PUBLISHED

UNITED STATES COURT OF APPEALS
FOR THE FOURTH CIRCUIT

No. 19-2316

SNYDER'S-LANCE, INC.; PRINCETON VANGUARD, LLC,

Plaintiffs - Appellants,

v.

FRITO-LAY NORTH AMERICA, INC.,

Defendant - Appellee.

Appeal from the United States District Court for the Western District of North Carolina, at Charlotte. Kenneth D. Bell, District Judge. (3:17−cv−00652−KDB−DSC)

Argued: January 28, 2021 Decided: March 17, 2021

Before NIEMEYER, WYNN, and FLOYD, Circuit Judges.

Reversed and remanded by published opinion. Judge Wynn wrote the opinion, in which Judge Niemeyer and Judge Floyd joined.

ARGUED: Paul D. Clement, KIRKLAND & ELLIS LLP, Washington, D.C., for Appellants. William G. Barber, PIRKEY BARBER PLLC, Austin, Texas, for Appellee. **ON BRIEF:** David H. Bernstein, James J. Pastore, DEBEVOISE & PLIMPTON LLP, New York, New York; George W. Hicks, Jr., Julie M.K. Siegal, KIRKLAND & ELLIS LLP, Washington, D.C., for Appellants. David E. Armendariz, PIRKEY BARBER PLLC, Austin, Texas, for Appellee.

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WYNN, Circuit Judge:

This case presents a narrow question of statutory interpretation: whether a party to a trademark dispute who appeals a decision of the Patent and Trademark Office's Trademark Trial and Appeal Board ("Trademark Board") to the Federal Circuit may, after vacatur and remand by the Federal Circuit and the issuance of a new decision by the Trademark Board, seek review of that second decision in federal district court.

The district court answered this question in the negative and dismissed the case for lack of jurisdiction. But we reach a different conclusion. In this matter of first impression for our Circuit, we join our sister circuits that have considered this question and hold that a district court may review a subsequent decision of the Trademark Board in such circumstances.

Accordingly, we reverse the district court's judgment dismissing the case for lack of subject matter jurisdiction and remand for further proceedings.

I.

The Lanham Act is the United States' federal trademark law. Under the Lanham Act, trademarks that are "distinctive"—"those that are arbitrary ('Camel' cigarettes), fanciful ('Kodak' film), or suggestive ('Tide' laundry detergent)"—are entitled to the "valuable benefits" of registration on the principal register. *U.S. Pat. & Trademark Off. v. Booking.com B. V.*, 140 S. Ct. 2298, 2302 (2020) (most internal quotation marks omitted). These benefits include "a presumption that the mark is valid." *Id.*

By contrast, trademarks that are merely "descriptive"—such as "'Park 'N Fly' airport parking"—generally may only be registered on the supplemental register, which

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"accords more modest benefits." *Id.* (citing *Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.*, 718 F.2d 327, 331 (9th Cir. 1983), *rev'd on other grounds*, 469 U.S. 189 (1985)). There is an exception for descriptive terms which have "acquired distinctiveness" by "achiev[ing] significance in the minds of the public as identifying the applicant's goods or services," *id.* at 2303 (internal quotation marks omitted), such as "American Airlines," *OBX-Stock, Inc. v. Bicast, Inc.*, 558 F.3d 334, 340 (4th Cir. 2009) (capitalization modified). Such trademarks are eligible for registration on the principal register. *Booking.com*, 140 S. Ct. at 2303. Finally, generic terms are not eligible for registration on either register because "[t]he name of the good itself (*e.g.*, 'wine') is incapable of distinguishing one producer's goods from the goods of others." *Id.* (alterations and most internal quotation marks omitted).

In 2004, Plaintiff Princeton Vanguard, LLC[1] sought to register the mark "PRETZEL CRISPS" in reference to one of its products, flat pretzel crackers. The trademark examiner denied registration on the principal register as a distinctive mark but allowed registration on the supplemental register as a descriptive mark.

In 2009, Plaintiffs reapplied for registration on the principal register, believing that the mark had by that time acquired distinctiveness. However, Defendant Frito-Lay North America, Inc. opposed registration, arguing that "PRETZEL CRISPS" was "generic for pretzel crackers and thus . . . not registrable," or alternatively, that it was "highly descriptive of a type of cracker product and has not acquired distinctiveness." *Princeton Vanguard,*

[1] Co-Plaintiff Snyder's-Lance, Inc., acquired Princeton Vanguard, LLC in 2012.

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LLC v. Frito-Lay N. Am., Inc., 786 F.3d 960, 963 (Fed. Cir. 2015). The dispute went before the Trademark Board, where the parties developed an extensive factual record before fact discovery closed in 2012. The Trademark Board sided with Defendant in 2014, concluding that "PRETZEL CRISPS" was generic. *Frito-Lay N. Am., Inc. v. Princeton Vanguard, LLC*, 109 U.S.P.Q.2d 1949, 1960 (T.T.A.B. 2014). It did not reach the acquired-distinctiveness question. *Id.* at 1960 n.13.

Plaintiffs then faced a choice. Under the Lanham Act, they could seek review of the Trademark Board's 2014 decision in either the Federal Circuit (pursuant to 15 U.S.C. § 1071(a)) or a district court (pursuant to § 1071(b)). The two paths have distinctive features. The Federal Circuit path generally provides for faster resolution of the appeal and restricts the record to that developed before the Trademark Board. *See* 15 U.S.C. § 1071(a)(4). Additionally, the Federal Circuit "review[s] the [Trademark] Board's factual findings for substantial evidence." *In re St. Helena Hosp.*, 774 F.3d 747, 750 (Fed. Cir. 2014). By contrast, the district court path allows for additional development of the record and de novo review—but it opens the appellant up to counterclaims by the other party. *See B & B Hardware, Inc. v. Hargis Indus., Inc.*, 575 U.S. 138, 144 (2015); 3 J. Thomas McCarthy, *Trademarks and Unfair Competition* § 21:20 (5th ed. 2020 & Supp. 2021).

If the appellant elects Federal Circuit review under § 1071(a), the appellee can choose instead to have the case proceed in district court pursuant to § 1071(b). *See* 15 U.S.C. § 1071(a)(1). But the reverse is not true. In other words, either party can force selection of § 1071(b) (district court) review, but neither can force selection of § 1071(a)

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(Federal Circuit) review. Federal Circuit review occurs only when the appellant selects it and the appellee acquiesces in that selection.

Plaintiffs opted for the § 1071(a) route and appealed the Trademark Board's 2014 decision to the Federal Circuit. They assert that they made this choice because they wished to raise only a legal issue and believed the Federal Circuit would be the more efficient route. Defendant did not elect to force § 1071(b) review in district court instead.

Accordingly, the case proceeded before the Federal Circuit, which agreed with Plaintiffs in 2015. The Federal Circuit concluded that the Trademark Board had "applied the incorrect legal standard in evaluating whether the mark [wa]s generic." *Princeton Vanguard*, 786 F.3d at 962. Specifically, the court concluded the Trademark Board had erroneously evaluated the terms "PRETZEL" and "CRISPS" separately, rather than the complete phrase "PRETZEL CRISPS." *Id.* at 969. Moreover, the court noted that the Trademark Board could not "disregard the results of survey evidence without explanation," as its decision appeared to do. *Id.* at 970. Accordingly, the Federal Circuit "vacate[d] and remand[ed to the Trademark Board] for further proceedings." *Id.* at 962.

On remand, in a 2017 decision, the Trademark Board again concluded that "PRETZEL CRISPS" was generic. *Frito-Lay N. Am., Inc. v. Princeton Vanguard, LLC*, 124 U.S.P.Q.2d 1184, 1204 (T.T.A.B. 2017). However, the Trademark Board also concluded, in the alternative, that "PRETZEL CRISPS" lacked acquired distinctiveness. *Id.* at 1206.

This time, Plaintiffs sought review of the Trademark Board's 2017 decision in federal district court pursuant to § 1071(b). They assert that they opted for district court

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