IP News
By Jeff Ginsberg and Collin Y. Hong

August 31, 2025

Federal Circuit: Board Erred in Finding No Likelihood of Confusion Between KIST and SUNKIST Marks

On July 23, 2025, a Federal Circuit panel consisting of Judges Prost, Taranto, and Stark found in an opinion authored by Judge Prost that the Trademark Trial and Appeal Board (Board) erred in dismissing Sunkist Growers, Inc's (Sunkist) opposition to Intrastate Distributors, Inc.'s (IDI) application to register the mark "KIST." *Sunkist Growers, Inc. v. Intrastate Distributors, Inc.*, Case No. 24-1212. The Board had found that there was no likelihood of confusion between IDI's KIST mark and Sunkist's registered marks for SUNKIST. *Sunkist*, slip op. at 2. Sunkist appealed.

Sunkist is the owner of numerous registrations for SUNKIST for fresh fruits, concentrates and various beverages, including for soft drinks. *Id.* In 2019, IDI sought to register the mark KIST for soft drinks. *Id.* at 2-3. Sunkist opposed the registration, arguing likelihood of confusion between the KIST mark when used on soft drinks and SUNKIST's registered marks. *Id.* To support its opposition, Sunkist submitted sixteen SUNKIST trademark registrations. *Id.*
The Board analyzed the *DuPont* factors used in determining likelihood of confusion and found that all but two of the relevant factors favored a likelihood of confusion. Specifically, the Board found that the similarity of the goods, the similarity of trade channels, the conditions of sale, and the strength of opposer's mark favored likelihood of confusion. *Id*. However, the Board found that the similarity of the marks and actual confusion did not favor likelihood of confusion. *Id.* The Board found the similarity of the marks did not favor likelihood of confusion because the marks were only superficially similar and had different commercial impressions. *Id.* at 4. The Board found the marks had different commercial impressions because SUNKIST is marketed to reference a sun, while KIST is marketed to reference a kiss. The Board also found that there were no reported instances of confusion, and thus actual confusion did not favor likelihood of confusion. *Id.* The Board determined that these two factors that weighed against likelihood of confusion outweighed the four factors it found in favor of likelihood of confusion. *Id.* In determining that KIST was marketed to reference a kiss, the Board noted that KIST phonetically sounds like "kissed" and that marketing materials include an image of lips next to the KIST mark. *Id.* at 6.

On appeal, the Federal Circuit reviewed the analysis of the *DuPont* factors for substantial evidence and the weighing of the factors de novo. *Id.* at 5. The Federal Circuit found no substantial evidence to support the Board's finding that KIST is marketed to reference a kiss. First, the Federal Circuit found that the KIST mark is a standard character mark and does not itself reference a kiss. *Id.* at 6. Second, although some marketing materials with KIST included lips, many of them did not. Many bottles displaying the KIST mark did not include any references to a kiss. *Id.* Third, it was unclear the degree to which the lips-containing materials were distributed to consumers. *Id.* at 6-7. The Federal Circuit also found that most of the

SUNKIST registrations Sunkist submitted in its opposition did not have a sun design and were standard character marks. *Id.* at 8.

Thus, the Federal Circuit determined that only actual confusion weighed in favor of no likelihood of confusion. The Federal Circuit then held that actual confusion was "not dispositive against a trademark plaintiff," "because actual confusion is hard to prove." *Id.* at 9 (quoting *VersaTop Support Sys., LLC v. Ga. Expo, Inc.*, 921 F.3d 1364, 1372 (Fed. Cir. 2019) and *Brookfield Commc'ns, Inc. v. W. Coast Ent. Corp.*, 174 F.3d 1036, 1050 (9th Cir. 1999)). The Federal Circuit reversed the Board's decision to dismiss Sunkist's opposition.
*****

Federal Circuit: No Jurisdiction Where Petitioner Offers a Non-Patent Law Related Ground for Relief

On July 25, 2025, in *Acorda Therapeutics, Inc., v. Alkermes PLC,* Case No. 2023-2374, a Federal Circuit panel consisting of Judges Taranto, Hughes, and Stark found in an opinion authored by Judge Taranto that the Federal Circuit did not have jurisdiction over the appeal from the Southern District of New York and transferred the case to the Court of Appeals for the Second Circuit.

Alkermes PLC had licensed a patent to Acorda Therapeutics, Inc. (Acorda) in return for royalty payments. *Acorda*, slip op. at 2. The patent expired in 2018, but Acorda continued to make royalty payments without protest until July 2020 and thereafter under protest. *Id.* Acorda initiated arbitration in July 2020, seeking: 1) a judgment that when the patent expired in 2018, the royalty provisions were unenforceable; and 2) a recoupment of royalties paid since the expiration. *Id.* The arbitration tribunal found that the provisions were unenforceable, but Acorda could only recoup payments made under protest after July 2020. *Id.* Acorda then petitioned the district court to confirm the tribunal's rulings other than the denial of recoupment of payments made between 2018 and 2020. *Id.* The district court confirmed the tribunal's rulings in full, including the ruling that there could be no recoupment of the 2018-2020 payments. *Id.* Acorda appealed the district court's decision to the Federal Circuit, seeking to reverse the district court's denial of the 2018-2020 recoupment. *Id.* at 2.

The Federal Circuit has jurisdiction over appeals "in any civil action arising under…any Act of Congress relating to patents." 28 U.S.C. §1295(a)(1). An action arises under federal patent law if "a well-pleaded complaint establishes … that federal patent law creates the cause of action," or if "the plaintiff's right to relief necessarily depends on resolution of a substantial question of federal patent law, in that patent law is a necessary element of one of the well-pleaded claims." *Id.* at 10 (quoting *Christianson v. Colt Industries Operating Corp.*, 486 U.S. 800, 808–09 (1988)). Acorda's petition to the district court was not brought under a patent law cause of action. Rather, the issue in this case was whether relief depended on resolution of a substantial question of federal patent law. *Id.* at 11. The test for determining whether Acorda's claim qualified as an action arising under federal patent law is whether a patent law issue was: "(1) necessarily raised, (2) actually disputed, (3) substantial, and (4) capable of resolution in federal court without disrupting the federal-state balance approved by Congress." *Id.*

Acorda presented two grounds for vacating the tribunal's decision to deny recoupment of the 2018-2020 payments. *Id.* at 13. Indisputably, only one rested on federal patent law. *Id.* Regarding the ground resting on federal patent law, Acorda argued that because *Brulotte v. Thys Co.*, 379 U.S. 29, 30–34 (1964) held that agreements to pay to license expired patents are unenforceable, the district court must vacate the tribunal's finding of no recoupment. *Id.* at 7. The district court rejected this argument, stating that *Brulotte* did not squarely answer the question of whether already-paid royalties must be refunded. *Id.* at 8. The Federal Circuit found that because Acorda presented the district court with a way to vacate the tribunal without relying on the one patent law ground presented, a patent law issue was not necessarily raised on appeal. *Id.* at 13. This is despite the fact that it was necessary for the district court to reject both grounds, including the ground resting on patent law, to deny Acorda relief. Thus, the Federal Circuit found that it did not have jurisdiction and transferred the case to the Court of Appeals for the Second Circuit.

*****

Jeffrey S. Ginsberg is the Assistant Editor of *The Intellectual Property Strategist* and a partner at Patterson Belknap Webb & Tyler LLP.
Collin Y. Hong is an Associate in Patterson Belknap Webb & Tyler LLP's Litigation department. He is based in the firm's New York City office and can be reached at chong@pbwt.com.

The views expressed in the article are those of the authors and not necessarily the views of their clients or other attorneys in their firm.

Reprinted with permission from the August 31, 2025 edition of *The Intellectual Property Strategist* ©2025 ALM Global Properties, LLC. All rights reserved. Further duplication without permission is prohibited, contact 877-256-2472 or asset-and-logo-licensing@alm.com.