

No. _____

**In The
Supreme Court of the United States**

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B&B HARDWARE, INC.,

Petitioner,

v.

HARGIS INDUSTRIES, INC. d/b/a
SEALTITE BUILDING FASTENERS, d/b/a
EAST TEXAS FASTENERS, et al.,

Respondents.

—◆—

**On Petition For A Writ Of Certiorari
To The United States Court Of Appeals
For The Eighth Circuit**

—◆—

PETITION FOR WRIT OF CERTIORARI

—◆—

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QUESTIONS PRESENTED

Under Section 14(3) of the Lanham Act an allegation of fraud on the U.S. Patent and Trademark Office (USPTO) can arise in multiple contexts. A fraudulently obtained registration can be cancelled “at any time” and includes fraudulent filings under Section 8. Filing of a fraudulent declaration of incontestability under Section 15 is an affirmative defense to the “conclusive evidence” of a mark’s validity.

The Federal Circuit in two landmark opinions (*Bose* and *Therasense*) has devised a comprehensive test for determining fraud. However, the Eighth Circuit and other courts don’t apply this standard. What constitutes fraud as a defense to infringement is a vital issue within trademark jurisprudence that this Court should determine. Subsumed within this point is the fact that the Eighth Circuit insisted on reviewing a Rule 59 motion for plain error. Finally, whether a finding of willfulness is necessary to support disgorgement has been accepted by this Court for review. The outcome is also dispositive here. Thus, the questions are three:

1. Whether the established precedent by the Federal Circuit for the determination of fraud on the USPTO should be adopted as the proper standard for all regional circuit courts and district courts.
2. If the proper filing of a Rule 59 motion requires the circuit court of appeals to apply the abuse of discretion standard of review.
3. Will this Court’s anticipated decision in *Romag* require reversal on the Eighth Circuit’s treatment of willfulness as a factor in the disgorgement analysis?

CORPORATE DISCLOSURE STATEMENT

Petitioner has no parent corporation, and no publicly held company owns 10% or more of its stock.

STATEMENT OF RELATED CASES

B&B Hardware, Inc. v. Hargis Industries, Inc.,
No. 17-1570, 912 F.3d 445 (8th Cir. Dec. 21, 2018),
rehearing denied, Feb. 6, 2019.

B&B Hardware, Inc. v. Hargis Industries, Inc.,
DKT 4:06-CV-1654 BSM (2017 WL 957548)
(E.D. Ark., Feb. 16, 2017).

B&B Hardware, Inc. v. Hargis Industries, Inc.,
No. 10-3137, 800 F.3d 427 (8th Cir., Aug. 25, 2015).

B&B Hardware, Inc. v. Hargis Industries, Inc.,
No. 13-352, 135 S.Ct. 1293 (March 24, 2015).

B&B Hardware, Inc. v. Hargis Industries, Inc.,
No. 11-1247, 716 F.3d 1020 (8th Cir. May 1, 2013).

B&B Hardware, Inc. v. Hargis Industries, Inc.,
No. 06-1654, 736 F.Supp.2d 1212 (E.D. Ark., Aug. 31,
2010).

B&B Hardware, Inc. v. Hargis Industries, Inc.,
No. 07-3866, 569 F.3d 383 (8th Cir. June 22, 2009).

B&B Hardware, Inc. v. Hargis Industries, Inc.,
DKT 4:06-CV-1654 SWW (2007 WL 2711647)
(E.D. Ark., Sept. 13, 2007).

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OPINIONS BELOW

The decision of the court of appeals (App. 1) is reported at 912 F.3d 445. The decision of the district court denying petitioners post-verdict motions (App. 38) is reported at 2017 WL 957548.

STATEMENT OF JURISDICTION

The judgment of the court of appeals was entered on December 21, 2018. A petition for rehearing was denied on February 26, 2019. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

Broadly the appeal involves the Trademark Act of 1946 (Lanham Act). More specifically, the appeal addresses a circuit split based on caselaw as applied to claims of fraud in the procurement or maintenance of a trademark.

According to the Act, the incontestable status of a trademark is conclusive and only several narrow statutory defenses can apply. Those include: “(1) that the registration or the incontestable right to use the mark was obtained fraudulently.” 15 U.S.C. § 1115(b)(1).

STATEMENT**A. There Are Markedly Different Standards Between The Federal Circuit And The Eighth Circuit On The Proof Necessary To Support A Claim Of Fraud In The Registration Of A Trademark Under The Lanham Act.**

The Federal Circuit has nationwide, though not exclusive, jurisdiction to review decisions of the TTAB, 15 U.S.C. § 1071(a), including on questions of fraud on the USPTO. The Federal Circuit has well-known expertise in patents and trademarks. The Federal Circuit has established a comprehensive test for determining what constitutes fraud on the USPTO. This standard is based on two landmark opinions by the Federal Circuit (*In Re Bose Corp.*, 580 F.3d 1240 (Fed. Cir. 2009) and *Therasense, Inc. v. Becton, Dickinson & Co.*, 649 F.3d 1276 (Fed. Cir. 2011)). This new standard replaced the old *Medinol Ltd. v. Neuro Vasx Inc.*, 67 U.S.P.Q. 2d 1205 (TTAB 2003) “knew or should have known” standard which was inconsistent with Rule 9(b) of the Federal Rules of Civil Procedure.

Regional circuit courts of appeal and the federal district courts often cite *Bose* and *Therasense*. However, the *Bose* test for fraud has not replaced the regional circuit case law in several circuits.

This has created a split in authority between regional circuit courts and the Federal Circuit on the correct standard for fraud in the trademark context. Especially, the Second Circuit, which continues to recognize a *Medinol*-style negligence standard for

findings of fraud, and the Eighth Circuit, for which the concept of materiality lacks the strict “but-for” test found elsewhere in trademark jurisprudence and lacks any consideration of the subjective intent prong.

B. Factual And Procedural Background

In his prior majority opinion for this Court, Justice Alito memorably summarized the facts of this case:

Petitioner B&B and respondent Hargis both manufacture metal fasteners. B&B manufactures fasteners for the aerospace industry, while Hargis manufactures fasteners for use in the construction trade. Although there are obvious differences between space shuttles and A-frame buildings, both aerospace and construction engineers prefer fasteners that seal things tightly. Accordingly, both B&B and Hargis want their wares associated with tight seals. A feud of nearly two decades has sprung from this seemingly commonplace set of facts.

In 1993 B&B registered SEALTIGHT for “threaded or unthreaded metal fasteners and other related hardwar[e]; namely, self-sealing nuts, bolts, screws, rivets and washers, all having a captive o-ring, for use in the aerospace industry.” App. 223a (capitalization omitted). In 1996, Hargis sought to register SEALTITE for “self-piercing and self-drilling metal screws for use in the manufacture of metal and post-frame buildings.” App. 70a (capitalization omitted). B&B opposed Hargis’ registration because,

although the two companies sell different products, it believes that SEALTITE is confusingly similar to SEALTIGHT.

The twists and turns in the SEALTIGHT versus SEALTITE controversy are labyrinthine. The question whether either of these marks should be registered, and if so, which one, has bounced around within the PTO for about two decades; related infringement litigation has been before the Eighth Circuit three times; and two separate juries have been empaneled and returned verdicts. The full story could fill a long, unhappy book.

B&B Hardware, Inc. v. Hargis Industries, Inc., 135 S. Ct. 1293, 1301, 191 L. Ed. 2d 222 (2015).

Since then, the Eighth Circuit issued an opinion on remand (*B&B Hardware, Inc. v. Hargis Industries, Inc.*, 800 F.3d 427 (8th Cir., Aug. 25, 2015)) and the case proceeded to another jury trial in Arkansas.

After a five-day trial, the jury returned conflicting verdicts finding Hargis was guilty of infringement but awarding no damages for B&B's decades of litigation to enforce its "SEALTIGHT" mark. Additionally, the jury answered a special interrogatory in the affirmative on the question of whether B&B committed fraud on the PTO.

The trial court "applied the equities" and entered judgment for Hargis. A Rule 59 post trial motion followed and was denied. The case made its way to the Eighth Circuit for a fifth time. The Eighth Circuit

affirmed the trial court in all respects. Rehearing was denied. This certiorari petition follows with three inter-related cert-worthy issues that should be reviewed by this Court.

C. The Eighth Circuit Determination Of Fraud On The USPTO In This Case Is In Direct Conflict With The Standard Established By The Federal Circuit.

In 2000, a jury found for Hargis and against B&B that *at that time* B&B's "SEALTIGHT" mark was considered "merely descriptive." Hargis took that decision to the TTAB claiming that B&B's trademark should be cancelled based on the district court's decision.

In 2003 the TTAB ultimately denied Hargis' request because B&B's "SEALTIGHT" mark had reached its 5-year anniversary prior to Hargis raising the descriptiveness issue. Hargis was therefore barred under Section 14 of the Lanham Act from challenging B&B's "SEALTIGHT" registration on that issue.

Prior to the 2000 trial, B&B held a federally-recognized trademark in "SEALTIGHT." After the 2000 verdict and judgment, B&B's "SEALTIGHT" mark remained on the principal register with the same rights.

At the latest district court trial, Hargis alleged that B&B defrauded the USPTO. Hargis claims the 2000 judgment was in fact a "final adverse decision" which prevented B&B from filing a Section 15 affidavit, and that this should have been disclosed to the PTO.

The *only* evidence adduced on this point was a printed copy of the Section 15 affidavit, and testimony from B&B's CEO, Larry Bogatz, who acknowledged that in 2006 he filed the Section 15 affidavit based on his understanding of the 2003 TTAB decision and advice of counsel that there was "no final decision adverse" to B&B's ownership of the "SEALTIGHT" mark.

On this limited record, the trial court found that the burden to prove the allegation of fraud had been met. In doing so, the district court applied a standard which is in direct conflict with the Federal Circuit and other courts that apply the standard established by the Federal Circuit.

On appeal the Eighth Circuit refused to apply an "abuse of discretion" standard of review and affirmed the district court's decision based upon a "plain error" standard of review.

The district court analysis on fraud focused only on the materiality of the statement and refused to consider intent in its fraud determination (a necessary element in the Federal Circuit standard). B&B argued that Hargis provided no evidence that the statement was material to the Declaration of Incontestability because the PTO already knew about the 2000 judgment and B&B's ownership in the mark had not been impacted by the 2000 judgment.

The Federal Circuit's legal standard for proving fraud on the PTO requires both a subjective intent to deceive and an objective test of materiality (but-for

causation) both proved to the hilt by clear and convincing evidence.

The trial court refused to apply those elements in reviewing the special jury interrogatory to the facts. And the Eighth Circuit applied a truncated review that left out any inquiry whatsoever into B&B's good faith intent, honest misunderstanding, or inadvertence without a willful intent to deceive.



REASONS FOR GRANTING THE WRIT

Even after an infringer has been found liable for trademark infringement, the trademark is still open to a collateral attack based on every step of the process whereby the holder of the mark obtained and maintained its trademark. This is the proverbial second-bite at the apple. Such attacks should be discouraged and strictly limited to true cases of clear and convincing evidence of deceitful intent and materiality. Mistakes and mere carelessness in the lengthy administrative process for obtaining and maintaining a trademark should not be the basis for later defenses raised by an infringer after the infringer has been found liable.

The Federal Circuit has announced a comprehensive test for inequitable conduct (fraud) to invalidate a trademark. The Eighth Circuit has a conflicting standard. Trial courts and other regional circuits have varying applications on a spectrum somewhere between the Federal Circuit and the Eighth Circuit standards. This Court should take this opportunity to announce

the controlling test for inequitable conduct necessary to create a defense to infringement so this important issue will be decided consistently nationwide regardless of where it is raised.

I. The Courts Of Appeals Are Intractably Divided Over The Correct Legal Standard To Apply To Claims Of Fraud On The USPTO In Obtaining Or Maintaining A Trademark.

A. Fraud Under The Lanham Act

The allegation that a trademark holder has defrauded the USPTO may arise in several ways. Section 14(3) of the Act (15 U.S.C. § 1064(3)) says a registration can be cancelled anytime if it was fraudulently obtained. This has been extended to include fraudulent filings made to maintain an existing registration. A fraudulent filing is a defense to incontestability. Fraud allegations can also apply in private litigation for infringement. *See, generally*, The Trademark Reporter® ALLEGATIONS OF FRAUDULENT PROCUREMENT AND MAINTENANCE OF FEDERAL REGISTRATIONS SINCE *IN RE BOSE CORP.* By Theodore H. Davis Jr. and Lauren Brenner, Vol. 104 No. 5 (2014).

“Both the courts and the Trademark Board regard charges of fraud in procurement of a trademark registration as a disfavored defense.” *Id.* at 31-177. The Federal Circuit says fraud carries a “heavy burden of proof.” *Id. citing In Re: Bose Corp.*, 580 F.3d 1240, 1243-45.

The Trademark Board has held that fraud in a trademark cancellation is something that must be “proved to the hilt” with little or no room for speculation or surmise; considerable room for honest mistake, inadvertence, erroneous conception of rights, and negligent omission; and any doubts resolved against the charging party. *Id. citing American Flange & Manufacturing Co., Inc. v. Rieke Corporation*, 80 U.S.P.Q. 2d 1397, 1416 (TTAB 2009).

But the application of the concept of fraud in obtaining and maintaining a trademark has been the subject of shifting and conflicting legal standards. Presently, such “fraud” in the Federal Circuit, the regional circuits, and the trial courts is tested in significantly different and conflicting ways, creating inconsistent results even under the same relevant facts depending on where the case is decided.

B. The Standard For Fraud Announced By The Federal Circuit Should Control

The Federal Circuit in *Bose* noted the important distinction in trademark practice between a *false* representation and a *fraudulent* one.

Mandated by the statute and caselaw, the Board had consistently and correctly acknowledged that there is “a material legal distinction between a ‘false’ representation and a ‘fraudulent’ one, the latter involving an intent to deceive, whereas the former may be occasioned by a misunderstanding, an inadvertence, a mere negligent omission, or the like.”

In other words, deception must be willful to constitute fraud.

In re Bose Corp., 580 F.3d 1240, 1243 (Fed. Cir. 2009) (cleaned up).

The Trademark Trial and Appeal Board erroneously lowered the standard to a “should have known standard” in *Medinol Ltd. v. Neuro Vasx Inc.*, 67 U.S.P.Q. 2d 1205 (TTAB 2003). *Bose* explicitly reversed that standard and restated the high hurdle to prove fraud in this context:

We have previously stated that “[m]ere negligence is not sufficient to infer fraud or dishonesty.” We even held that “a finding that particular conduct amounts to ‘gross negligence’ does not of itself justify an inference of intent to deceive.” The principle that the standard for finding intent to deceive is stricter than the standard for negligence or gross negligence, even though announced in patent inequitable conduct cases, applies with equal force to trademark fraud cases. After all, an allegation of fraud in a trademark case, as in any other case, should not be taken lightly. Thus, we hold that a trademark is obtained fraudulently under the Lanham Act only if the applicant or registrant knowingly makes a false, material representation with the intent to deceive the PTO.

In re Bose Corp., 580 F.3d 1240, 1244-45 (Fed. Cir. 2009) (cleaned up).

Even the slippery concept of “subjective intent” must be proved by clear and convincing evidence and must indicate sufficient culpability to require a finding of intent to deceive. *Id.* “Subjective intent to deceive, however difficult it may be to prove, is an indispensable element in the analysis.” *Id.* at 1245. Further, the *Bose* court explained: “There is no fraud if a false misrepresentation is occasioned by an honest misunderstanding or inadvertence without a willful intent to deceive.” *Id.* at 1246.

The Federal Circuit’s jurisprudence on this point was strengthened in the subsequent case of *Therasense, Inc. v. Becton, Dickinson and Co.*, 649 F.3d 1276 (2011). *Therasense* is a patent case, but patent and trademark cases share common jurisprudence in many respects. The *Therasense* court held that an omission proved to be based on negligence or even gross negligence under a “should have known” standard does not satisfy the inequitable conduct intent requirement. Likewise, the district court’s use of a “sliding scale” comparing the strength of evidence on intent and materiality was specifically reversed, holding that the district court could not infer intent from materiality. *Id.*

Therasense derived its holding from three Supreme Court decisions:

This requirement of knowledge and deliberate action has origins in the trio of Supreme Court cases that set in motion the development of the inequitable conduct doctrine. In each of those cases, the patentee acted knowingly and deliberately with the purpose of

defrauding the PTO and the courts. *See Precision*, 324 U.S. at 815-16, 65 S.Ct. 993 (assertion of patent known to be tainted by perjury); *Hazel-Atlas*, 322 U.S. at 245, 64 S.Ct. 997 (a “deliberately planned and carefully executed scheme to defraud” the PTO involving both bribery and perjury); *Keystone*, 290 U.S. at 246-47, 54 S.Ct. 146 (bribery and suppression of evidence).

Therasense, Inc. v. Becton, Dickenson & Co., 649 F.3d 1276, 1290 (Fed. Cir. 2011); *see also* § 31:66 McCAR-THY on TRADEMARKS (“Trademark Board’s *Medinol* rule erroneously lowered the standard for fraud to a simple negligence standard. The court emphasized that while fraud can be inferred from evidence of objective facts and behavior, fraud requires clear and convincing proof that the challenged representation was knowingly made and with an intent to deceive.”).

Several circuits at least facially agree with the *Bose* standard, albeit with some variation in the language used.

C. The Eighth Circuit Standard Conflicts With *Bose*

The Eighth Circuit standard applied here departs significantly from the Federal Circuit standard announced in *Bose*.

Fraud on the PTO consists of willfully withholding material information that, if disclosed, would result in an unfavorable outcome. We define “material information” in this context

as “information that a reasonable examiner would have considered important” when making her decision.

B&B Hardware, Inc. v. Hargis Industries, Inc., 912 F.3d 445, 451 (8th Cir. 2018) (cleaned up).

The Eighth Circuit relies exclusively on materiality and makes no mention of the important factors required to prove intent.

Importantly the standard the Eighth Circuit applied here made no inquiry into *why* the information was withheld. Indeed here, the testimony was uncontradicted. The information (a prior jury verdict involving the mark) was not disclosed to the PTO on the *advice of counsel* that the information was not a “final adverse determination.” That advice could have been right or wrong, which might have given rise to an inference of an honest misunderstanding, negligence, or even gross negligence, but it was *not* clear and convincing evidence of a willful intent to deceive as required by the standard announced in *Bose*.

The materiality of the alleged fraud is also in question here, even under the Eighth Circuit standard. To invoke cancellation of a registration, the alleged misrepresentation must go to the registration itself. A later Section 15 declaration is not an act in obtaining a registration. 15 U.S.C. § 1064(3) (2012). The statute therefore allows cancellation only if the registration itself, and not the incontestable evidentiary presumptions secured by a Section 15 declaration, is obtained

fraudulently. See *Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 195 (1985).

D. Other Circuits Also Lack Consistency

Most notably, the Second Circuit departs markedly from the Federal Circuit standard. *Patsy's Italian Rest., Inc. v. Banas*, 658 F.3d 254 (2d Cir. 2011), holds that “mere negligence” or “known or should have known” is adequate to support a finding of fraud. This was the same standard as used by the TTAB in *Mendinol*, above, that was specifically overruled in *Bose*.

Another example is from the Eleventh Circuit in *Sovereign Military Hospitaller Order of St. John v. Florida Priory of Knights Hospitallers*, 702 F.3d 1279 (11th Cir. 2012). There, the Eleventh Circuit reversed a trial court’s finding of fraud on the PTO using much, but not all, of the same standards as *Bose*. Likewise, the Ninth Circuit has applied a five-part test that is similar but not identical to *Bose* but lacks the “clear and convincing” quantum of proof. *Hokto Kinoko Co. v. Concord Farms, Inc.*, 738 F.3d 1085 (9th Cir. 2013).

Finally, the First Circuit has noted inconsistency on whether to apply a heightened standard of proof to fraud and willfulness in trademark litigation. *Fishman Transducers, Inc. v. Paul*, 684 F.3d 187, 193 (1st Cir. 2012) (n.7 notes a conflict between the Third and the Fourth Circuit on the heightened burden of proof).

E. Rule 9(b) Of The Federal Rules Of Civil Procedure

Additional authority for the careful treatment of allegations of fraud, generally, appears at Rule 9(b) of the Federal Rules of Civil Procedure. The requirement that fraud be pled with specificity is entirely consistent with the treatment of fraud as suggested in *Bose*, *Therasense*, and is urged in this petition.

F. The Correct Standard Applied Here Would Be Dispositive

Here, the *only* evidence of any sort about the intent behind the alleged fraud was testimony from Larry Bogatz, the CEO of B&B Hardware. The factual basis for the affirmative defense is based on B&B's alleged failure to disclose to the PTO that there was an adverse judgment against B&B in the 2000 lawsuit tried in the United States District Court Eastern District of Arkansas.

Whether that judgment was a "final decision adverse" to B&B's ownership of the mark might be disputed. However, applying the *Bose* and *Therasense* tests to the evidence makes it perfectly clear that such a dispute cannot, as a matter of law, meet the high burden to prove fraud on the PTO. The Eighth Circuit's refusal to correct that mistake of law ended this case wrongly and will continue to confound other parties, litigants, trial courts, and circuit courts unless corrected and clarified by this Court.

II. A Rule 59 Motion Paves The Way For Appellate Review Of The Sufficiency Of The Evidence.

The standard of review in any appeal is of paramount, often controlling importance. Here, the Eighth Circuit reviewed for plain error, holding that any other standard (abuse of discretion) was waived by failing to make a Rule 50 motion at the close of evidence. However, a Rule 59 motion is a proper vehicle to ask the trial court to decide whether a jury's verdict is against the weight of the evidence. *See, e.g., Weisgram v. Marley Co.*, 528 U.S. 440, 453 n.9 (2000) (*citing Montgomery Ward & Co. v. Duncan*, 311 U.S. 243, 251 (1940)).

This Court has held that Rule 50(b) imposes no bar to asking for new-trial relief on appeal “when [the appellant] has complied with the Rule’s filing requirements by requesting that particular relief below.” *Unitherm Food Sys., Inc. v. Swift-Eckrich, Inc.*, 546 U.S. 394, 402 (2006); *see also id.* at 403-04 (explaining this Court’s cases in which parties “secured a new trial” on appeal “because in each of those cases the appellants moved for a new trial post-verdict in the District Court”). That rule is readily applied in other circuits. *See, e.g., CFE Racing Prods., Inc. v. BMF Wheels, Inc.*, 793 F.3d 571, 582-84 (6th Cir. 2015). Yet the Eighth Circuit nonetheless applied only plain-error review.

Limiting the facts to *only* those essential to understanding the issue on the standard of review:

- At the close of evidence, B&B moved for judgment as a matter of law on Hargis’s counter-claims but failed to do so on its own claims.¹ App. 6.
- B&B filed a timely post-trial motion under Rule 59.
- The panel held that it could not “test the sufficiency of the evidence to support the jury’s verdict beyond application of the ‘plain error’ doctrine . . .” App. 8.

By limiting the review to “plain error,” the panel applied the wrong standard of review.

B&B filed a timely post-trial motion. In that motion, B&B specifically invoked Rule 59 of the Federal Rules of Civil Procedure by requesting the trial court amend its findings of fact and conclusions of law or make new ones and direct the entry of a judgment. Rule 59(a)(2). The motion also invoked Rule 59(e) and cited authority for correcting a clear legal error and preventing a manifest injustice.

B&B’s post-trial motion under Rule 59 does **not** require as a prerequisite a Rule 50 motion at the close of evidence. *See Rand v. National Financial Ins. Co.*,

¹ A plaintiff would rarely move for directed verdict on its own claims when there are factual contentions that must be resolved by a jury, including damages, such as was the case here.

304 F.3d 1049, 1052 (11th Cir. 2002); *Jones v. Miles*, 656 F.2d 103 n.1 (5th Cir. 1981).

Indeed, an appeal from the denial of a Rule 59(e) motion allows challenge of the underlying ruling that produced the judgment. *Prince v. Kids Ark Learning Center, LLC*, 622 F.3d 992, 994 (8th Cir. 2010). The denial of a Rule 59(e) motion is reviewed for abuse of discretion. *Id.*

Explaining further, the Eighth Circuit has held:

We apply a much more deferential standard in our review of a district court’s denial of a motion for a new trial under Fed. R. Civ. P. 59(a). “The [district] court’s decision will not be reversed by a court of appeals in the absence of a clear abuse of discretion.” *Lowe v. E.I. DuPont de Nemours & Co.*, 802 F.2d 310, 310-11 (8th Cir.1986) (citations omitted); *see also* 1 Steven Alan Childress & Martha S. Davis, *Federal Standards of Review* § 5.08, at 5-69 (2nd ed. 1992) (“The trial court’s decision generally is committed to its discretion.”).

Keenan v. Computer Assocs. Int’l, Inc., 13 F.3d 1266, 1269 (8th Cir. 1994).

The Eighth Circuit’s decision cited *Pulla v. Amoco Oil Co.*, 72 F.3d 648, 655 (8th Cir. 1995) in support of the plain-error standard of review. However, *Pulla* holds the opposite as to the standard of review from denial of a Rule 59 motion:

As we noted above, a litigant may move for a new trial under Rule 59 based on the

overwhelming evidence contrary to the verdict without ever previously raising such an objection. *Harris v. Zurich Insurance Co.*, 527 F.2d 528, 529-30 (8th Cir.1975) (plaintiff waived his right to move for judgment as a matter of law, but still could file a post-trial motion for a new trial, and appeal the denial of that motion). Because the district court erred in ruling that Amoco waived its Rule 59 motion under Rule 51, we must now consider the merits of each of its grounds for a new trial.

Pulla v. Amoco Oil Co., 72 F.3d 648, 656 (8th Cir. 1995).

The Eighth Circuit did **not** apply plain-error to the review of the Rule 59 motion in *Pulla*. The discussion about plain-error in *Pulla* is limited to the Rule 50 motions.

Here, the Eighth Circuit decision wrongly applied a plain-error standard of review. Instead, controlling caselaw in this Circuit dictates that the denial of B&B's Rule 59 motion must be reviewed for an abuse of discretion.

More authority, even from the Eighth Circuit, is in accord:

Turning to the matter now before the court, we review a district court's denial of Rule 59(e) relief under an abuse of discretion standard. See, e.g., *Twin City Const. Co. v. Turtle Mtn. Band of Chippewa Indians*, 911 F.2d 137, 139 (8th Cir.1990). An abuse of discretion will only be found if the district court's judgment was based on clearly erroneous factual findings

or erroneous legal conclusions. *International Ass'n of Machinists and Aerospace Workers, Dist. Lodge No. 19 v. Soo Line R.R.*, 850 F.2d 368, 374 (8th Cir. 1988), *cert. denied*, 489 U.S. 1010, 109 S.Ct. 1118, 103 L.Ed.2d 181 (1989).

Mathenia v. Delo, 99 F.3d 1476, 1480 (8th Cir. 1996).

Here, the Eighth Circuit decision applies the wrong standard (plain error, instead of abuse of discretion) to the dispositive question of whether Hargis introduced adequate evidence to meet the very high burden of proving fraud on the PTO that would defeat B&B's infringement claim.

III. Will This Court's Anticipated Decision In *Romag* Require Reversal On The Eighth Circuit's Treatment Of Willfulness As A Factor In The Disgorgement Analysis?

On June 28, 2019, this Court accepted certiorari in *Romag Fasteners, Inc. v. Fossil, Inc.* (No. 18-1233). The issue in *Romag* presents a 6-to-6 circuit split on whether a finding of willful infringement is a prerequisite for an award of an infringer's profits under the Lanham Act. The same issue was addressed to the trial court and to the Eighth Circuit in this case. However, the Eighth Circuit did not reach that point based on the finding of no infringement due to collateral estoppel (flowing from the fraud on the PTO finding).

If this Court accepts certiorari on point I or II and subsequently reverses, then any decision in *Romag* would further impact the trial court's decision to award

disgorgement of profits here where the jury found infringement.

For this reason, B&B additionally seeks certiorari should this issue become a live issue in this case again based on the outcome of points I or II and the anticipated decision of this Court in *Romag Fasteners*.



CONCLUSION

For the foregoing reasons, the petition for a writ of certiorari should be granted.

Respectfully submitted,

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