



## Lanham Act constitutionality affirmed as six federal REDSKINS-based trade marks are cancelled

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*Pro-Football, Inc v Blackhorse*, No 1:14-cv-01043-GBL-IDD, 115 USPQ2d 1524 (US District Court for the Eastern District of Virginia, 8 July 2015)

### Abstract

Ruling on cross-motions for summary judgment brought by the plaintiff Pro-Football, Inc (PFI), on the one hand, and by the defendant Blackhorse and by the USA, on the other, the court affirmed a decision of the Trademark Trial and Appeal Board (TTAB) of the US Patent & Trademark Office (USPTO) finding: (a) that § 2(a) of the Lanham Act, which prohibits the federal registration of disparaging trade marks, is constitutional under the First and Fifth Amendments to the US Constitution; (b) that six trade marks owned by the Washington Redskins professional US football team that include the term REDSKINS were properly cancelled by the TTAB under § 2(a); and (c) that the doctrine of laches did not bar those six petitions to cancel.

### Legal context

The 'Washington Redskins' are a well-known professional US football team. The team's popularity is especially strong because it has historically been the most stalwart of Washington, DC's sports teams. The Redskins have won five championships (three Superbowls and two National Football League (NFL) Championships) since the team was established in 1932, and have appeared in, but lost, six others.

The team's name was selected in 1933, and the team eventually obtained six US trade mark registrations for various REDSKINS-based marks. At the time the name was selected, many sports teams adopted Native American sounding names, ostensibly because they implied stamina, an outdoorsy toughness and a willingness to fight fiercely when necessary.

In modern times, Native Americans have voiced objections to many of these names, and



especially to those which have a pejorative or blatantly offensive connotation. It is therefore not surprising that the REDSKINS marks (which literally identify a race by the colour of its skin) have been controversial since at least 1971 and have been the subject of two sets of litigation since 1992.

The issue has particular resonance in the USA right now, since race relations and government regulation have a renewed importance as political issues. As a result, the constitutionality of § 2(a) of the Lanham Act, which provides that the US Patent & Trademark Office (USPTO) shall refuse to register marks that, inter alia, 'may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs or national symbols, or bring them into contempt or disrepute' (15 USC § 1052(a)), is now being challenged.

In fact, a separate and unrelated case, *In re Tam*, 600 F. App'x 775 (Fed Cir 2015), has similarly raised the issue of the constitutionality of § 2(a) in the context of the ability of a rock band to obtain a federal trade mark registration for its name THE SLANTS, a racial slur regarding Asians. Although the USPTO and a panel of the US Court of Appeals for the Federal Circuit have both held § 2(a) to be constitutional, the panel's decision was vacated pending the issuance of a new decision *en banc*, which should issue later this year.

In view of this background, this Current Intelligence piece focuses on the key finding in *Blackhorse* that § 2(a) of the Lanham Act is constitutional under the First Amendment of the US Constitution, the issue also being reviewed *en banc* in *In re Tam*.

## Facts

In 1992, Susan Harjo and six other Native Americans petitioned the USPTO to cancel the REDSKINS registrations under § 2(a) of the Lanham Act. In 1999, the USPTO cancelled the registrations. However, the USPTO's decision was reversed on appeal to the US District Court for the District of Columbia and the US Court of Appeals for the DC Circuit based on a finding that Harjo's claims were barred by the doctrine of laches.

In 2006, while *Pro-Football, Inc v Harjo*, 565 F.3d 880 (DC Cir 2009), was still pending, and after it became clear that the initial cancellations might be barred by laches, a second and different set of Native Americans led by Amanda Blackhorse filed new petitions to cancel the same six REDSKINS registrations. These petitioners, who did not have the same laches issues as the *Harjo* petitioners, successfully petitioned the USPTO to cancel the marks. Pro-Football, Inc (PFI) filed for *de novo* review of Trademark Trial and Appeal Board (TTAB) decision under 15 USC § 1071(b) and appealed the decision to the US District Court for the Eastern District of Virginia, alleging that § 2(a) was unconstitutional under the First and Fifth Amendments of the US Constitution, that the Blackhorse petitioners had not proven the REDSKINS marks were disparaging and that the claims were barred by laches.



## Analysis

In a lengthy and detailed opinion, Judge Gerald Lee, of the Eastern District of Virginia, ruled on two sets of cross-motions for summary judgment and found § 2(a) of the Lanham Act to be constitutional under the First Amendment.

As a threshold matter, the court clarified that what is at issue in this case is the cancellation of the US federal trade mark registrations, not the underlying trade marks themselves. In the USA, trade mark rights are not created by registration. Instead, it is the use of the mark in commerce that creates common law rights in the mark. The registration of a mark with the US federal government only confers certain statutorily defined benefits in addition to those available at common law, such as constructive notice of the registrant's ownership of the mark across the USA and the possibility that, after five consecutive years of use of the mark, the registration will become incontestable and will constitute conclusive evidence of registrant's right to use the mark.

Turning to PFI's First Amendment challenge to the validity of § 2(a) of the Lanham Act, the court ruled that the challenge failed because § 2(a) does not impinge upon the First Amendment's protection of freedom of speech. Quite simply, because the failure to register a mark does not proscribe an applicant's right to use that mark, § 2(a) does not prohibit or penalize an applicant's ability to engage in a particular form of speech, and therefore does not implicate the First Amendment. In other words, the court found that the cancellation of a US federal registration does not restrict freedom of speech because cancellation leaves the mark's owner free to use the mark in commerce as an unregistered mark.

In a further two-step analysis, the court found that 'the federal trademark registration program is government speech', 115 USPQ2d at 1535 under the test established by the US Supreme Court in *Walker v Texas Division, Sons of Confederate Veterans, Inc*, 135 S Ct 2239 (2015), and that such speech is 'exempt from First Amendment scrutiny', 115 USPQ2d at 1540 because it falls within the constitutional boundaries prescribed by the US Supreme Court in *Rust v Sullivan*, 500 US 173 (1991).

The court began by determining that the federal trade mark registration programme is not commercial speech, but is instead government speech 'exempt from First Amendment scrutiny' under *Walker* and *Rust*. Citing *Harris v Quinn*, 134 S Ct 2618, 2639 (2014), the court clarified that commercial speech 'is defined as "speech that does no more than propose a commercial transaction"' 115 USPQ2d at 1535. Under this definition, trade marks would qualify as commercial speech because they are source identifiers that 'necessarily pertain to commercial transactions' *Id.* at 1535 n.6. However, the federal registration of trade marks does *not* qualify as commercial speech since that use 'does not propose a commercial transaction' but instead serves other goals *Id.* at 1535.

In *Walker*, the US Supreme Court held that US states may 'refuse to create a new



specialty [automobile] license plate ... if the design might be offensive to any member of the public' 135 S Ct at 2244-46 (quoting Tex. Transp. Code Ann. § 504.801(c)). The *Walker* court found that a Texas state licence plate programme was not private speech, but was government speech that did not impinge upon the First Amendment because the government may determine the content and limits of programmes that it creates and manages under *Rust*. This is because: (i) licence plates have long 'communicated messages from the [s]tates'; (ii) the public closely associates licence plates, which function as government IDs that typically do not include messages unapproved by the government, with states; and (iii) states maintain and actively exercise direct control over state licence plate programmes and how the state presents itself to its constituency.

In this case, the court found that the federal trade mark registration program amounts to government speech under the *Walker* test. As regards the first factor, the court reasoned that 'registry with the federal trademark registration program communicates the message that the federal government has approved the trademark', 115 USPQ2d at 1536. The purpose of the programme is not for the expression of private views or interests, which lies instead

... in the creation of the mark itself, which is done by the owner by using the mark in commerce. Instead, the purpose of the federal registration program is to provide federal protection to [certain] trademarks, in part achieved by providing notice to the public of what trademarks are registered through the Principal [Trademark] Register' *Id.* at 1538.

As regards the second factor, the court reasoned that 'the public closely associates federal trademark registration with the federal government as the insignia for federal trademark registration, ®, is a manifestation of the federal government's recognition of the mark' *Id.* at 1536. Both the Official Gazette and the Principal Register are published by the USPTO. In other words, the government speech here is literal. In addition, the public clearly understands the ® symbol to be a declaration by the federal government that it has approved a particular mark.

Finally, as regard the third *Walker* factor, the court reasoned 'the federal government exercises editorial control over the federal trademark registration program' *Id.* In fact, as the court notes, under § 2 of the Lanham Act, the USPTO may and often does deny federal registrations on any of a number of grounds, including marks that are likely to cause confusion with a previously registered mark, are generic, are functional, are geographically descriptive or deceptively misdescriptive, that comprise the name of a living individual who has not consented to such registration, and so on.

By approving or denying registrations under Section 2(a) of the Lanham Act, the government is merely exercising editorial discretion over what is published in the Official Gazette of the [US]PTO and in the Principal Register *Id.* at 1537.

In doing so, it maintains and actively exercises direct control over the federal trade mark programme and controls those marks that will be associated with the government by means of its approval of those marks.



After determining that the federal trade mark registration programme was not commercial speech, but was instead government speech, the court also determined that such speech fell within the constitutional boundaries prescribed by the US Supreme Court in *Rust v Sullivan*.

The *Rust* court considered whether regulations restricting the provision of government funds to doctors for use in connection with abortion-related services violated the First Amendment. The statute in question did not prohibit doctors from performing or advocating abortions, but prohibited doctors from doing so using funds provided to them under Title X of the Public Health Act.

The *Rust* court determined that Title X did not violate the First Amendment, since ‘the government may determine the content and limits of its programs’ *Id.* at 1539. Specifically, the court found that the government can ‘selectively fund a program to encourage certain activities it believes to be in the public interest, without at the same time funding an alternative program’ without violating the First Amendment 500 US at 193. In other words, a ‘legislature’s decision not to subsidize the exercise of a fundamental right does not infringe the right’ *Id.* *Rust*, therefore, stands for the principle that “‘when the government creates and manages its own program, it may determine the contents and limits of that program’ without violating the First Amendment”: *Planned Parenthood of South Carolina Inc v Rose*, 361 F 3d 786, 796 (4th Cir 2004).

Turning to § 2(a) of the Lanham Act, the court here found that ‘the federal trademark registration program’s requirement that a mark cannot receive federal trademark protection if it “may disparage” is well within the constitutional boundaries set forth in *Rust*’ 115 USPQ2d at 1540. When the government creates and manages its own programme, it may determine its content and limits. Accordingly, when the US Congress decided that marks that ‘may disparage’ should not receive the benefits of federal regulation, it was well within its power to do so.

Similar to how the doctors in *Rust* could engage in abortion related-activities through programs independent of their Title X projects, mark owners are free to use their marks that ‘may disparage’ outside the federal trademark registration program. Participation in the program is not compulsory ... [T]he right to trademark protection arises in common law and is not a creature of federal government *Id.*

## Practical significance

Although Team Blackhorse won this play, the game is not yet over. This decision will not be the last word on the constitutionality of § 2(a) of the Lanham Act under the First Amendment. PFI has filed an appeal of the decision to the US Court of Appeals for the Fourth Circuit. Briefing is currently scheduled to start in late fall and extend into next year.



Meanwhile, on 2 October 2015, the US Court of Appeals for the Federal Circuit heard oral argument *en banc* in the *In re Tam* case, which raises the issue of the constitutionality of § 2(a) with regard to the ability of a rock band to obtain a federal trade mark registration for a racial slur regarding Asians. The *en banc* decision, which will be persuasive but not binding on the Fourth Circuit, will likely issue later this year.

Given the heated emotions on display in both cases, and the possibility of a circuit split on the constitutionality of § 2(a) of the Lanham Act, this matter may ultimately need to be resolved by the US Supreme Court. It will be curious to see how the US Supreme Court, sitting in Washington, DC, will view a challenge to the federal registration of the popular local US football team's name, which has been used for so many decades.

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