



Eastern District of Virginia Confirms Cancellation of REDSKINS Trademark Registrations

On July 8, 2015, a Virginia federal judge upheld the decision of the Trademark Trial and Appeal Board (“TTAB”) cancelling six trademark registrations incorporating REDSKINS owned by Pro-Football, Inc. (“Pro-Football”) on the basis of disparagement to Native Americans, holding that the ruling did not violate the First Amendment.

Background

The Washington Redskins first used the “REDSKINS” mark in 1933. Between 1967 and 1990, the U.S. Patent and Trademark Office (“USPTO”) issued a series of registrations to Pro-Football, which owns and operates the Washington Redskins professional football franchise, for various REDSKINS marks for professional football-related entertainment services.

A group of Native Americans first challenged these marks in 1992 with a petition to cancel the marks pursuant to the Trademark Act, 15 U.S.C. § 1052(a). Section 2(a) of the Act prevents the registration of a trademark if it “[c]onsists of or comprises immoral, deceptive, or scandalous matter; or matter which may disparage ... persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute.”

The TTAB issued an order cancelling the trademarks, but the decision was overturned by a federal district court in 2003 based upon a finding that the TTAB lacked “substantial evidence” that the marks were disparaging and that the doctrine of laches barred the plaintiffs from bringing their claims. See *Harjo v. Pro-Football, Inc.*, 50 U.S.P.Q.2d 1705 (T.T.A.B. 1999), *rev’d*, 284 F. Supp. 2d 96 (D.D.C. 2003). The case was ultimately resolved only on the issue of laches. *Pro-Football, Inc. v. Harjo*, 565 F.3d 880 (D.C. Cir. 2009).

June 2014 TTAB Decision

Last year, the TTAB decided a cancellation proceeding brought by a separate group of Native Americans based largely on the same arguments used in *Harjo v. Pro-Football, Inc.* The TTAB held in *Blackhorse v. Pro-Football, Inc.*, 111 U.S.P.Q.2d 1080 (T.T.A.B. 2014), that the REDSKINS trademarks were disparaging to Native Americans when they were registered and were incapable of registration under Section 2(a). (For our full June 2014 coverage of this case, see our *Jones Day Commentary*, “[United States Patent and Trademark Office Cancels ‘Disparaging’ REDSKINS Trademark Registrations.](#)”)

The *Pro-Football, Inc. v. Blackhorse* Decision

Pro-Football sought *de novo* review of the TTAB's decision by the U.S. District Court for the Eastern District of Virginia, pursuant to 15 U.S.C. § 1071(b), alleging, among other claims, that Section 2(a) should be found unconstitutional based on the First Amendment. Both parties moved for summary judgment. In Case No. 1:14-cv-01043-GBL-IDD, Judge Gerald Bruce Lee denied Pro-Football's motions, holding that (i) Section 2(a) does not implicate the First Amendment and (ii) "the federal trademark registration program is government speech and is therefore exempt from First Amendment scrutiny." The court held that the First Amendment was not implicated because the USPTO's refusal to register an applicant's mark does not proscribe any conduct or suppress any tangible form of expression. Judge Lee stressed the difference between rights to a trademark and rights to a trademark *registration*, noting that cancellation of the REDSKINS marks does not mean that Pro-Football can no longer use the marks in commerce.

In holding that the trademark registration program is government speech, the court relied on the recent Supreme Court decision *Walker v. Tex. Div., Sons of Confederate Veterans, Inc.*, 135 S. Ct. 2239 (2015), which held that the Texas Department of Motor Vehicles Board could refuse to create a specialty license plate featuring a picture of the Confederate Flag because many members of the public found the Confederate Flag design to be offensive, based on the finding that the license plates constituted "government speech." Using the analysis from *Walker*, Judge Lee held that (i) "registry with the federal trademark registration program communicates the message that the federal government has approved the trademark"; (ii) the public "closely associates federal trademark registration with the federal government as the insignia for federal trademark registration, ®, is a manifestation of the federal government's recognition of the mark"; and (iii) "the federal government exercises editorial control over the federal trademark registration program." By cancelling the REDSKINS registrations, the government was "merely exercising editorial discretion over what is published in the Official Gazette of the PTO and in the Principal Register," which it is allowed to do since the speech is governmental and not private.

The court also denied Pro-Football's other constitutional arguments, namely that Section 2(a) was (i) void for vagueness

and (ii) a violation of the Takings Clause and Due Process Clause. As to the first argument, the court held that (i) Pro-Football could not show that section 2(a) was unconstitutional in all of its applications; (ii) the section gives "fair warning of what conduct is prohibited"; (iii) it does not authorize or encourage "arbitrary and discriminatory enforcement"; and (iv) it is not impermissibly vague as applied to Pro-Football. The court also rejected the Takings Clause and Due Process Clause arguments, holding that a trademark registration is not property under the Fifth Amendment.

Pro-Football's claim that the REDSKINS marks were not disparaging was rejected as well. The court affirmed the TTAB's decision based on (i) dictionary evidence; (ii) literary, scholarly, and media references; and (iii) statements of individuals and groups of Native Americans, which showed "that the Redskins Marks consisted of matter that 'may disparage' a substantial composite of Native Americans during the relevant time period," 1967 to 1990.

Finally, the court denied Pro-Football's motion for summary judgment based on laches, holding that (i) the defendants did not unreasonably delay in petitioning the TTAB and (ii) the public interest weighs against the application of laches.

Ramifications of the Decision

As with the TTAB's June 2014 decision, the Eastern District of Virginia's decision affects only the right to *register* the REDSKINS mark, not the ability of Pro-Football to use the marks. The court was careful to point out that its "judgment is not an order that precludes PFI [Pro-Football] from using the marks in commerce." Since the REDSKINS marks have been in widespread use since 1933, Pro-Football can still claim common law trademark rights in the mark. However, without the benefit of federal registration, Pro-Football will no longer enjoy a presumption of ownership of the marks or nationwide scope of rights conferred to the marks; Pro-Football will not be able to recover certain types of damages, such as statutory damages for counterfeiting; and Pro-Football can no longer block importation of infringing goods through the U.S. Customs and Border Protection.

Furthermore, although Section 43(a) of the Trademark Act pertinently provides a cause of action for the infringement of an unregistered trademark as a false designation of origin,

at least one district court has held that the USPTO's rejection of a trademark application as unregistrable signals that Section 43(a) is inapplicable. See *Renna v. County of Union*, No. 2:11-3328, 2014 U.S. Dist. LEXIS 74112 at *27 (D. N.J. May 29, 2014) (denying protection of a city seal under Section 43 where registration had been refused under 2(b), holding that "a mark is not denied registration under Section 2 because of some quirk of the registration process; it is deemed unregistrable because it is not a suitable, protectable mark"). This means that Pro-Football may run into barriers to infringement suits despite its long history of common law rights in the marks. An appeal to the United States District Court for the Fourth Circuit is available.

Final Thoughts

Two key takeaways from the TTAB and Eastern District decisions are these: (i) evidence from the time period that the mark is registered is critical, and (ii) the evidence must be of a "substantial composite" of the referenced group, although that threshold currently appears to be low. Collecting and maintaining evidence on either side of the registration at the time of registration will be an important step in either maintaining a registration or succeeding in its cancellation.

Additionally, a similar case currently before the Federal Circuit stands to affect the disparagement jurisprudence. In *In re Simon Shiao Tam*, 108 U.S.P.Q.2d 1305, 1310 (T.T.A.B. 2013), the TTAB refused registration of the mark "THE SLANTS" for a band composed of members of Asian descent based on disparagement, and the case is currently on appeal with the Federal Circuit, with oral argument set for October 2, 2015. The Federal Circuit initially upheld the refusal to register, with a concurring opinion by Judge Moore that questioned the constitutionality of Section 2(a), suggesting that decades of First Amendment jurisprudence, along with the shifting of the USPTO's funding source from taxpayers to USPTO fees, demonstrate that the refusal to register disparaging trademarks, and the denial of the benefits that derive therefrom, may be unconstitutional.

Then, a week after issuing the order, on April 27, 2015, the Federal Circuit vacated the order in favor of *sua sponte* en banc consideration with the parties ordered to address the question: "Does the bar on registration of disparaging marks in 15 U.S.C. § 1052(a) violate the First Amendment?"

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