

UNITED STATES U.S. Supreme Court Leaves Tacking to Juries

In its first substantive trademark decision in at least a decade, a unanimous Supreme Court affirmed a Ninth Circuit decision and held that “when a jury is to be empaneled and when the facts warrant neither summary judgment nor judgment as a matter of law, tacking is a question for the jury.” *Hana Financial, Inc. v. Hana Bank*, et al., No. 13-1211 (Jan. 21, 2015). The [decision was in line](#) with the [amicus brief](#) submitted by INTA in the case.

Businesses often update their marks; tacking allows them a way to do so without losing valuable priority over third parties. Explaining that tacking, which gives a trademark owner’s newer mark the priority of its older mark, is allowed only when the two marks “are ‘legal equivalents’ in that they create the same, continuing impression,” the Court reasoned that as the test “relies upon an ordinary consumer’s understanding of the impression” of a mark, it is a fact-intensive question for the jury, and not a question of law to be reserved for the judge.

Here, Hana Financial, Inc.’s, infringement claims had failed at trial, given a jury finding that Hana Bank had priority. The Ninth Circuit had affirmed, ruling that tacking was a “‘highly fact-sensitive inquiry’” that should be “‘reserved for the jury.’” In affirming, the Court made it clear that where the parties have opted for a bench trial, the judge can decide any tacking issues, and that even in a jury case, a judge can rule on tacking where the facts warrant entry of summary judgment or judgment as a matter of law. An open question is whether, as a practical matter, the Court’s decision will end up making it more difficult to obtain such judicial rulings on tacking issues.

The Court did not rule on the actual test for tacking or on the facts needed to prove tacking, but simply quoted the Ninth Circuit’s statement that it applies only in “exceptionally narrow circumstances.” In litigating future tacking cases, parties will be aware of the need for careful presentation of the facts underlying the alleged tacking, and may wish

to consider whether to present expert testimony on the tacking issue to the jury, possibly including survey evidence. This may potentially raise the costs of such litigation.

It will be interesting to see whether the Court’s ruling on the importance of the jury on the commercial impression issues underlying tacking may, in turn, also affect the central issue of likelihood of confusion in those circuits where it is still considered at least partly a question of law for the judge to decide.

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