

2021-2301

**United States Court of Appeals
for the Federal Circuit**

CHARLES BERTINI,

Appellant,

– v. –

APPLE INC.,

Appellee.

*On Appeal from the United States Patent and Trademark Office,
Trademark Trial and Appeal Board in No. 91229891*

**APPELLEE’S PETITION FOR REHEARING AND
REHEARING *EN BANC***

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JUNE 2, 2023

CERTIFICATE OF INTEREST

Counsel for Appellee Apple Inc. certifies the following:

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

Apple Inc.

2. The name of any real party in interest represented by us, and not identified in response to Question 3, is: Apple Inc.

3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party represented by us are: Apple Inc. has no parent corporation. No publicly held corporation owns 10% or more of Apple Inc.'s stock.

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

Eric Loverro, Kirkland & Ellis LLP

Joseph Petersen, Kilpatrick Townsend & Stockton LLP

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5. The title and number of any case known to us 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:

In light of the grounds on which the Federal Circuit panel decided this appeal, we do not believe there are any. Out of an abundance of caution, however, we note the following pending proceeding: Cancellation No. 92068213, Trademark Trial and Appeal Board.

6. Information required under Fed. R. App. P. 261(b) (organizational victims in criminal cases) and 26.1(c) (bankruptcy case debtors and trustees): Not applicable

June 2, 2023

/s/ Dale M. Cendali
Dale M. Cendali
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STATEMENT OF COUNSEL UNDER RULE 35(B)(1)

Based on my professional judgment, I believe this appeal requires an answer to a precedent-setting question of exceptional importance:

1. As an express matter of first impression, the panel held that, a trademark applicant seeking to overcome a likelihood-of-confusion-based opposition must have priority as to each service identified in its trademark application for which the opposer claims priority, rather than only one such service. The panel's decision also raises a procedural issue of first impression meriting the Court's attention: because the panel found the applicant's priority lacking as to only one of several categories of services identified in its trademark application, should this matter be remanded to direct the U.S. Patent & Trademark Office's Trademark Trial & Appeal Board (the "Board") to remove from the challenged application that one category, and allow the Application to proceed to registration on the remaining services?

/s/ Dale M. Cendali

Dale M. Cendali

Attorney of Record for Appellee Apple Inc.

INTRODUCTION

Appellee Apple Inc. brings this petition for rehearing or rehearing *en banc* to seek narrow relief stemming from the panel’s announcement of a new legal rule. Specifically, Apple requests that the panel clarify its decision by explicitly directing the Board to remove “[a]rranging, organizing, conducting, and presenting concerts [and] live musical performances” (the “Live Performance Services”) from the set of services identified in Apple’s APPLE MUSIC application (Ser. No. 86/659,444) (the “Application”) and allow the Application to proceed to registration on the remaining services for which Appellant Charles Bertini has not established priority (the “Amended Application”).

Deciding “a question of first impression,” SlipOp.7, the panel held that (1) priority for one service listed in a trademark application does not establish priority for every service listed therein; and (2) despite Apple’s priority in the “production and distribution of . . . sound recordings” (the “Sound Recording Services”), it did not have priority as to the Live Performances Services—the latter being the only services out of the 15 categories of services identified in the Application for which the panel found Appellant has priority. *Id.*

The practical effect of the panel's decision is the potential to deny Apple a registration for the APPLE MUSIC trademark in connection with services for which Appellant has *not* established priority. That result directly conflicts with the panel's own reasoning and violates the notions of fairness and due process contemplated by the Trademark Rules, the Lanham Act, and federal litigation.

First, the panel's decision appears to be motivated by its concern that Apple could "claim absolute priority for *all* of the services listed in its application based on a showing of priority for *one* service listed in the application." *Id.* at 8. The panel found that the Board had erred by treating the Application with too broad a brush and instead required Apple to show priority separately for the Sound Recording Services *and* the Live Performance Services. *Id.* at 9. But the panel's reasoning should apply even-handedly to both applicants and opposers. Where an opposer, like Appellant, establishes priority only as to one good or service recited in an application, it would be incongruous not to allow the application to proceed on the goods or services for which the opposer has not established priority. Apple respectfully submits this would be a more efficient and equitable system—one keeping with fundamental principles of

trademark priority and avoiding unintended potential consequences of the panel's new rule.

Second, Apple's proposal is consistent with Lanham Act procedure. Section 18 of the Lanham Act gives the Board the equitable power to "restrict the goods or services identified in an application or registration." 15 U.S.C. § 1068. Accordingly, when the Board determines an application cannot proceed to registration as is, it can and often does restrict the identification of goods and services and allows the application to proceed to registration on those that remain. Indeed, legislative history makes clear Congress gave the Board this equitable power specifically to facilitate the creation of a register that reflects as many marks in actual use as possible. And, as this Court has recognized for decades, creating such a register is one of the intended policies of the Lanham Act.

Third, the facts of this case warrant the exercise of the Board's equitable power to avoid a prejudice that will be particularly pronounced for Apple as the first applicant subjected to the panel's new rule, and who was not on notice of this issue of "first impression." As discussed below, as the opposer, Appellant had the burden to prove priority in the services recited in the Application. Appellant claimed generally to have priority

as to the categories of services recited in the Application—the Live Performance Services were never specifically identified by either party. The Board, however, *sua sponte* focused on the Live Performance Services and the Sound Recording Services in its decision. Moreover, Appellant’s request for reconsideration to the Board, as well as his appeal to this Court, focused on Apple’s priority in the Sound Recording Services. In other words, given this issue of first impression, Apple had no notice that the Application could be denied if the Live Performance Services were not removed and, thus, was denied the opportunity to request those services be removed.

Fourth, if left unclarified, the panel’s decision will destabilize the trademark application process and subsequent Board proceedings. In particular, the decision will significantly curtail a brand owner’s ability to secure later registrations of marks for goods and services highly related to those for which it indisputably enjoys priority. Likewise, the decision will encourage applicants to file separate, individual applications for every good or service in a class to avoid a priority issue with one claimed good or service interfering with registration of the balance of the other goods and services. These consequences will

undoubtedly place a significant burden on the USPTO, applicants, and trademark owners, and drastically complicate the application process and assessments of risk based on a patchwork of alleged rights—all of which will have meaningful impacts on the marketplace.

For these reasons, Apple respectfully requests the panel grant rehearing and clarify the disposition of this appeal. Moreover, given the importance and disruptive practical consequences of the panel's decision, if the panel does not grant rehearing, Apple respectfully requests that the Court sit *en banc* to do so.

RELEVANT BACKGROUND

For more than fifty years, Apple's predecessor, Apple Corps, and Apple have used the APPLE word mark in connection with sound recordings and films featuring the music group The Beatles and its individual members, among many other artists. *See* Dkt. 20 at 5, 8–14. On June 11, 2015, Apple filed application Ser. No. 86/659,444 for the APPLE MUSIC mark, identifying a variety of International Class 41 services for which it intended to use the mark, including the Sound Recording Services and the Live Performance Services. Appx00077–Appx00079.

On June 5, 2016, nearly a month after the Application's publication for opposition, Appellant filed an application for the APPLE JAZZ mark (Ser. No. 87/060,640) for a variety of International Class 41 services, which were copied verbatim from the APPLE MUSIC application, including the Sound Recording Services and the Live Performance Services.¹ The following day, Appellant filed a request for a 90-day extension of time to oppose the Application. Appx00072. On September 2, 2016, Appellant opposed the Application on the ground that Apple's mark likely would cause confusion with Appellant's alleged common law APPLE JAZZ trademark. Appx00096–Appx00106. The Board proceeding focused on whether Appellant could establish the element of priority necessary for an opposer to prevail in a likelihood of confusion opposition. Accordingly, the proceedings did not focus specifically on the Live Performance Services listed among the services in the Application. *See, e.g.*, Appx00096–Appx00106, Appx00581–Appx00601.

¹ Appellant's application is currently blocked by four of Apple's registrations—three of which are incontestable—based on a likelihood of confusion. Appellant submitted an exhaustive Office Action Response seeking to overcome the refusal, but the USPTO maintained the refusal and suspended the application. Appx00080–Appx00082.

Following a trial on the issue of priority, the Board issued a final decision dismissing Appellant's opposition. *Bertini v. Apple, Inc.*, 2021 WL 1575580 (T.T.A.B. Apr. 16, 2021). The Board's decision focused on Appellant's date of first use of the Live Performances Services and Apple's Sound Recording Services. Appx00015. The Board found that, although Appellant had established use in connection with the Live Performance Services as early as June 1985, Appellant had not established the necessary element of priority required to prevail, because Apple had established priority as early as August 1968 as to the Sound Recording Services by virtue of its ability to tack its APPLE mark rights acquired from Apple Corps' use of the APPLE mark. Appx00052.

Appellant unsuccessfully requested reconsideration of the Board's finding that Apple had priority in the Sound Recording Services. *See, e.g.*, Appx08609–Appx08647. Next, Appellant appealed the Board's decision, arguing that the Board made several errors with respect to its finding that Apple had priority in the Sound Recording Services. *See* Dkt. 28 at 2–3, 7–8. Appellant's appeal did not concern the Live Performance Services. Nor did Appellant argue that the Application cannot register because of Appellant's alleged priority in the Live Performance Services.

Nevertheless, the panel’s decision focused on “a question of first impression regarding the appropriate tacking standard in the registration context.” Slip.Op.7. In particular, the panel considered whether Apple could establish priority for every good or service in the Application because Apple had priority in the Sound Recording Services. *Id.* The panel found Apple could not and instead held that Apple “must show tacking is available for each good or service for which it claims priority on that ground.” *Id.* at 8. Specifically, because the panel found Appellant may claim priority of use of APPLE JAZZ in connection with the Live Performance Services as early as June 13, 1985, it required Apple to tack its use of APPLE MUSIC for the Live Performance Services onto Apple Corps’ use of APPLE for gramophone records. *Id.* at 9–10. The panel concluded that the record did not establish “that gramophone records and live musical performances are substantially identical” and therefore reversed.² *Id.* at 12. In doing so, however, the panel left open what the Board should do with the Application. *Id.*

² Apple respectfully disagrees with this assertion. As noted above, the Board found that Apple, by tacking the use of the mark APPLE by Apple Corps, established use of the mark APPLE MUSIC for the “production and distribution of sound recordings” as early as August 1968. See Appx00052. The record reflects that some of these

ARGUMENT

Although Apple respectfully disagrees with the panel’s decision, it seeks only narrow relief, namely, clarification of the panel decision to direct the Board to exercise its authority under 15 U.S.C. § 1068 to remove the Live Performance Services from the Application and allow the Amended Application to register.³ This is so for several reasons.

recordings were of live musical performances, which is shown in the image the TTAB included on page 35 of its decision, *see* Appx00035, showing use of the APPLE mark next to a photograph of The Beatles’ live musical performance on VideoDisc packaging of a film showing that performance years before Appellant’s first live musical performance. *See also* Appx02783; Appx02862; Appx02897–Appx00099; and Appx02969-Appx02974

Moreover, when determining whether Apple had priority in the Live Performance Services, the panel referred only to “gramophone records,” and further stated that “[t]here is no need to vacate and remand for the Board to make a finding on this issue in the first instance.” SlipOp.12. Although not briefed by Apple because this was a case of first impression, Apple respectfully submits that the panel erred by referring to Apple’s priority as related only to gramophone records and by not remanding the case to the Board to make a finding on this issue in the first instance.

³ Although not relevant for purposes of this petition for narrow relief, Apple also believes the panel’s decision is incorrect as a matter of law in light of the panel’s decision not to consider whether the commercial impression of the marks is the same, as required by *Hana Financial, Inc. v. Hana Bank*, 574 U.S. 418 (2015), as well as whether the Live Performances Services were within Apple’s natural zone of expansion of its Sound Recording Services. Although Apple does not seek

First, denying Apple a registration for APPLE MUSIC in the remaining categories of services for which Appellant has not established priority, based solely on Appellant’s priority in the Live Performance Services, is inconsistent with the logic of the panel’s decision and manifestly unfair. The panel’s decision appears motivated by the concern that Apple could “claim absolute priority for *all* of the services listed in its application based on a showing of priority for *one* service listed in the application.” Slip.Op.8. To support this concern, the panel cited to *Van Dyne-Crotty, Inc. v. Wear-Guard Corp.*’s holding that “it would be clearly contrary to well-established principles of trademark law to sanction the tacking of a mark with a narrow commercial impression onto one with a broader commercial impression.” *Id.* (citing 926 F.2d 1156, 1160 (Fed. Cir. 1991)). Yet, the panel’s decision effectively sanctions a similar result by allowing Appellant’s APPLE JAZZ mark—a mark with a narrow commercial impression—to block registration for APPLE MUSIC—a mark with a significantly broader commercial impression—in connection with remaining categories of services for which Appellant has not

rehearing on those bases, if the Court is interested in these issues, Apple would be happy to provide additional briefing on them.

established priority. Thus, removing the Live Performance Services from the Application and allowing the Amended Application to register will be consistent with the panel's own concerns, as well as well-established principles of trademark law.

Second, the Board has the power to remove the Live Performance Services and doing so will implement congressional intent to grant the Board this power, as well as the fair and just result here. Section 18 of the Lanham Act gives the Board the equitable power to “restrict the goods or services identified in an application or registration.” 15 U.S.C. § 1068; Trademark Rule 2.133(b); *see also* Trademark Trial and Appeal Board Manual of Procedure (“TBMP”) § 309.03(d). The Board can and often does so restrict opposed applications so they can proceed to registration on the remaining goods and services. *See, e.g., Embarcadero Techs. Inc. v. RStudio Inc.*, 105 U.S.P.Q.2d 1825, 1833–34 (T.T.A.B. 2013) (restricting goods and services identified in applicant’s applications and allowing them to proceed to registration). In fact, the Board often encourages parties to seek relief under Section 18. *See IdeasOne, Inc. v. Nationwide Better Health, Inc.*, 89 U.S.P.Q.2d 1952, 1954 (T.T.A.B. 2009) (noting “the Board has encouraged parties, such as the petitioner in this

case, whose applications have been refused registration under Section 2(d) based on a broad identification of goods or recitation of services to seek a restriction of the cited registration under Section 18”); *see also In re N.A.D. Inc.*, 57 U.S.P.Q.2d 1872, 1874 (T.T.A.B. 2000) (“Applicant may, of course, seek a consent from the owner of the cited registrations, or applicant may seek a restriction under Section 18 of the Trademark Act, 15 USC §1068.”).

Moreover, the Act’s legislative history makes clear Congress authorized the Board to restrict identifications of goods and services in applications to create a register reflecting as many marks in actual use as possible. “One of the policies sought to be implemented by the [Lanham] Act was to encourage the presence on the register of trademarks of as many as possible of the marks in actual use so that they are available for search purposes.” *Bongrain Int’l Corp. v. Delice de France, Inc.*, 811 F.2d 1479, 1485 (Fed. Cir. 1987). Consistent with that goal, Congress amended Section 18 of the Lanham Act to give the Board the authority to “modify a description [of goods or services] if it would avoid likelihood of confusion.” *Trademark Review Commission Report and Recommendations*, 77 Trademark Rep. 375, 452-53 (1987); *see also*

S. Rep. No. 100-515, at 35 (1988) (explaining Section 18 was intended to give the Board the authority “to base determinations of likelihood of confusion on marketplace realities rather than on hypothetical facts”); *Eurostar Inc. v. “Euro-Star” Reitmoden GmbH & Co.*, 34 U.S.P.Q.2d 1266, 1268 (T.T.A.B. 1995) (“The amendments to Section 18 were intended to give the Board greater ability to decide cases on the basis of the evidence of actual use.”). Allowing the Amended Application to proceed to registration therefore will be consistent with Board practice and congressional intent behind that revision. *See Bongrain*, 811 F.2d at 1485; *see also In re Int’l Flavors & Fragrances, Inc.*, 183 F.3d 1361, 1367 (Fed. Cir. 1999) (federal registration promotes trademark law’s purposes through notice of similar marks); *Nat. Footwear Ltd. v. Hart, Schaffner & Marx*, 760 F.2d 1383, 1395 (3d Cir. 1985) (registration brings order “to the market place”).

Third, this case warrants the exercise of the Board’s equitable power, as the prejudice is particularly pronounced for Apple. As noted above, the first time the Live Performance Services were specifically identified as outcome determinative was when the Board’s decision focused on them. *See* Appx00015. That, however, did not put Apple on

notice that the Application may not proceed to registration if the Live Performance Services were not removed. Appellant's request for reconsideration or his appeal also did not put Apple on such notice, because those filings focused entirely on Apple's priority in the Sound Recording Services. *See, e.g.*, Appx08609–Appx08647; Dkt. 28 at 2–3, 7–8. But even if the Live Performance Services had been the focus before the Board or in this appeal, Apple still could not have had fair notice of an issue of first impression. Slip.Op.7. Apple therefore effectively was denied the opportunity to request the Board or the panel to remove the Live Performance Services from the Application. The notions of fairness and due process contemplated under the Trademark Rules and the Lanham Act specifically provide that Apple receive that opportunity.

Apple's request is also consistent with the fact that Appellant, as the opposer, had the burden to prove priority in the services at issue. *See Bertini*, 2021 WL 1575580, at *8 (noting “it is the Opposer's burden to prove both priority of use and likelihood of confusion by a preponderance of the evidence”). There is no dispute that the Live Performance Services are the *only* services recited in the Application for which Appellant has established priority. *Id.* at *12; SlipOp.2. Thus, the removal of the Live

Performance Services can and should allow the Amended Application to proceed to registration. *See Embarcadero*, 105 U.S.P.Q.2d at 1833–34; 77 Trademark Rep. at 452-3.

A contrary result, one denying Apple registration of its APPLE MUSIC mark for services for which Appellant has not established priority, based solely on Appellant’s priority in the Live Performance Services, would be manifestly unfair to Apple who had no notice of this issue of first impression.⁴ Moreover, it will be inconsistent with the panel’s underlying principle—*i.e.*, that an applicant cannot have priority as to all services recited in an application due to priority as to one—to permit an opposer to block all services recited in an application by showing priority as to only one service without the opportunity to resolve the issue through deletion.

⁴ If the panel believes the Application cannot proceed to registration unless the Board determines Appellant has not established priority as to the remaining categories of services recited in the Application, Apple requests a remand on that issue. Apple, however, respectfully submits it is not necessary to do so because the Board did not find that Appellant had priority as to the remaining categories of services, nor does the record support that conclusion.

Fourth, if left unclarified, the panel's decision will destabilize the trademark application process and Board proceedings. In particular, the panel's decision will significantly curtail a brand owner's ability to secure later registrations of marks for goods and services highly related to those for which it indisputably enjoys priority. Indeed, applicants will be forced to make a choice—do they (1) file a single application for a variety of services, accepting that it could be denied registration on all of the services listed in the application if an opposer establishes priority as to a single good or service recited therein; or (2) file (possibly many) individual applications for every good or service in a class to which it believes it has priority, to avoid another party's contesting priority later with one claimed good or service of which the applicant was unaware, thus defeating registration of all the other goods and services? Applicants choosing the former will run the risk Apple faces here that a single service could block the application from registering. Yet, choosing the latter would be expensive for applicants—many of whom are of limited means—and produce needless work for the USPTO to process and evaluate numerous applications instead of one.

It is precisely for these reasons that the accepted practice for filing trademark applications is to include various goods and services together. Doing so also allows the USPTO to deal with related applications at the same time in a single proceeding, with the assistance of a single examiner, in an efficient way (which reduces also the possibility of inconsistent results and duplicative efforts and proceedings). Moreover, this practice minimizes the burden on trademark owners searching the register to clear new marks and police infringements of their own marks. The practice effectively encouraged by the panel's decision, however, is not what Congress intended when it amended Section 18 to facilitate the creation of a register reflecting marketplace realities of the actual uses of marks. Nor is it consistent with the fundamental notions of due process and fairness underlying the Trademark Rules.

CONCLUSION

Accordingly, the panel should clarify its decision by directing the Board to remove the Live Performance Services from the Application and register the remaining categories of services for which Appellant has not

established priority.⁵ For the same reasons noted above, if the panel denies rehearing, the *en banc* Court should grant it.

Dated: June 2, 2020

Respectfully submitted,

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⁵ Apple recognizes that an alternative approach is for Apple on remand to move the Board under 37 C.F.R. § 2.133 to remove the Live Performance Services from the Application. Apple will do so if necessary, but it believes it is important for future panels that this Court clarify its decision and, thus, respectfully requests its petition be granted.

ADDENDUM

United States Court of Appeals
for the Federal Circuit

CHARLES BERTINI,
Appellant

v.

APPLE INC.,
Appellee

2021-2301

Appeal from the United States Patent and Trademark Office, Trademark Trial and Appeal Board in No. 91229891.

Decided: April 4, 2023

JAMES BERTINI, Denver, CO, argued for appellant.

ADAM HOWARD CHARNES, Kilpatrick Townsend & Stockton LLP, Dallas, TX, argued for appellee. Also represented by WILLIAM BRYNER, Winston-Salem, NC; THEODORE H. DAVIS, JR., Atlanta, GA; JOHN D. MAYBERRY, SARA K. STADLER, New York, NY; JOSEPH E. PETERSEN, Menlo Park, CA.

Before MOORE, *Chief Judge*, TARANTO and CHEN, *Circuit Judges*.

MOORE, *Chief Judge*.

Charles Bertini appeals from a final decision of the Trademark Trial and Appeal Board dismissing his opposition to Apple Inc.'s application to register the mark APPLE MUSIC. For the following reasons, we reverse.

BACKGROUND

Apple filed Trademark Application No. 86/659,444 to register the standard character mark APPLE MUSIC for several services in International Class 41, including, *inter alia*, production and distribution of sound recordings and arranging, organizing, conducting, and presenting live musical performances. Bertini, a professional jazz musician, filed a notice of opposition to Apple's application. Bertini has used the mark APPLE JAZZ in connection with festivals and concerts since June 13, 1985. In the mid-1990s, Bertini began using APPLE JAZZ to issue and distribute sound recordings under his record label. Bertini opposed Apple's registration of APPLE MUSIC on the ground that it would likely cause confusion with Bertini's common law trademark APPLE JAZZ. *See* 15 U.S.C. § 1052(d).

The Board issued a final decision dismissing Bertini's opposition. *Bertini v. Apple, Inc.*, 2021 WL 1575580 (T.T.A.B. Apr. 16, 2021) (*Board Decision*). The Board found Bertini's common law mark APPLE JAZZ is inherently distinctive and that Bertini may claim a priority date of June 13, 1985 for APPLE JAZZ in connection with "[a]rranging, organizing, conducting, and presenting concerts [and] live musical performances." *Id.* at *9–12. These findings are undisputed on appeal. The parties also agreed there was a likelihood consumers would confuse Bertini's use of APPLE JAZZ with Apple's use of APPLE MUSIC. *Id.* at *8. The parties only dispute priority of use. *Id.*

Apple began using the mark APPLE MUSIC on June 8, 2015, when it launched its music streaming service, nearly thirty years after Bertini's 1985 priority date. Apple

argued, however, it was entitled to an earlier priority date of August 1968 based on trademark rights it purchased from Apple Corps, the Beatles' record company. Apple purchased Apple Corps' Registration No. 2034964 in 2007. The '964 registration covers the mark APPLE for "[g]ramophone records featuring music" and "audio compact discs featuring music" and claims a date of first use of August 1968.

The Board found Apple Corps continuously used its APPLE mark on gramophone records, and other recording formats, since August 1968. *Id.* at *13–17. It further found Apple was entitled to tack its 2015 use of APPLE MUSIC onto Apple Corps' 1968 use of APPLE and thus had priority over Bertini. *Id.* at *18–21. The Board accordingly dismissed Bertini's opposition and denied Bertini's subsequent motion for reconsideration. *Id.* at *21. Bertini appeals. We have jurisdiction under 28 U.S.C. § 1295(a)(4)(B).

DISCUSSION

Bertini challenges the Board's determination that Apple's use of APPLE MUSIC has priority over Bertini's use of APPLE JAZZ. We hold Apple cannot tack its use of APPLE MUSIC for live musical performances onto Apple Corps' use of APPLE for gramophone records and that its application to register APPLE MUSIC must therefore be denied. Accordingly, we reverse.

I

We review the Board's legal conclusions de novo and its factual findings for substantial evidence. *In re Pacer Tech.*, 338 F.3d 1348, 1349 (Fed. Cir. 2003). The tacking inquiry is a question of fact. *Hana Fin., Inc. v. Hana Bank*, 574 U.S. 418, 422–23 (2015).

II

Trademark rights arise from the use of a mark in commerce. *Hana*, 574 U.S. at 419. The party who first uses a distinctive mark in connection with particular goods or services has priority over other users. *Id.* “Recognizing that trademark users ought to be permitted to make certain modifications to their marks over time without losing priority,” trademark owners may, in limited circumstances, “clothe a new mark with the priority position of an older mark.” *Id.* at 419–20. This doctrine is known as “tacking.” *Id.* at 420.

We permit tacking because, without it, “a trademark owner’s priority in his mark would be reduced each time he made the slightest alteration to the mark, which would discourage him from altering the mark in response to changing consumer preferences, evolving aesthetic developments, or new advertising and marketing styles.” *Brookfield Commc’ns, Inc. v. W. Coast Ent. Corp.*, 174 F.3d 1036, 1048 (9th Cir. 1999). Trademark owners often modernize and update their trademarks in response to a changing marketplace. *See Sunstar, Inc. v. Alberto-Culver Co.*, 586 F.3d 487, 496 (7th Cir. 2009) (recognizing the need for trademark owners and their licensees to make “modest changes in the appearance or wording of the trademark” to respond to “unpredictable fluctuations in consumer response”).

The standard for a trademark owner to invoke tacking is strict. *Van Dyne-Crotty, Inc. v. Wear-Guard Corp.*, 926 F.2d 1156, 1160 (Fed. Cir. 1991), *abrogated on other grounds by Hana*, 574 U.S. 418. The party seeking to tack bears the burden to show the old mark and the new mark “‘create the same, continuing commercial impression’ so that consumers ‘consider both as the same mark.’” *Hana*, 574 U.S. at 422 (quoting *Van Dyne-Crotty*, 926 F.2d at 1159). In other words, the marks must be “legal

equivalents.”¹ *Id.* This standard requires showing more than a likelihood of confusion between the two marks. *Van Dyne-Crotty*, 926 F.2d at 1159. The commercial impression of a trademark is “the meaning or idea it conveys or the mental reaction it evokes,” including the information it conveys with respect to source. *Hana Fin., Inc. v. Hana Bank*, 735 F.3d 1158, 1164 (9th Cir. 2013) (quoting Gideon Mark & Jacob Jacoby, *Continuing Commercial Impression: Applications and Measurement*, 10 MARQ. INTELL. PROP. L. REV. 433, 434 (2006)), *aff’d*, 574 U.S. 418; *see also Spice Islands, Inc. v. Frank Tea & Spice Co.*, 505 F.2d 1293, 1296 (CCPA 1974) (finding two marks create the same commercial impression because they “convey to prospective purchasers the same idea, same mental reaction, and same meaning”).

Our cases demonstrate the limited reach of the tacking doctrine. For example, in *Van Dyne-Crotty*, we rejected the trademark owner’s attempt to tack its use of CLOTHES THAT WORK for clothing apparel onto CLOTHES THAT WORK. FOR THE WORK YOU DO for the same goods in the wholesale rather than retail market. 926 F.2d at 1158–60. We affirmed the Board’s finding that the marks create different commercial impressions because consumers “would clearly differentiate them” based simply on the visual appearance of the marks. *Id.* at 1159–60. In *Ilco Corp. v. Ideal Security Hardware Corp.*, our predecessor court determined the trademark owner was not entitled to tack its use of HOME PROTECTION CENTER for display racks onto its prior use of HOME PROTECTION HARDWARE for the same goods. 527 F.2d 1221, 1224–25 (CCPA 1976). The two marks created different commercial impressions

¹ Although the terminology “legal equivalents” is typically used, the Supreme Court has made clear this is a factual question. *Hana*, 574 U.S. at 422–23 (abrogating prior decisions holding this was a legal question).

even when applied to the same goods because the former mark “signifies a unitary aggregation of goods related to home protection,” while the latter mark “refer[s] to the hardware itself.” *Id.*

Other circuits uniformly apply the tacking doctrine narrowly. For example, in *Jim O’Neal*, the trademark owner could not tack its angular O’ mark onto its rounded O’ mark because the two marks were materially different in appearance. *One Indus., LLC v. Jim O’Neal Distrib., Inc.*, 578 F.3d 1154, 1161–62 (9th Cir. 2009). In *Data Concepts*, “DCI” and the stylized mark “dci” were not legal equivalents because “the two marks do not look alike.” *Data Concepts, Inc. v. Digit. Consulting, Inc.*, 150 F.3d 620, 623–24 (6th Cir. 1998), *abrogated on other grounds by Hana*, 574 U.S. 418; *see also George & Co. v. Imagination Ent. Ltd.*, 575 F.3d 383, 402 (4th Cir. 2009) (determining the mark LEFT CENTER RIGHT and the abbreviated mark LCR are not legal equivalents for tacking purposes because the marks are not confusingly similar and “look and sound different”).

While rare, tacking can apply in situations where the marks are sufficiently similar such that a consumer would understand the two marks identify the same source. For instance, in *American Security Bank v. American Security & Trust Co.*, the trademark applicant could tack its use of AMERICAN SECURITY BANK for banking services onto its prior use of AMERICAN SECURITY for the same services. 571 F.2d 564, 567 (CCPA 1978). The court determined the two marks were legal equivalents because “the word ‘bank’ is purely descriptive and adds nothing to the origin-indicating significance of AMERICAN SECURITY.” *Id.* Similarly, in *Hana Financial, Inc. v. Hana Bank*, the Ninth Circuit held the jury reasonably concluded Hana Bank could tack its use of the mark HANA BANK for financial services onto its prior use of HANA OVERSEAS KOREAN CLUB for the same services. 735 F.3d at 1166. Hana Bank (a well-known Korean bank) had previously

used its HANA OVERSEAS KOREAN CLUB mark in English next to its HANA BANK mark in Korean on advertisements in the United States. *Id.* at 1166–67. In this context, it was reasonable for a jury to find that ordinary consumers (i.e., Korean-speaking consumers familiar with Hana Bank’s presence in Korea) would associate HANA BANK with the same source as HANA OVERSEAS KOREAN CLUB. *Id.* at 1167 (“‘Hana’ was arguably the most significant portion of the trade name, as the ordinary purchasers would have then made the association between the English word ‘Hana’ and the Bank’s Korean name.”).

III

This case raises a question of first impression regarding the appropriate tacking standard in the registration context: whether a trademark applicant can establish priority for *every* good or service in its application merely because it has priority through tacking in a *single* good or service listed in its application. We hold it cannot. Bertini argues the Board erred by only considering whether Apple can tack its use of APPLE MUSIC for production and distribution of sound recordings—one of several services listed in Apple’s application. Apple responds that its application should be granted as to all listed goods or services if it can establish priority through tacking in any one of those goods or services. We do not agree.

Apple seeks to register its APPLE MUSIC mark for 15 broad categories of services, from the production and distribution of sound recordings, to presenting live musical performances, to providing websites featuring entertainment and sports information. Apple attempts to claim priority for all of these services by tacking onto Apple Corps’ 1968 use of APPLE for gramophone records. The Board found Apple was entitled to tack its use of APPLE MUSIC for production and distribution of sound recordings onto Apple Corps’ 1968 use of APPLE for gramophone records and thus may claim priority for all of the services listed in

its application. *Board Decision*, 2021 WL 1575580, at *18–21; *see also id.* at *8 (“It is sufficient to find priority as to any goods or services encompassed by the application or registration.”). It made no findings regarding the other services listed in the application.

The Board legally erred by permitting Apple to claim absolute priority for *all* of the services listed in its application based on a showing of priority for *one* service listed in the application. Tacking a mark for one good or service does not grant priority for every other good or service in the trademark application. *Cf. Van Dyne-Crotty*, 926 F.2d at 1160 (“[I]t would be clearly contrary to well-established principles of trademark law to sanction the tacking of a mark with a narrow commercial impression onto one with a broader commercial impression.”). A trademark owner must show tacking is available for each good or service for which it claims priority on that ground.

In holding otherwise, the Board conflated the tacking standard with the standard for oppositions under 15 U.S.C. § 1052(d). *See Board Decision*, 2021 WL 1575580, at *8 (“Neither Opposer nor Applicant need prove, and we need not find, priority as to each service listed in the respective recitations of services.”). An opposer can block a trademark application in full by proving priority of use and likelihood of confusion for *any* of the services listed in the trademark application. *Tuxedo Monopoly, Inc. v. Gen. Mills Fun Grp., Inc.*, 648 F.2d 1335, 1336 (CCPA 1981) (affirming Board decision sustaining opposition where opposer showed the applicant’s use of the mark on T-shirts would likely cause confusion with opposer’s mark, where the registration included T-shirts, dresses, skirts, coats, scarves, etc.); 3 McCarthy on Trademarks and Unfair Competition § 20:17 (5th ed.). The reverse is not true. The trademark applicant cannot establish absolute priority for the full application simply by proving priority of use for a single service listed in the application.

To sustain his opposition, Bertini therefore only needs to show he has priority of use of APPLE JAZZ for any service listed in Apple’s application. Bertini’s use of APPLE JAZZ overlaps with two of the services in Apple’s application: production and distribution of sound recordings; and arranging, organizing, conducting, and presenting live musical performances. The Board improperly focused only on Apple’s ability to tack its use of APPLE MUSIC for production and distribution of sound recordings and did not consider live musical performances. Even assuming Apple is entitled to tack its use of APPLE MUSIC for production and distribution of sound recordings onto Apple Corps’ 1968 use of APPLE for gramophone records, this does not give Apple priority as of 1968 for live musical performances. Nor does it give Apple a 1968 priority date for the laundry list of other services in its application.²

The Board found, and Apple does not dispute, that Bertini may claim priority of use of APPLE JAZZ in connection with “[a]rranging, organizing, conducting, and presenting concerts [and] live musical performances” as early as June 13, 1985. *Board Decision*, 2021 WL 1575580, at *12. To defeat Bertini’s showing of priority, Apple must at minimum show it is entitled to tack its use of APPLE MUSIC

² There is a question as to whether Apple—to successfully defeat Bertini’s opposition—must establish that the full scope of the goods and services listed in its current application is entitled to tacking, or whether simply tacking just to the services overlapping with Bertini’s use of APPLE JAZZ is sufficient. We need not decide that question because, here, it is enough to conclude that Apple, as explained *infra*, is unable to tack back for live musical performances.

for live musical performances³ onto Apple Corps' use of APPLE for gramophone records.

This raises a question regarding the scope of the tacking inquiry. Trademark rights arise from the use of the mark in connection with particular goods or services. See *B & B Hardware, Inc. v. Hargis Indus., Inc.*, 575 U.S. 138, 142 (2015); *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 97–98 (1918). We therefore cannot evaluate whether two marks create the same commercial impression without considering the goods or services on which the marks are used. Our tacking cases have focused on whether a trademark owner can tack two different marks which have been used for the same goods or services. We have not addressed the appropriate standard for tacking uses on *different* goods or services.

The Board has held tacking requires the new and old goods or services be “substantially identical.” See *Big Blue Prods. Inc. v. Int’l Bus. Machs. Corp.*, 1991 WL 326549, at *3 (T.T.A.B. Apr. 8, 1991); see also *C.P. Ints., Inc. v. Cal. Pools, Inc.*, 238 F.3d 690, 700–01 (5th Cir. 2001) (noting “substantially identical” goods or services is the “dominant terminology” for tacking). Both parties urge us to apply this standard. We agree the goods or services must be substantially identical for tacking to apply. This standard

³ In determining tacking in an opposition, we look to the full scope of goods and services described in the application, rather than the goods and services actually used by the applicant. *Stone Lion Cap. Partners, L.P. v. Lion Cap. LLP*, 746 F.3d 1317, 1323 (Fed. Cir. 2014) (“It was proper . . . for the Board to focus on the application and registrations rather than on real-world conditions, because ‘the question of registrability of an applicant’s mark must be decided on the basis of the identification of goods set forth in the application.’” (quoting *Octocom Sys., Inc. v. Houston Comput. Servs., Inc.*, 918 F.2d 937, 942 (Fed Cir. 1990))).

does not require complete identity of the goods or services. Such a rule would fail to account for technological innovation which impacts how products evolve over time. For example, music recording formats have changed over time as technology has improved—from gramophone records, to cassettes, to compact discs. A trademark owner should not lose priority simply because it updates the medium through which it distributes musical recordings, so long as consumers would associate these various music formats as emanating from the same source. *See Marlyn Nutraceuticals, Inc. v. Mucos Pharma GmbH & Co.*, 571 F.3d 873, 878 (9th Cir. 2009) (“Trademark owners are permitted to make small changes to their products without abandoning their marks.”); 3 McCarthy on Trademarks and Unfair Competition § 17:24 (5th ed.) (“[N]ormal product changes do not disturb the priority of a trademark owner.”). To do so would discourage brand innovation.

Goods and services are substantially identical for purposes of tacking where the new goods or services are within the normal evolution of the previous line of goods or services. This inquiry depends, at least in part, on whether consumers would generally expect the new goods or services to emanate from the same source as the previous goods or services. *See J. Wiss & Sons Co. v. W. E. Bassett Co.*, 462 F.2d 567, 569–70 (CCPA 1972) (determining trademark applicant could not tack its use of TRIMLINE for hair cutting shears onto its prior use of QUICK-TRIM for grass shears because hair cutting shears are not in the normal expansion from grass shears); *see also* 4 McCarthy on Trademarks and Unfair Competition § 24:21 (5th ed.) (“When the issue is not enjoining an intervening user, but priority and registration rights of one of the parties to an inter partes proceeding, the issue is whether customers are likely to link a mark in its expansion market with the original, senior usage.”).

To establish tacking, Apple must therefore show live musical performances are substantially identical to

gramophone records. There is no need to vacate and remand for the Board to make a finding on this issue in the first instance. No reasonable person could conclude, based on the record before us, that gramophone records and live musical performances are substantially identical. Nothing in the record supports a finding that consumers would think Apple's live musical performances are within the normal product evolution of Apple Corps' gramophone records.

Accordingly, Apple is not entitled to tack its use of APPLE MUSIC for live musical performances onto Apple Corps' 1968 use of APPLE for gramophone records. Because Apple began using the mark APPLE MUSIC in 2015, Bertini has priority of use for APPLE JAZZ as to live musical performances. We therefore reverse the Board's dismissal of Bertini's opposition to Apple's application to register APPLE MUSIC.⁴

CONCLUSION

We have considered the parties' remaining arguments and find them unpersuasive. For the reasons given above, we reverse the Board's dismissal of Bertini's opposition.

REVERSED

COSTS

Costs awarded to Bertini.

⁴ We do not and need not consider whether the propriety of tacking here, an inquiry that considers the "origin-indicating significance" of marks, *Am. Sec. Bank*, 571 F.2d at 567, is affected by the fact that Apple (the computer company) is not the same company as Apple Corps (the Beatles' record label).

**CERTIFICATE OF COMPLIANCE WITH
TYPE-VOLUME LIMITATION**

This motion complies with the type-volume limitation of Federal Rules of Appellate Procedure 35(b)(2)(A) and 40(b)(1) and Federal Circuit Rules 35(c)(2) and 40(c)(1). According to the word-processing system used to prepare this document, the motion contains 3,764 words.

/s/ Dale M. Cendali

CERTIFICATE OF SERVICE

On June 2, 2020, this petition was submitted to the Court through the CM/ECF system, and thereby served on all parties.

/s/ Dale M. Cendali
