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Trademark Alert

Unanimous Supreme Court Holds That Trademark Tacking Must Be Decided by the Jury

Courts have long recognized that trademark owners can make small changes to their mark without losing priority. This doctrine—known as trademark "tacking"—applies only if the new mark creates the "same, continuing commercial impression" as the old mark, such that the two marks are "legal equivalents." Federal courts of appeal agreed on the substantive test for tacking, but were split as to whether tacking should be decided by the judge or jury. The Federal Circuit and Sixth Circuit held that tacking was an issue of law for the judge to decide, while the Ninth Circuit held that it was an issue of fact for the jury. In a unanimous ruling that could have implications in another significant trademark context, the Supreme Court today held that trademark tacking is a mixed question of law and fact that must be decided by the jury.

Justice Sotomayor, writing for the Court, reasoned that the test for tacking depends on "an ordinary consumer's understanding of the impression that a mark conveys," which is something that "falls comfortably within the ken of a jury." The Court noted that it has long held in other legal contexts that where a question turns upon the reaction of an ordinary person or community, the "fact-intensive answer" should be decided by a jury, not a judge.

The Court expressly noted that its opinion would not prevent judges from deciding tacking issues as a matter of law when appropriate, such as a motion for summary judgment. Nor does the Court's opinion limit the ability of a judge to act as factfinder in a bench trial. The Court was also careful to note that the doctrine of tacking was developed by lower courts rather than by Supreme Court precedent, and that the substantive standard for tacking was not at issue.

Although the issue decided by the Court was, on its face, limited to the context of tacking (a doctrine that arises comparatively rarely), the Court's opinion could well affect a circuit split on a more pervasive issue in trademark law: whether the ultimate issue of likelihood of confusion should be decided by the judge or the jury. While the majority of circuits hold that likelihood of confusion is an issue of fact to be decided by the jury, the Second, Sixth and Federal Circuits have held that the ultimate determination on the issue is a question of law. *E.g.*, *Plus Prods. v. Plus Disc. Foods, Inc.*, 722 F.2d 999, 1004–05 (2d Cir. 1983) ("the district court's determination of each of the [likelihood-of-confusion] factors is a finding of fact"; but the court's "determination of likelihood of confusion based on the balancing of or relative weight given to each of its findings is a legal conclusion"). Given the Court's ruling and reasoning in the tacking context, it is probable that litigants will point to this new Supreme Court decision in order to challenge the approach of the Second, Sixth and Federal Circuits, potentially leading to a reexamination by those circuits of their approach on the question of likelihood of confusion.

The case is *Hana Financial, Inc. v. Hana Bank*, 574 U.S. _____, 2015 WL 248559, 2015 U.S. LEXIS 754 (Jan. 21, 2015) (No. 13-1211), *aff'g*, 735 F.3d 1158 (9th Cir. 2013).

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