in *Recot, Inc. v. M.C. Becton* extended the APA standard of review to trademark factual findings.<sup>11</sup>

This question of deference is important because it poses a concern regarding issue preclusion. The Restatement (Second) of Judgments defines issue preclusion as the scenario “[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.”<sup>12</sup> This is meaningful because issue preclusion can apply when a single issue is decided before a court or administrative agency.

However, issue preclusion is not limited to an issue before two courts; rather, issue preclusion can apply when a single issue is before a court and administrative agency.<sup>13</sup> This reflects the Court’s longstanding view that “[w]hen an administrative agency is acting in a judicial capacity and resolves disputed issues of fact properly before it which the parties have had an adequate opportunity to litigate, the courts have not hesitated to apply *res judicata* to enforce repose.”<sup>14</sup> In *B & B Hardware, Inc. v. Hargis Industries, Inc.*,

7. *Pfizer, Inc. v. Lee*, 19 F. Supp. 3d 385, 392 (E.D. Va. 2014) (first alteration in original) (quoting *Merck & Co. v. Kessler*, 80 F.3d 1543, 1550 (Fed. Cir. 1996)) (internal quotation marks omitted).

8. *Pfizer*, 19 F. Supp. 3d at 392 (quoting *Merck & Co.*, 80 F.3d at 1550).

9. 5 U.S.C. § 706 (2012); Melissa F. Wasserman, *What Administrative Law Can Teach the Trademark System*, 93 WASH. U. L. REV. 1511, 1549 (2016).

10. *Dickinson v. Zurko*, 527 U.S. 150, 152 (1999); Wasserman, *supra* note 9, at 1551.

11. *Recot, Inc. v. M.C. Becton*, 214 F.3d 1322, 1327 (Fed. Cir. 2000) (“We uphold the Board’s factual findings unless they are unsupported by substantial evidence.”). However, the court provided next to no reasoning for this holding. *See* Wasserman, *supra* note 9, at 1554 (“[T]he Federal Circuit perpetuated the flawed reasoning in *In re Gartside* by holding, without any analysis, that the substantial evidence standard also applied to the Trademark Office’s factual determinations.”).

12. RESTATEMENT (SECOND) OF JUDGMENTS § 27 (AM. LAW INST. 1982).

13. *B & B Hardware, Inc. v. Hargis Indus., Inc.*, 135 S. Ct. 1293, 1303 (2015).

14. *United States v. Utah Constr. & Mining Co.*, 384 U.S. 394, 422 (1966); *see also* *Hayfield Northern R.R. Co. v. Chi. & N.W. Transp. Co.*, 467 U.S. 622, 636–37 n.15 (1984) (noting *Utah*

the Supreme Court held “when the [mark] usages adjudicated by the TTAB [(Trademark Trial and Appeal Board)] [in a factual determination] are materially the same as those before the district court, issue preclusion should apply.”<sup>15</sup> Although this opinion notes the potential issue preclusion of agencies, it does not resolve the question of whether issue preclusion applies to unappealed USPTO rejections on a likelihood of confusion in later litigation.<sup>16</sup> Since this dispute is unresolved, circuit courts have continued to apply varying amounts of deference to unappealed USPTO rejections based on the factual determination of a likelihood of confusion.<sup>17</sup>

Part II of this Note provides a background on trademarks by explaining what a trademark is, the application process, the USPTO’s review of a trademark, how litigation arises, and circuit courts’ deference to USPTO determinations. Part III examines the need for a solution to promote accuracy and efficiency to increase uniformity across the circuits, contrasts circuits’ reasoning for allowing high or low deference, and examines the deference approach taken in patent law. Part IV provides a solution that grants USPTO likelihood-of-confusion determinations a presumption of validity that can only be rebutted when (1) a USPTO examiner failed to consider or was unaware of relevant evidence; (2) an examiner’s actions were arbitrary and capricious; or (3) there exists evidence of unfair prejudice. This solution promotes both accuracy and efficiency—and is more effective than reasonable alternatives. Part V concludes by highlighting an opportunity for the Sixth Circuit to implement this solution.

## II. BACKGROUND

To understand how different circuits approach deference to USPTO likelihood-of-confusion determinations, it is necessary to provide a background of the trademark process to fully appreciate the need for a solution. Part II.A of this section explains what a trademark is and what law governs trademarks. Part II.B explains the process to apply for a federally

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*Construction*); *Kremer v. Chem. Constr. Corp.*, 456 U.S. 461, 484–85 n.26 (1982) (characterizing the *Utah Construction* discussion of administrative preclusion as a holding); RESTATEMENT (SECOND) OF JUDGMENTS § 83(1) (AM. LAW INST. 1982) (explaining that, with some limits, “a valid and final adjudicative determination by an administrative tribunal has the same effects under the rules of res judicata, subject to the same exceptions and qualifications, as a judgment of a court”).

15. *B & B Hardware*, 135 S. Ct. at 1310. “[T]he Trademark Trial and Appeal Board (TTAB) . . . [is] an administrative tribunal within the USPTO.” *Step 5: Receive Approval/Denial of Your Application*, U.S. PAT. & TRADEMARK OFF., <http://www.uspto.gov/trademarks-getting-started/trademark-process#step5> (last visited July 24, 2017) [hereinafter *Step 5*]. An applicant that has received a final rejection or has had an opposition filed against it can appeal to the TTAB. *Id.*

16. *B & B Hardware*, 135 S. Ct. at 1310.

17. *Compare Syntex Labs., Inc. v. Norwich Pharmacal Co.*, 437 F.2d 566, 569 (2d Cir. 1971) (explaining that “great weight” should be given to USPTO determinations), *with Carter–Wallace, Inc. v. Procter & Gamble Co.*, 434 F.2d 794, 802 (9th Cir. 1970) (“Any such determination made by the Patent Office . . . [is] regarded as inconclusive . . .”).

registered trademark. Part II.C describes the USPTO's review of a trademark application. Part II.D explains how subsequent litigation arises regarding a likelihood of confusion. Last, Part II.E describes the varying weight circuits give to USPTO likelihood-of-confusion determinations in subsequent litigation.

#### A. WHAT IS A TRADEMARK?

Trademarks are one of the main protections sought under intellectual property law, in addition to patent, copyright, and trade secret protection. Trademarks are generally understood to be the protection one seeks over his or her brand names and logos.<sup>18</sup> “The term ‘trademark’ includes” the use of “any word, name, symbol, or device, or combination thereof,” that is capable of serving as a source identifier and used in commerce.<sup>19</sup> A word, name, symbol, etc., is a source identifier if consumers identify that word, name, symbol, etc., with a particular source. For example, if one says “Nike,” one automatically identifies that word with the athletic clothing and footwear company. “Nike” is the trademark; the specific athletic and footwear company is the source. If one saw an image of the Nike swoosh, one would automatically identify that image, again, with the athletic company.

Trademark law was traditionally a creature of the common law. The idea at common law was to distinguish goods and services from those of others in commerce and to elicit good will for the supplier.<sup>20</sup> However, these common law trademark protections were only in effect in the regional area where the trademark was used.<sup>21</sup>

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18. *Step 1: Is a Trademark Application Right for You?*, U.S. PAT. & TRADEMARK OFF., <http://www.uspto.gov/trademarks-getting-started/trademark-process#step1> (last visited July 24, 2017) [hereinafter *Step 1*] (“A trademark typically protects brand names and logos used on goods and services. A patent protects an invention. A copyright protects an original artistic or literary work. For example, if you invent a new kind of vacuum cleaner, you would apply for a patent to protect the invention itself. You would apply to register a trademark to protect the brand name of the vacuum cleaner. And you might register a copyright for the TV commercial that you use to market the product.”).

19. 15 U.S.C. § 1127 (2012).

20. *See United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 98 (1918) (Summarizing the Seventh Circuit, the Court noted: “[T]rade-mark confers no monopoly whatever in a proper sense, but is merely a convenient means for facilitating the protection of one’s good-will in trade by placing a distinguishing mark or symbol—a commercial signature—upon the merchandise or the package in which it is sold.”); *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 412 (1916) (“The court held in effect that the right to protection in the exclusive use of a trade-mark extends only to those markets where the trader’s goods have become known and identified by his use of the mark.”).

21. *See United Drug Co.*, 248 U.S. at 98 (“[W]herever the trade goes, attended by the use of the mark, the right of the trader to be protected against the sale by others of their wares in the place of his wares will be sustained.”).

The passing of the Trademark Act of 1881 made the source of trademark law federal under the constitutional Commerce Clause.<sup>22</sup> The passing of the Trademark Act of 1946, or Lanham Act, defined federal trademark rules and the scope of federal trademark protection.<sup>23</sup> The Lanham Act is the current source of American trademark law. The USPTO is the controlling agency over the federal registration of trademarks.<sup>24</sup> The USPTO determines whether an applicant for registration of a federal trademark has satisfied the statutory prerequisites, and either issues or rejects applications based on those statutory requirements.<sup>25</sup> Trademarks that are not federally registered are subject to common law trademark rights.<sup>26</sup>

### B. FILING A TRADEMARK APPLICATION

To obtain a federally registered trademark, an applicant's trademark application must comply with the Lanham Act's requirements.<sup>27</sup> First, one must be using a mark in commerce or intend to use a mark in commerce to receive protection.<sup>28</sup> A mark is used in commerce on goods when

it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto

22. Trademark Act of 1881, ch. 138, 21 Stat. 502. In 1879, the Supreme Court rejected to bring trademarks within the control and regulation of Congress under the Copyright Clause in the prominent set of cases called the Trade-Mark Cases. *See generally In re Trade-Mark Cases*, 100 U.S. 82 (1879) (consisting of the three cases: *United States v. Steffens*, *United States v. Wittmeane*, and *United States v. Johnson*). The court reasoned that a trademark had no relation to an invention or discovery in the context of the Copyright and Patent Clause. *Id.* at 94; *see* 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.”). Moreover, a trademark was recognized at common law though “the growth of a considerable period of use, rather than a sudden invention.” *In re Trade-Mark Cases*, 100 U.S. at 94. The Court, however, only concluded that trademarks could not be regulated under the Copyright and Patent Clause, not other clauses. *Id.* With regard to the Commerce Clause, the court held that “whether the trade-mark bears such a relation to commerce in general terms as to bring it within congressional control, when used or applied to the classes of commerce which fall within that control, is one which, in the present case, we propose to leave undecided.” *Id.* at 95; *see* U.S. CONST. art. I, § 8, cl. 3 (“To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes.”). The Trademark Act of 1881 officially brought trademarks within federal law under the Commerce Clause. § 1, 21 Stat. at 502.

23. Trademark (Lanham) Act of 1946, Pub. L. No. 489, 60 Stat. 427 (codified as amended at 15 U.S.C. §§ 1051–1141 (2012)).

24. 35 U.S.C. §§ 1–2 (2012).

25. *What Does the USPTO Do?*, U.S. PAT. & TRADEMARK OFF., <https://www.uspto.gov/trademark/additional-guidance-and-resources/what-does-uspto-do> (last visited July 24, 2017) (“The United States Patent and Trademark Office (USPTO) reviews trademark applications for federal registration and determines whether an applicant meets the requirements for federal registration.”).

26. *See id.* (“Even without a registration, [one] may still use any mark adopted to identify the source of [her] goods and/or services.”).

27. 15 U.S.C. § 1051.

28. *Id.* § 1051(a)(3)(C), (b)(1).

... and ... the goods are sold or transported in commerce, and ... on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce.<sup>29</sup>

Second, one must comply with section 2 of the Lanham Act—which provides what types of marks are registerable.<sup>30</sup> Among several requirements, section 2(d) provides that a mark is not registerable on the principal register if the mark

[c]onsists of or comprises a mark which so resembles a mark registered in the Patent and Trademark Office, or a mark ... previously used in the United States by another and not abandoned, as to be likely, when used on or in connection with the goods of the applicant, to cause confusion.<sup>31</sup>

This provision is colloquially called “likelihood of confusion.”

### C. THE USPTO’S REVIEW OF TRADEMARK APPLICATIONS

The USPTO, and specifically, a trademark examining attorney (examiner), determines whether an applicant complies with section 2(d).<sup>32</sup> Under section 2(d) of the Lanham Act, the USPTO determines whether there is a likelihood of confusion between the applicant’s mark and an already registered or pending mark.<sup>33</sup> Marks do not have to be identical to find a likelihood of confusion; rather, the goods or services using the marks must be so related such that consumers would likely be confused as to the source of goods or services.<sup>34</sup> “The issue is not whether the respective marks themselves,

29. *Id.* § 1127.

30. *Id.* § 1052.

31. *Id.* § 1052(d).

32. *Step 4: Work with the Assigned USPTO Examining Attorney*, U.S. PAT. & TRADEMARK OFF., <http://www.uspto.gov/trademarks-getting-started/trademark-process#step4> (last visited July 24, 2017) [hereinafter *Step 4*] (“The examining attorney reviews the application to determine whether it complies with all applicable rules and statutes, and includes all required fees. . . . A complete review includes a search for conflicting marks and an examination [sic] the written application, the drawing, and any specimen.”).

33. Trademark (Lanham) Act of 1946, Pub. L. No. 489, § 2(d), 60 Stat. 427 (codified as amended at 15 U.S.C. §§ 1051–1141 (2012)).

34. U.S. PATENT & TRADEMARK OFFICE, TRADEMARK MANUAL OF EXAMINING PROCEDURE § 1207.01 (2017) [hereinafter *T.M.E.P.*]; *Possible Grounds for Refusal of a Mark*, U.S. PAT. & TRADEMARK OFF., <http://www.uspto.gov/trademark/additional-guidance-and-resources/possible-grounds-refusal-mark> (last visited July 24, 2017) (“[I]t is not required that the marks and the goods/services be exactly the same; instead, it is sufficient if the marks are similar and the goods and or services related such that consumers would mistakenly believe they come from the same source.”); *see, e.g., In re Majestic Distilling Co.*, 315 F.3d 1311, 1316 (Fed. Cir. 2003) (“[T]he mistaken belief that [a good] is manufactured or sponsored by the same entity [as another good]. . . is precisely the mistake that § 2(d) of the Lanham Act seeks to prevent.”); *In re Shell Oil Co.*, 992 F.2d 1204, 1207 (Fed. Cir. 1993) (“The degree of ‘relatedness’ must be viewed in the context of all the factors, in determining whether the services are sufficiently related that a reasonable consumer would be confused as to source or sponsorship.”); Paula Payne Prods.

or the goods or services offered under the marks, are likely to be confused but, rather, whether there is a likelihood of confusion as to the source or sponsorship of the goods or services because of the marks used thereon.”<sup>35</sup>

Goods or services that are “[s]imilar[] in sound, appearance, or meaning may be sufficient to support a finding of likelihood of confusion.”<sup>36</sup> Additionally, if two marks create the same overall commercial impression, or “convey a similar general meaning and produce the same mental reaction” among consumers, an examiner may find that there is a likelihood of confusion.<sup>37</sup>

Two similar marks may only cause a likelihood of confusion where goods or services are “related in such a manner that consumers are likely to assume (mistakenly) that they come from a common source.”<sup>38</sup> For example, food and beverage items are closely related goods because they are generally sold within the same stores. Therefore, a food item and a beverage item bearing the same mark would likely cause confusion about source because a consumer would mistakenly think these food and beverage items are coming from the same source. Conversely, the term “United” refers to both an airline company and a healthcare company. However, the markets for air travel and healthcare are so unrelated that consumers would not be confused into thinking that “United Airlines” also provides healthcare, or vice versa.

If the examiner finds that a likelihood of confusion exists between the applicant’s mark and another mark under section 2(d), the examiner will reject the application on the ground of likelihood of confusion.<sup>39</sup> This rejection is communicated through an Office action.<sup>40</sup> The applicant must

Co. v. Johnson Publ’g Co., 473 F.2d 901, 902 (C.C.P.A. 1973) (“[T]he question is not whether people will confuse the marks, but rather whether the marks will confuse people into believing that the goods they identify emanate from the same source.”); *In re Binion*, 93 U.S.P.Q.2d 1531, 1534–35 (T.T.A.B. 2009); *In re Ass’n of the U.S. Army*, 85 U.S.P.Q.2d 1264, 1267–68, 1270 (T.T.A.B. 2007); *Hilson Research Inc. v. Soc’y for Human Res. Mgmt.*, 27 U.S.P.Q.2d 1423, 1429 (T.T.A.B. 1993) (“Although confusion, mistake or deception about source or origin is the usual issue posed under Section 2(d), any confusion made likely by a junior user’s mark is cause for refusal; likelihood of confusion encompasses confusion of sponsorship, affiliation or connection.”).

35. *T.M.E.P.*, *supra* note 34, § 1207.01.

36. *Possible Grounds for Refusal of a Mark*, *supra* note 34 (providing examples that marks with similar phonetic sounds, similar font styling and type face, and similar meaning in different languages are all grounds to support a finding for a likelihood of confusion).

37. *Id.*

38. *Id.*

39. *T.M.E.P.*, *supra* note 34, § 1207.01.

40. *Step 4*, *supra* note 32. An Office action is an official letter sent from the examiner to the applicant to notify the applicant about issues with his or her application. *Responding to Office Actions*, U.S. PAT. & TRADEMARK OFF., <https://www.uspto.gov/trademarks-maintaining-trademark-registration/responding-office-actions> (last visited July 24, 2017). An Office action will include the reasons why an application has been refused and what requirements must be satisfied for the application to be accepted. *Id.* (“There are two types of Office actions: non-final and final actions. A non-final Office action raises an issue for the first time. A final Office action issues when the applicant’s response to the prior Office action fails to address or overcome all issues. An applicant’s response to a final

respond to the Office action with either corrections to their applications, or arguments for other alterations and/or non-corrections.<sup>41</sup> This process of communication between the examiner and applicant can take years going back and forth between responses and Office actions.

If the applicant fails to overcome all the examiner's objections, the examiner may reject the applicant with a final Office action.<sup>42</sup> The applicant can only appeal this final rejection by appealing to the Trademark Trial and Appeal Board ("TTAB")<sup>43</sup> and can only appeal for issues involving subject matter under the following sections: 2, 3, 4, 5, 6, or 23.<sup>44</sup> The TTAB may "remand an application to the examining attorney for consideration of specific facts or issues" with respect to the subject matter of the listed sections.<sup>45</sup> However, if the TTAB issues a refusal of registration based upon the same grounds as the examiner, this decision is final and the mark will not register.<sup>46</sup> Thus, an applicant cannot appeal the final rejection, and the mark will not register.

Conversely, once the examiner approves a mark if there are no objections or the applicant overcomes all objections, the mark will be published on the *Official Gazette* and *Trademark Official Gazette*.<sup>47</sup> After publication, a person who opposes registration of the mark may file an opposition to registration within 30 days of publication.<sup>48</sup> The TTAB conducts a proceeding after an opposition is filed.<sup>49</sup> It has the authority to accept or reject the published mark without being precluded by the determination of the examiner.<sup>50</sup> If there is no opposition to the mark, or if the TTAB accepts an opposed mark, the USPTO will issue a notice of allowance if the mark was filed under an intent to use, or will register the mark if already in use.<sup>51</sup>

Office action generally is either compliance with the requirements or an appeal to the Trademark Trial and Appeal Board.").

41. *Responding to Office Actions*, *supra* note 40.

42. *Step 5*, *supra* note 15 ("If the applicant's response does not overcome all objections, the examining attorney will issue a final refusal. To attempt to overcome a final refusal, the applicant may, for an additional fee, appeal to the TTAB.").

43. *Id.*

44. *T.M.E.P.*, *supra* note 34, § 1501.01.

45. *Id.* § 1504.05.

46. *Id.* § 1501.

47. *Id.* § 106. The *Official Gazette* is the USPTO's weekly publication of published marks. *Id.* The *Trademark Gazette* "contains an illustration of each mark published for opposition on the Principal Register [and] marks registered on the Principal Register," and it is published only electronically. *Id.*

48. *Id.* § 1503.01; *Step 5*, *supra* note 15.

49. *T.M.E.P.*, *supra* note 34, § 1503.01.

50. 6 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 32:95 (4th ed. 2017).

51. *Step 5*, *supra* note 15 ("If the mark is based on use in commerce, a foreign registration, or an extension of protection of an international registration to the United States under Section 66(a), and no party files an opposition or request to extend the time to oppose, the USPTO will

*D. DEVELOPMENT OF SUBSEQUENT LITIGATION REGARDING A LIKELIHOOD OF  
CONFUSION BETWEEN MARKS*

A mark owner may bring suit for a likelihood of confusion of her unregistered mark with another allegedly confusing mark under section 43(a)(1)(A).<sup>52</sup> A mark owner may bring a suit for a likelihood of confusion with her mark and an allegedly confusing mark under section 32(1) or section 43(a)(1)(A) for registered or unregistered marks, respectively.<sup>53</sup> A trademark owner who meets all of the statutory requirements to register and has successfully registered her mark enjoys the ability to bring suit under section 32(1) for a likelihood of confusion.<sup>54</sup> Evidence of a registered mark provides the presumption of validity of the mark in a section 32 cause of action.<sup>55</sup> However, an applicant who does not meet the statutory requirements of section 2 and is unable to successfully register her mark (either through the mark owner's failure to file an application, or the rejection of her application through the trademark examination process described above) only maintains her common law rights in the mark.<sup>56</sup> A mark owner must bring a cause of action under section 43(a)(1)(A) on the basis of a likelihood of confusion under her common law rights.<sup>57</sup> Thus, litigation arises under section 43(a)(1)(A) when an applicant or other unregistered mark owner

register the mark and send the owner a certificate of registration . . . . If the mark is published based upon the applicant's bona fide intention to use the mark in commerce and no party files either an opposition or request to extend the time to oppose, . . . . [t]he applicant then has six (6) months from the date of the notice of allowance to either: 1. Use the mark in commerce and submit a statement of use (SOU); or 2. Request a six (6) month extension of time to file a statement of use (extension request).").

52. 15 U.S.C. § 1125(a)(1)(A) (2012).

53. *Id.* §§ 1114(1)(a), 1125(a)(1)(A).

54. *Id.* § 1114(1).

55. *Id.* § 1115(a). A presumption of validity is one of the many benefits of registering a mark on the principal register. Other benefits include

a statutory presumption that . . . (b) the registrant is the owner of the mark, and (c) the registrant has the exclusive right to use the registered mark; (ii) the registration is proof that the mark has acquired secondary meaning; (iii) the registration serves as constructive notice of a claim of ownership, eliminating any justification or defense of good faith adoption and use made by a third party after the registration date; (iv) the registrant is entitled to nationwide priority based on the filing date; and (v) the registration becomes incontestable after five years on the Principal Register, creating conclusive evidence of the registrant's exclusive right to use the mark, subject to certain statutory defenses.

Andrew Stockment, *Trademarks 101 Part 2: The Benefits of Federal Registration*, A.B.A., [http://www.americanbar.org/groups/young\\_lawyers/publications/the\\_101\\_201\\_practice\\_series/trademarks\\_101\\_part\\_2\\_the\\_benefits\\_of\\_federal\\_registration.html](http://www.americanbar.org/groups/young_lawyers/publications/the_101_201_practice_series/trademarks_101_part_2_the_benefits_of_federal_registration.html) (last visited July 24, 2017).

56. 15 U.S.C. § 1125(a)(1)(A).

57. *Id.*

tries to exert her common law rights over another mark. Here, there is no presumption of a mark's validity.<sup>58</sup>

Several circuits analyze a variety of factors in their likelihood-of-confusion analysis. Common factors among circuits are: “(1) the alleged infringer’s intent, (2) actual confusion, and (3) a variety of factors that [may] be lumped together as ‘market factors[,]’”<sup>59</sup> such as strength of user’s mark, degree of similarity between marks, proximity of marks, degree to which products compete with each other, and similarity in advertising.<sup>60</sup>

58. Unlike registered marks, unregistered marks do not enjoy the same benefits, including a presumption of validity. See *supra* note 55 and accompanying text.

59. GRAEME B. DINWOODIE & MARK D. JANIS, TRADEMARKS AND UNFAIR COMPETITION: LAW AND POLICY 520 (4th ed. 2014) (citation omitted). Circuits have varying numbers of factors in their respective likelihood-of-confusion tests. See, e.g., *Sally Beauty Co. v. Beautyco, Inc.*, 304 F.3d 964, 972 (10th Cir. 2002) (presenting the Tenth Circuit’s six-factor likelihood-of-confusion test); *Bos. Athletic Ass’n v. Sullivan*, 867 F.2d 22, 29–32 (1st Cir. 1989) (presenting the First Circuit’s eight-factor likelihood-of-confusion test); *AmBrit, Inc. v. Kraft, Inc.*, 812 F.2d 1531, 1539–45 (11th Cir. 1986) (presenting the Eleventh Circuit’s seven-factor likelihood-of-confusion test); *Pizzeria Uno Corp. v. Temple*, 747 F.2d 1522, 1527 (4th Cir. 1984) (presenting the Fourth Circuit’s seven-factor likelihood-of-confusion test, colloquially called the *Pizzeria Uno Factors*); *Interpace Corp. v. Lapp, Inc.*, 721 F.2d 460, 463 (3d Cir. 1983) (presenting the Third Circuit’s ten-factor likelihood-of-confusion test, colloquially called the *Lapp Factors*); *Frisch’s Rests. v. Elby’s Big Boy of Steubenville, Inc.*, 670 F.2d 642, 648 (6th Cir. 1982) (presenting the Sixth Circuit’s eight-factor likelihood-of-confusion test, colloquially called the *Frisch’s Factors*); *SquirtCo v. Seven-Up Co.*, 628 F.2d 1086, 1089–90 (8th Cir. 1980) (presenting the Eighth Circuit’s six-factor likelihood-of-confusion test, colloquially called the *SquirtCo Factors*); *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348–49 (9th Cir. 1979) (presenting the Ninth Circuit’s eight-factor likelihood-of-confusion test, colloquially called the *Sleekcraft Factors*); *Helene Curtis Indus., Inc. v. Church & Dwight Co.*, 560 F.2d 1325, 1330 (7th Cir. 1977) (presenting the Seventh Circuit’s seven-factor likelihood-of-confusion test); *Roto-Rooter Corp. v. O’Neal*, 513 F.2d 44, 45 (5th Cir. 1975) (presenting the Fifth Circuit’s seven-factor likelihood-of-confusion test); *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961) (presenting the Second Circuit’s eight-factor likelihood-of-confusion test, colloquially called the *Polaroid Factors*); *In re E.I. DuPont deNemours & Co.*, 476 F.2d 1357, 1361 (C.C.P.A. 1973) (presenting the Federal Circuit’s 13-factor likelihood-of-confusion test, colloquially called the *DuPont Factors*); *Partido Revolucionario Dominicano (PRD) Seccional Metropolitana de Washington-DC, Maryland y Virginia v. Partido Revolucionario Dominicano, Seccional de Maryland y Virginia*, 312 F. Supp. 2d 1, 14 (D.D.C. 2004) (presenting the D.C. Circuit’s seven-factor likelihood-of-confusion test); see also DINWOODIE & JANIS, *supra* at 521–23 (listing factors for all the circuits). These factors are not exhaustive and courts have the “discretion to modify the factors analysis to fit particular circumstances.” *Id.* at 520.

60. DINWOODIE & JANIS, *supra* note 59, at 521–23. Circuits generally vary in how they articulate these market factors. Compare *Polaroid Corp.*, 287 F.2d at 495 (articulating the eighth factor of the test as “the sophistication of the buyers”), with *Sally Beauty Co.*, 304 F.3d at 972 (articulating the fifth factor of the test as “the degree of care likely to be exercised by purchasers”); compare *Polaroid Corp.*, 287 F.2d at 495 (expressing the fourth factor of the test as “the likelihood that the prior owner will bridge the gap”), with *AMF, Inc.*, 599 F.2d at 349 (expressing the eighth factor of the test as the “likelihood of expansion of the product lines”). Moreover, Circuits vary on whether certain factors are included. Compare *In re E. I. DuPont deNemours & Co.*, 476 F.2d at 1361 (disclosing a 13-factor test) and *Interpace Corp.*, 721 F.2d at 463 (disclosing a ten-factor test), with *SquirtCo*, 628 F.2d at 1089–90 (disclosing a six-factor test) and *Sally Beauty Co.*, 304 F.3d at 972 (disclosing a six-factor test).

*E. WEIGHT GIVEN BY VARIOUS CIRCUITS TO USPTO DETERMINATIONS*

Circuits are divided over how much weight should be given to an examiner's unappealed likelihood-of-confusion determination when an unregistered mark is litigated under section 43(a)(1)(A).

The Second and Fourth Circuits give "substantial weight" to the USPTO's likelihood-of-confusion analysis by finding that the USPTO's rejection of a mark for registration "is entitled to great weight."<sup>61</sup> However, Second Circuit courts state that although a USPTO refusal is not conclusive evidence, it is nevertheless an important factor to be considered.<sup>62</sup> For example, in *Syntex Laboratories, Inc. v. Norwich Pharmacal Co.*, the court held that the USPTO's "refusal to register 'Vagestrol' because of its similarity to 'Vagitrol'" was "entitled to great weight" in subsequent litigation.<sup>63</sup>

However, the Third, Eighth, and Ninth Circuits consider the USPTO's likelihood of confusion quite differently. The Third Circuit concluded "a court need not defer to the patent office when there is relevant evidence not considered by the office that informs the analysis."<sup>64</sup> Moreover, the Third Circuit held:

Although we prefer to avoid conflicts with the [US]PTO, we do not think that such a decision needed to receive deference here, where the District Court's conclusion that the marks were not confusingly similar relied upon the housemarks and Victoria's Secret's disclaimer, matters apparently not considered by the examining attorney.<sup>65</sup>

The Eighth Circuit held that the determinations of the USPTO should be excluded from evidence in the likelihood-of-confusion analysis.<sup>66</sup> In doing so, the court found that the USPTO's refusal was simply a "tentative opinion" regarding a likelihood-of-confusion analysis.<sup>67</sup> Thus, the court would look at the evidence entirely anew and make its own determination.

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61. *Syntex Labs., Inc. v. Norwich Pharmacal Co.*, 437 F.2d 566, 569 (2d Cir. 1971) ("[F]indings are fully supported . . . in light of the Patent Office's refusal to register 'Vagestrol' because of its similarity to 'Vagitrol'—a factor which, while not conclusive, is entitled to great weight."); *Pizzeria Uno Corp. v. Temple*, 566 F. Supp. 385, 397 (D.S.C. 1983).

62. *Syntex Labs.*, 437 F.2d at 569; see MCCARTHY, *supra* note 50, § 32:95.

63. *Syntex Labs.*, 437 F.2d at 569.

64. *A & H Sportswear, Inc. v. Victoria's Secret Stores, Inc.*, 237 F.3d 198, 220–21 (3d Cir. 2000); see also *Kos Pharm., Inc. v. Andrx Corp.*, 369 F.3d 700, 715 (3d Cir. 2004) (finding that a USPTO's determination may be considered, but does not need to be given weight); *Mktg. Displays, Inc. v. Traffix Devices, Inc.*, 200 F.3d 929, 934 (6th Cir. 1999) (indicating that "no deference is due [to] a PTO decision with respect to evidence the PTO did not consider").

65. *A & H Sportswear, Inc.*, 237 F.3d at 221; see *Kos Pharm., Inc.*, 369 F.3d at 715 (following the precedent set by *A & H Sportswear, Inc.* and declining to give USPTO determinations weight).

66. *Everest Capital Ltd. v. Everest Funds Mgmt., L.L.C.*, 393 F.3d 755, 764 (8th Cir. 2005) ("The Trademark Office suspension notice had little probative value because it stated a tentative opinion, not an administrative finding of fact based upon an adequate record.").

67. *Id.*

The Ninth Circuit held that the USPTO's refusal of a mark should be given little to no weight.<sup>68</sup> For example, the Ninth Circuit in *Carter–Wallace, Inc. v. Procter & Gamble Co.* found that the USPTO's rejection of the applicant's slogan "Use ARRID To Be Sure" because of the mark's "descriptiveness and conflict with the already registered SURE mark" inconclusive.<sup>69</sup> The court explained the following:

Any such determination made by the Patent Office under the circumstances just noted must be regarded as inconclusive since made at its lowest administrative level. . . . The determination by the Patent Office is rendered less persuasive still by the fact that the Patent Office did not have before it the great mass of evidence which the parties have since presented to both the District Court and this court in support of their claims.<sup>70</sup>

These courts find the USPTO's determinations inconclusive because, "where an examiner finds no conflict with a prior registered mark, a court, with the benefit of evidence of market place conditions not before the examiner, can easily come to a different conclusion on the basis of the different evidence . . . ."<sup>71</sup>

More recently, the Western District of Michigan faced this same issue.<sup>72</sup> The District Court held in *Progressive Distribution Services, Inc. v. United Parcel Service, Inc.*, that a "USPTO's rejection of UPS's mark was a low-level determination, and there is no indication in the record that the examining attorney reviewed the evidence presented to this Court in the instant case, this Court declines to give any weight to the [US]PTO examiner's likelihood-of-confusion determination."<sup>73</sup> Now on appeal in the Sixth Circuit, the outcome of that case may determine which way the majority of the circuits fall with regard to how much weight should be given to the USPTO's refusal of a mark on the grounds of likelihood of confusion. The Sixth Circuit's opinion may alter the likelihood-of-confusion analysis for better or worse.

### III. DISCUSSION

This Part explains circuits' varying approaches to deference to USPTO determinations regarding a likelihood of confusion, argues that courts value accuracy and efficiency in trademark litigation, and finds that USPTO

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68. *Carter–Wallace, Inc. v. Procter & Gamble Co.*, 434 F.2d 794, 802 (9th Cir. 1970); see also MCCARTHY, *supra* note 50, § 32:95 ("Some Courts Will Give Little Weight to Ex Parte PTO Decisions.").

69. *Carter–Wallace, Inc.*, 434 F.2d at 801.

70. *Id.* at 802.

71. See MCCARTHY, *supra* note 50, § 32:95.

72. *Progressive Distrib. Serv., Inc. v. United Parcel Serv., Inc.*, 186 F. Supp. 3d 741, 749 (W.D. Mich. 2016).

73. *Id.*

determinations in patent law receive better deference. Part III.A discusses the federal circuits' varying views on how much weight is given to a USPTO determination and analyzes the positives and negatives of each circuit's interpretation. This analysis provides support for the conclusion that courts value accuracy and efficiency in the trademark-litigation process. Part III.B examines the precedent used under USPTO, patent-law determinations and finds that the USPTO receives better deference in patent law. Part III.C discusses the overarching need for a uniform deference standard across circuits to promote accuracy and efficiency.

#### A. EXAMINATION OF CIRCUIT APPROACHES

Circuits have varying views on how much deference should be given to a USPTO determination.<sup>74</sup> The reasoning behind varying deference differs between circuits.<sup>75</sup> This variance can be examined as a result of circuits' interpretation of several key reasons in light of the principles of accuracy and efficiency.

##### 1. Circuits Giving Substantial Weight to USPTO Likelihood-of-Confusion Determinations

The Second and Fourth Circuit give "substantial weight" to the USPTO's likelihood-of-confusion determination in subsequent litigation.<sup>76</sup> The primary

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74. See *supra* Part II.E.

75. Compare *Syntex Labs., Inc. v. Norwich Pharmacal Co.*, 437 F.2d 566, 569 (2d Cir. 1971) ("In any event, [the district court's] findings are fully supported for the reasons [it] states and in light of the Patent Office's refusal to register 'Vagestrol' because of its similarity to 'Vagitrol'—a factor which, while not conclusive, is entitled to great weight."), with *Carter-Wallace, Inc. v. Procter & Gamble Co.*, 434 F.2d 794, 802 (9th Cir. 1970) ("Any such determination made by the Patent Office under the circumstances just noted must be regarded as inconclusive since made at its lowest administrative level and in light of the inconsistent position taken by plaintiff").

76. See, e.g., *Syntex Labs.*, 437 F.2d at 569 (affording "great weight" to USPTO determinations); *Miles Shoes, Inc. v. R. H. Macy & Co.*, 199 F.2d 602, 603 (2d Cir. 1952) ("One factor to be considered in this case is the decision of the Commissioner of Patents denying registration, since his familiarity in dealing with such problems may properly be accorded substantial weight."); *Pilot Corp. of Am. v. Fisher-Price, Inc.* 501 F. Supp. 2d 292, 302–03 (D. Conn. 2007) ("[T]he court should also consider the fact that the United States Patent and Trademark Office has approved Fisher-Price's 'Doodle Pro' mark for publication and likely registration, which means that the Patent and Trademark Office has determined that the use of the 'Doodle Pro' mark is not likely to cause confusion. That approval is 'a factor which, while not conclusive, is entitled to great weight.'" (quoting *Syntex Labs.*, 437 F.2d at 569)); *Pizzeria Uno Corp. v. Temple*, 566 F. Supp. 385, 397 (D.S.C. 1983) ("[T]his ruling, which was arrived at by Trademark Office examiners who are experts in applying the test of likelihood of confusion between two marks, is entitled to great weight."); *Miss Universe, Inc. v. Little Miss U.S.A., Inc.*, 212 U.S.P.Q. 425, 427 n.6 (N.D. Ga. 1981) ("In reaching this conclusion [that confusion is likely], the court has given serious consideration to the Patent and Trademark Office's rejection of the defendant's application for registration. . . . [B]ecause of the Patent Office's expertise in this field, the court . . . is not inclined to ignore or discount its findings."); *D.M. & Antique Import Corp. v. Royal Saxe Corp.*, 311 F. Supp. 1261, 1274 (S.D.N.Y. 1970) ("While the court is not bound by the determination of the Patent Office, nevertheless the expertise of the trademark

reason for allocating substantial weight in these circuits is the USPTO's extensive expertise and knowledge in finding a likelihood of confusion. Courts have given "deference to the [US]PTO under the theory that the [USPTO] possesses particular expertise in addressing registrability issues."<sup>77</sup> USPTO findings regarding a likelihood of confusion are entitled to deference on the basis that "the expertise of the trademark examiners . . . entitle[s] their views to respectful consideration."<sup>78</sup> Moreover, the likelihood-of-confusion analysis for the purpose of registration is the same as the likelihood-of-confusion analysis for the purpose of infringement.<sup>79</sup> Several jurisdictions find that a "[US]PTO determination[] carr[ies] a 'strong presumption' of validity and [should] 'not . . . be overturned lightly.'"<sup>80</sup> The Fourth Circuit "further explain[s] that a decision of the [US]PTO must be considered presumptively correct by a reviewing court."<sup>81</sup>

Primarily, courts should defer to the expertise of the USPTO because the USPTO is an experienced agency that is fully capable of performing exceptional likelihood-of-confusion analyses. To this extent, "there is no categorical 'reason to doubt the quality, extensiveness, or fairness,' of the agency's procedures."<sup>82</sup> The USPTO sets high target standards of quality for its trademark examiners in trademark prosecution. The target quality percentage of trademark examiner's first Office action rejections and final Office action rejections are 95.5% and 97%, respectively.<sup>83</sup> Specifically, final action quality is monitored through reviews of the examiners' "substantive

examiners does entitle their views to respectful consideration."); *see also* MCCARTHY, *supra* note 50, § 32:95 ("Some courts will give a PTO examiner's ex parte decision little or no weight.").

77. Theodore H. Davis, Jr., *Deference to United States Patent and Trademark Office Determinations by Federal District Courts and the Regional Circuit Courts of Appeals*, 87 TRADEMARK REP. 1, 13 (1997); *see* Gold Seal Co. v. Weeks, 129 F. Supp. 928, 937 (D.D.C. 1955) ("The court benefits from, and is entitled to, the trained and experienced determinations of the Patent Office . . .").

78. Davis, *supra* note 77, at 39. This reasoning for deference is discussed in several jurisdictions. *See supra* note 75 and accompanying text.

79. B & B Hardware, Inc. v. Hargis Indus., Inc., 135 S. Ct. 1293, 1307 (2015). The court concluded that the two likelihood-of-confusion analyses were the same for registration and infringement for three reasons. *Id.*

First, the operative language is essentially the same . . . . Second, the likelihood-of-confusion language that Congress used in these Lanham Act provisions has been central to trademark registration since at least 1881. . . . [T]hird, district courts can cancel registrations during infringement litigation, just as they can adjudicate infringement in suits seeking judicial review of registration decisions.

*Id.*

80. Davis, *supra* note 77, at 13–14 (quoting Radiator Specialty Co. v. Ladd, 218 F. Supp. 827, 829 (D.D.C. 1963)).

81. Jonathan S. Digby, Note, *What's the Deference?: Should Dickinson v. Zurko Apply in the Trademark Context?*, 15 J. INTELL. PROP. L. 173, 187 (2007).

82. *B & B Hardware*, 135 S. Ct. at 1309 (citation omitted).

83. *Trademark Measures of Quality Statistics*, U.S. PAT. & TRADEMARK OFF., <https://developer.uspto.gov/visualization/trademark-measures-quality-statistics> (last visited July 25, 2017).

basis for decision-making, search strategy, evidence, and writing.”<sup>84</sup> Over the last two years, trademark examiners have exceeded these target percentages.<sup>85</sup> Thus, this deference respects the expertise of the USPTO and promotes efficiency by encompassing the high standard of quality of trademark examiners’ decisions regarding likelihood of confusion into later litigation.

A secondary reason the courts should defer to the expertise of the USPTO is to avoid conflict between the court and the USPTO. The USPTO is the “sole government agency having authority over the registration of trademarks.”<sup>86</sup> Even courts in jurisdictions not giving significant weight to a USPTO determination allude to the desire to avoid conflict with the USPTO’s authority over trademarks registration and proceedings.<sup>87</sup>

This secondary reason—avoiding conflict with the USPTO—is fundamentally a separation between the court and the agency. However, the USPTO is not treated as a typical administrative agency.<sup>88</sup> Appellate courts have more power to review USPTO determinations than any other agency action.<sup>89</sup> This begs the question: what is the point of a robust trademark prosecution procedure that is not considered litigation?<sup>90</sup> Why is the APA standard of review not considered in trademark factual determinations? The approach of the Second and Fourth Circuits appears to attempt to preserve a separation between the court and the agency, affording a degree of respect to the USPTO. Thus, this approach also promotes efficiency by drawing this separation and reducing the need to reconsider decisions made by the USPTO.

## 2. Circuits Giving Little to No Weight to USPTO Likelihood-of-Confusion Determinations

The Third, Eighth, and Ninth Circuits give very little or no weight to a USPTO likelihood-of-confusion determination.<sup>91</sup> The primary reason for not allocating any weight or allocating little weight in these circuits is lack of

84. *Id.*

85. *Id.*

86. *Everest Capital Ltd. v. Everest Funds Mgmt., L.L.C.*, 393 F.3d 755, 761 (8th Cir. 2005).

87. *A & H Sportswear, Inc. v. Victoria’s Secret Stores, Inc.*, 237 F.3d 198, 220–21 (3d Cir. 2000) (noting that the court would “prefer to avoid conflicts with the PTO”).

88. *Craig Allen Nard, Deference, Defiance, and the Useful Arts*, 56 Ohio St. L.J. 1415, 1415 (1995) (“I came from an administrative law background. I thought the [US]PTO was an administrative agency. But we don’t review it as if it is. There is no other administrative agency in the United States that I know of in which the standard of review over the agency’s decisions gives the appellate court as much power over the agency as we have over the [US]PTO.” (quoting S. Jay Plager (Circuit Judge, Court of Appeals for the Federal Circuit))).

89. *Id.*

90. This question fundamentally asks why should the USPTO expend time and money in analyzing particular facts that in successive litigation receives little to no consideration? What is the function of an agency whose functions are irrelevant in the judicial process?

91. MCCARTHY, *supra* note 50, § 32:95; *see supra* notes 63–70 and accompanying text.

evidence in front of the USPTO that is present during subsequent litigation.<sup>92</sup> The Third Circuit held that a USPTO determination should be given no weight because it is a “low-level preliminary determination” since the USPTO did not have the benefit of the complete record, as the district court did.<sup>93</sup> Furthermore, the Eighth Circuit concluded that a USPTO determination is nothing more than a mere tentative opinion for the lack of an adequate evidentiary record.<sup>94</sup> The Ninth Circuit reiterates both of these conclusions.<sup>95</sup>

The primary reason for these decisions draws upon the Federal Rules of Evidence regarding admissibility. Under Federal Rule of Evidence 803(A)(iii), *factual findings* in civil cases from a legally authorized investigation are not excluded by the rule of hearsay.<sup>96</sup> The factual findings of the USPTO, as a public office conducting a legally authorized investigation, are excluded from hearsay under Rule 803(A)(iii).<sup>97</sup> However, “material reflecting preliminary findings, or initial or tentative conclusions that are untested and not fully considered” do not constitute “factual findings” in regards to admissibility.<sup>98</sup> This supports the conclusion that the USPTO, even as a public office, cannot make decisions regarding evidence that it did not consider or have knowledge of. This policy encourages accuracy because it

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92. MCCARTHY, *supra* note 50, § 32:95; *see e.g.*, *Kos Pharm., Inc. v. Andrx Corp.*, 369 F.3d 700, 714–15 (3d Cir. 2004) (“[T]he record does not show that the PTO actually considered the registrability of ALTOCOR over ADVICOR, much less that it found the marks not to be confusingly similar.”); *A & H Sportswear, Inc.*, 237 F.3d at 220–21 (“[O]ther courts have held that a court need not defer to the patent office when there is relevant evidence not considered by the office that informs the analysis. . . . [W]e do not think that such a decision needed to receive deference here, where the District Court’s conclusion that the marks were not confusingly similar relied upon the housemarks and Victoria’s Secret’s disclaimer, matters apparently not considered by the examining attorney.”).

93. *A & H Sportswear, Inc.*, 237 F.3d at 221. The Ninth Circuit has held the same for analogous reasoning. *Carter–Wallace, Inc. v. Procter & Gamble Co.*, 434 F.2d 794, 802 (9th Cir. 1970) (“The determination by the Patent Office is rendered less persuasive still by the fact that the Patent Office did not have before it the great mass of evidence which the parties have since presented to both the District Court and this court in support of their claims.”).

94. *Everest Capital Ltd. v. Everest Funds Mgmt.*, 393 F.3d 755, 764 (8th Cir. 2005) (“The Trademark Office suspension notice had little probative value because it stated a tentative opinion, not an administrative finding of fact based upon an adequate record.”).

95. *Carter–Wallace, Inc.*, 434 F.2d at 802 (“Any such determination made by the Patent Office under the circumstances just noted must be regarded as inconclusive since made at its lowest administrative level. . . . The determination by the Patent Office is rendered less persuasive still by the fact that the Patent Office did not have before it the great mass of evidence which the parties have since presented to both the District Court and this court in support of their claims.”).

96. FED. R. EVID. 803(8)(A)(iii) (“The following are not excluded by the rule against hearsay . . . [a] record or statement of a public office if . . . it sets out . . . in a civil case . . . factual findings from a legally authorized investigation.”).

97. *Id.*

98. David R. Kott et al., *The Admissibility of Opinions Contained in Public Records*, BLOOMBERG BNA (May 29, 2013) (quoting 4 CHRISTOPHER B. MUELLER & LAIRD C. KIRKPATRICK, FEDERAL EVIDENCE § 8:89 (3d ed. 2009)), <http://www.bna.com/the-admissibility-of-opinions-contained-in-public-records>.

does not allow untested and unsupported conclusions to be admitted as evidence in later litigation.

The secondary reason for these circuits' decision not to defer is to not prejudicially impact the jury.<sup>99</sup> Jurisdictions have found that an "agency opinion had the potential to unfairly prejudice the defendants if the jury mistakenly viewed it as an official government position on the critical confusion issue that the jury had to decide."<sup>100</sup>

This secondary reason again draws upon the Federal Rules of Evidence. Where evidence of a likelihood of confusion is outweighed by unfair prejudice or potential misleading of the jury, the court may exclude such evidence.<sup>101</sup> An agency's opinion could unfairly prejudice a jury because a jury may mistakenly view that opinion as an official government entity's position on a critical issue that the jury must decide.<sup>102</sup> This reason promotes accuracy because it maintains jury non-partiality by excluding potentially prejudicial evidence, thus allowing a more fair and accurate jury decision.

In summary, the primary and secondary key reasons for deferring to USPTO determinations both promote efficiency. In contrast, the primary and secondary reasons for not deferring to USPTO determinations promote accuracy.

#### B. EXAMINATION OF PATENT LAW AND DEFERENCE TO USPTO FACTUAL DETERMINATIONS

A comparison between patent law and trademark law provides insight on how courts treat USPTO patent factual determinations regarding prior art as compared to USPTO trademark factual determinations regarding the likelihood of confusion between marks. This assessment is beneficial because patent prior art determinations and trademark likelihood-of-confusion analyses require both USPTO patent examiners and trademark examiners to make a factual determination regarding existing intellectual property and the applicant's intellectual property. Moreover, patent examiners and trademark

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99. *Everest Capital Ltd. v. Everest Funds Mgmt., L.L.C.*, 393 F.3d 755, 761-62 (8th Cir. 2005); MCCARTHY, *supra* note 50, § 32:95 ("Because this ex parte 'decision' of the [US]PTO was preliminary and tentative, it could have a prejudicial effect on a jury, which might well view it as an official government decision on the critical issue of likelihood of confusion."). Furthermore, the court stated the agency opinion had the potential to unfairly prejudice the defendants if the jury mistakenly viewed it as an official government position on the critical confusion issue that the jury had to decide. *Id.*

100. *Everest Capital Ltd.*, 393 F.3d at 764.

101. FED. R. EVID. 403 ("The court may exclude relevant evidence if its probative value is substantially outweighed by a danger of one or more of the following: unfair prejudice, confusing the issues, misleading the jury, undue delay, wasting time, or needlessly presenting cumulative evidence.").

102. *Everest Capital Ltd.*, 393 F.3d at 764.

examiners are held to high performance and training standards, even though the requirements for each position vary.<sup>103</sup>

A patent is issued on any invention that is both novel and non-obvious, among other requirements.<sup>104</sup> During the prosecution of a patent, an invention is analyzed in light of prior art to determine whether it is novel and non-obvious.<sup>105</sup> Once a patent is issued, it is presumed to be valid.<sup>106</sup> In a patent infringement challenge asserted by the owner of a patent, the defendant can raise patent invalidity as a defense and must show by clear and convincing evidence that the issued patent is invalid.<sup>107</sup> This defense fundamentally challenges the USPTO's determination that a patent should be issued based on prior art.

The current deference given to USPTO patent determinations is dependent on the evidence of prior art before the USPTO. For prior art before the USPTO, the law requires that courts give a court/agency standard derived from the Administrative Procedures Act ("APA") to the USPTO's prior art analysis.<sup>108</sup> The APA "instructs courts to overturn agency actions if those actions are 'arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law.'"<sup>109</sup>

A court would overturn a USPTO's determination when a defendant proves by clear and convincing evidence that the USPTO did not find or did not adequately consider pertinent prior art.<sup>110</sup> Thus, the court gives a high level of deference to the USPTO's determination in issuing a patent. The USPTO is "presumed to have properly done its job" when it does or does not issue a patent.<sup>111</sup>

Patent law's deference to USPTO determinations regarding the patentability of an invention contrasts with trademark law's deference to

103. *The Nature of the Training Provided to USPTO Examiners*, U.S. PAT. & TRADEMARK OFF., [https://www.uspto.gov/about/stratplan/ar/2011/oai\\_04.html](https://www.uspto.gov/about/stratplan/ar/2011/oai_04.html) (last visited July 25, 2017).

104. 35 U.S.C. §§ 101, 102, 103, 112 (2012).

105. *Id.* §§ 102, 103.

106. *Id.* § 282.

107. *Id.*; Joshua L. Sohn, *Can't the PTO Get a Little Respect?*, 26 BERKELEY TECH. L.J. 1603, 1613 (2011).

108. Sohn, *supra* note 107, at 1616; Digby, *supra* note 81, at 175.

109. 5 U.S.C. § 706 (2012) ("[T]he reviewing court shall . . . hold unlawful and set aside agency action, findings, and conclusions found to be . . . arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law."); Sohn, *supra* note 107, at 1613-14.

110. Sohn, *supra* note 107, at 1613-16.

111. See *Cadence Pharm. Inc. v. Exela PharmSci Inc.*, 780 F.3d 1364, 1375 (Fed. Cir. 2015); *PowerOasis, Inc. v. T-Mobile USA, Inc.*, 522 F.3d 1299, 1304 (Fed. Cir. 2008); *American Hoist & Derrick Co. v. Sowa & Sons, Inc.*, 725 F.2d 1350, 1359 (Fed. Cir. 1984) ("When no prior art other than that which was considered by the [US]PTO examiner is relied on by the attacker, he has the added burden of overcoming the deference that is due to a qualified government agency presumed to have properly done its job, which includes one or more examiners who are assumed to have some expertise in interpreting the references and to be familiar from their work with the level of skill in the art and whose duty it is to issue only valid patents.").

USPTO determinations regarding the non-registerability of a mark based on a likelihood of confusion. So why is the USPTO presumed to have done its job in the patent context when it does or does not issue a patent based on prior art, but not presumed to have done so in the trademark context when it does not register a mark for a likelihood of confusion? Why is a USPTO determination in the trademark context a “low-level preliminary determination,”<sup>112</sup> but not in the patent context? The following solution resolves these questions by promoting consistency across USPTO department decisions and court decisions.

C. A SOLUTION IS NECESSARY TO PROMOTE THE PRINCIPLES OF ACCURACY AND EFFICIENCY TO INCREASE UNIFORMITY ACROSS FEDERAL CIRCUITS

The district court’s decision in *Progressive Distribution Services, Inc. v. United Parcel Service, Inc.* provides the latest opportunity for a circuit to describe how much weight should be given to a USPTO determination to not register a mark for likelihood of confusion. This decision, however, should not be made without a well-reasoned explanation and a mindful appreciation of other circuits’ approaches when the issue is one of first impression.

The district court in *Progressive Distribution Services, Inc. v. United Parcel Service, Inc.* did not provide a thorough rationale for following the precedent of the Third and Ninth Circuit, in holding that little to no weight should be given to the unappealed USPTO determination.<sup>113</sup> The court simply provided that the USPTO’s determination was a low-level agency decision and that the evidence of the present case was not in front of the examiner.<sup>114</sup> The Sixth Circuit has alluded to the need not to defer to USPTO determinations “when there is no indication that the examining attorney considered all relevant evidence.”<sup>115</sup> On appeal, the Sixth Circuit must consider whether the district court’s simple deference to another circuit’s allocation of weight to an unappealed USPTO decision is appropriate.

This consideration of weight allocation is one that has been analyzed by some circuits and has yet to be analyzed by others. However, the automatic deference to an already established precedent in another circuit may not be the most beneficial solution in those that have not encountered this issue. Moreover, the varying views of circuits deliver different reasoning that are at

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112. *A & H Sportswear, Inc. v. Victoria’s Secret Stores, Inc.*, 237 F.3d 198, 221 (3d Cir. 2000) (holding that USPTO determinations should not be given weight because the USPTO makes low-level preliminary determinations).

113. *Id.*

114. *Id.*

115. *Progressive Distribution Servs., Inc. v. United Parcel Serv., Inc.*, 186 F. Supp. 3d 741, 749 (W.D. Mich. 2016); see also *Mktg. Displays, Inc. v. Traffix Devices, Inc.*, 200 F.3d 929, 934 (6th Cir. 1999) (noting that “no deference” may be due to USPTO decisions “with respect to evidence the [agency] did not consider”).

odds with one another.<sup>116</sup> Should the USPTO's determination as a government agency be significant for an unappealed rejection? If not, why require the USPTO to conduct thorough likelihood-of-confusion analysis? How much evidence is present at the time of litigation that is not present at the time of registration? How much of that evidence is influential in the likelihood-of-confusion analysis?

These questions offer insight into the need to address the purpose and impact of the USPTO, the need for accurate and efficient likelihood-of-confusion analyses, and the overarching need to create uniformity across circuits, accuracy in the sense of correct judgments made in litigation, and efficiency in the sense of reducing litigation costs. These questions offer insight into the need for a well-reasoned solution to the issue of how much weight should be given to an unappealed USPTO determination in subsequent litigation.

#### IV. REBUTTABLE PRESUMPTION OF VALIDITY

This Part provides a three-part analysis for a solution to the issue of how much deference a court should give to a USPTO likelihood-of-confusion determination in later litigation. First, Part IV.A presents the solution and its structure, and discusses how this solution promotes accuracy and efficiency to increase uniformity across federal circuits. Second, Part IV.B discusses alternatives to this solution. Last, Part IV.C discusses why the presented solution best fulfills accuracy and efficiency to increase uniformity over alternatives.

##### A. *SUBSEQUENT LITIGATION SHOULD DEFER TO A USPTO DETERMINATION UNLESS LIMITING CRITERIA ESTABLISH THAT DEFERENCE WOULD NOT BE ACCURATE AND EFFICIENT*

This Note's solution to the issue of how much deference a court should give to a USPTO trademark determination on the issue of a likelihood of confusion is twofold. To reconcile the varying approaches of circuits, this Note proposes a solution that incorporates the primary and secondary rationales of contrasting circuits. It also proposes a solution that draws upon the precedents set forth in patent law regarding deference given to USPTO patent determinations.

This Note proposes that a court in subsequent litigation gives deference to a USPTO determination unless certain criteria are met to establish that deference would not be both accurate and efficient. First, it proposes that the USPTO's trademark determination of a likelihood-of-confusion analysis be

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116. Compare *Syntex Labs., Inc. v. Norwich Pharmacal Co.*, 437 F.2d 566, 569 (2d Cir. 1971) (explaining that USPTO determinations are not conclusive, but should be given great weight), with *Carter-Wallace, Inc. v. Procter & Gamble Co.*, 434 F.2d 794, 802 (9th Cir. 1970) ("Any such determination made by the Patent Office . . . [is] regarded as inconclusive . . .").

given a presumption of validity. Second, it proposes a set of criteria that must all be satisfied for this presumption of validity to be waived.

1. Presuming Validity of a USPTO's Likelihood-of-Confusion Determination

The USPTO's likelihood-of-confusion determination should enjoy a presumption of validity similar to the presumption that USPTO decisions enjoy in the patent context. The USPTO trademark examiners have consistently exceeded quality standards, which implies that the USPTO is quite capable of making qualified decisions regarding a likelihood of confusion with the evidence in front of them.<sup>117</sup> Allowing such a presumption would bring the USPTO into accordance with other agencies in regards to the respect and deference given to administrative decisions. Moreover, courts presume the validity of patent decisions made by the USPTO, the same governmental agency issuing the marks in question.<sup>118</sup> The USPTO's robust trademark prosecution process should be given the same respect and deference as it receives in patent law. As such, the separation between judicial law and administrative law would be clearly defined, and conflict between the two entities will be minimized.

As discussed, the Second and Fourth Circuits' deference to a USPTO determination is founded upon two reasons, both of which promote efficiency.<sup>119</sup> When the court presumes the validity of the USPTO's likelihood-of-confusion determination, it promotes the principle of efficiency as this issue does not have to be heavily litigated. Presuming validity preserves respect for the USPTO's extensive expertise and knowledge of a likelihood-of-confusion analysis, and avoids conflict between the court and agency. Thus, the reasons that support the Second and Fourth Circuits' approach to deference are satisfied by presuming validity.

2. Limiting Criteria That Must Be Satisfied to Rebut Presumption of Validity

Satisfaction of certain criteria will rebut the presumption of validity conferred to USPTO likelihood-of-confusion decisions. These "limiting criteria" are presented in the form of three questions that all must be answered by a court in the negative to maintain a presumption of validity. They are as follows:

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117. See *supra* notes 83–85 and accompanying text (discussing the standards of quality required of trademark examiners).

118. 35 U.S.C. § 282 (2012).

119. See *supra* Part III.A.1 (discussing the deference given the USPTO by the Second and Fourth Circuits).

- (1) Did the trademark examiner or USPTO not have knowledge of or fail to consider the relevant evidence of the subject matter in later litigation?
- (2) Were the trademark examiner's or USPTO's actions clearly "arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law?"<sup>120</sup>
- (3) Does unfair prejudice or a potential misleading of jury outweigh the admittance of evidence of a likelihood of confusion?

If any one of these questions is answered in the affirmative, the presumption of validity will be rebutted.<sup>121</sup>

Satisfaction of these criteria serves the purpose of establishing significant certainties. Answering the first criterion in the negative establishes that USPTO determinations regarding a likelihood of confusion are factual findings made by a public office. The Federal Rules of Evidence allow the admittance of evidence of factual findings from a legally authorized investigation of a public office.<sup>122</sup> The exception to admitting such evidence is when findings are untested or not fully considered.<sup>123</sup> By answering in the negative, the relevant evidence of later litigation has been tested and fully considered by the USPTO, and thus the exception would not apply. Therefore, the USPTO's determination would be a factual finding made by a public office in the course of a legally authorized investigation and admissible as evidence in subsequent litigation.

Answering the second criterion in the negative mirrors the APA standard of patent law.<sup>124</sup> A corollary to the first criterion, the second criterion eradicates a presumption of validity when the USPTO has unreliable or random conclusions and clearly abuses its discretion, above and beyond the

120. 5 U.S.C. § 706(2)(A) (2012).

121. As way of example, suppose applicant, A's, application for mark XX is rejected. A continues to use the mark anyway. Another mark owner, B, asserts that A's use of XX infringes upon B's rights in mark X, based on a likelihood of confusion under 15 U.S.C. § 1125(a) (2012). In subsequent litigation, A's mark can be presumed to be likely to cause confusion with B's mark if (1) the USPTO trademark examiner had knowledge of and considered B's mark in prosecution; (2) the USPTO or USPTO trademark examiner's actions were not "arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law," 5 U.S.C. § 706(2)(A); and (3) a jury would not be unfairly prejudiced or misled if evidence of A's prosecution was admitted in trial. Conversely, this presumption would be rebutted if (1) the USPTO trademark examiner did not have knowledge or did not consider B's mark in prosecution; (2) the USPTO or USPTO trademark examiner actions were "arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law," 5 U.S.C. § 706(2)(A); or (3) the jury would be unfairly prejudiced or misled if evidence of A's prosecution was admitted.

122. FED. R. EVID. 803(8)(A)(iii) ("The following are not excluded by the rule against hearsay[:] . . . [a] record or statement of a public office if . . . it sets out . . . in a civil case . . . factual findings from a legally authorized investigation.").

123. Kott et al., *supra* note 97.

124. See *supra* notes 107–08 and accompanying text.

first criterion. By answering this criterion in the negative, the trademark examiner and USPTO have tested and fully considered all relevant evidence without clearly abusing their discretion and in accordance with the law.

Answering the third criterion in the negative establishes that the admittance of the factual findings of the USPTO's likelihood-of-confusion analysis outweighs jury prejudice. The court is effectively acknowledging that a jury would not mistakenly view the USPTO's opinion as the government's position on the issue.

As discussed, the Third, Eighth, and Ninth Circuits' lack of deference to a USPTO determination is founded upon two reasons that promote accuracy.<sup>125</sup> The accuracy promoted by the Third, Eighth, and Ninth Circuits' approach to deference is sustained by requiring the court to answer the suggested criteria in the negative—therefore maintaining a presumption of validity.<sup>126</sup> Satisfaction of the first criterion promotes accuracy because it requires a court to acknowledge whether the USPTO had knowledge of or considered the evidence now in front of the court in litigation. A positive answer to the criterion requires the court to not defer to the USPTO determination. A negative answer requires the court to defer to the USPTO determination.

Satisfaction of the second criterion promotes accuracy because it requires the court to acknowledge whether the USPTO has produced an unreliable or unpredictable result, has abused its discretion, or is otherwise not in accordance with the law. The courts consider USPTO patent determinations sufficiently accurate under this same standard.<sup>127</sup> Thus, the APA standard should be equally applicable under trademark law to support a finding of accuracy in USPTO trademark decisions.

Satisfaction of the third criterion promotes accuracy because a court would analyze whether a jury would be prejudicially affected by inclusion of the evidence of a USPTO opinion. Thus, if the court finds that no such prejudice exists, the evidence is admissible.<sup>128</sup> Conversely, if the court anticipates that prejudice does exist, the evidence would not be admissible.<sup>129</sup> Both outcomes maintain a level of accuracy as prescribed by the Third, Eighth, and Ninth Circuits.<sup>130</sup>

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125. See *supra* Part III.A.2.

126. See *supra* Part III.A.2.

127. Sohn, *supra* note 107, at 1614–15.

128. FED. R. EVID. 403 (“The court may exclude relevant evidence if its probative value is substantially outweighed by a danger of one or more of the following: unfair prejudice, confusing the issues, misleading the jury, undue delay, wasting time, or needlessly presenting cumulative evidence.”).

129. *Id.*

130. See *supra* Part III.A.2.

B. *ALTERNATIVES TO THE PROPOSED SOLUTION*

There are two reasonable, obvious alternatives to the proposed solution to create a unified standard of deference. The first alternative is to maintain the approach of the Second and Fourth Circuits. The second alternative is to maintain the approach of the Third, Eighth, and Ninth Circuits.

The first alternative would prescribe that all circuits give substantial deference to USPTO determinations regarding a likelihood of confusion. The Second and Fourth Circuits' approaches would therefore be sustained. This alternative best promotes efficiency as evidenced by the Second and Fourth Circuits' approaches.<sup>131</sup> This alternative may lack accuracy, however, where evidence that was not reviewed by the USPTO may not be reviewed in subsequent litigation.

The second alternative would stipulate that all circuits give little to no deference to USPTO determinations regarding a likelihood of confusion. As such, the approach proposed by the Third, Eighth, and Ninth circuits is upheld.<sup>132</sup> This alternative best promotes accuracy, for it requires that a court review all evidence regardless of the evidence that the USPTO analyzed in its likelihood-of-confusion analysis. However, this alternative lacks efficiency because it increases the litigation costs associated with evidence that has already been analyzed by the USPTO.

C. *THE PROPOSED SOLUTION BETTER FULFILLS ACCURACY AND EFFICIENCY*

The proposed solution better fulfills both accuracy and efficiency than the two alternatives presented. First, the proposed solution implements both reasons—accuracy and efficiency—appropriately. Second, the proposed solution weighs the concerns of both sides and produces a compromise.

The proposed solution implements efficiency by presuming the validity of a USPTO likelihood-of-confusion determination. Thus, the validity of the USPTO determination would not require the court to reanalyze the USPTO's decision, reducing litigation costs.

The proposed solution implements accuracy by requiring that all criteria be answered in the negative. The criteria present questions that would rebut the presumption of validity by identifying critical certainties that would render a USPTO determination erroneous or misplaced.

By implementing both accuracy and efficiency considerations into the proposed solution, the positions of contrasting circuits would be upheld. Thus, the adoption of such proposed solution would support circuits' viewpoints while creating a unified level of deference that all courts could adhere to when addressing the issue of how much deference should be given to the USPTO's likelihood-of-confusion analysis in subsequent litigation.

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131. See *supra* Part III.A.1.

132. See *supra* Part III.A.2.

## V. CONCLUSION

Although the Supreme Court resolved the issue of issue preclusion because “usages adjudicated by the TTAB are materially the same as those before the district court,”<sup>133</sup> it did not resolve whether issue preclusion applies to unappealed USPTO rejections on a likelihood of confusion in later litigation. Thus, courts are split on how much deference should be given to a USPTO trademark likelihood-of-confusion determination.<sup>134</sup> While some courts afford a substantial amount of deference to the USPTO’s findings regarding a likelihood of confusion when it refuses to register a mark on the principal register,<sup>135</sup> other courts afford little to no deference to the USPTO’s findings regarding a likelihood of confusion.<sup>136</sup> This disparity among courts outlines a need for a solution that best fulfills the goals of varying courts to create a unified approach to deference. By analyzing varying courts’ approaches on how much deference to give and taking a closer look into the deference given to USPTO patent determinations, this Note presents a reasonable solution that satisfies the goals of the varying courts. This solution better achieves these goals than reasonable alternatives, and in an overarching effort to create uniformity, better creates a uniform precedent of deference.

In circuits where this matter is an issue of first impression, including the Sixth Circuit in the appeal of *Progressive Distribution Services, Inc. v. United Parcel Service*, these circuits have the opportunity to implement this solution in an effort to seek efficient and accurate likelihood-of-confusion analyses in the USPTO and in litigation.

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133. *B & B Hardware, Inc. v. Hargis Industries, Inc.*, 135 S. Ct. 1293, 1310 (2015).

134. *Compare* *Syntex Labs., Inc. v. Norwich Pharmacal Co.*, 437 F.2d 566, 569 (2d Cir. 1971) (“Thus, even if Judge Mansfield applied a separate and stricter standard, it was entirely appropriate to do so on this record.”), *with* *Carter–Wallace, Inc. v. Procter & Gamble Co.*, 434 F.2d 794, 802 (9th Cir. 1970) (“Any such determination made by the Patent Office . . . [is] regarded as inconclusive . . .”).

135. *See* *Syntex Labs.*, 437 F.2d at 569 (explaining that USPTO determinations are not conclusive, but should be given great weight); *see also supra* note 76 and accompanying text.

136. *See e.g.*, *Everest Capital Ltd. v. Everest Funds Mgmt., L.L.C.*, 393 F.3d 755, 764 (8th Cir. 2005) (explaining that the USPTO’s determinations are merely tentative opinions and should not be given weight); *Kos Pharm., Inc. v. Andrx Corp.*, 369 F.3d 700, 715 (3d Cir. 2004) (finding that a USPTO’s determination may be considered, but does not need to be given weight); *A & H Sportswear, Inc. v. Victoria’s Secret Stores, Inc.*, 237 F.3d 198, 221 (3d Cir. 2000) (holding that USPTO determinations should not be given weight because the USPTO makes low-level preliminary determinations, and therefore does not have all evidence in front of it); *Mktg. Displays, Inc. v. Traffix Devices, Inc.*, 200 F.3d 929, 934 (6th Cir. 1999) (“[N]o deference is due [to] a PTO decision with respect to evidence the PTO did not consider.”); *Carter–Wallace, Inc.*, 434 F.2d at 802 (“Any such determination made by the Patent Office . . . [is] regarded as inconclusive . . .”); *Progressive Distrib. Servs., Inc. v. United Parcel Serv., Inc.*, 186 F. Supp. 3d 741, 749 (W.D. Mich. 2016) (finding that weight should not be given to USPTO determinations because the examiner did not review all evidence).