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Public Interest over Private Prejudice?

THE PUBLIC INTEREST EXCEPTION TO THE DEFENSE OF LACHES AND THE FOURTH CIRCUIT'S CLEAN SLATE

INTRODUCTION

On September 10, 1992, a group led by Cheyenne and Muscogee Native American activist Suzan Shown Harjo¹ filed a petition with the Trademark Trial and Appeal Board (TTAB) to cancel six trademark registrations owned by Pro-Football, Inc., the owner of the Washington Redskins professional football team, on the grounds that the trademarks were disparaging to Native Americans.² The 1994 *Harjo v. Pro Football* trademark cancellation proceeding marked the beginning of a more than 20-year journey for Native American activists that continues even today.³ Despite tremendous public support for the petitioners' position in *Harjo* and the TTAB's initial ruling in their favor, 20 years of appeals and hearings ensued, including various equitable claims and defenses raised by Pro-Football.⁴ Included among these claims and defenses was Pro-Football's assertion of the equitable

¹ Hunter Walker, *Meet the Native American Grandmother Who Just Beat the Washington Redskins*, BUS. INSIDER (June 18, 2014, 12:41 PM), <http://www.businessinsider.com/meet-the-native-american-grandmother-who-just-beat-the-redskins-2014-6> [http://perma.cc/KA4N-3QBS].

² *Harjo v. Pro Football, Inc.*, 30 U.S.P.Q.2d 1828, 1994 WL 262249 (T.T.A.B. 1994); *Trademark Trial and Appeal Board Inquiry System: Cancellation*, U.S. PAT. & TRADEMARK OFF., <http://ttabvue.uspto.gov/ttabvue/v?pno=92021069&pty=CAN> [http://perma.cc/VB5Z-ZTPX] (last visited Apr. 29, 2016).

³ *See, e.g.*, *Pro Football, Inc. v. Harjo*, 565 F.3d 880 (D.C. Cir. 2009); *Pro-Football, Inc. v. Harjo*, 567 F. Supp. 2d 46 (D.D.C. 2008); *Pro-Football, Inc. v. Harjo*, 284 F. Supp. 2d 96 (D.D.C. 2003); *Blackhorse v. Pro Football, Inc.*, 98 U.S.P.Q.2d 1633, 2011 WL 1886402 (T.T.A.B. 2011); *Harjo v. Pro-Football, Inc.*, 50 U.S.P.Q.2d 1705, 1999 WL 375907 (T.T.A.B. 1999); *Harjo*, 30 U.S.P.Q.2d 1828.

⁴ *See, e.g.*, *Pro Football*, 565 F.3d 880 (affirming the district court's decision that Pro-Football's lost value of investments in its various trademarks was sufficient evidence of prejudice for the purposes of establishing a defense of laches); *Pro-Football*, 567 F. Supp. 2d 46 (granting summary judgment for Pro-Football, holding that Harjo's delay in bringing the action was undue and led to economic prejudice); *Blackhorse v. Pro-Football, Inc.*, 111 U.S.P.Q.2d 1080, 2014 WL 2757516 (T.T.A.B. 2014) (holding that Blackhorse successfully proved that a substantial composite of Native Americans found the term "Redskins" to be disparaging); *Harjo*, 50 U.S.P.Q.2d 1705 (holding for Harjo in finding Pro-Football's marks may disparage Native Americans).

defense of laches; it argued that the petitioners unreasonably delayed in bringing the suit, resulting in undue prejudice to Pro-Football.⁵ Ultimately, the Court of Appeals for the D.C. Circuit reaffirmed the TTAB's ruling in favor of Pro-Football,⁶ holding that Pro-Football's equitable defense of laches must be upheld even in the face of its disparaging trademark.⁷

Viewed by the Native American petitioners as a victory by mere technicality,⁸ the D.C. Circuit's 2009 decision marked the end of Harjo's petition, but it also sparked public debate on the topic and inspired a new petition against Pro-Football's controversial Redskins trademark registrations.⁹ Over the past decade, the general public has become increasingly aware of the legal battle against the Washington Redskins that has transcended the realm of sports and reached the court of public opinion, the forefront of politicians' and civil rights groups' agendas, and even the scathing plot of a popular animated television show.¹⁰ Those who oppose the Washington Redskins' trademark registrations contend that Pro-Football's "mockery and racism" belong in the past.¹¹ President Barack Obama has echoed this sentiment, suggesting, "If I were the owner of the team and I knew that there was a name of my team—even if it had a storied history—that was offending a sizeable group of people, I'd think about changing it."¹² In a targeted attack, former U.S. Representative Eni Faleomavaega introduced a bill in the

⁵ *Pro Football*, 565 F.3d 880.

⁶ *See id.* at 886.

⁷ *Id.*

⁸ Walker, *supra* note 1.

⁹ *See id.* *See generally* *Blackhorse v. Pro Football, Inc.*, 98 U.S.P.Q.2d 1633, 2011 WL 1886402 (T.T.A.B. 2011) (discussing the *Blackhorse* cancellation proceeding and some of the issues discussed between the parties at the pretrial conference).

¹⁰ *See, e.g.*, Erik Brady, *50 Senators Sign Letter Urging Redskins to Change Team Name*, USA TODAY (May 22, 2014, 1:12 PM), <http://www.usatoday.com/story/sports/nfl/redskins/2014/05/22/washington-redskins-senate-nickname-american-indians-daniel-snyder/9439613/> [<http://perma.cc/76RX-ZTJV>]; Justin Moyer, *'South Park's' Epic Satire of Dan Snyder, the Washington Redskins, Roger Goodell and the NFL*, WASH. POST (Sept. 25, 2014), <https://www.washingtonpost.com/news/morning-mix/wp/2014/09/25/south-parks-epic-satire-on-dan-snyder-roger-goodell-and-the-nfl/> [<http://perma.cc/VK5Q-A8W7>]; Theresa Vargas & Annys Shin, *President Obama Says, 'I'd Think About Changing' Name of Washington Redskins*, WASH. POST (Oct. 5, 2013), https://www.washingtonpost.com/local/president-obama-says-id-think-about-changing-name-of-washington-redskins/2013/10/05/e170b914-2b70-11e3-8ade-a1f23cda135e_story.html [<http://perma.cc/P34B-7XDG>]; *South Park: Go Fund Yourself* (Comedy Central television broadcast Sept. 24, 2014). In *Go Fund Yourself*, the children of South Park band together and decide to use the "Redskins" name for their own start-up company after learning that the Washington Redskins had lost its trademark. *South Park: Go Fund Yourself*, *supra*.

¹¹ Larry Atkins, *It's Time to Scalp the Washington Redskins' Nickname*, HUFFINGTON POST (Aug. 5, 2013, 5:12 AM), http://www.huffingtonpost.com/larry-atkins/its-time-to-scalp-the-was_b_3377760.html [<http://perma.cc/R3QQ-VQXM>].

¹² Vargas & Shin, *supra* note 10 (quoting President Obama).

House of Representatives in 2013 to amend the Trademark Act of 1946 to effectively eliminate trademark rights for any marks containing the term “redskin.”¹³ But not everyone was offended—a 2004 survey found that about 90% of the 768 Native Americans surveyed in the contiguous United States found the football team name “Redskins” acceptable, while only 9% found the team name to be offensive.¹⁴

On August 15, 2006, amidst the *Harjo* proceedings, Navajo Native American Amanda Blackhorse and four others filed a petition that mirrored Harjo’s 1994 disparagement claims.¹⁵ Yet the TTAB again held for the petitioners, ruling that the U.S. Patent and Trademark Office (USPTO) must cancel Pro-Football’s challenged trademark registrations.¹⁶

Between the time of filing of the *Blackhorse* petition and the TTAB’s decision, the passage of the 2011 Leahy-Smith America Invents Act (AIA) changed the venue of appeals from the TTAB to allow appellants to appeal to the U.S. District Court for the Eastern District of Virginia, as opposed to the D.C. Circuit as originally established in the Trademark Act of 1964.¹⁷ This change in venue has significant procedural implications and provides a unique opportunity for the *Blackhorse* dispute to set precedent in a new jurisdiction and ensure that the equitable defense of laches is recognized as a proper defense in trademark cancellation petitions for disparagement, even in the face of a public interest exception.¹⁸ Although the district and circuit courts reversed the TTAB’s holding in Harjo’s petition against Pro-Football’s registrations,¹⁹ Blackhorse’s appeal to the Eastern District of Virginia, based on essentially the same circumstances, led to the opposite result when the district court affirmed the TTAB’s cancellation of Pro-Football’s registrations,

¹³ Non-Disparagement of Native American Persons or Peoples in Trademark Registration Act of 2013, H.R. 1278, 113th Cong. (2013).

¹⁴ Press Release, The Annenberg Pub. Policy Ctr. of the Univ. of Pa., Most Indians Say Name of Washington “Redskins” Is Acceptable While 9 Percent Call It Offensive (Sept. 24, 2004).

¹⁵ *Blackhorse v. Pro-Football, Inc.*, 111 U.S.P.Q.2d 1080, 2014 WL 2757516 (T.T.A.B. 2014); Petition, *Blackhorse v. Pro-Football, Inc.*, Cancellation No. 92046185 (Aug. 11, 2006).

¹⁶ *Blackhorse*, 111 U.S.P.Q.2d 1080, 2014 WL 2757516, at *33-34.

¹⁷ Lanham Act § 21, 15 U.S.C. § 1071(b)(4) (2012); Leahy-Smith America Invents Act, Pub L. No. 112-29, § 9, 125 Stat. 284, 316 (2011).

¹⁸ *Pro-Football, Inc. v. Harjo*, 284 F. Supp. 2d 96, 137 (D.D.C. 2003); see Jeremy Byellin, *Will “Redskins” Trademark Ruling Be Reversed Like the Last One?*, THOMSON REUTERS LEGAL SOLUTIONS BLOG (June 25, 2014), <http://blog.legalsolutions.thomsonreuters.com/top-legal-news/will-redskins-trademark-ruling-reversed-like-last-one/> [<http://perma.cc/ZZ8Z-U3VM>] (discussing the impact of the AIA venue change on the TTAB’s decision in *Blackhorse v. Pro-Football*).

¹⁹ *Pro Football, Inc. v. Harjo*, 565 F.3d 880, 886 (D.C. Cir. 2009); *Pro-Football, Inc. v. Harjo*, 567 F. Supp. 2d 46, 62 (D.D.C. 2008); *Harjo*, 284 F. Supp. 2d at 145.

disallowing the laches defense that was crucially successful in *Harjo*.²⁰ As the proceeding leaves the Eastern District of Virginia on appeal, the Fourth Circuit should maintain the laches defense in trademark cancellation appeals based on disparagement challenges. Disregarding the *Harjo* court's affirmation of the laches defense in favor of a fickle public interest exception has the concerning potential to devalue the benefits and purposes of trademark ownership and allow offended factions free reign to challenge trademarks with decades of established goodwill.

This note argues that the Fourth Circuit should set the precedent for appeals under the new AIA procedure and hold that the laches defense is applicable against trademark cancellation claims of disparagement brought under section 2(a) of the Lanham Act, even in instances of a purportedly greater public interest. Part I of this note provides a background on pertinent aspects of trademark law and procedure in the context of the TTAB, the doctrine of laches as an equitable defense to trademark cancellation claims, and the public interest exception as it relates to the equitable defense of laches. Part II discusses the impact of the AIA's change in venue for appeals of TTAB decisions from the D.C. Circuit to the Fourth Circuit and how the Fourth Circuit should treat the defense of laches to trademark cancellation challenges. Part III argues that the laches defense should be upheld in the face of the public interest exception raised by petitioners asserting disparagement claims. The note concludes with a broader perspective on how the Fourth Circuit's decision in *Blackhorse* may impact other potentially related trademark challenges in and outside of the realm of sports.

I. BACKGROUND AND RELEVANT LAW

A. *Overview of Trademark Law and the Lanham Act*

In order to fully appreciate the significance of the *Harjo* and *Blackhorse* decisions, it is important to understand basic trademark law and the statutes governing any petitioner's challenge to a purportedly disparaging trademark, as well as any corresponding procedural implications. The Trademark Act of 1946, housed in Title 15 of the U.S. Code and more commonly

²⁰ *Pro-Football, Inc. v. Blackhorse*, 112 F. Supp. 3d 439, 447-48 (E.D. Va. 2015).

known as the “Lanham Act,” is the statute that governs the filing of a petition for the cancellation of a trademark.²¹

The Lanham Act was ratified in 1946 in response to federal trademark statutes in place since 1870 that were “largely ineffective and had limited success.”²² For instance, the first federal trademark statute was deemed unconstitutional in the famous *Trade-Mark Cases*, as it wrongly attributed Congress’s power to regulate trademarks to the Intellectual Property Clause in the Constitution.²³ Following the *Trade-Mark Cases*, the federal statute passed in 1881 limited federal protection of trademarks used in commerce with foreign nations and Indian tribes, while the 1920 Act contained language too restrictive for litigants to utilize effectively.²⁴ While there has always been recognition of a right to protect marks that distinguish an individual’s goods or services at common law, with compensation available for infringement of this right,²⁵ the Lanham Act’s passage was important in that it established a consistent “national system of trademark registration.”²⁶ This uniformity was particularly important to the development of trademark law because prior to the Lanham Act’s passage, differing state laws largely governed the protection of trademarks.²⁷

Although courts recognize common law rights that protect trademarks, registration of a trademark through the Lanham Act has significant procedural advantages.²⁸ Courts recognize common law rights of “‘priority of appropriation’ and commercial use of the mark,” but federal registration under the Lanham Act offers various benefits, such as federal jurisdiction and prima facie evidence of validity and ownership of the trademark.²⁹ Additionally, the Lanham Act provides a variety

²¹ Lanham Act §§ 1, 14. The Trademark Act of 1946 was given the nickname the “Lanham Act” because of Congressman Fritz Garland Lanham’s instrumental leadership, starting with his introduction of the bill in 1938, through the numerous hearings, up to President Truman’s signing of the bill on July 5, 1946. 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 5:4 (4th ed. 2015). The most important sections of this expansive statute, for the purposes of understanding trademark cancellation proceedings based on disparagement claims, include sections 2, 14, and 21 of the Lanham Act.

²² Lanham Act §§ 1-74 (originally enacted as Trademark Act of 1946); Ethan Horwitz & Benjamin Levi, *Fifty Years of the Lanham Act: A Retrospective of Section 43(a)*, 7 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 59, 60-61 (1996).

²³ *Trade-Mark Cases*, 100 U.S. 82, 86, 99 (1879) (citing U.S. CONST. art. VIII, § 8).

²⁴ Horwitz & Levi, *supra* note 22, at 60-62.

²⁵ *Trade-Mark Cases*, 100 U.S. at 92.

²⁶ *Lanham Act*, BLACK’S LAW DICTIONARY (10th ed. 2014); Dawn Phleger, *The Lanham Act’s Contribution to Trademark Rights*, 12 J. CONTEMP. LEGAL ISSUES 141, 142 (2001).

²⁷ Horwitz & Levi, *supra* note 22, at 60-61.

²⁸ Phleger, *supra* note 26, at 142.

²⁹ *Id.* at 141 (quoting *Trade-Mark Cases*, 100 U.S. 82).

of other advantages, including the right to nationwide exclusivity for use of the mark in commerce, availability of special statutory remedies for infringement, and the right to register with the Treasury Department to work with U.S. Customs to prevent potentially infringing imports.³⁰ In order to take advantage of these benefits, an individual must first register a trademark on the USPTO's Principal Register.³¹ Unless otherwise indicated, all marks are registered on the Principal Register, granting registrants a number of procedural advantages.³² According to section 1 of the Lanham Act, a trademark application must include the date of first use of the mark and specify the goods in connection with the mark.³³

Arguably the two most important rationales for federal trademark registration involve property investment and consumer protection.³⁴ Furthermore, a Senate Report submitted during the push to enact the legislation indicated that the Lanham Act has two distinct purposes:

One is to protect the public so it may be confident that, in purchasing a product bearing a particular trade-mark which it favorably knows, it will get the product which it asks for and wants to get. Secondly, where the owner of a trade-mark has spent energy, time, and money in presenting to the public the product, he is protected in his investment from its misappropriation by pirates and cheats. This is the well-established rule of law protecting both the public and the trademark owner.³⁵

Although dissimilar from many other civil law systems, American trademark law recognizes a trademark as property, but only insofar as it helps to advance consumer protection.³⁶ The economic incentive of investing in trademarks in order to build consumer goodwill carries with it certain Lanham Act protections.³⁷ Thus, the underlying trademark law rationales of property investment and consumer protection appear to work synergistically.³⁸

While the range of possible marks registrable under the Lanham Act appears to be quite broad at first glance, the

³⁰ *Id.*

³¹ Lanham Act § 1, 15 U.S.C. § 1051 (2012).

³² 3 MCCARTHY, *supra* note 21, § 19:9. Some of the procedural advantages include federal jurisdiction for infringement without a required amount in controversy, damages recoverable in federal court, and prima facie evidence of the mark's validity. *Id.*

³³ Lanham Act § 1.

³⁴ 1 MCCARTHY, *supra* note 21, § 2:1.

³⁵ S. REP. NO. 1333, at 3 (1946).

³⁶ 1 MCCARTHY, *supra* note 21, § 2:14.

³⁷ *Id.* § 2:3.

³⁸ *Id.* § 2:1.

Lanham Act explicitly outlines what qualifies as a trademark and restricts what the USPTO will allow on the Principal Register.³⁹ Moreover, a trademark is a source identifier and helps to ensure consistency in quality control.⁴⁰ The Lanham Act broadly defines a trademark as

any word, name, symbol, or device, or any combination thereof (1) used by a person, or (2) which a person has a bona fide intention to use in commerce . . . to identify and distinguish his or her goods . . . from those manufactured or sold by others and to indicate the source of the goods even if that source is unknown.⁴¹

Although the spectrum of available trademarks is broad, as U.S. trademark law recognizes a wide array of “symbols” and “devices,”⁴² both the USPTO and individuals can challenge the validity of a mark through available Lanham Act procedures.

B. *Restrictions on Trademark Registration*

Section 2 of the Lanham Act lists what the USPTO will allow on the Principal Register.⁴³ In order to qualify for registration on the Principal Register, “[t]he trademark or service mark cannot fall within one of the statutory bars of Lanham Act § 2.”⁴⁴ Two of section 2’s most relevant restrictions include section 2(a)’s bar on immoral, deceptive, slanderous, or disparaging marks⁴⁵ and 2(d)’s bar on marks that may lead to consumer confusion, mistake, or deception.⁴⁶ Particularly significant for 2(a) claims of disparagement, “[i]f a statutory bar of § 2 is raised by one who . . . petitions for cancellation of a registration, the burden of proof is on that person.”⁴⁷

³⁹ Lanham Act § 2, 15 U.S.C. § 1052 (2012).

⁴⁰ 74 AM. JUR. 2D *Trademarks and Tradenames* § 1 (2016).

⁴¹ *Id.*

⁴² The USPTO has permitted the registration of the famous NBC Chimes, the Pillsbury Doughboy giggle, and even the color red on the soles of shoes designed by high-fashion shoe designer Christian Louboutin. *See, e.g.,* *Louboutin v. Yves Saint Laurent Am. Holding, Inc.*, 696 F.3d 206, 211 (2d Cir. 2012); *Trademark “Sound Mark” Examples*, U.S. PAT. & TRADEMARK OFF., <http://www.uspto.gov/trademark/soundmarks/trademark-sound-mark-examples> [<http://perma.cc/7983-27ML>] (last visited Apr. 26, 2016).

⁴³ Lanham Act § 2.

⁴⁴ 3 MCCARTHY, *supra* note 21, § 19:10.

⁴⁵ Lanham Act § 2(a).

⁴⁶ *Id.* § 2(d).

⁴⁷ 3 MCCARTHY, *supra* note 21, § 19:75. Although sections 2(b) and 2(c) are statutory bars of equal weight, they are not as relevant as sections 2(a) and 2(d) for the purposes of this note. This is due to the fact that sections 2(b) and 2(c) bar marks that consist of U.S. insignia and unapproved identifying indicia of a living person, respectively—two statutory hurdles that are not germane to issues of the laches defense and public interest within the *Harjo v. Pro-Football, Inc.* and *Blackhorse v. Pro-Football* proceedings. *Id.*

1. Statutory Bar Against Trademarks That Lead to Consumer Confusion: Section 2(d)

The statutory bar on marks that may cause consumer confusion is raised much more frequently than section 2(a) disparagement claims.⁴⁸ This trend is the same for both oppositions and cancellation proceedings.⁴⁹ Thus, the first of the two relevant restrictions on registrable trademarks for the purposes of this note is described in section 2(d).⁵⁰ More generally, section 2(d) represents the most common basis for rejection of all section 2 statutory bars within the Lanham Act.⁵¹ The challenger commonly argues that either the mark at issue is confusingly similar to the registered mark or that the mark at issue, sometimes called a “prior common-law mark,” is confusingly similar to a trademark that has been developed by use (rather than statutorily).⁵²

The TTAB’s modern test for determining the likelihood of confusion of a mark is whether the public would likely “mistakenly assume” that the trademark at issue originated from or is associated with goods sold under a trademark already on the Principal Register.⁵³ Moreover, “likelihood of confusion encompasses confusion of sponsorship, affiliation or connection.”⁵⁴ While there are a number of factors that can be weighed to determine the likelihood of consumer confusion, since it is a question of fact,⁵⁵ “[t]he similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression” may be dispositive.⁵⁶ Where the risk of consumer confusion is high, the “public interest” is of the utmost concern.⁵⁷ At the most basic level, the petitioner claiming likelihood of confusion of a mark must first show that it used the mark in commerce prior to the allegedly infringing user, thus establishing priority of use.⁵⁸ But a petitioner’s claims based on section 2(d)’s bar on marks likely to cause confusion is not

⁴⁸ See Steven R. Latterell, *Stopping the “Savage Indian” Myth: Dealing with the Doctrine of Laches in Lanham Act Claims of Disparagement*, 80 IND. L.J. 1141, 1151 (2005).

⁴⁹ 3 MCCARTHY, *supra* note 21, § 20:53.

⁵⁰ Lanham Act § 2(d).

⁵¹ 3 MCCARTHY, *supra* note 21, § 19:75.

⁵² 3 *id.* § 20:14.

⁵³ FBI v. Societe: “M. Bril & Co.,” 172 U.S.P.Q. 310, 1971 WL 16592, at *7 (T.T.A.B. 1971).

⁵⁴ 4 MCCARTHY, *supra* note 21, § 23:78 (quoting *Hilson Research, Inc. v. Soc’y for Human Res. Mgmt.*, 27 U.S.P.Q.2d 1423, 1993 WL 290669 (T.T.A.B. 1993)).

⁵⁵ *In re E. I. DuPont DeNemours & Co.*, 476 F.2d 1357, 1361 (C.C.P.A. 1973).

⁵⁶ 4 MCCARTHY, *supra* note 21, § 23:79.

⁵⁷ *Ultra-White Co. v. Johnson Chem. Indus.*, 465 F.2d 891, 893-94 (C.C.P.A. 1972).

⁵⁸ 2 MCCARTHY, *supra* note 21, § 16:1.50.

without limits.⁵⁹ In particular, if the challenged mark has been registered for more than five years, section 2(d) challenges are barred.⁶⁰ Challenges based on section 2(d) target the very harms trademark law is intended to protect—economic harm to consumers. In this way, the rationale for the public interest exception to a laches defense applies neatly to this statutory bar.

2. Statutory Bar Against Disparaging Trademarks: Section 2(a)

Another restriction on registrable trademarks is in section 2(a) of the Lanham Act,⁶¹ which provides that trademarks deemed “immoral, deceptive, or scandalous . . . or matter which may disparage or falsely suggest a connection with persons . . . or bring them into contempt[] or disrepute” will be refused registration on the Principal Register.⁶² Legislative history fails to explain section 2(a)’s purpose, which is especially curious given the existence of anti-obscenity laws.⁶³ Two commonly suggested rationales for the section 2(a) bar are the “waste of government resources theory,” which states that immoral, scandalous, or disparaging marks unduly waste the federal government’s resources, and the “implied imprimatur” theory, which claims that the government has an interest in dispelling the notion that it impliedly accepts such immoral trademarks.⁶⁴

Perhaps due to the underlying morality considerations, scholars have found it difficult to square courts’ often inconsistent and subjective analyses of section 2(a).⁶⁵ For example, a judge may deem a mark scandalous or immoral based on largely unpredictable factors, such as political views or societal influences.⁶⁶ As summarized by one academic, “[a] Section 2(a)

⁵⁹ Lanham Act § 14(3), 15 U.S.C. § 1064(3) (2012).

⁶⁰ *Otto Int’l, Inc. v. Otto Kern GMBH*, 83 U.S.P.Q.2d 1861, 2007 WL 1577524, at *2 (T.T.A.B. 2007).

⁶¹ Lanham Act § 2(a).

⁶² *Id.* This note will focus largely on the implications on persons or entities of what will be referred to as “disparagement claims” or “2(a) claims” and will not delve into the second half of section 2(a), which discusses geographical indications. *Id.*

⁶³ Jendi B. Reiter, *Redskins and Scarlet Letters: Why “Immoral” and “Scandalous” Trademarks Should Be Federally Registrable*, 6 FED. CIRCUIT B.J. 191, 192 (1996).

⁶⁴ *In re McGinley*, 660 F.2d 481, 486 (C.C.P.A. 1981); Bruce C. Kelber, “*Scalping the Redskins: Can Trademark Law Start Athletic Teams Bearing Native American Nicknames and Images on the Road to Racial Reform?*,” 17 *HAMLIN L. REV.* 533, 560 (1994).

⁶⁵ Reiter, *supra* note 63, at 193.

⁶⁶ *See In re Old Glory Condom Corp.*, 26 U.S.P.Q.2d 1216, 1993 WL 114384, at *5-6 (T.T.A.B. 1993) (holding that, based on the seriousness of the AIDS epidemic and its significance in the United States as a major social issue, the patriotic decoration of condoms cannot be deemed scandalous for purposes of a section 2(a) claim).

proceeding . . . decision is made by judges and administrative agencies on a national level, and a minority of hypothetically offended people can override community standards of taste.”⁶⁷ Section 2(a) was particularly important in the *Harjo* proceedings and remains a crucial part of the *Blackhorse* dispute currently being litigated.⁶⁸ But in comparison to section 2(d) likelihood of confusion claims, case law involving section 2(a) claims is less developed, especially in cases of disparagement of a racial or ethnic group.⁶⁹ Furthermore, the TTAB noted in *Harjo* the limited legislative history discussing the meaning of the term “disparaging,” so it looked to the “ordinary and common meaning” of the term.⁷⁰

Adding to the confusion, the various grounds within section 2(a) (i.e., immoral, scandalous, and disparaging) often overlap.⁷¹ Claims for disparagement, however, are considered a “separate and distinct ground” in their ability to form an independent trademark cancellation challenge.⁷² The *Harjo* court developed a two-prong test for determining whether a trademark is disparaging for the purposes of cancellation via a section 2(a) claim.⁷³ First, the court should determine the meaning of the matter in question and, second, in view of the meaning, the court should decide whether the meaning may be disparaging to the referenced group.⁷⁴ In addition, these two questions must “be answered as of the dates of registration of the marks herein.”⁷⁵ This was an important rule in the context of the *Harjo* proceedings, as one of Pro-Football’s challenged registrations was registered with the USPTO in 1967, and thus the court had to inquire into the disparaging nature of a mark almost five decades old.⁷⁶ Dissenting TTAB Administrative Trademark Judge Marc Bergsman in the *Blackhorse* hearing highlighted the importance of capturing the disparaging nature of a mark at the time it was registered when he declared that “this case is *not* about the

⁶⁷ Reiter, *supra* note 63, at 195.

⁶⁸ Pro-Football, Inc. v. Harjo, 567 F. Supp. 2d 46, 49 (D.D.C. 2008); *Blackhorse v. Pro-Football, Inc.*, 111 U.S.P.Q.2d 1080, 2014 WL 2757516, at *1 (T.T.A.B. 2014); *Harjo v. Pro-Football, Inc.*, 50 U.S.P.Q.2d 1705, 1999 WL 375907, at *2-4 (T.T.A.B. 1998).

⁶⁹ See 3 MCCARTHY, *supra* note 21, § 19:77:25; Latterell, *supra* note 48, at 1151.

⁷⁰ *Harjo*, 50 U.S.P.Q.2d 1705, 1999 WL 375907, at *35.

⁷¹ 3 MCCARTHY, *supra* note 21, § 19:77:25.

⁷² *Harjo*, 50 U.S.P.Q.2d 1705, 1999 WL 375907, at *35; 3 MCCARTHY, *supra* note 21, § 19:77:25.

⁷³ *Harjo*, 50 U.S.P.Q.2d 1705, 1999 WL 375907, at *38.

⁷⁴ *Id.* at *35-38.

⁷⁵ *Id.* at *38.

⁷⁶ *Harjo v. Pro Football, Inc.*, 30 U.S.P.Q.2d 1828, 1994 WL 262249 (T.T.A.B. 1994).

controversy, currently playing out in the media, over whether the term ‘redskins,’ as the name of Washington’s professional football team, is disparaging to Native Americans *today*.⁷⁷

In determining the “meaning of the matter in question,” a court or board may consider dictionary definitions, the nature of the goods or services that the mark represents, as well as how the mark is used in the marketplace.⁷⁸ Dictionary definitions, while useful in capturing the essence of a term at a specific point in time, may also be subject to liberal interpretation. As Judge Bergsman suggested in his dissenting opinion, while “Redskins” is defined in a 1967 dictionary as “often offensive,” the term is not always offensive in every context (e.g., “when used in connection with the name of a football team”).⁷⁹ To prove whether the mark actually disparages, a petitioner may provide “evidence regarding the views of the relevant group, the connotations of the subject matter in question, the relationship between that matter and the other elements that make up the marks, and the manner in which the marks appear and are used in the marketplace.”⁸⁰

C. *Notable Procedural Considerations in Cancellation Petitions*

In addition to illustrating which trademarks are registrable and the corresponding statutory restrictions, the Lanham Act also explains the specific set of procedural measures that must be followed in an inter partes trademark cancellation proceeding.⁸¹ Section 14 stipulates that any person may file a cancellation proceeding “who believes that he is or will be damaged . . . by the registration of a mark on the principal register.”⁸² In order to succeed in a section 14 proceeding, a petitioner must prove that he or she is likely to be damaged by the registration and that the petitioner has a valid argument as to why the registration should be cancelled.⁸³ The

⁷⁷ *Blackhorse v. Pro-Football, Inc.*, 111 U.S.P.Q.2d 1080, 2014 WL 2757516, at *35 (T.T.A.B. 2014) (Bergsman, A.L.J., dissenting).

⁷⁸ 3 MCCARTHY, *supra* note 21, § 19:77:25 (citing *In re Lebanese Arak Corp.*, 94 U.S.P.Q.2d 1215, 2010 WL 766488 (T.T.A.B. 2010)).

⁷⁹ *Blackhorse*, 111 U.S.P.Q.2d, 2014 WL 2757516, at *37 (Bergsman, A.L.J., dissenting) (quoting RANDOM HOUSE UNABRIDGED DICTIONARY (1st ed. 1966)).

⁸⁰ *Harjo*, 50 U.S.P.Q.2d 1705, 1999 WL 375907, at *41.

⁸¹ Lanham Act § 14, 15 U.S.C. § 1064 (2012). Inter partes disputes are those disputes involving two or more parties. *Inter Partes*, BLACK’S LAW DICTIONARY (10th ed. 2014). Comparatively, ex parte disputes are disputes “for the benefit of one party only, and without notice to, or argument by, anyone having an adverse interest”—in the case of a trademark dispute, the trademark petitioner. *Ex Parte*, BLACK’S LAW DICTIONARY (10th ed. 2014).

⁸² Lanham Act § 14.

⁸³ 3 MCCARTHY, *supra* note 21, § 20:41.

administrative body that hears cancellation petitions is the TTAB, but the USPTO does not have exclusive jurisdiction over registration decisions. Federal courts maintain concurrent jurisdiction and have the power to cancel a registration, but only if a case has independent grounds for federal jurisdiction (e.g., diversity of citizenship).⁸⁴ Although section 37 appears to grant federal jurisdiction “[i]n any action involving a registered mark,” this section only describes federal courts’ ability to create a remedy (e.g., a cancellation order).⁸⁵ Moreover, providing federal courts with jurisdiction over any cancellation claim would permit litigants to circumvent the USPTO entirely.⁸⁶

Unlike a petition for cancellation based on section 2(d) claims for likelihood of confusion, “a petition for cancellation based on § 2(a) [for disparagement] is permissible at any time.”⁸⁷ In fact, a cancellation of any trademark contrary to the section 2(a), (b), or (c) statutory bars can occur at any time; section 2(d) is the only limiting provision with respect to timing of petitions for cancellation.⁸⁸ A section 2(a) claim for false connection with a person or institution and a section 2(d) claim for consumer confusion appear to be synonymous in that they both have a test for likelihood of confusion, thus creating what has been called a “2(a) backdoor.” This procedural quirk is called a backdoor because challengers can base a petition to cancel on a 2(a) claim without having to worry about a mark’s incontestability (i.e., one may not challenge the likelihood of confusion of a mark registered for over five years).⁸⁹ Thus, a petitioner’s decision between section 2(a) and 2(d) claims for cancellation of a trademark registration may be more of a procedural ruse than a substantive decision.⁹⁰ Furthermore, this de facto five-year statute of limitations is especially relevant for the petitioners in *Blackhorse*, as their attempted use of the public interest exception for a section 2(a) disparagement claim is supported largely by exceptional cases involving section 2(d) claims in which the five-year rule was ignored for the benefit of a greater public interest.⁹¹

⁸⁴ Lanham Act § 37; see 3 MCCARTHY, *supra* note 21, § 20:40; 5 MCCARTHY, *supra* note 21, § 30:110.

⁸⁵ Lanham Act § 37; 5 MCCARTHY, *supra* note 21, § 30:110.

⁸⁶ 5 MCCARTHY, *supra* note 21, at § 30:110.

⁸⁷ *Univ. of Notre Dame Du Lac v. J.C. Gourmet Food Imps. Co.*, 703 F.2d 1372, 1376 (Fed. Cir. 1983). A petition for cancellation based on likelihood of confusion (2(d)) is not permissible for registered marks after five years. Lanham Act § 14.

⁸⁸ 3 MCCARTHY, *supra* note 21, § 20:59.

⁸⁹ *Id.*

⁹⁰ *Id.*

⁹¹ *Pro-Football, Inc. v. Harjo*, 284 F. Supp. 2d 96, 138 (D.D.C. 2003); *Ultra-White Co., Inc. v. Johnson Chem. Indus., Inc.*, 465 F.2d 891, 893-94 (C.C.P.A. 1972); *Chun King Corp. v. Genii Plant Line, Inc.*, 403 F.2d 274, 276 (C.C.P.A. 1968).

In the event that a party to a cancellation proceeding is dissatisfied with the TTAB's decision, the party may appeal under section 21 of the Lanham Act.⁹² A party to an inter partes cancellation proceeding in which there exists diversity of citizenship (like Pro-Football in *Blackhorse*) has two options: (1) appeal to the U.S. Court of Appeals for the Federal Circuit,⁹³ or (2) pursue a remedy by civil action in the U.S. District Court for the Eastern District of Virginia.⁹⁴ A petitioner's decision to appeal to the Federal Circuit, however, acts as a waiver of civil action and is an alternative to de novo review by a federal district court.⁹⁵ Furthermore, a petitioner's decision to appeal to either the Federal Circuit or a U.S. district court is dependent upon strategic considerations.⁹⁶ For instance, while the Federal Circuit route is an appeal to a panel of three judges well versed in trademark law and where no additional evidence is permitted, an appeal to a district court allows for the introduction of new or additional evidence, thus potentially broadening the scope of the case, but the proceeding is heard by a single judge who is generally less experienced in trademark law.⁹⁷ Accordingly, district judges tend to be much more deferential to TTAB rulings than are Federal Circuit panels.⁹⁸ In both *Harjo* and *Blackhorse*, Pro-Football decided to appeal to the district court, but the statutory venue change may render the latter proceeding's outcome intriguingly uncertain.⁹⁹

D. Available Defenses in Cancellation Proceedings

In a trademark cancellation proceeding, a defendant may look to section 33 of the Lanham Act for a number of

⁹² Lanham Act § 21.

⁹³ *Id.* § 21(a).

⁹⁴ *Id.* § 21(b). Technically, any federal district court that has personal jurisdiction over the parties may review an inter partes decision by the TTAB. GARY D. KRUGMAN, TRADEMARK TRIAL & APPEAL BOARD PRACTICE AND PROCEDURE § 3:164 (2013-2014 ed. 2013). However, where there is diversity of citizenship between two parties, the Lanham Act stipulates that the Eastern District of Virginia has exclusive jurisdiction over the matter. *Id.* Since the passage of the AIA, the Lanham Act has been changed to reflect the venue change from the U.S. District Court for the District of Columbia to the Eastern District of Virginia. Lanham Act § 21.

⁹⁵ 3 MCCARTHY, *supra* note 21, § 21:10.

⁹⁶ KRUGMAN, *supra* note 94, § 3:165.

⁹⁷ *Id.*

⁹⁸ *Id.* ("Most courts will give substantial deference to a Board decision and will not disturb factual findings of the Board unless new evidence is introduced that causes the court to have a thorough conviction that the Board erred.")

⁹⁹ See Leahy-Smith America Invents Act, Pub. L. 112-29, § 9, 125 Stat. 284, 316 (2011); Pro-Football, Inc. v. Harjo, 567 F. Supp. 2d 46 (D.D.C. 2008); Pro-Football, Inc. v. Blackhorse, 112 F. Supp. 3d 439 (E.D. Va. 2015); Complaint, Pro-Football, Inc. v. Blackhorse, No. 1:14CV01043-GBL-IDD, 2014 WL 4719977 (E.D. Va. Aug 14, 2014).

defenses.¹⁰⁰ Section 33(a) offers an evidentiary defense in which a trademark registered with the USPTO is prima facie evidence of validity.¹⁰¹ Section 33(b) provides additional defenses, including unclean hands, fraud, violation of First Amendment rights, functionality, and various equitable defenses.¹⁰² For the equitable defenses of estoppel, laches, and acquiescence, the Lanham Act gives courts the power to award profits and damages based on a balancing of private and public equities.¹⁰³ Furthermore, in trademark opposition and cancellation proceedings, laches and equitable estoppel are both defenses tied to registration—not use—of a mark.¹⁰⁴ The rationale behind this requirement is that the exclusive rights granted to a federal registrant motivate an opposition or cancellation proceeding.¹⁰⁵ Thus, if the laches defense were tied to use of a mark, a trademark owner would have to preemptively file suit against anyone *using* “a possibl[y] conflicting mark or suffer . . . being barred by the passage of time.”¹⁰⁶

1. The Equitable Defense of Laches

Laches is an equitable defense that asks a court to prevent granting relief to a claimant where the claimant has unreasonably delayed in bringing the claim and where the delay was consequently prejudicial to the defendant.¹⁰⁷ The defense of laches in trademark cancellation proceedings has proven effective under certain circumstances, since unreasonable delay in bringing a cancellation proceeding may have the effect of harming a trademark owner who has invested time and money in a mark.¹⁰⁸ In general, a defense based on laches in a trademark cancellation proceeding requires a showing that (1) the plaintiff had knowledge of the trademark, (2) the plaintiff “inexcusably delayed in taking [the] action,” and (3) the defendant will be prejudiced by allowing the plaintiff to proceed.¹⁰⁹ Estoppel by

¹⁰⁰ Lanham Act § 33, 15 U.S.C. § 1115 (2012).

¹⁰¹ *Id.* § 33(a).

¹⁰² *Id.* § 33(b).

¹⁰³ *Id.* §§ 34-35; 6 MCCARTHY, *supra* note 21, § 31:1.

¹⁰⁴ *Lincoln Logs Ltd. v. Lincoln Pre-Cut Log Homes, Inc.*, 971 F.2d 732, 734 (Fed. Cir. 1992) (citing *In re Wella, A.G.*, 787 F.2d 1549, 1554 (Fed. Cir. 1986)); 87 C.J.S. *Trademarks* § 235 (2015).

¹⁰⁵ *Nat'l Cable Television Ass'n v. Am. Cinema Editors, Inc.*, 937 F.2d 1572, 1581 (Fed. Cir. 1991).

¹⁰⁶ *Id.* at 1581-82.

¹⁰⁷ *Laches*, BLACK'S LAW DICTIONARY (10th ed. 2014).

¹⁰⁸ 6 MCCARTHY, *supra* note 21, § 31:37.

¹⁰⁹ *Cuban Cigar Brands N.V. v. Upmann Int'l, Inc.*, 457 F. Supp. 1090, 1096 (S.D.N.Y. 1978).

laches can also be thought of as a formula, where the length of delay multiplied by the amount of prejudice equates to estoppel.¹¹⁰ This creates a sliding scale, where if delay is determined to be small but prejudice is great (and vice versa), estoppel by laches may be a valid defense.¹¹¹

Undue delay in a cancellation proceeding is present when a party fails to bring an action but “knew or should have known that it had a right of action.”¹¹² There is no specific amount of delay that has been considered unreasonable for the purposes of estoppel by laches, as determinations of delay and prejudice are largely fact-specific.¹¹³ While the former Court of Customs and Patent Appeals has held that a delay of six months or less will never result in sufficient prejudice for estoppel by laches,¹¹⁴ courts have been less certain in instances of longer delay.¹¹⁵ For example, while the D.C. Circuit ruled in *Harjo* that a delay of less than eight years was significant enough to cause undue prejudice, a plaintiff’s action after a delay of 17 years in *Loma Linda Food Co. v. Thomson & Taylor Spice Co.* was not barred by the laches defense.¹¹⁶

A defendant’s showing of prejudice is crucial to a laches defense in cancellation proceedings, especially in a business setting.¹¹⁷ The Federal Circuit in *Bridgestone v. Automobile Club* explained that there are two main types of prejudice stemming from unreasonable delay: (1) “prejudice . . . due to loss of evidence or [faded] memory of witnesses” and (2) economic prejudice based on opportunity cost.¹¹⁸ Also, the D.C. District Court in *Harjo* determined that prejudice can be measured in terms of opportunity cost, where past investment in a business’s trademarks could have been allocated to different business functions had the petitioner not slept on its rights.¹¹⁹ In *Harjo*, Pro-Football effectively utilized the quintessential laches defense—that

¹¹⁰ 6 MCCARTHY, *supra* note 21, § 31:2.

¹¹¹ *Id.*

¹¹² *Bridgestone/Firestone Research, Inc. v. Auto. Club De L’Ouest De La France*, 245 F.3d 1359, 1362 (Fed. Cir. 2001).

¹¹³ 3 MCCARTHY, *supra* note 21, § 20:76.

¹¹⁴ *Ralston Purina Co. v. Midwest Cordage Co.*, 373 F.2d 1015, 1019 (C.C.P.A. 1967).

¹¹⁵ See George L. Blum, *Application of the Defense of Laches in Action to Cancel Trademark*, 64 A.L.R. Fed. 2d 255, §§ 4-11 (2012) (offering a plethora of cases featuring a range of delays in which relief was either barred or not barred by the defense of laches).

¹¹⁶ *Pro-Football, Inc. v. Harjo*, 565 F.3d 880, 885 (D.C. Cir. 2009); *Loma Linda Food Co. v. Thomson & Taylor Spice Co.*, 279 F.2d 522, 524-26 (C.C.P.A. 1960).

¹¹⁷ 6 MCCARTHY, *supra* note 21, § 31:12.

¹¹⁸ *Bridgestone/Firestone Research, Inc. v. Auto. Club De L’Ouest De La France*, 245 F.3d 1359, 1362 (Fed. Cir. 2001).

¹¹⁹ *Pro-Football, Inc. v. Harjo*, 284 F. Supp. 2d 96, 143 (D.D.C. 2003).

where “plaintiff’s long failure to exercise its legal rights has caused defendant to rely to its detriment by building up a valuable business around its trademark,” then laches is a solid defense.¹²⁰

Although section 14(3) permits a petition for cancellation of a registered mark “at any time” where the registration is contrary to the regulations set forth in sections 2(a), (b), or (c),¹²¹ in *Harjo*, the D.C. Circuit ruled that the language in section 14(3) did not prevent the application of a laches defense.¹²² According to the court, “[t]he words ‘[a]t any time’ demonstrate only that the act imposes no statute of limitations for bringing petitions.”¹²³ Prior to the Federal Circuit’s 1991 decision in *National Cable Television Ass’n, Inc. v. American Cinema Editors, Inc.*, the TTAB followed the rule that, in a cancellation proceeding, delay for the purposes of the determination of laches could be measured from a petitioner’s knowledge of the trademark holder’s *use* of the mark.¹²⁴ The *National Cable* court altered the standard, however, determining that the old rule would require a trademark owner to “bring [a] suit to stop *use* upon learning of a possible conflicting mark or suffer the possibility of being barred by the passage of time.”¹²⁵ The current standard, which stipulates that time begins to run upon knowledge of the “*registration* of [a] mark,” is logical because only upon registration of a mark does the holder obtain the rights against which a cancellation petition could be made.¹²⁶

2. The Public Interest Exception to the Defense of Laches

The laches defense in a trademark cancellation proceeding is subject to judicial and statutory limitations. For example, a defendant may not claim estoppel by laches where the registered mark is a generic term, there is fraud in registering the trademark, or the trademark is abandoned.¹²⁷ Additionally, according to the

¹²⁰ 6 MCCARTHY, *supra* note 21, § 31:12; *Harjo*, 284 F. Supp. 2d at 136-37.

¹²¹ Lanham Act § 14(3), 15 U.S.C. § 1064(3) (2012). The exception to this, as mentioned in Section I.C, *supra*, arises where a petitioner’s cancellation proceeding is based on 2(d) grounds for likelihood of confusion, where a petition for cancellation is only acceptable within five years of the registration of the mark at issue. 3 MCCARTHY, *supra* note 21, § 20:59.

¹²² *Pro-Football, Inc. v. Harjo*, 415 F.3d 44, 48 (D.C. Cir. 2005); 3 MCCARTHY, *supra* note 21, § 20:74.

¹²³ *Pro-Football*, 415 F.3d at 48.

¹²⁴ *Nat’l Cable Television Ass’n, Inc. v. Am. Cinema Editors, Inc.*, 937 F.2d 1572, 1580-82 (Fed. Cir. 1991).

¹²⁵ *Id.* at 1582.

¹²⁶ *Id.* (emphasis added).

¹²⁷ 3 MCCARTHY, *supra* note 21, § 20:77.

doctrine of progressive encroachment, a defendant may not claim estoppel by laches where there has been insufficient time for likelihood of confusion to harm the defendant's mark.¹²⁸ Furthermore, laches is not a defense where confusion between the parties' marks is inevitable, regardless of how long the delay or how prejudiced the defendant may be.¹²⁹ In cases of inevitable confusion, the public's interest "in being protected against the continuing use of clearly confusing marks" is said to outweigh the private prejudice felt by the trademark holder due to the unreasonable delay and/or prejudice.¹³⁰ Yet in a TTAB or federal court proceeding, that confusion is "likely" but not "inevitable" may still permit a laches defense.¹³¹ This public interest exception to the defense of laches sometimes applies to certification marks,¹³² where the public would be harmed if not for assurance that proper standards for goods are being met.¹³³ Also, in *Bausch & Lomb Inc. v. Leupold & Stephens Inc.*, the TTAB illustrated that in instances of fraud in registering a mark, the public interest precludes a defense of laches.¹³⁴ In *Bausch & Lomb*, the applicant was charged with fraud in registering its ornamental mark and attempted to assert a prior registration defense (similar to a laches defense).¹³⁵ The court reasoned that the public interest exception negated the applicant's defense because the public benefits from the prevention of fraudulent registrations.¹³⁶

Much to the chagrin of the *Harjo* petitioners, the D.C. District Court ultimately declined to expand the public interest exception to apply to section 2(a) disparagement claims.¹³⁷ *Harjo* and *Blackhorse* both attempted to argue that there was an overriding public policy that prevented scandalous or disparaging marks from being registered, and thus no private interest could

¹²⁸ *Id.*

¹²⁹ *Id.*

¹³⁰ 6 *id.* § 31:10.

¹³¹ 3 *id.* § 20:77.

¹³² A certification mark is a name, symbol, or device used in connection with products or services to certify a defining characteristic of the goods or services (e.g., Underwriters Laboratories). 1 *id.* § 4:15.

¹³³ *Midwest Plastic Fabricators Inc. v. Underwriters Labs. Inc.*, 5 U.S.P.Q.2d 1067, 1987 WL 123860, at *2 (T.T.A.B. 1987) ("[T]he defense of laches is not available where the petition to cancel is based on a claim that the respondent failed to control the use of a certification mark, such that the mark is being used to certify goods that do not meet specified standards.").

¹³⁴ *See Bausch & Lomb Inc. v. Leupold & Stephens Inc.*, 1 U.S.P.Q.2d 1497, 1986 WL 83320, at *3 (T.T.A.B. 1986).

¹³⁵ *Id.* at *1.

¹³⁶ *Id.* at *3.

¹³⁷ *Pro-Football, Inc. v. Harjo*, 284 F. Supp. 2d 96, 138-39 (D.D.C. 2003).

outweigh a public harm.¹³⁸ Although the *Harjo* petitioners were successful at the TTAB hearing stage, the district and circuit courts agreed that the broad public interest exception found in section 2(d) consumer confusion cases could not be applied to the section 2(a) disparagement claims, as “such an interpretation stretches the words of the Federal Circuit.”¹³⁹ Furthermore, the district court held that unlike section 2(d) claims that work to protect a “strong public interest in avoiding deception or mistake,” the public interest in section 2(a) claims for disparagement is “somewhat more narrowly defined . . . because it applies to a more narrow segment of the general population than in the likelihood of confusion cases.”¹⁴⁰ The petitioners have interpreted the district court’s analysis as vague and weak, but dispatching a strong laches defense for a watery exception in the greater public interest is arguably less compelling.

II. AVOIDING INCONSISTENCY WITH A BLANK SLATE IN THE FOURTH CIRCUIT

Although there is a dearth of case law discussing section 2(a) grounds for trademark cancellation and corresponding laches defenses,¹⁴¹ the *Harjo* proceedings have provided useful precedent.¹⁴² When the *Blackhorse* court ordered a pretrial conference in March 2011, the Administrative Trademark Judge of the TTAB instructed the petitioner and respondent that the law applicable to the proceeding’s key issues (laches and disparagement) was established in the *Harjo* proceedings.¹⁴³ As a result, the disparagement and laches standards set in *Harjo* were deemed controlling for purposes of the *Blackhorse* proceedings because the *Blackhorse* “proceeding mirrors prior litigation before

¹³⁸ *Blackhorse v. Pro-Football, Inc.*, 111 U.S.P.Q.2d 1080, 2014 WL 2757516, at *30 (T.T.A.B. 2014); *Harjo v. Pro Football Inc.*, 30 U.S.P.Q.2d 1828, 1994 WL 262249, at *3-5 (T.T.A.B. 1994).

¹³⁹ *Pro-Football*, 284 F. Supp. 2d at 137.

¹⁴⁰ *Id.* at 138.

¹⁴¹ See Latterell, *supra* note 48, at 1151 (indicating that, due to the lack of developed case law surrounding 2(a) grounds for cancellation, case law involving claims grounded in 2(d) are crucial for purposes of comparison). Additionally, case law involving 2(d) claims was instrumental in the D.C. district court’s holding on the defense of laches, as was the 2(d) cases’ examination of the public interest exception. *Pro-Football*, 284 F. Supp. 2d at 137-38 (citing *Ultra-White Co. v. Johnson Chem. Indus., Inc.*, 465 F.2d 891, 893-94 (C.C.P.A. 1972); *Chun King Corp. v. Genii Plant Line, Inc.*, 403 F.2d 274, 276 (C.C.P.A. 1968)).

¹⁴² See, e.g., *Pro-Football, Inc. v. Harjo*, 567 F. Supp. 2d 46, 53-62 (D.D.C. 2008) (discussing Pro-Football’s strong argument for a defense of laches, considering how long their marks have been registered and how long the petitioners took to petition for cancellation).

¹⁴³ *Blackhorse v. Pro-Football, Inc.*, Cancellation No. 92046185, 2011 WL 1131509 (Mar. 15, 2011).

the Board of a disparagement claim under Section 2(a).¹⁴⁴ The 2014 *Blackhorse* court reiterated the similarities between the two proceedings and stated that “[b]ecause . . . this cancellation proceeding is essentially a relitigation of what transpired in the *Harjo* case before the Board, [the TTAB] will follow the precedent of the D.C. Circuit Court of Appeals.”¹⁴⁵

In the 2003 *Harjo* hearing, the D.C. District Court reversed the TTAB decision, holding that the public interest exception precluded the application of the laches defense.¹⁴⁶ Although, as critics of the majority rule have argued, the district court’s decision (and the D.C. Circuit’s affirmation) that the public interest in section 2(a) disparagement claims is narrower than the public interest in section 2(d) likelihood of confusion claims is a conclusion made “without citing any precedent” and without an in-depth explanation, the decision nonetheless served as binding precedent for the purposes of future similar issues before the TTAB.¹⁴⁷ According to the TTAB Manual of Procedure, “To the extent that a civil action in a federal district court involves issues in common with those in a proceeding before the Board, the decision of the federal district court is often binding upon the Board, while the decision of the Board is not binding upon the court.”¹⁴⁸

A. *The AIA’s Impact on Trademark Cancellation Proceedings*

Despite the application of the D.C. Circuit’s precedent in the March and May 2011 orders,¹⁴⁹ the 2014 TTAB nevertheless felt that ancillary circumstances required it to ignore the D.C. Circuit’s precedent and revisit the issue of laches as applied to the section 2(a) disparagement claims.¹⁵⁰ During the pendency of the *Blackhorse* cancellation proceedings, Congress passed the AIA, which represented the most significant change to patent law since

¹⁴⁴ *Id.* at *1 (citing *Harjo v. Pro-Football, Inc.*, 50 U.S.P.Q.2d 1705, 1999 WL 375907 (T.T.A.B. 1999)).

¹⁴⁵ *Blackhorse v. Pro-Football, Inc.*, 111 U.S.P.Q.2d 1080, 2014 WL 2757516, at *30 (T.T.A.B. 2014) (alteration in original) (quoting T.T.A.B., BOARD’S ORDER 12 n.6 (May 31, 2011)).

¹⁴⁶ *Pro-Football*, 284 F. Supp. 2d at 136-38, *aff’d*, *Pro-Football, Inc. v. Harjo*, 565 F.3d 880 (D.C. Cir. 2009).

¹⁴⁷ *Latterell*, *supra* note 48, at 1161.

¹⁴⁸ TRADEMARK TRIAL & APPEAL BD., MANUAL OF PROCEDURE 510.02(a) (2014).

¹⁴⁹ *See Blackhorse v. Pro Football, Inc.*, 98 U.S.P.Q.2d 1633, 2011 WL 1886402, at *5 (T.T.A.B. 2011).

¹⁵⁰ *Blackhorse*, 111 U.S.P.Q.2d 1080, 2014 WL 2757516, at *30.

1952.¹⁵¹ Additionally, the AIA made changes affecting trademark cancellation proceedings and the USPTO in general. Section 9, for example, amended several Lanham Act provisions regarding venue requirements.¹⁵² Specifically, the AIA amendments struck “United States District Court for the District of Columbia” from each place it appeared in the Lanham Act and inserted “United States District Court for the Eastern District of Virginia” in its stead.¹⁵³ Because the AIA became effective on September 16, 2011, and Pro-Football filed its appeal by civil action on August 14, 2014, these venue changes applied to the *Blackhorse* proceedings, sending Pro-Football’s appeal of the TTAB decision to the Eastern District of Virginia.¹⁵⁴

While there is not a wealth of information explaining the reasoning behind this amendment, according to the legislative history of the AIA, the venue was changed mainly due to the location of the USPTO’s headquarters.¹⁵⁵ As applied to the *Blackhorse* proceedings, the passage of the AIA meant that the Eastern District of Virginia replaced the D.C. Circuit as the venue for civil appeals under section 21(b) of the Lanham Act.¹⁵⁶ Moreover, any decision to file a civil action appealing a TTAB cancellation petition must now begin in the Eastern District of Virginia. Although seemingly inconsequential in the grand scheme of the AIA, this change in venue was significant to the disposition of the *Blackhorse* proceedings and future cancellation

¹⁵¹ The AIA led to advancements in patent law, among other changes, bringing the American system in line with the majority of the world by establishing a first-to-file system. See Hung H. Bui, *An Overview of Patent Reform Act of 2011: Navigating the Leahy-Smith America Invents Act Including Effective Dates for Patent Reform*, 93 J. PAT. & TRADEMARK OFF. SOC’Y 441, 445 (2011); see Leahy-Smith America Invents Act, Pub L. No. 112-29, 125 Stat. 284 (2011).

¹⁵² America Invents Act § 9.

¹⁵³ *Id.*

¹⁵⁴ Complaint, Pro-Football, Inc. v. Blackhorse, No. 1:14CV01043-GBL-IDD, 2014 WL 4719977 (E.D. Va. Aug. 14, 2014); see EDWARD D. MANZO, AMERICA INVENTS ACT: A GUIDE TO PATENT LITIGATION AND PATENT PROCEDURE § 11:4 (2015).

¹⁵⁵ Legislative history indicates that the venue was changed mainly due to the fact that the USPTO is now headquartered in the Eastern District of Virginia. PATRICK A. DOODY, PILLSBURY WINTHROP SHAW PITTMAN, COMPREHENSIVE LEGISLATIVE HISTORY OF THE LEAHY-SMITH AMERICA INVENTS ACT 165 (2012). Moreover, section 1 of Title 35 of the U.S. Code, which codifies the federal standards for the establishment of the USPTO, stipulates that the USPTO “shall be deemed, for purposes of venue in civil actions, to be a resident of the district in which its principal office is located.” 35 U.S.C. § 1(b) (2012). As the leading rationale acknowledges, “[l]eaving venue in the District Court for the District of Columbia burdened that court unnecessarily.” MANZO, *supra* note 154, § 11:1. The USPTO moved to its current Alexandria, Virginia, headquarters (within the Eastern District of Virginia) in 2005, after spending nearly 40 years in its Crystal City, Virginia, headquarters (within the U.S. District for the District of Columbia). Public Release, U.S. Dep’t of Commerce, USPTO’s Move to Alexandria, Virginia, Is Ahead of Schedule, but Some Key Issues Need to Be Resolved, Final Inspection Report (Sept. 2004).

¹⁵⁶ Lanham Act § 21(b)(4), 15 U.S.C. § 1071(b) (2012); America Invents Act § 9.

proceedings due to the Eastern District of Virginia's reputation as an expeditious forum and its virtually blank slate of precedent concerning section 2(a) claims.¹⁵⁷

1. Concerns Related to Introducing Section 2(a) of the Lanham Act to the Rocket Docket

The Eastern District of Virginia was one of the first federal districts deemed to have a "rocket docket," earning and embracing the motto, "Justice Delayed, Justice Denied."¹⁵⁸ In rocket docket jurisdictions, judges use various "fast track" techniques to minimize extensions and general delay.¹⁵⁹ Some of the tactics that the Eastern District of Virginia employs include requiring judges to establish firm trial dates, permitting only "good cause" exceptions to depart from scheduled trial dates, and informing attorneys that the court discourages continuance requests.¹⁶⁰ The Eastern District of Virginia has been recognized as a rocket docket jurisdiction since the 1960s and, as a result, has managed to avoid the "litigation 'crisis'" that confronted many federal courts for decades during the second half of the twentieth century.¹⁶¹ Rocket dockets ensure a truly speedy trial, minimizing the time between filing and resolution, reducing litigation costs, and enhancing procedural justice.¹⁶²

Rocket dockets may not always lead to beneficial outcomes, however, as a speedier proceeding can cause attorneys to overlook important factors, lead to procedural injustices due to coerced settlements, and force courts to compromise truth due to a lack of time for a comprehensive review of the case on its merits.¹⁶³ Additionally, plaintiffs may have an edge in litigation, as they are able to strategize ahead of time, while defendants

¹⁵⁷ See *Blackhorse v. Pro-Football, Inc.*, 111 U.S.P.Q.2d 1080, 2014 WL 2757516, at *32 (T.T.A.B. 2014); Carrie E. Johnson, *Rocket Dockets: Reducing Delay in Federal Civil Litigation*, 85 CAL. L. REV. 225, 233 (1997).

¹⁵⁸ William C. Rooklidge & Alison G. Barker, *Reform of a Fast-Moving Target: The Development of Patent Law Since the 2004 National Academies Report*, 91 J. PAT. & TRADEMARK OFF. SOC'Y 153, 180 (2009).

¹⁵⁹ Johnson, *supra* note 157, at 233.

¹⁶⁰ *Id.*

¹⁶¹ Kim Dayton, *Case Management in the Eastern District of Virginia*, 26 U.S.F. L. REV. 445, 450 (1992).

¹⁶² Johnson, *supra* note 157, at 243, 246 ("Rocket dockets, by limiting trial preparation, can help prevent more resourceful parties from 'bury[ing] opponents in blizzards of pre-trial briefs.'" (alteration in original) (quoting Paul M. Barrett, "Rocket Docket": *Federal Courts in Virginia Dispense Speedy Justice*, WALL ST. J., Dec. 3, 1987, at 29)).

¹⁶³ *Id.* at 244-54 ("Too much speed reduces reliability, so produces less just outcomes.").

must handle the expedited timeline on the fly.¹⁶⁴ For example, when Pro-Football filed its civil complaint appealing the TTAB decision on August 14, 2014, its lawyers regarded the rocket docket as an advantage, considering that the *Harjo* proceeding took almost 11 years to advance through the much slower D.C. Circuit, contributing to growing public disdain and strain on the image of Pro-Football and the Washington Redskins professional football team.¹⁶⁵

The “speedy trial” features of the Eastern District of Virginia had additional consequences for the *Blackhorse* proceedings, specifically with regards to the introduction of evidence.¹⁶⁶ Per TTAB rules, an appeal by way of civil action through the Eastern District of Virginia permits the introduction of new evidence to the record, as opposed to the Federal Circuit’s review of only the evidentiary record before the TTAB.¹⁶⁷ As with any case analyzing a disparagement claim, the *Harjo* cancellation proceedings were largely dependent on the evidence provided throughout regarding the “meaning of the matter in question” and the marks’ impact on the group of petitioners.¹⁶⁸ In theory, then, the opportunity to introduce new evidence should have helped Pro-Football’s case. The rocket docket cuts both ways, however, as petitioners may not have had as much time to find, collect, and prepare new evidence for hearings. Moreover, although the rocket docket is theoretically designed to streamline discovery, the expedited timeline can cause parties to overlook evidence they might have otherwise found.¹⁶⁹

2. The Fourth Circuit and a Clean Slate

Adding to the concerns associated with the rocket docket, once appealed, civil actions brought in the Eastern

¹⁶⁴ Saurabh Vishnubhakat, *Reconceiving the Patent Rocket Docket: An Empirical Study of Infringement Litigation 1985-2010*, 11 J. MARSHALL REV. INTELL. PROP. L. 58, 63 (2011).

¹⁶⁵ Complaint, Pro-Football, Inc. v. Blackhorse, No. 1:14CV01043-GBL-IDD, 2014 WL 4719977 (E.D. Va. Aug. 14, 2014); Ian Simpson, *Redskins’ Lawyer Sees Quicker Resolution of Trademarks Case*, REUTERS (June 19, 2014, 12:50 PM), <http://www.reuters.com/article/2014/06/19/us-nfl-redskins-trademark-idUSKBN0EU1IX20140619> [<http://perma.cc/B4KQ-BGGN>].

¹⁶⁶ See Johnson, *supra* note 157, at 240-42 (discussing some rationales behind the speedy resolution of cases in rocket dockets). Rocket dockets’ firm trial dates and propensity to accelerate case resolution force parties, such as Pro-Football and Blackhorse, to expedite the gathering of evidence and all procedural steps along the way. *Id.*

¹⁶⁷ KRUGMAN, *supra* note 94, § 3:165.

¹⁶⁸ See generally Pro-Football, Inc. v. Harjo, 284 F. Supp. 2d 96 (D.D.C. 2003) (reversing the TTAB’s analysis of the disparagement evidence). See *supra* note 74 and accompanying text.

¹⁶⁹ Johnson, *supra* note 157, at 244-45.

District of Virginia are ultimately heard in the Fourth Circuit—a court with little experience handling disparagement claims.¹⁷⁰ The lack of Fourth Circuit case law discussing section 2(a) disparagement claims and the laches defense is a significant concern as a result of the AIA’s venue change.¹⁷¹ In *Blackhorse*, the TTAB referenced the Fourth Circuit’s lack of precedent, claiming that “the passage of the [AIA] sufficiently changes the circumstances in this case so as to justify revisiting the issue.”¹⁷² Taking advantage of these changed “circumstances” and eschewing precedent set by the D.C. Circuit in *Harjo*, the 2014 TTAB replicated the 1999 TTAB ruling and held that the laches defense does not apply to section 2(a) disparagement claims where there exists a greater public interest.¹⁷³ Specifically, the 2014 TTAB mirrored the 1999 TTAB when it stated that “[i]t is difficult to justify a balancing of equities where a registrant’s financial interest is weighed against human dignity.”¹⁷⁴

Consequently, because Pro-Football elected to appeal via civil action in the Eastern District of Virginia pursuant to the recently amended section 21(b) of the Lanham Act, the Fourth Circuit has the opportunity, just as the D.C. Circuit did in *Harjo*, to set the standard for the defense of laches in section 2(a) disparagement claims. As indicated by the TTAB in its 2014 *Blackhorse* opinion, the Fourth Circuit has yet to address “whether laches applies to a claim that a term disparages a substantial composite of an ethnic or cultural group.”¹⁷⁵ Similar to the D.C. Circuit, however, the Fourth Circuit has decided some cases involving grounds for trademark infringement due to likelihood of confusion.¹⁷⁶ Perhaps unsurprisingly, *Blackhorse* has attempted to utilize an argument similar to *Harjo*’s at the TTAB stage, likening the section 2(a) disparagement claims to the holdings in past cancellation proceedings in the Fourth Circuit on section 2(d) grounds of likelihood of confusion.¹⁷⁷ This

¹⁷⁰ *Blackhorse v. Pro-Football, Inc.*, 111 U.S.P.Q.2d 1080, 2014 WL 2757516, at *32 (T.T.A.B. 2014).

¹⁷¹ *Blackhorse v. Pro-Football, Inc.*, 111 U.S.P.Q.2d 1080, 2014 WL 2757516, at *32 (T.T.A.B. 2014).

¹⁷² *Id.* at *30.

¹⁷³ *Id.* at *31-32.

¹⁷⁴ *Id.* at *31.

¹⁷⁵ *Id.* at *32.

¹⁷⁶ *See, e.g., Lyons P’ship, L.P. v. Morris Costumes, Inc.*, 243 F.3d 789, 799, 804 (4th Cir. 2001) (holding that where an injunction is necessary, the doctrine of laches cannot be used to block injunctive relief if further infringement is likely to cause confusion); *Resorts of Pinehurst, Inc. v. Pinehurst Nat’l Corp.*, 148 F.3d 417, 422-24 (4th Cir. 1998) (explaining that evidence of actual confusion supersedes a defense of laches); *Sara Lee Corp. v. Kayser-Roth Corp.*, 81 F.3d 455, 461-68 (4th Cir. 1996) (upholding the principle that strong proof of likelihood of confusion negates the defense of laches).

¹⁷⁷ *Blackhorse*, 111 U.S.P.Q.2d 1080, 2014 WL 2757516, at *32-33.

provided Blackhorse the opportunity to raise the public interest exception in an attempt to defeat the laches defense.¹⁷⁸ But further evaluation of Fourth Circuit cancellation proceedings based on section 2(d) grounds reveals that the TTAB's repetitious advocacy for the public interest exception to the laches defense yet again is fallible.

B. The Public Interest Exception and the Fourth Circuit's Impending Choice

Like the district court's analysis in *Harjo*,¹⁷⁹ which received criticism from Harjo for its vagaries, the Eastern District of Virginia's analysis of how the public interest exception applies to the defense of laches gave the matter short shrift.¹⁸⁰ Judge Lee broadly stated that the public interest can weigh against the application of the defense of laches and loosely indicated that Blackhorse demonstrated "that the application of laches should be barred because of the public's interest in being free from encountering registered marks that 'may disparage.'"¹⁸¹ While we cannot definitively predict how the Fourth Circuit will decide the current dispute, we can look for insight into the specifics of the *Harjo* dispute, the TTAB's reasoning in the *Blackhorse* petition, and existing section 2(d) trademark cancellation proceedings with similar issues and rule of law applications.¹⁸²

1. The Shortcomings of Section 2(d) Likelihood of Confusion Cases in the Fourth Circuit

Consistent with the majority of federal circuits, the Eastern District of Virginia has very little case law discussing the merits of section 2(a) claims and the laches defense.¹⁸³ But as the TTAB noted in both *Blackhorse* and *Harjo*, evaluating Fourth Circuit rulings on section 2(d) likelihood of confusion

¹⁷⁸ *Id.*

¹⁷⁹ *Pro-Football, Inc. v. Harjo*, 284 F. Supp. 2d 96, 138-39 (D.D.C. 2003).

¹⁸⁰ *Pro-Football, Inc. v. Blackhorse*, 112 F. Supp. 3d 439, 489 (E.D. Va. 2015).

¹⁸¹ *Id.*

¹⁸² *See, e.g.,* *Bridgestone/Firestone Research, Inc. v. Auto. Club De L'Ouest De La France*, 245 F.3d 1359 (Fed. Cir. 2001) (holding that the trademark holder could avail itself of a laches defense, despite potential harm to the greater public interest); *Pro-Football*, 284 F. Supp. 2d 96 (reversing the TTAB's decision that the laches defense was barred by the public interest exception); *Blackhorse*, 111 U.S.P.Q.2d 1080, 2014 WL 2757516 (holding that the public interest negates the defense of laches, as the balancing of equities in a laches analysis is difficult to justify when comparing financial interests with human dignity).

¹⁸³ *See Blackhorse*, 111 U.S.P.Q.2d 1080, 2014 WL 2757516, at *32 ("[T]he Fourth Circuit has not addressed whether laches applies to a claim that a term disparages a substantial composite of an ethnic or cultural group . . .").

claims may provide an appropriate comparison by analogy.¹⁸⁴ This comparison is most importantly based on notions of consumer confusion or the greater public interest.¹⁸⁵ As cancellation petitions based on section 2(d) are asserted to prevent likely confusion to the public, there is naturally an associated concern for the general public interest.¹⁸⁶ Furthermore, a mark that leads to *inevitable* confusion poses an even greater harm to the public.¹⁸⁷ Thus, it follows that where there exists inevitable confusion, the defense of laches should not be applicable, since the public interest weighs against preventing a challenge to an inevitably confusing mark just because of unreasonable delay.¹⁸⁸ Moreover, because one of the foundational rationales of trademark law is consumer protection, the public interest exception to the defense of laches in section 2(d) claims is important to upholding trademark law's fundamental ideals.¹⁸⁹

Because there is no Fourth Circuit case law discussing section 2(a) disparagement claims, the *Blackhorse* petitioners—and, in agreement, the TTAB—have argued that this greater public interest exception in section 2(d) claims should be applied to the respondent's defense of laches by way of analogy.¹⁹⁰ In *Blackhorse*, Judge Lee lent credence to this comparison when he cited *Resorts of Pinehurst, Inc. v. Pinehurst National Corp.*—where the court refused to apply a laches defense to a section 2(d) claim in favor of the public interest¹⁹¹—for his only source of support on the matter of the public interest exception to laches in a section 2(a) claim.¹⁹² In *Blackhorse*, the TTAB stated that “courts and the Board have routinely held that where there is a broader public policy concern at issue, the equitable defense of laches does not apply.”¹⁹³ The TTAB specifically referred to a number of cases in which courts refused to allow the laches defense where there was a greater public interest, including *Ultra-White Company, Inc. v. Johnson Chemical Industries*,

¹⁸⁴ See *Pro-Football*, 284 F. Supp. 2d at 137-38; *Blackhorse*, 111 U.S.P.Q.2d 1080, 2014 WL 2757516, at *31-32.

¹⁸⁵ See *Pro-Football*, 284 F. Supp. 2d at 137-38.

¹⁸⁶ Lanham Act § 2(a), 15 U.S.C. § 1052(a) (2012); *Ultra-White Co., Inc. v. Johnson Chem. Indus.*, 465 F.2d 891, 893-94 (C.C.P.A. 1972).

¹⁸⁷ 3 MCCARTHY, *supra* note 21, § 20:36.

¹⁸⁸ *Id.*

¹⁸⁹ See *id.* § 2:1.

¹⁹⁰ *Blackhorse v. Pro-Football, Inc.*, 111 U.S.P.Q.2d 1080, 2014 WL 2757516, at *30-31 (T.T.A.B. 2014).

¹⁹¹ *Resorts of Pinehurst, Inc. v. Pinehurst Nat'l Corp.*, 148 F.3d 417 (4th Cir. 1998).

¹⁹² *Pro-Football, Inc. v. Blackhorse*, 112 F. Supp. 3d 439, 489 (E.D. Va. 2015) (citing *Resorts of Pinehurst*, 148 F.3d 417, 423 (4th Cir. 1998)).

¹⁹³ *Blackhorse*, 111 U.S.P.Q.2d 1080, 2014 WL 2757516, at *31 (citing *Ultra-White Co. v. Johnson Chem. Indus., Inc.*, 465 F.2d 891 (C.C.P.A. 1972)).

*Inc.*¹⁹⁴ In *Ultra-White*, the appellate court refused to allow the laches defense in a trademark cancellation proceeding, despite the defendant's accumulation of over 12 years of goodwill, due to the similarity of the challenged mark and the inevitable confusion to the public.¹⁹⁵

Because none of the TTAB's or Fourth Circuit's case law focuses on section 2(a) disparagement claims, these courts have attempted to draw analogies to cancellation proceedings with section 2(d) likelihood of confusion claims. However, the D.C. District Court in *Harjo* refused to draw such an analogy and recognized that section 2(a) claims differ from 2(d) claims "because [2(a) claims] appl[y] to a more narrow segment of the general population than in the likelihood of confusion cases."¹⁹⁶ The TTAB in *Blackhorse* did make reference to a rare trademark cancellation proceeding featuring a section 2(a) claim (for claims of "false suggestion of a connection," rather than disparagement) in *Bridgestone/Firestone Research, Inc. v. Automobile Club De L'Ouest De La France*.¹⁹⁷ In *Bridgestone*, however, the Federal Circuit said that the section 2(a) false suggestion provision is "not designed primarily to protect the public," but is instead thought to highlight an individual's right to privacy.¹⁹⁸ The *Bridgestone* court further outlines that the protection of the right to privacy is what separates section 2(a) false suggestion of connection claims from section 2(d) likelihood of confusion claims.¹⁹⁹ While section 2(a) disparagement claims differ from section 2(a) claims of false suggestion of connection, the underlying nodes of privacy the *Bridgestone* court discusses persist through section 2(a) and differentiate the section from section 2(d) likelihood of confusion claims.²⁰⁰

The TTAB in *Blackhorse* failed to acknowledge that the D.C. Circuit addressed this exact argument in the *Harjo* proceedings and found that the public interest exception should not be applied to section 2(a) disparagement claims.²⁰¹ Therefore, although the AIA has changed the venue for appeals to the Fourth Circuit, the TTAB's and Eastern District of Virginia's

¹⁹⁴ *Id.* (citing *Ultra-White*, 465 F.2d 891; *Bausch & Lomb, Inc. v. Leupold & Stevens Inc.*, 1 U.S.P.Q.2d 1497, 1499 (T.T.A.B. 1986); *Int'l Ass'n of Fire Chiefs, Inc. v. H. Marvin Ginn Corp.*, 225 U.S.P.Q. 940, 947 (T.T.A.B. 1985); *Midwest Plastic Fabricators, Inc. v. Underwriters Labs., Inc.*, 5 U.S.P.Q.2d 1067, 1069 (T.T.A.B. 1987)).

¹⁹⁵ *Ultra-White*, 465 F.2d at 893-94.

¹⁹⁶ *Pro-Football, Inc. v. Harjo*, 284 F. Supp. 2d 96, 138 (D.C. Cir. 2003).

¹⁹⁷ *Blackhorse*, 2014 WL 2757516, at *31 (citing *Bridgestone/Firestone Research, Inc. v. Auto. Club De L'Ouest De La France*, 245 F.3d 1359 (Fed. Cir. 2001)).

¹⁹⁸ *Bridgestone*, 245 F.3d at 1363.

¹⁹⁹ *Id.* at 1363.

²⁰⁰ *Id.*

²⁰¹ *Pro-Football*, 284 F. Supp. 2d at 137-38.

decision to disregard the D.C. Circuit's holding in *Harjo* in what is "essentially a relitigation of what transpired in the *Harjo* case" is perplexing.²⁰² The TTAB's approach was reversed by the D.C. District and Circuit Courts in the *Harjo* litigation, prompting the question: What can be done to achieve consistency and predictability between the D.C. Circuit and the Fourth Circuit in analyses of cancellation proceedings for section 2(a) claims of disparagement?

III. A PROPOSED SOLUTION FOR CONSISTENCY AMONG CIRCUIT COURTS

Pro-Football's decision to file a civil complaint rather than appealing to the Federal Circuit, coupled with the passage of the AIA and its resultant appointment of the Eastern District of Virginia as the district for TTAB cancellation appeals, has afforded the Fourth Circuit the opportunity to set significant precedent and maintain consistency across circuits.²⁰³ To ensure this consistency, the Fourth Circuit should reject the Eastern District of Virginia's decision in favor of the public interest exception to the defense of laches and revive the laches defense in similar section 2(a) disparagement claims. Considering the lack of precedent involving section 2(a) disparagement claims and the Fourth Circuit's new appellate jurisdiction over trademark cancellation proceedings, the Fourth Circuit should disallow the application of the public interest exception to the laches defense.

When a party appeals a TTAB ruling in a trademark cancellation proceeding, the decision between de novo review by the Federal Circuit and a civil action in district court is potentially crucial to the pendency and disposition of the case.²⁰⁴ It is significant that only the civil action route allows for the introduction of new evidence, especially in a trademark cancellation proceeding in which there are factually dependent claims of disparagement and prejudice for the purposes of the laches defense.²⁰⁵ Accordingly, new evidence unavailable or undiscovered at the TTAB stage and introduced in a civil action in the district court may provide a plaintiff with a persuasive argument to overturn an adverse TTAB ruling on the same issue.²⁰⁶ In the current *Blackhorse* proceeding, Pro-Football was unsuccessful in defending its trademark registrations in the

²⁰² *Blackhorse*, 111 U.S.P.Q.2d 1080, 2014 WL 2757516, at *30-31.

²⁰³ *See id.*; *Pro-Football, Inc. v. Marjo*, 565 F.3d 880, 881 (D.C. Cir. 2009).

²⁰⁴ KRUGMAN, *supra* note 94, § 3:165.

²⁰⁵ *Id.*

²⁰⁶ *See id.*

TTAB hearing, but a change in venue may lead to a favorable outcome for Pro-Football, as well as any party hoping to raise the laches defense in a section 2(a) cancellation proceeding.

Above all, the Fourth Circuit's decision on just how deferential it plans to be to the Eastern District of Virginia's ruling in favor of applying the public interest exception to the defense of laches in section 2(a) claims will determine the finality of the *Blackhorse* cancellation proceeding—the first major disparagement dispute in the Fourth Circuit—and set a precedent for similar proceedings in the future. One may expect the Fourth Circuit to defer to the Eastern District of Virginia and the TTAB's holdings, considering the Fourth Circuit's inexperience with cancellation proceedings and the limited available precedent. The Eastern District of Virginia's decision to uphold the TTAB's decision is not surprising, since “[m]ost courts will give substantial deference to a board decision and will not disturb factual findings of the Board unless new evidence is introduced that causes the court to have a thorough conviction that the Board erred.”²⁰⁷ This is likely due to the fact that the TTAB examines the initial evidence, holds hearings, and has decades of experience offering administrative oversight in trademark cancellation proceedings, and the USPTO employs thousands of specialists for the sole purpose of providing expertise on these topics.²⁰⁸

Although the Fourth Circuit's standard of review in a trademark case will likely be highly deferential with regards to the Eastern District of Virginia's findings of fact, the Fourth Circuit is not required to defer to the district court's application or misapplication of the law.²⁰⁹ In fact, although an inexperienced district court may be more deferential, “[t]he Federal Circuit has no reticence reversing a Board decision when it believes that it is appropriate to do so.”²¹⁰ Accordingly, the Fourth Circuit has the opportunity to review the application of the public interest exception to the defense of laches and the corresponding governing law with a less deferential standard. Given this flexibility, the Fourth Circuit has the opportunity to follow the D.C. Circuit's lead with regards to the public interest exception to the defense of laches.

The public interest exception to a properly raised laches defense to a section 2(a) cancellation claim, as is the case in the

²⁰⁷ *Id.*

²⁰⁸ KRUGMAN, *supra* note 94, § 3:165; *About Us*, U.S. PAT. & TRADEMARK OFF., <http://www.uspto.gov/about/index.jsp> [<http://perma.cc/7ZYP-KGRG>] (last visited Apr. 28, 2016).

²⁰⁹ *Sara Lee Corp. v. Kayser-Roth Corp.*, 81 F.3d 455, 460 (4th Cir. 1996).

²¹⁰ KRUGMAN, *supra* note 94, § 3:165.

pending *Blackhorse* dispute before the Fourth Circuit, confuses the purposes of trademark law. Furthermore, the *Blackhorse* proceedings have perpetuated this confusion by drawing comparisons to the public interest exception as it applies to the defense of laches in section 2(d) claims of likelihood of confusion.²¹¹ Section 2(d) claims of likelihood of confusion target one of the main purposes of trademark law (i.e., consumer protection), and thus an exception to the equitable defense of laches for the benefit of the greater public interest fits neatly in trademark law jurisprudence.²¹² But where the public interest at issue “applies to a more narrow segment of the general population than in the likelihood of confusion cases,” application of the exception leads to overprotection of consumers and overextension of trademark law.²¹³

Although the public interest is an important consideration in trademark law, the TTAB and the Eastern District’s appeal to the public interest in support of *Blackhorse*’s argument against a laches defense is yet another example of courts straying from the original intentions of trademark protection.²¹⁴ As applied to section 2(a) disparagement claims and the defense of laches, then, the protection of a greater public interest arguably does not further the protection of a trademark owner’s investment, nor does it protect the consuming public from confusion or exorbitant search costs.²¹⁵ While not a per se expansion of trademark protection, the decisions by the TTAB and the Eastern District of Virginia simply represent a movement away from the original intentions of trademark law.

CONCLUSION

The Fourth Circuit should set a precedent for civil appeals from the TTAB’s decisions under the new AIA procedure and assert that an exception based on a greater public interest is inapplicable to the laches defense in section 2(a) trademark cancellation disparagement claims. Faced with a nearly identical claim by a different offended group of petitioners, the TTAB’s and Eastern District’s defiance of the D.C. Circuit’s prior ruling in *Harjo* has been misguided, and thus a consistent precedent

²¹¹ *Blackhorse*, 111 U.S.P.Q.2d 1080, 2014 WL 2757516, at *31-32.

²¹² 1 MCCARTHY, *supra* note 21, § 2:1.

²¹³ *Pro-Football, Inc. v. Harjo*, 284 F. Supp. 2d 96, 138 (D.C. Cir. 2003).

²¹⁴ See Deborah R. Gerhardt, *Consumer Investment in Trademarks*, 88 N.C. L. REV. 427, 427-29 (2010).

²¹⁵ See generally 1 MCCARTHY, *supra* note 21, § 2:1 (outlining the general policy goals of trademark law, including the protection of the trademark owner’s investment and protection of the consuming public from deceptive tactics).

should be established so the Fourth Circuit can ensure efficiency and monitor expectations for litigants in both the rocket docket jurisdiction of the Eastern District of Virginia and the Fourth Circuit. While a decision to permit raising the laches defense would not necessarily have been dispositive in *Harjo*, as Pro-Football would still be required to prove undue delay and subsequent prejudice,²¹⁶ the public interest exception has preempted the mere opportunity to utilize the equitable doctrine.

Additionally, holding steady with the *Harjo* decision may result in reverberations throughout various other professional sports organizations. Aside from the Washington Redskins, other sports organizations with established trademarks that have been met with similar protest include the Atlanta Braves, Chicago Blackhawks, and Cleveland Indians.²¹⁷ Just as some of Pro-Football's trademark registrations were issued almost 50 years ago, the Chicago Blackhawks' "Blackhawks" mark in connection with entertainment services in the nature of professional ice hockey dates back to 1970.²¹⁸ Similarly, the Cleveland Indians and Atlanta Braves have registrations for their names in their respective entertainment international classes dating back to the mid-1980s.²¹⁹ Accordingly, depending on the final outcome of the *Blackhorse* appeals, these historic trademarks and their accumulated investment and goodwill may similarly be subject to section 2(a) disparagement challenges without the affirmative defense of laches. Such organizations have had similar success licensing their marks for use on various products, indicating a need to take advantage of protections offered by trademark law.²²⁰ Without a consistent ruling, there is a real possibility that "a minority of hypothetically offended people [will] override

²¹⁶ KRUGMAN, *supra* note 94, § 3:52.

²¹⁷ Erik Brady, *Redskins Not Only Team Targeted for Indian Nickname*, USA TODAY (May 5, 2014, 11:07 AM), <http://www.usatoday.com/story/sports/2014/05/04/redskins-mascot-nickname-indians-wahoo-chiefs-blackhawks-braves/8705159/> [http://perma.cc/YCH7-QPEJ]; Regina F. Graham, *Racism of Sports Logos Put into Context by American Indian Group*, CBS CLEVELAND (Oct. 8, 2013, 11:59 PM), <http://cleveland.cbslocal.com/2013/10/08/racism-of-sports-logos-put-into-context-by-american-indian-group/> [http://perma.cc/SA74-FLRE].

²¹⁸ *Pro-Football*, 284 F. Supp. 2d at 104-07; BLACKHAWKS, Registration No. 0,893,052.

²¹⁹ ATLANTA BRAVES, Registration No. 1,484,697; CLEVELAND INDIANS, Registration No. 1,287,632.

²²⁰ According to Forbes, the Chicago Blackhawks are the fourth most valuable team in the National Hockey League, valued at \$925 million with a "brand" valued at \$120 million. *NHL Team Valuations*, FORBES, <http://www.forbes.com/teams/chicago-blackhawks/> [http://perma.cc/K8E7-HNJR] (last visited Apr. 29, 2016). Similarly, the Atlanta Braves were highly valued at \$1,150 million, good for twelfth most valuable in Major League Baseball, with a brand valued at \$145 million. *MLB Team Valuations*, FORBES, <http://www.forbes.com/teams/atlanta-braves/> [http://perma.cc/YYL2-RYMB] (last visited Apr. 29, 2016).

community standards of taste” and discount the accumulation of decades of goodwill and significant financial investment.²²¹

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²²¹ Reiter, *supra* note 63, at 195.

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