

Notes 7

Bars to registration

Review: Be sure to understand what incontestability protects you against...and what it doesn't. For example, why doesn't incontestability protect the Washington Redskins from the Harjo complaint?

The TTAB proceeding was deeply controversial. The opinion makes controversial calls

- on who should be sampled for offensiveness: the group targeted (a view which creates a risk of a small group imposing a cultural veto? but deciding the other way might mean that insensitive majorities might always run roughshod over small groups?)
- on what showing is needed within the sampled group (what % needs to be offended? how to measure intensity of offense?)
- the samples were small, and the TTAB accepted they could be extrapolated

The case was appealed to the District Court, and decided as *Pro-football, Inc., Plaintiff, v. Suzan Shown Harjo*, 284 F. Supp. 2d 96 (2003)

Here are key excerpts from that decision:

On April 2, 1999, five years after issuing its pretrial order, the TTAB issued a cancellation order in which it scheduled the cancellation of the contested trademarks. *Harjo II*, 50 U.S.P.Q.2d at 1748. The TTAB based its decision on the conclusion that the trademarks "may be disparaging of Native Americans to a substantial composite of this group of people," and "may bring Native Americans into contempt or disrepute." *Id.*

On June 1, 1999, Pro-Football filed its Complaint with this Court, seeking "de novo review, pursuant to 15 U.S.C. § 1071(b), of [the TTAB's] unprecedented administrative decision." Compl. P 1. Without expressly bestowing a right to de novo review, section 1071(b)(1) states that a party "dissatisfied with the decision of the [TTAB] . . . may . . . have remedy by a civil action." In that action, "the court may adjudge . . . that a registration involved should be canceled, . . . as the facts in the case may appear." 15 U.S.C. § 1071(b)(1). Section 1071(b)(4) states that the United States District Court for the District of Columbia has jurisdiction where, as here, the defendants "reside in a plurality of districts not embraced within the same State" 15 U.S.C. § 1071(b)(4).

In its complaint, Pro-Football presents five causes of action supporting its request that the Court overturn the TTAB's cancellation order. It argues first that the trademarks do not disparage Native Americans and second that they do not bring Native Americans into contempt or disrepute. Compl. PP 108-111. Finally, it argues that the Defendants' cancellation petition was barred by the doctrine of

laches. Id. PP 119-120.

...

Essentially, Pro-Football makes two main arguments: (1) assuming Defendants' petition for cancellation was timely, the dispositive evidence before the TTAB was irrelevant and therefore does not support a finding that the term "redskin(s)" may be disparaging or cause Native Americans to be brought into contempt or disrepute; and (2) Pro-Football has met the laches standard articulated by the Court and therefore the Court should order the TTAB to dismiss Defendants' petition for cancellation of the Redskins Marks under section 2(a) of the Lanham Act. Defendants have also moved for summary judgment. They argue that (1) the Court should affirm the TTAB's decision and (2) Pro-Football's laches claim should be rejected. Defendants also renew their motion to dismiss Pro-Football's constitutional claims, if the Court reaches that issue.

In the context of the first issue, whether summary judgment should be granted for either party on Pro-Football's first and second counts, the Court notes that the Lanham Act's provisions for district court review of a decision of the TTAB are fairly unique and unlike most other administrative reviews. Essentially, the Court reviews the findings of fact of the TTAB under the substantial evidence test, which has been derived from the Administrative Procedure Act ("APA"), 5 U.S.C. § 706. Additionally, the parties are permitted to offer new evidence, and the Court may make new findings of fact based on this newly submitted evidence. n2 However, for purposes of this proceeding, the parties chose not to present any new evidence on Pro-Football's first two counts.

...

The TTAB made specific findings of fact in only two areas: (1) the testimony of expert linguists, Harjo II, 50 U.S.P.Q.2d at 1731-32, and (2) survey evidence, id. at 1734. With these two exceptions, the TTAB made no other findings of fact regarding the voluminous record and instead merely presented the evidence of each of the parties in the form of summaries. Id. at 1721 ("Except for the testimony and related exhibits of the parties' linguistics experts and marketing and survey experts, we summarize the testimony and related exhibits of, first, petitioners' witnesses and, second, respondent's witnesses.").

...

4. Facts Relating to Pro-Football's Laches Defense

It is not disputed that Defendants were aware of the Washington Redskins team name and the name of the cheerleaders during the relevant time period. Defendant Suzan Shown Harjo, who as born in 1945, admits to being aware of the Washington Redskins team name since she was a child. Pl.'s Stmt. P 17. Defendant Vine Deloria admits that he first knew of the Washington Redskins during World War II. Id. P 18. Defendant Norbert Hill testifies in his deposition that he has known of the Washington Redskins since his childhood in the 1950's

and 1960's. Id. P 19. Defendant Manley Begay testifies in his deposition that he was born August 10, 1954, and became aware of the Washington Redskins at a "very young" age. Id. P 20. Defendant William A. Means has watched Redskins games and cheerleaders on television at least ten times. Id. P 52. Defendant Raymond D. Apodaca has watched football, including Redskins games, since it was televised. Id. P 57. Mr. Romero, born in 1966, saw Redskins games on television as a child as well as the Redskinettes cheerleaders. Id. P 61. It is also undisputed that Defendants did not file their petition to cancel the registrations of the trademarks until September 10, 1992. In addition, it is also undisputed that during the period of delay, Pro-Football and NFL Properties invested in the trademarks and had increasing revenues during this time frame.

III. LEGAL STANDARD DISTRICT COURTS USE IN RESOLVING MOTIONS FOR SUMMARY JUDGMENT UNDER RULE 56

In the case of a laches claim, a district court enjoys "considerable discretion in determining whether to apply the doctrine of laches to claims pending before it." *Hot Wax, Inc. v. Turtle Wax, Inc.*, 191 F.3d 813, 819 (7th Cir. 1999). As a result, appellate courts, even on summary judgment motions review a district court's laches finding under an abuse of discretion standard in cases where no material facts are disputed. Id. ("Therefore, while our review of the record is de novo, in determining whether there are any disputed issues of material fact, our review of whether the district court properly applied the doctrine of laches is under an abuse of discretion standard."). The Court of Appeals for the District of Columbia Circuit states, however, that "[a] district court's ruling on laches does not qualify for deference if the court applied the wrong legal standard." *Daingerfield Island Protective Soc. v. Lujan*, 287 U.S. App. D.C. 101, 920 F.2d 32, 38 (D.C. Cir. 1990). Nevertheless, as the Fifth Circuit succinctly observes, "as long as the district court applies the correct legal standard on summary judgment and does not resolve disputed issues of material fact against the nonmovant, its determination of whether the undisputed facts warrant an application of laches is reviewed for abuse of discretion."

IV. DISCUSSION

The Court first turns to the question of whether the TTAB appropriately concluded that the marks at issue disparage Native Americans or cause them to be brought into contempt or disrepute. The Court next turns to Pro-Football's claim of laches.

A. The Evidence Below is Insufficient to Conclude that During the Relevant Time Periods the Trademarks at Issue Disparaged Native Americans or Brought Them Into Contempt or Disrepute

Essentially, this appeal presents the question of whether the TTAB's decision that the registered marks "may disparage" Native Americans was supported by "substantial evidence." Under the section 2(a) of the Lanham Act:

No trade-mark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it-

(a) Consists 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. . . .

15 U.S.C. § 1052(a). In reaching its decision, the TTAB concluded that the registrations at issue did not comprise "scandalous matter." *Harjo II*, 50 U.S.P.Q.2d at 1748-49. That decision has not been appealed and is not before this Court. The TTAB also conflated the "contempt or disrepute" inquiry with the "disparage" inquiry. *Id.* at 1740. In other words, the TTAB concluded that "the guidelines enunciated [in its opinion], in connection with determining whether matter in a mark may be disparaging are equally applicable to determining whether such matter brings 'persons, living or dead, institutions, beliefs, or national symbols into contempt or disrepute.'" *Id.* (quoting 15 U.S.C. § 1052(a)). None of the parties argue that the TTAB's decision to treat "disparage" in the same manner as "contempt or disrepute" was error. Therefore, the Court has not reviewed this legal determination and in assessing the TTAB's decision, only reviews whether the marks at issue "may disparage" Native Americans, which includes whether the marks bring Native Americans into contempt or disrepute.

Pursuant to section 14 of the Lanham Act "any person who believes that he is or will be damaged by the registration of a mark" may file a petition to cancel a registration "within five years from the date of the registration of the mark," or "at any time . . . if its registration was obtained fraudulently or contrary to the provisions of . . . subsection (a), (b), or (c) of section 1052 of this title" 15 U.S.C. § 1064. Section 21 of the Lanham Act entitles persons authorized to appeal to bring either a civil action in a federal district court or a direct appeal if they are dissatisfied with the decision rendered by the TTAB in a cancellation proceeding. 15 U.S.C. § 1071. By undertaking a civil action, as opposed to a direct appeal to the Federal Circuit, the parties acknowledge that "the testimony and exhibits of the record in the Patent and Trademark Office, when admitted, shall have the same effect as if originally taken and produced in the suit." *Id.* § 1071(b). Moreover, this Court is not precluded from adducing further factual development of the record.

[The court explains why it adopts the "substantial evidence" test, with burden of proof in this

proceeding on the movant for summary judgment, ie. Pro Football]

[The court states that disparagement is a question of fact not law]

3. The TTAB's Findings of Fact

The Court's review of the TTAB's findings of fact is limited by necessity given the paucity of actual findings of fact made by the TTAB. Even though it spent fourteen pages cataloging the evidence in the case, *Harjo II*, 50 U.S.P.Q.2d at 1721-34, the TTAB made specific findings of fact in only two areas: (1) linguists testimony, *id.* at 1731-32, and (2) survey evidence, *id.* at 1734; see also *id.* at 1721 ("Except for the testimony and related exhibits of the parties' linguistics experts and marketing and survey experts, we summarize the testimony and related exhibits of, first, petitioners' witnesses and, second, respondent's witnesses."). Since the TTAB only made specific findings of fact in two areas, it is only these two areas that are subject to court-scrutiny under the substantial evidence test.

...

a. TTAB's Findings of Fact Regarding Linguists' Testimony

The TTAB only found with regard to the linguists' testimony that the term "redskin(s)" has been used historically as a reference for Native Americans and is still, understood in many contexts as a reference to Native Americans. *Harjo II*, 50 U.S.P.Q.2d at 1731. In addition, the TTAB found that since the-mid-1960's to the present, the term "redskin(s)" appears often only as a reference for the professional football club known as the Washington Redskins, that the term has not been used to refer to Native Americans during this time frame, and that the words "Native American," "Indian," and "American Indian" have been used as a reference for Native Americans during this time frame. *Id.* The TTAB also found that until the middle of this century, Native Americans were often referred to in spoken and written language in a derogatory manner. *Id.* While many of these usage examples refer to Native Americans as Indians, the TTAB concluded that these terms had remained an acceptable reference for Native Americans during the second half of the twentieth century. *Id.*

In making specific findings of fact in this area, the TTAB culled from the evidentiary record findings of fact that were not disputed by the experts of each of the parties. Aside from the question of the relevance of these findings to the legal question presented by this case, see *infra*, it is impossible to say that these specific findings of fact are not supported by substantial evidence.

b. TTAB's Findings Regarding Dr. Ross's Survey

The Board basically made three findings of fact regarding this survey evidence. First, the Board found that the survey methodology was sound. *Id.* at 1734.

Second, the TTAB found that the survey was nothing more than "a survey of current attitudes as of the time the survey was conducted." *Id.* Finally, the Board concluded that the survey adequately represents the views of the two populations sampled." *Id.*

First, the Court finds that there is substantial evidence for the narrow conclusion that the survey represents nothing more "than a survey of current attitudes at the time the survey was conducted." *Id.* This fact does not appear disputed by either side and therefore it would be difficult for the Court to conclude that this conclusion was not supported by substantial evidence.

In regard to the TTAB's decision that the survey methodology used was appropriate, the Court finds that there is substantial evidence to show that this methodology supported a survey that did nothing more "than survey . . . current attitudes." *Id.* However, to the extent that the TTAB's finding purported to hold that the methodology was proper to extrapolate the survey results to the Native American population at large, the Court must disagree that substantial evidence supports this conclusion.

First, the TTAB's opinion presents no defense to the critique by Dr. Jacoby that the survey improperly extrapolated the views of its respondents to the Native American population as a whole. See *id.* As discussed earlier, a review for substantial evidence "involves examination of the record as a whole, taking into account evidence that both justifies and detracts from an agency's decision." *Gartside*, 203 F.3d at 1312 (citing *Universal Camera*, 340 U.S. at 487-88). Instead of explaining why Dr. Jacoby's critique was flawed, the Board concludes-with no explanation-that the survey "represents the views of the two populations sampled." *Id.* Dr. Jacoby's criticisms, while listed by the TTAB, are never engaged. They are simply cast aside with an empty phrase such as "no survey is perfect." This case is not one where Dr. Jacoby testified before the TTAB and the TTAB members could observe the demeanor of this witness and reach conclusions as to whether to credit his testimony. The evidence for both Drs. Ross and Jacoby was on a cold record which ordinarily would require an explanation as to why evidence is credited or rejected. As discussed *supra*, Dr. Jacoby presented a highly detailed criticism of this survey's attempts at extrapolation. For example, Dr. Jacoby noted that the Ross Survey included Native Americans living in only twelve states, was deficient because it excluded large numbers of Native Americans living in Alaska and Hawaii, and was flawed because the survey included only two percent of all the counties in the United States. While the agency listed Dr. Jacoby's criticisms it never addressed them or rebutted them. Left completely unexplained, the Court cannot accept that the Ross Survey is a sufficient proxy for the views of Native Americans as a whole.

In this vein, the Court observes that in setting forth Dr. Jacoby's critiques again in their Rule 7.1(h) statement, Pro-Football essentially presented the Defendants with the opportunity to rebut the serious problems with the attempts of the survey to measure the attitudes of Native Americans as a whole. However, the Defendants merely responded by stating, "The Native American Parties do not dispute that Dr. Ross did not conduct a nationwide sample. The Ross Report explains the basis for Dr. Ross' methodology." The glaring problem with this approach is that while the Ross Expert Report lays out the methodology used in the survey, it does not address Dr. Jacoby's critique that the survey is incapable of being extrapolated, which is a different issue.

Finally, during the July 23, 2000, motions hearing, counsel for the Defendants stated, "If you take our survey evidence which says that 36 percent of Native Americans believe that the term is offensive to themselves, then that number come to somewhere between 700 and 800,000, using the number that [Pro-Football's counsel] gave us of 2.41 million Native Americans today." The Court immediately questioned the Defendants' counsel over this figure. This colloquy followed:

THE COURT: . . . I'm trying to figure out where you came from 36 percent out of the survey to 700 and 800,000. MR. LINDSAY: Well, that's just plain arithmetic. THE COURT: I know. But what does it represent? I understand you did the arithmetic. But what I'm saying is, aren't you -- you're extrapolating that if 36 percent of the group of the survey felt this way, you then applied 36 percent to the whole population that are Native Americans. Is that accurate? MR. LINDSAY: Yes. THE COURT: And making an assumption, aren't you, then, that that is representative of what all the rest of them would feel? MR. LINDSAY: We're certainly saying that the survey that the TTAB accepted and rejected the methodological critique of the opposition, that that survey would say that yes, those views would hold for the Native American population, in general, if that's Your Honor's question.

Tr. 7/23/2003 at 61-62. Thus, even when presented with an opportunity to defend the extrapolation, the Defendants' counsel merely relied on the TTAB's decision to find that the survey represented the views of Native Americans as a whole. Moreover, the Defendants' counsel had no scientific basis for the extrapolation. Rather, at the hearing, he merely multiplied the percentages of the Ross Survey by the number of Native Americans allegedly living in the United States. While this might be a proper technique, there is no evidence in the record that this was how Dr. Ross arrived at his conclusion. There is also no evidence in the record as to the overall number of Native Americans who would share the view that the word

"redskin(s)" was offensive to themselves. In fact, there is no discussion in either the Ross Report or the decision of the TTAB about the aggregate number of Native Americans that would find the term "redskin(s)" offensive when used as a reference for Native Americans.

The Court, therefore, concludes that the TTAB's decision to extrapolate the results of the Ross Survey to the Native American population as a whole was not supported by substantial evidence. Critiques by Dr. Jacoby went unanswered in the TTAB opinion. Conclusory statements such as "no survey is perfect" do not assist the Court in understanding the basis for accepting Dr. Ross's decision to extrapolate his results to the Native American population as a whole. Indeed, counsel at the July 23, 2003, motions hearing came up with the extrapolation figure on the spot by doing "plain arithmetic" based on information not in the record. For all of these reasons, the Court concludes that the decision of the TTAB to extrapolate the Ross Survey results to the Native American population as a whole is not supported by substantial evidence.

4. The TTAB's Legal Analysis

The legal standards applied by the TTAB to the evidence in this case is reviewed by this Court de novo. After reviewing the decision of the TTAB, the relevant authority, and the parties' pleadings, the Court finds that the TTAB correctly articulated the law to apply to disparagement cases.

a. The Burden of Proof at the TTAB Level

The Court determines that the TTAB correctly held Defendants/Petitioners to a "preponderance of the evidence" standard....

b. The Meaning of "May Disparage"

After acknowledging the dearth of precedent to guide their hand in interpreting the disparagement clause of section 2(a), *Harjo II*, 50 U.S.P.Q.2d at 1737, the TTAB approached the task as it would a charge of scandalousness under section 2(a). *Id.* No party disputes this approach and the Court finds no error in treating the two as similar for purposes of developing a conceptual framework. ...

c. Determining if a Trademark is Disparaging

The Court concludes that the TTAB correctly stated the test for disparagement and neither of the parties specifically dispute this approach. The Board stated:

Our analysis is essentially a two-step process in which we ask, first: What is the meaning of the matter in question, as it appears in the marks and as those marks are used in connection with the services identified in the registrations? Second, we ask: Is this

meaning one that may disparage Native Americans? As previously stated, both questions are to be answered as of the dates of registration of the marks herein.

Id. at 1741 (emphasis in original). Since the oldest trademark in this case was issued in 1967 and the newest was issued in 1990, the Board "focused its determination of the issue of disparagement on the time periods, between 1967 and 1990, when the subject registrations issued." Id. None of the parties contest this approach and the Court finds no error in the TTAB's articulation of this test for disparagement.

5. The TTAB's Finding of Disparagement

The Court concludes that the TTAB's finding that the marks at issue "may disparage" Native Americans is unsupported by substantial evidence, is logically flawed, and fails to apply the correct legal standard to its own findings of fact. With no material facts in dispute, the Court finds that Defendants' motion for summary judgment must be denied, and that Pro-Football's motion must be granted as to the Counts I and II of the Complaint.

a. Meaning of the Matter In Question

[The court endorsed the TTAB's view that the meaning of the term had not completely become the team rather than the group of persons]

b. Whether the Matter in Question May Disparage Native Americans

The Court determines that the TTAB's conclusion that the six trademarks may disparage Native Americans is not supported by substantial evidence.

...In rendering its decision, the TTAB stated that "we consider the broad range of evidence in this record as relevant to this question either directly or by inference." Id. (emphasis added). The difficulty with this statement is transparent. Even a cursory review of the TTAB's findings of fact reveals that there is no direct evidence in the findings that answers the legal question posed by the TTAB. None of the findings of fact made by the TTAB tend to prove or disprove that the marks at issue "may disparage" Native Americans, during the relevant time frame, especially when used in the context of Pro-Football's entertainment services. For example, none of the findings of fact related to the linguistic testimony tended to directly prove that the marks at issue "may disparage" Native Americans as used in connection with Pro-Football's football club during the relevant times at issue...

While a de novo test to the TTAB's findings of fact might have led to an immediate reversal, due to the paucity of actual findings of fact, the substantial evidence test counsels otherwise and requires that the Court not substitute its judgment for that of the TTAB. Instead, the Court reviews point-by-point whether

"substantial evidence" supports the TTAB's disparagement finding.

(1) Equating the Views of the General Public with Those of Native Americans

In rendering its decision, the TTAB stated that "we have considered the perceptions of both the general public and Native Americans to be probative [to determining if the marks at issue 'may disparage']." *Id.* at 1743. The TTAB went on to state:

For example, we have found that the evidence supports the conclusion that a substantial composite of the general public finds the word "redskin(s)" to be a derogatory term of reference for Native Americans. Thus, in the absence of evidence to the contrary, it is reasonable to infer that a substantial composite of Native Americans would similarly perceive the word. This is consistent with the testimony of the petitioners.

Id. at 1743-44 (emphasis added). The problem with this approach is manifest. First, and most importantly, the Ross survey indicates that the views of the general populace and the Native American population are distinct. *Harjo II*, 50 U.S.P.Q.2d at 1733 (36.6% of Native Americans view the term "redskin" offensive as a term of reference for Native Americans, compared to 46.2% for the general population). Thus, the evidence before the TTAB indicated that the views of the Native Americans on this issue were not congruent with that of the population as a whole.

Second, the legal question before the TTAB only pertained to whether a "substantial composite" of Native Americans would conclude that the term "redskin(s)" may disparage. As the Board itself stated only five pages earlier in its opinion, "it is only logical that, in deciding whether the matter may be disparaging, we look, not to American society as a whole, as determined by a substantial composite of the general population, but to the views of the referenced group." *Id.* at 1739 (emphasis added); *id.* (quoting *Hines*, 31 U.S.P.Q.2d at 1688) ("In determining whether or not a mark is disparaging, the perceptions of the general public are irrelevant.") (emphasis added). By concluding that the views of the general public were probative, the TTAB erred. By focusing on the general public and inferring that the Native Americans would simply agree with those views, the TTAB made a decision unsupported by substantial evidence.

Third, outside the testimony of the seven Native Americans who brought suit, the TTAB cited no independent or additional evidence to support its conclusion.

...Fourth, the TTAB reached this conclusion only because there was an "absence of evidence to the contrary," *Harjo II*, 50 U.S.P.Q.2d at 1744, thus, completely shifting the burden of proof in the wrong direction. ...

(2) The Derogatory Nature of the Word "redskin(s)"

The TTAB began by discussing the term "redskin(s)," decoupled from Pro-Football's entertainment services. Putting aside the relevance of this sojourn into linguistics, the Board concluded that "the word 'redskin(s)' has been considered by a substantial composite of the general population, including by inference Native Americans, a derogatory term of reference for Native Americans during the time period of relevance herein." *Id.* at 1746 (emphasis added). As the Court has already explained, the TTAB's decision to conflate the views of the general population with those of Native Americans cannot be supported by substantial evidence. Nevertheless, even a review of the evidence that supports this conclusion leads the Court to conclude that the TTAB's finding on this point was not supported by substantial evidence.

[The court looked at the dictionary evidence, and concluded "TTAB's conclusion is without any basis because there is no evidence in the record that was credited as to the purpose and methodology for including or not including usage labels in dictionaries or an explanation as to the basis for their conclusion. There are no findings of fact to support the TTAB's conclusion; rather, it is mere speculation on the part of the TTAB that this is the case."]

[The court looked at the historical evidence cited by the TTAB and found that as regards usage since the 1950's it was speculative or lacked "concrete evidence".]

[The court dismissed the survey evidence as being only one point in time and hence not able to cover other time periods, including the time of registration.]

(3) The Word "redskin(s)" as a Term of Disparagement

The TTAB next turned to the ultimate inquiry before the Board and found that "within the relevant time periods, the derogatory connotation of the word 'redskin(s)' in connection with Native Americans extends to the term 'Redskin(s)' as used in [Pro-Football's] marks in connection with the identified services, such that [Pro-Football's] marks may be disparaging of Native Americans to a substantial composite of this group of people." *Id.* at 1748. The crux of the TTAB's conclusion, therefore, is that the "derogatory connotation of the word 'redskin(s)'" extends to the term "Redskin(s)" as used in connection with Pro-Football's entertainment services. This finding is not supported by substantial evidence.

To reach its conclusion that the trademarks may disparage Native Americans, the TTAB essentially determined that because the word "redskin(s)" may be viewed by Native Americans as derogatory when used as a reference for Native Americans, the trademarks are disparaging because they use that word. The result of this analysis is that there is very little discussion of the use of the mark in

connection with Pro-Football's product or services. Unlike in the Doughboy case, where the Examiner-in-Chief of the Patent Office stated that use of the term "Doughboy"- a reference for a World War I soldier-was disparaging when used to sell an anti-venereal prophylactic, *Doughboy*, 88 U.S.P.Q. at 228, in this case the TTAB did very little analysis of how the use of the trademarks in connection with Pro-Football's services disparages Native Americans. The Board was content with stating that because it found the name to be pejorative, the marks must be disparaging.

...

...the perceptions of the general public are irrelevant to determining if the marks are disparaging to Native Americans. In other words, this evidence is simply not relevant to the legal question in the case. Second, and most importantly, this finding is logically flawed. At best, this evidence demonstrates that Pro-Football's fans and the media continue to equate the Washington Redskins with Native Americans and not always in a respectful manner. However, the evidence does not automatically lead the Court to conclude that the word "redskin(s)" as used in Pro-Football's marks is derogatory in character. Under the broad sweep of the TTAB's logic, no professional sports team that uses Native American imagery would be permitted to keep their trademarks if the team's fans or the media took any action or made any remark that could be construed as insulting to Native Americans. The Court cannot accept such an expansive doctrine; particularly when premised on a finding that is not supported by any substantial evidence.

...

B. Pro Football's Defense of Laches Bars Defendants' Challenge

In addition to concluding that the TTAB's finding of disparagement was not supported by substantial evidence, the Court, in the alternative, determines that Pro-Football's defense of laches would also preclude the cancellation of the six trademarks. As the United States Court of Appeals for the District of Columbia Circuit has stated, "Plaintiffs are encouraged to file suits when courts are in the best position to resolve disputes." *NAACP v. NAACP Legal Def. and Educ. Fund, Inc.*, 243 U.S. App. D.C. 313, 753 F.2d 131, 137 (D.C. Cir. 1985). The best time to resolve this case was 1967 or shortly thereafter. The net result of the delay is that there is no direct or circumstantial evidence in the record that, at the times the trademarks were registered, the trademarks at issue were disparaging; even though the Native Americans contend that during this entire time period the trademarks were disparaging. Hence, the evidence used by the TTAB to support its disparagement conclusion was purely inferential. The Court, like the TTAB, is handicapped in resolving this case because of the Defendants' delay. Therefore, the problem of laches correlates, to some degree, with the Court's finding that the

TTAB's decision is not supported by substantial evidence. It is for this reason, that the Court has determined to address it in the context of this case.

In its December 11, 2000, Memorandum Opinion, the Court set forth the test for laches that Pro-Football needed to meet in order to prevail:

"The doctrine of laches bars relief to those who delay the assertion of their claims for an unreasonable time. Laches is founded on the notion that equity aids the vigilant and not those who slumber on their rights." *NAACP v. NAACP Legal Defense & Educational Fund, Inc.*, 243 U.S. App. D.C. 313, 753 F.2d 131, 137 (D.C. Cir. 1985). Typically, a laches defense arises in trademark matters when a party defends against a trademark infringement claim on the theory that the original trademark holder fumbled away its trademark rights through inattention. In such typical circumstances, the common law allows for a laches defense only if the defendant meets "three affirmative requirements: (1) a substantial delay by a plaintiff prior to filing suit; (2) a plaintiff's awareness that the disputed trademark was being infringed; and (3) a reliance interest resulting from the defendant's continued development of good-will during this period of delay." *Id.*

While the common law definition of laches does not cleanly apply in light of the procedural posture of this case, it can be easily modified: Pro-Football's laches claim is only available under the common law if (1) the Native Americans delayed substantially before commencing their challenge to the "redskins" trademarks; (2) the Native Americans were aware of the trademarks during the period of delay; and (3) Pro-Football's ongoing development of goodwill during the period of delay engendered a reliance interest in the preservation of the trademarks.

Harjo III, 57 U.S.P.Q.2d at 1144. Pro Football takes the position that the Court "must separately consider the equities of applying laches as to the two-year delay associated with the Redskins' 1990 registration, the fourteen-year delay associated with the 1978 registration, the eighteen year delay associated with the 1974 registrations, and the twenty-five year delay associated with the 1967 registration." Pl.'s Reply at 2. The Court agrees with Pro-Football's assessment. Accordingly, for each of these time periods, the Court must determine if Pro-Football has met the three prong test articulated above. Pro-Football bears the burden of proving laches, because it is an affirmative defense. *Bridgestone/Firestone Research, Inc. v. Automobile Club De L'Quest De La France*, 245 F.3d 1359, 1361 (Fed. Cir. 2001).

1. Laches as an Available Defense

Before turning to the three-prong analysis, the Court notes that it finds that laches is a defense available to Pro-Football. Defendants continue to argue that a laches defense is unavailable in the context of a section 2(a) petition for cancellation; particularly where a "public interest" is vindicated. Defs.' Mot. at 34-36. The Court's December 11, 2000, Memorandum Opinion found that laches was an available defense in section 2(a) proceedings, but like all equitable defenses, was contingent on the facts and circumstances of each case....

Defendants also point out that the *Bridgestone* court observed that in the context of section 2(d) likelihood of confusion cases, courts have permitted a "tardy challenge to a registered mark." Reviewing these cases, the Court observes that in the likelihood of confusion context, the courts have been generous to tardy filings because of "the public interest expressed in § 1052" which "is the dominant consideration." Section 2(d) of the Lanham Act states that a trademark should not be cancelled for likelihood of confusion unless the mark, "consists of or comprises a mark which so resembles a mark registered in the Patent and Trademark Office, or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when used on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive." 15 U.S.C. § 1052(d) (emphasis added). Given the strong public interest in avoiding deception or mistake, a court in balancing the equities is likely to be more chary before applying the laches defense in the likelihood of confusion case scenario. Indeed, even in a disparagement case, a court may be willing to invoke the public interest behind section 2(a) before applying it to the facts and circumstances of the case. However, the public interest is somewhat more narrowly defined in that context because it applies to a more narrow segment of the general population than in the likelihood of confusion cases.

The problem with Defendants' argument is that it has no limit. Any public interest that seeks vindication under section 2(a) would not be subject to a laches defense.

...

The Court now turns to the merits of Pro-Football's laches argument. The Court articulated a general three-prong test for laches in the context of a trademark proceeding that the Court of Appeals for the District of Columbia Circuit articulated in the *NAACP* case. Essentially, to demonstrate laches Pro-Football must show that Defendants' delay in bringing the cancellation proceeding was unreasonable, and that prejudice to Pro-Football resulted from the delay. This test is not materially different from the standard articulated in *NAACP*. The first two steps of the *NAACP* test, substantial delay and notice, form the unreasonable delay prong of the *Bridgestone* case. Finally, the third step of the *NAACP* test,

development of goodwill during the period of delay, is the prejudice element in the Bridgestone case. As the Bridgestone court observed, "economic prejudice arises from investment in and development of the trademark." Id. at 1363.

2. Substantial Delay

The Court finds that the Defendants substantially delayed in bringing their challenge to the marks. In the case of the first trademark, Defendants waited over twenty-five years to bring this case. Defendants "do not dispute that they have long known about and objected to the name of the Washington football franchise." Defs.' Opp'n at 23. This length of time is greater than other cases where courts have applied a laches doctrine. ... In this case, the Washington Redskins have been using their name since 1937 and have had their name trademarked since 1967. The Court finds that for all six trademarks the delay in bringing the cancellation proceeding was substantial. The marks were registered in 1967, 1974, 1978, and 1990. In the case of the trademarks registered in 1967, 1974, and 1978, the delay was substantial on its face. However, given the context of this case, the Court concludes the delay for all the trademarks was substantial. The Defendants had notice of the marks when the marks were published for comment and when the marks were published for registration.

While the two-year delay for the "REDSKINETTES" mark may seem not particularly lengthy on its face, the Court has explained that the context of this case is different from many other trademark cases. In addition, the Washington Redskins cheerleaders have been using the term "REDSKINETTES" since 1962. Therefore, this is not a case where the mark was introduced in 1990; rather, it had been in use for approximately thirty years at the point the Defendants brought their cancellation proceeding. Moreover, the two-year delay does not exist in a vacuum....

3. Notice

The Court determines that Defendants had twelve separate occasions of constructive notice when the six marks were each published and registered. Publication of the marks in the Official Gazette constitutes constructive notice of the applications at issue. ... 15 U.S.C. § 1072 (Lanham Act provides that registration on the Principle Register "shall be constructive notice of the registrant's claim of ownership"). The TTAB has expanded the Federal Circuit's view to state that laches in the context of a cancellation proceeding begins to run at the date the trademarks are published. ... In this case, therefore, laches began to run from the point the first trademark was published in 1967. In all, therefore, the six marks provided twelve separate constructive notifications.

Defendants contend that because they are not a competing claimant to a trademark, they should not be charged with constructive notice. ... Contrary to

Defendants' argument, the Supreme Court has held that a "party's poverty or pecuniary embarrassment was not a sufficient excuse for postponing the assertion of his rights." *Leggett v. Standard Oil Co.*, 149 U.S. 287, 294, 37 L. Ed. 737, 13 S. Ct. 902, 1893 Dec. Comm'r Pat. 345 (1893). Additionally, ignorance of one's legal rights is not a reasonable excuse in a laches case. See, e.g., *Jones v. United States*, 6 Cl. Ct. 531, 532-33 (Cl. Ct. 1984) ("Where laches is raised, knowledge of the [**129] law is imputed to all plaintiffs. Consequently, professed ignorance of one's legal rights does not justify delay in filing suit.").

...

Accordingly, the Court finds that Defendants were aware of the trademarks during the period of delay under a theory of actual or constructive notice.¹ Based on the substantial delay, the fact that Defendants were on notice of the marks, and the fact that Defendants have no reasonable excuse for their delay in taking action, the Court concludes that Defendants' delay was undue. *Bridgestone*, 245 F.3d at 1361 ("To prevail on its affirmative defense, Bridgestone was required to establish that there was undue or unreasonable delay. . . ."). As the *Bridgestone* court stated: "constructive notice, widespread commercial use (knowledge of which is not denied by the Automobile Club), and the passing of twenty-seven years after registration, accompanied by the absence of a reasonable excuse by the Automobile Club for its inaction, require that the Automobile Club be charged with undue delay in seeking cancellation of Bridgestone's trademark registration." *Id.* at 1362. The Court finds that constructive and actual notice on the part of

¹Defendants also argue that the Court cannot apply the doctrine of constructive notice to Defendant Mateo Romero, who was born in 1966. Defendants, in support of this argument, make a fair point of the difficulty of the Court applying laches in the context of a disparagement case, because a "substantial composite" of a disparaged group is by definition a fluid entity, joined together for the purposes of section 2(a) by a consistent defining concept (disparagement) rather than a constant membership (because individuals in the group are born, age, and die)." *Defs.' Opp'n* at 25. The argument, however, highlights the fact that during the time periods at issue a substantial composite of Native Americans may not have found the trademark at issue disparaging. A later substantial composite of Native Americans that finds the marks disparaging may be precluded because the relevant test is at the times the trademarks are issued.

Pro-Football correctly observes that the Defendants essentially argue that no court could ever apply a laches defense to a disparagement claim. *Pl.'s Reply* at 6 n.6 (noting that even a 100-year delay would not prevent a potential disparagement claim "because of the potential of a claim being brought by some as of yet unborn person who might claim disparagement"). The Court, however, has already rejected Defendants' view that laches is inapplicable to a disparagement proceeding. Rather than taking such an extreme position, that laches never applies to a disparagement proceeding, the Court takes a more modest approach: a finding of laches depends on the facts and circumstances of each case.

Defendants, widespread use of Pro-Football's trademarks, and the over twenty-five years that have passed since first notice of the mark, accompanied by an insufficient excuse from Defendants for their delay, requires this Court to find undue delay on the part of Defendants.

4. Prejudice

The Court finds that Defendants' delay in bringing the cancellation proceeding prejudices Pro-Football. ...

Therefore, the test for economic prejudice in a trademark case is the following:

Economic prejudice arises from investment in and development of the trademark, and the continued commercial use and economic promotion of a mark over a prolonged period adds weight to the evidence of prejudice. See *Hot Wax, Inc. v. Turtle Wax, Inc.*, 191 F.3d 813, 821 (7th Cir.1999) (the longer the use and the lengthier the period of delay, the lighter the burden of showing economic prejudice in support of the defense of laches).

In other words, prejudice is equated with investment in the trademark that theoretically could have been diverted elsewhere had the suit been brought sooner. There is no dispute that in this case Pro-Football has invested heavily in the marketing and development of its brand during the period of delay. In the instant case, because the delay in bringing the cancellation proceeding was so substantial, a presumption is created that Pro-Football was entitled to rely on the security of the trademarks at issue. In 1967, the NFL was still a nascent industry. Had this suit been brought at that point, Pro-Football may have acquiesced and changed the name. The twenty-five year delay, where Pro-Football has invested so heavily in the marks, has clearly resulted in economic prejudice.

V. SUMMARY OF ANALYSIS

The Court's decision today only focuses on the evidence supporting the TTAB's decision and Defendants' delay in bringing this proceeding. This opinion should not be read as a making any statement on the appropriateness of Native American imagery for team names. The Board premised its disparagement conclusion on a paucity of actual findings of fact that were linked together through inferential arguments that had no basis in the record. Contrary to the TTAB's ruling, this Court finds that Defendants did not carry their burden of proof in the TTAB proceeding. The evidentiary findings of the TTAB did not rise to the level of "substantial evidence" to support their ultimate conclusion that the six trademarks at issue were disparaging to a substantial composite of Native Americans.

...

This is undoubtedly a "test case" that seeks to use federal trademark litigation to obtain social goals. The problem, however, with this case is evidentiary. The Lanham Act has been on the books for many years and was in effect in 1967 when the trademarks were registered. By waiting so long to exercise their rights, Defendants make it difficult for any fact-finder to affirmatively state that in 1967 the trademarks were disparaging.

Deceptive terms and "deceptively misdescriptive" terms

§2(a) bars registration of any mark which "comprises..deceptive...matter". This is an absolute bar.

But a "merely ...deceptively misdescriptive" mark, while barred under §2(e)(1) can be resited if you can show secondary meaning under §2(f)

3-step test on p. 253 for telling if something is deceptive or must deceptively misdescriptive

- (1) Is the term misdescriptive of the character, quality, function, composition or use of the goods?
IF NO - stop -- there's no problem?
IF YES continue (If this is only YES, then mark may be arbitrary or suggestive, since w/out belief (Q2 below) there's no deception!
- (2) If so, are prospective purchasers likely to believe that the misdescription **actually describes the goods?** [nb typo in old edition book]
IF NO- we may have an arbitrary or suggestive mark
IF YES - continue
- (3) If so, is the misdecription likely to affect the decision to purchase?
IF YES = DECEPTIVE
IF NO - merely 'misdescriptive'

Do the questions on p. 253 - they're useful