

No. 2018-2069

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

In re: FCA US LLC,

Appellant,

Appeal from the United States Patent and Trademark Office,
Trademark Trial and Appeal Board
in Ser. No. 85650654

APPELLANT'S REPLY BRIEF

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CERTIFICATE OF INTEREST

Counsel for FCA US LLC certifies the following:

1. The full name of every party represented by us is:

FCA US LLC

2. The name of the real party in interest represented by us is:

Same.

3. Parent corporations and publicly held companies that own 10% or more of the stock in the party:

Fiat Chrysler Automobiles N.V.

4. The names of all law firms and the partners or associates that appeared for the party or amicus now represented by me in the trial court or agency or are expected to appear in this court (and who have not or will not enter an appearance in this case) are:

**Judith A. Powell and Jennifer Fairbairn Deal
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5. The title and number of any case known to counsel to be pending in this or any other court or agency that will directly affect or be directly affected by this court's decision in the pending appeal:

None.

Date: April 22, 2019

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TABLE OF DEFINED TERMS

Abbreviation	Explanation
FCA	Appellant FCA US LLC, formerly known as Chrysler Group LLC (in whose name the Application was filed)
USPTO	United States Patent & Trademark Office
Board	Trademark Trial & Appeal Board of the USPTO
Application	U.S. Trademark Application Serial Number 85650654, owned by FCA; showing the mark MOAB, in standard character format; and identifying the goods as “motor vehicles, namely, passenger automobiles, their structural parts, trim and badges” in International Class 12
Cited Mark	The mark shown in U.S. Trademark Registration Number 3912705, owned by Moab Industries, namely, the mark MOAB INDUSTRIES, in standard character format, for use in connection with services identified as “automotive conversion services, namely, installing specialty automotive equipment” in International Class 37
Civil Action	<i>Moab Industries, LLC v. FCA US, LLC</i> , Case No. 3:12-cv-8247-HRH, 2016 WL 5859700 (D. Ariz. Oct. 6, 2016), <i>appeal dismissed</i> , 2016 WL 10519732 (9th Cir. Dec. 9, 2016), before the District Court
Moab Industries	Moab Industries, LLC, the plaintiff in the Civil Action
District Court	United States District Court for the District of Arizona
Opinion	Post-Trial Opinion of the District Court dated October 6, 2016
Board Ruling	Decision of the Board dated April 10, 2018

Director	Appellee Director of the United States Patent and Trademark Office
Director's Brief	Brief for Appellee—Director of the United States Patent and Trademark Office filed March 18, 2019 (Document No. 38)

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Mother’s Restaurant, Inc. v. Mama’s Pizza, Inc.,
723 F.2d 1566, 221 U.S.P.Q. 394 (Fed. Cir. 1983) 2, 3, 5

INTRODUCTION

The Director goes to great lengths to avoid the obvious: That the Board Ruling is fundamentally at odds with the District Court Opinion in the Civil Action. After a four-day trial in the Civil Action, the District Court found on the basis of a fulsome evidentiary record that confusion is unlikely. On a limited paper record, the Board Ruling held the opposite. The Director does not offer a persuasive rationale as to why the Board Ruling should prevail. Instead, the Director stakes out a position under which the USPTO can *never* be bound by the results of trademark infringement litigation, and can simply ignore those results as the USPTO sees fit. Such an outcome is counterintuitive, hampers judicial economy, and merits reversal.

REPLY ARGUMENT

I. The Issues Evaluated by the District Court and the Board Are Extremely Similar

Although the Director speaks repeatedly about certain differences between the legal and factual analyses that the District Court and the USPTO performed, in reality those issues are far more similar than they are different. For instance, the Cited Mark (MOAB INDUSTRIES) and the owner of the Cited Mark (Moab Industries) are precisely the same in both proceedings. Likewise, the Director does not contest that the trademark applicant and the defendant in the Civil Action are the same legal entity: Applicant FCA is the successor to Chrysler Group LLC by

virtue of a mere name change. Moreover, there is no genuine dispute that each proceeding centered on the term MOAB.

Still further, and significantly, the overarching legal test – likelihood of confusion – and the multi-factor analysis that the District Court and the USPTO each performed in applying that test are also highly similar. *Compare Application of E.I. DuPont DeNemours & Co.*, 476 F.2d 1357, 177 U.S.P.Q. 563 (C.C.P.A. 1973) *with AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 204 U.S.P.Q. 808 (9th Cir. 1979).

The Director, however, characterizes these matters as though the two proceedings were little more than distant cousins. In actuality, the legal and factual issues presented here are far more akin to identical twins, sharing the same formative DNA but susceptible to certain differences only upon close inspection. Given these similarities, there is no compelling reason why the outcomes before the District Court and the Board should be polar opposites and, indeed, such a result on this record is nonsensical.

II. The Director's Analysis of Issue Preclusion is Flawed

FCA acknowledges that, because the USPTO was not a party to the Civil Action, this case does not fall neatly within the four corners of traditional issue preclusion doctrine. But, contrary to the Director's Brief's assertions (*see* Director's Brief at p.17), FCA relies on *Mother's Restaurant, Inc. v. Mama's*

Pizza, Inc., 723 F.2d 1566, 1572, 221 U.S.P.Q. 394, 399 (Fed. Cir. 1983) , as part of the basis for FCA’s legal theory that the District Court Opinion should prevail here. By contrast, the Director’s Brief fails to mention, let alone distinguish, the trademark precedent on which FCA relies. The Director’s Brief also outlines a position that, taken to its logical conclusion, means that the USPTO can never be estopped from ignoring, at its whim, the outcome of trademark infringement litigation.

A. The Director Does Not Properly Address *Mother’s Restaurant*.

FCA’s opening brief, at pp. 16-17, cited this Court’s decision in *Mother’s Restaurant, Inc. v. Mama’s Pizza, Inc.*, 723 F.2d at 1572, 221 U.S.P.Q. at 399, for the proposition that, under appropriate circumstances, a non-party may be bound by a judgment from an earlier suit. The Director’s Brief does not contain a single citation to *Mother’s Restaurant*, let alone any attempt to distinguish that case or to confront FCA’s analysis of that case.

Instead, the Director relies on *In re Trans Texas Holdings Corp.*, 498 F.3d 1290, 83 U.S.P.Q.2d 1835 (Fed. Cir. 2007). But *Trans Texas Holdings* is a patent case, not a trademark case, and arose out of claim construction and *Markman* hearings in the patent context. *Id.* at 1294-96, 83 U.S.P.Q.2d at 1838-39. *Trans Texas Holdings* did not discuss, much less distinguish or overrule the earlier *Mother’s Restaurant* decision in any way.

Still further, *Trans Texas Holdings* recognizes that a non-party might be bound by a previous judgment when the non-party “has interests that are derivative from a party.” *Id.* at 1297, 83 U.S.P.Q.2d at 1840. As noted in FCA’s opening brief, at pp. 16-17, and below, that appears to be the case here.

B. Under the Director’s Rationale, the Outcome of Trademark Infringement Litigation Can Never Bind the USPTO

The Director’s Brief relies on *Trans Texas Holdings* for the proposition that “because the [USPTO] was not even a party to the earlier district court litigation[,] . . . [it] cannot be bound by its outcome.” Director’s Brief at p.31 (quoting *Trans Texas Holdings*, 498 F.3d at 1297, 83 U.S.P.Q.2d at 1840). Later, however, the Director argues that the Director “surely cannot be made a party in a case solely between two private parties principally involving infringement questions.” Director’s Brief at p.32.

In effect, the Director’s position is that the USPTO can *never* be subject to the requirements of issue preclusion arising from earlier trademark infringement litigation. On the one hand, the Director argues that the doctrine of issue preclusion can bind only the parties to earlier trademark infringement litigation to the outcome of that litigation. *See* Director’s Brief at, *e.g.*, p.31. On the other hand, though, the Director argues that the USPTO is incapable of being made a party to such litigation. *Id.* at p.32. Such a conundrum should not be permitted to

hold sway over trademark applicants who are also trademark infringement litigants.

Thus, against this backdrop, FCA's reliance on *Mother's Restaurant* makes even more sense. As FCA's opening brief argued, and as the Director does not refute, the USPTO and Moab Industries are so closely aligned with regard to these matters that they may be considered virtual representatives of another under *Mother's Restaurant*. Moab Industries' efforts to appear as *amicus curiae* in this appeal only strengthen that conclusion. Such circumstances provide even greater reasons why the District Court Opinion that there is no likelihood of confusion should prevail here.

CONCLUSION

For the reasons stated above, this Court should reverse the Board Ruling and remand the matter with directions to approve the Application for publication.

Date: April 22, 2019

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that I filed the foregoing document with the Clerk of the United States Court of Appeals for the Federal Circuit via the CM/ECF system and served a copy on counsel of record, this 22nd day of April, 2019 by the CM/ECF system and electronic mail.

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