

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Alexandria Division**

PRO-FOOTBALL, INC.,

Plaintiff,

v.

AMANDA BLACKHORSE, MARCUS
BRIGGS-CLOUD, PHILLIP GOVER, JILLIAN
PAPPAN, and COURTNEY TSOTIGH,

Defendants,

and

UNITED STATES OF AMERICA,

Intervenor.

Civil Action No. 1:14-cv-1043-GBL-IDD

**PRO-FOOTBALL, INC.'S MEMORANDUM OF LAW IN FURTHER SUPPORT OF ITS
MOTION FOR SUMMARY JUDGMENT, AND IN OPPOSITION TO DEFENDANTS'
AND THE UNITED STATES' MOTIONS FOR SUMMARY JUDGMENT,
ON CONSTITUTIONAL CLAIMS III-VI**

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INTRODUCTION

Federal trademark registrations have become an indispensable tool for managing brands in the modern world. As the Supreme Court recognized just last week, the ability to register and maintain trademarks with the PTO is “significant” because it “confers important legal rights and benefits on trademark owners”—benefits that are “substantial.” *B&B Hardware, Inc. v. Hargis Indus., Inc.* (“*B&B*”), 2015 WL 1291915, at *4, *13 (U.S. Mar. 24, 2015).

Section 2(a) of the Lanham Act, however, allows the PTO to cancel a registration on the ground that its content “may disparage” individuals or groups. *This provision has nothing to do with the purpose of trademark protection*; rather, it allows the PTO to cancel the registration for a valid, non-confusing mark at any time, based solely on the PTO’s moral judgment. Because registrations offer so many crucial benefits, Section 2(a) penalizes the use of certain marks and chills prospective owners from using certain words or images as marks. Section 2(a)’s treatment of trademark holders, including PFI, cannot withstand constitutional scrutiny.

In their briefs, Defendants (“Def. Br.”) and the U.S. (“US Br.”) try to inject confusion into the First Amendment issue by presenting a grab bag of arguments, ranging from convoluted to contradictory, many of which are difficult to follow. But underneath it all, neither Defendants nor the U.S. meaningfully dispute that: (1) trademark use is a form of commercial speech protected by the First Amendment; and (2) Section 2(a) burdens the use of certain trademarks by conditioning the issuance of crucial benefits upon the use of trademarks that Congress prefers. Neither present a convincing justification for Section 2(a)’s effect on protected speech.

In addition, neither Defendants nor the U.S. provide any meaningful explanation of how the word “disparage”—an inherently subjective term—is not unconstitutionally void for vagueness. At a minimum, Section 2(a) is unconstitutionally vague as applied to PFI. For example, by 1990—when the last relevant registration issued—the PTO had *never* denied or

cancelled a registration containing the word “redskin” on the ground of disparagement.

Defendants and the U.S. warn the Court to not upset the “careful” balance of interests embodied by the federal trademark regime. But Section 2(a) is irrelevant to that balance—it is a solitary provision by which the U.S. now seeks to exert control over protected speech by denying access to the Lanham Act’s “elaborate registration scheme, with so many important rights attached.” *B&B*, 2015 WL 1291915, at *14. Businesses such as PFI should not have to make such a Hobson’s choice. PFI’s motion for summary judgment should be granted.

PFI’S STATEMENT OF ADDITIONAL MATERIAL FACTS¹

1. By 1967, the term “Redskins” had its own separate and distinct meaning, identifying the NFL’s Washington, D.C. football team. For example, “Redskins” had its own dictionary entry, and Defendants’ experts conceded that the team name “Redskins” has its own distinct meaning. *See* Dkt. 100, PFI’s SMF at 4-5 & 9, ¶¶2 & 14 and evidence cited therein.

2. In 1977, hundreds of Native Americans competed to participate in an All-Indian Half-Time Marching Band and Pageant. This event, which included Native Americans from more than 80 tribes, was coordinated with the Bureau of Indian Affairs and endorsed by leading Native American organizations such as the National Tribal Chairmen’s Association (“NTCA”) and National Indian Education Association (“NIEA”). It was widely and favorably reported in Native American newspapers. There is no evidence of any Native American objections to the event. *See* Dkt. 100, PFI’s SMF at ¶¶3-9 and evidence cited therein.

RESPONSE TO DEFENDANTS’ STATEMENT OF MATERIAL FACTS

¶¶1-5: PFI has already addressed these and similar statements, including how they are either incorrect or not relevant to whether the Redskins Marks were disparaging to a substantial

¹ Defendants (and, in large part, the U.S.) did not respond to PFI’s Statement of Undisputed Facts. (PFI Br. 2-4, ¶¶1-13). Thus, PFI’s facts are deemed admitted. *See* L.R. 56(B).

composite of Native Americans in 1967-1990. *See* Dkt. 100, PFI's responses to Def. SMF at 12, 15, 17-19, 20 and the evidence cited, which is incorporated herein.

¶16: Defendants' citations to certain trademark applications filed *after* 1992 have no relevance as to whether PFI had fair notice that its marks were disparaging in 1967, 1974, 1978, or 1990.

GUIDING PRINCIPLES OF TRADEMARK LAW

Four principles of trademark law should guide this Court on PFI's constitutional issues:

1. Trademark law protects marks because of what they DO. These "important functions" include: "protecting product identification, providing consumer information, and encouraging the production of quality goods and services." *Lamparello v. Falwell*, 420 F.3d 309, 313 (4th Cir. 2005). Thus, to be protectable, a mark must "be proven to *perform the job of identification*: to identify one source and distinguish it from other[s]," regardless of registration. *MicroStrategy Inc. v. Motorola, Inc.*, 245 F.3d 335, 341 (4th Cir. 2001) (quotations omitted, emphasis added). And protectable marks are enforced only against unauthorized, illegal uses that interfere with this job—*e.g.*, uses that "confuse[] the public." *CPC Int'l, Inc. v. Skippy, Inc.*, 214 F.3d 456, 461 (4th Cir. 2000).

2. Federal registration generally depends on what a mark DOES. Before 1946, federal statutes reflected that trademark protection "was a matter of state concern" and trademark rights "depended solely on the common law." *Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 193 (1985). The Lanham Act, however, created "*consistent nationwide protection* for trademarks" by, among other things, creating a "system of registration." *Shakespeare Co. v. Silstar Corp. of Am., Inc.*, 9 F.3d 1091, 1094 (4th Cir. 1993) (emphasis added). Federal registration serves the public interest of uniformity by putting the world on notice of trademark rights, rather than requiring 50-state searches. [Dkt 57, Ex. 1 (Handelman Rep.) 7]. Registration thus is encouraged and available to protectable marks, but denied to marks that do not do the job

of identification or are too similar to existing marks (and may mislead the public). For example:

- 15 U.S.C. §1052(d) bars registration of marks that are confusingly similar to other marks.
- 15 U.S.C. §1052(e) bars registration of marks that are misdescriptive or are descriptive but lack secondary meaning. *See OBX-Stock, Inc. v. Bicast, Inc.*, 558 F.3d 334, 340 (4th Cir. 2009) (descriptive mark not “a valid trademark without secondary meaning”).²
- 15 U.S.C. §§1052(b) & (c) bar registration of marks that are unique references to specific national insignia and people.
- 15 U.S.C. §1052(a) bars registration of marks that are deceptive, falsely suggest a connection with others, use geographical indications on certain goods that identify a place other than its true geographic origin.³

In short, registration generally is open to all valid, protectable marks that are not confusing with other marks and do not create misleading impressions between a product and its source.

3. Section 2(a) denies registration to marks based on what they SAY. The portion of Section 2(a) that denies registration to marks that “may disparage” persons, institutions, beliefs, or national symbols “or bring them into contempt, or disrepute” denies registration to marks that perform the “trademark functions” listed above. Unlike the rest of Section 2, this particular bar to registration—which did not exist prior to 1946⁴—uniquely reflects federal oversight of a mark’s *content* rather than its *function*. That is, even though a mark is perfectly valid and not confusing or misleading, it will nonetheless be denied a registration based on nothing more than a moral assessment of its expressive content. Not only is such judgment wholly unrelated to the purpose of trademark law, it also undermines the registration system by leaving *enforceable* marks off the Register, rendering it less reliable as a form of notice and thus less valuable:

² 15 U.S.C. §1052(e) also bars registration of functional trade dress, which is unprotectable (and not merely unregistrable) because its protection “is the province of patent law.” *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 165 (1995).

³ 15 U.S.C. §1052(a) also bars registration of “immoral” or “scandalous” marks, which is not before this Court.

⁴ No similar provision appears in the earlier federal trademark statutes. *See, e.g.*, Act of Feb. 20, 1905, ch. 592, §§5, 33 Stat. 724 (1905).

prospective trademark holders must either conduct a 50-state search for such unregistered marks, or risk being sued.

To be clear, PFI's challenge to Section 2(a) is limited to the words "may disparage" and "or bring into contempt, or disrepute." (PFI Br. 1 n.1). These words are severable and may be "held invalid" without affecting the "remainder of the Act." 15 U.S.C. §1051 note.

4. Section 2(a) deprives owners of protectable trademarks important rights and benefits. This bar to registration is not trivial. Section 2(a) deprives owners of protectable marks important rights and benefits of registration that are generally available to all other protectable marks. (*See* PFI Br. 3-4). Just last week, the Supreme Court described the benefits of federal registration—such as incontestability and nationwide notice—are "significant" and "substantial," providing "many important rights." *B&B*, 2015 WL 1291915, at *4, *13-14.

ARGUMENT

I. SECTION 2(A) VIOLATES THE FIRST AMENDMENT

Section 2(a) singles out PFI and other owners of protectable, non-misleading marks that serve a "trademark function" and denies them the significant benefits of federal registration on the ground that their marks "may disparage." It thus infringes the protected First Amendment rights of brand owners in two ways: (1) by burdening use of "disparaging" trademarks; and (2) by denying broadly available benefits to brand owners based on their use of those marks. Neither of these burdens directly advances any substantial and legitimate state interest.

This conclusion is so straightforward that Defendants and the U.S. resort to muddying the issue with "kitchen sink" responses, offering a mishmash of First Amendment concepts and case law without drawing any meaningful conclusions, and forcing PFI and the Court to guess at their point. But when these "arguments" are broken down and inspected, they fail to save Section 2(a) from First Amendment scrutiny or justify Section 2(a)'s burdens on speech.

A. Section 2(a) Implicates First Amendment Rights

Defendants (at 7) and the U.S. (at 6-7) begin their First Amendment analyses with *In re McGinley*, 660 F.2d 481 (CCPA 1981), a 35-year old case that concluded the denial of a registration does not implicate the First Amendment because “refusal to register” a mark “does not affect [the] right to use it.” *Id.* at 484.⁵ PFI has already explained why this reasoning is defective: Section 2(a) burdens disfavored trademarks and denies federal benefits to those marks, which indisputably affects their use. (PFI Br. 13). And in the decades after *McGinley* was decided, the Supreme Court has confirmed that the U.S. cannot discourage “unwanted speech by burdening its utterance,” *Sorrell v. IMS Health, Inc.*, 131 S. Ct. 2653, 2664 (2011), nor “deny a benefit to a person on a basis that infringes his constitutionally protected ... freedom of speech,” *USAID v. Alliance for Open Soc’y Int’l, Inc.*, 133 S. Ct. 2321, 2328 (2013).

Perhaps realizing that *McGinley*’s reasoning has no place in modern First Amendment jurisprudence, Defendants and the U.S. invent their own unsupported defenses of *McGinley*, none of which undermines the conclusion that Section 2(a) implicates free speech rights.

1. The First Amendment Is Applicable To Section 2(a) Without “Disrupting” The Trademark System

The U.S. asks this Court to conclude that trademark law is exempt from First Amendment principles that apply in other contexts. (US Br. at 1, 6, 13-14). Specifically, the U.S. claims that trademark law presents a special case because: (1) the trademark system strikes a “balance” between free speech concerns and trademark rights which would be “upend[ed]” if PFI succeeds

⁵ The post-*McGinley* Federal Circuit cases blindly parroted *McGinley*’s holding without analyzing the First Amendment issue. (PFI Br. 13 n.10). In addition, neither *Test Masters Educ. Servs., Inc. v. Singh*, 428 F.3d 559 (5th Cir. 2005) nor *Nat’l A-1 Adver. v. Network Sols., Inc.*, 121 F. Supp. 2d 156 (D.N.H. 2000) (US Br. at 7 & n.5) addressed the denial or cancellation of a registration under Section 2(a), and both their fleeting First Amendment discussions are dicta. *Nat’l A-1* also concerned registration of domain names—an unsettled area of law (*infra* n.18).

in is challenge to Section 2(a) (*id.* at 14); and (2) the Lanham Act’s provisions are based in state and common law (*id.* at 11-13). The U.S.’s request is unprecedented and unsupportable.⁶

First, Section 2(a) has no role in the “balance” the U.S. describes (at 6). Trademark law balances free speech concerns in by: (1) requiring marks to serve a source-identifying function, and refusing to protect (not just register) generic marks or descriptive marks that lack secondary meaning, reserving such words for public use;⁷ and (2) ensuring that trademark rights can only be enforced against confusingly similar or misleading uses.⁸ By contrast, Section 2(a)—which denies registrations to marks that **do** serve as identifiers—does not reflect a concern for free speech. Marks that would be registered but for Section 2(a): (1) serve source-identifying functions; and (2) are not misleading or confusingly similar with other marks. Registration of such marks is thus consistent with any free-speech balance envisioned by trademark law.

Second, contrary to the U.S.’s suggestion (at 1), courts routinely analyze challenges to the Lanham Act under “First Amendment principles” applicable in “other contexts.” For example, First Amendment challenges to trademark enforcement are analyzed under the commercial speech doctrine. Thus, the First Amendment allows a trademark holder to stop another’s confusing commercial use of a mark because such uses are “misleading commercial

⁶ Arguments similar to those presented gained traction only in the context of First Amendment challenges to **copyright** law, which is established by the U.S. Constitution’s Copyright Clause. U.S. Const. Art. I § 8, cl. 8. *See Eldred v. Ashcroft*, 537 U.S. 186, 219 (2003). Unlike copyright, trademark law is based on statutes and common law that are subordinate to the Constitution.

⁷ *E.g.*, *OBX-Stock, Inc. v. Bicast*, 558 F.3d 334, 339-40 (4th Cir. 2009) (trademark law “protects the ‘linguistic commons’ by denying ... an exclusive interest in words that do not identify ... products or product sources but rather are used for their common meaning”).

⁸ *E.g.*, *Lamparello*, 420 F.3d at 313-14 (limits on trademark enforcement protect “useful social and commercial discourse”); *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 430-31 (2003) (dilution claims cannot be brought against “noncommercial use[s] of a mark” in order “to avoid [First Amendment] concerns”); Alex Kozinski, *Trademarks Unplugged*, 68 N.Y.U. L. REV. 960, 972-77 (1993) (“So long as trademark law limits itself to its traditional role of avoiding confusion in the marketplace, there’s little likelihood that free expression will be hindered.”).

speech, and outside the First Amendment.” *Taubman Co. v. Webfeats*, 319 F.3d 770, 774-75 (6th Cir. 2003). Conversely, under regular First Amendment principles, trademarks cannot be enforced against non-commercial, non-misleading speech. *See CPC Int’l*, 214 F.3d at 461-62 (trademark not enforced on First Amendment grounds where it was not “used for any commercial gain” nor “in a way that confuses the public”).⁹ Thus, contrary to Defendants’ argument (at 7), protection of PFI’s free speech rights does not “decrease” speech rights of others, *infra* at Part I.A.5, and First Amendment doctrine does no violence to the balance struck by Congress between free speech and trademark rights.¹⁰

Third, it is irrelevant whether the Lanham Act’s provisions derive from state and common law because, just like federal statutes, state and common law principles are analyzed for compatibility with the First Amendment.¹¹ Section 2(a) is thus analyzed under First Amendment doctrine regardless of whether it reflects state or common law principles.

Fourth, contrary to the U.S.’s representations, Section 2(a) does **not** codify state or common law. For example, Congress did not consider federal registration for “disparaging”

⁹ Registration of disparaging marks would not chill critical or mocking uses (US Br. 14 n.20) because trademark rights cannot be enforced against such uses. *See, e.g., Cliffs Notes, Inc. v. Bantam Doubleday Dell Pub. Grp., Inc.*, 886 F.2d 490, 495 (2d Cir. 1989) (claims against artistic expression are subject to First Amendment test that “allows greater latitude for ... parodies”).

¹⁰ Although not before the Court, application of First Amendment doctrine would also do no harm to the “balance” struck by denying trademark protection to generic marks and descriptive marks that lack secondary meaning. Again, such words or symbols do not function as trademarks; these limitations would survive First Amendment scrutiny because they further a substantial government interest in ensuring that trademark protection is limited to designations that actually are trademarks. *See supra* at 4; PFI Br. 14. The remaining Section 2 restrictions on registration largely would survive First Amendment analysis as restrictions on misleading commercial speech. *See supra* at 4. They also are supported by state interests different than those underlying Section 2(a). *Infra* at Part I.B.

¹¹ *See generally, e.g., Gertz v. Robert Welch, Inc.*, 418 U.S. 323, 349 (1974) (First Amendment concerns “invalidate” some common law defamation requirements); *Brown v. Hartlage*, 456 U.S. 45 (1982) (invalidating state statute limiting speech of candidates for office).

marks to be inconsistent with state or common law in 1807, 1881, or 1905—in those years, its trademark statutes did not exclude disparaging marks from registration. (*See* US Br. 12 & n.16 (earlier trademark statutes “allow[ed] registration only of material consistently recognized as the subject of state and common law trademark protection”). Trademarks including slurs or racial epithets were regularly enforced under the common law before the Lanham Act, and as far as PFI can best determine, before 1946 courts did *not* refuse to enforce a mark based on only grounds of disparagement.¹² Further, as all parties have acknowledged in this case, a mark deemed “disparaging” by the PTO *retains its protection under the common law*. (US Br. 9; Def. Br. 4, 6, 12). The U.S. cannot claim on the one hand that “disparaging” marks have been historically unprotected by the common law, and on the other that denial of registration will not “extinguish common law rights” in PFI’s marks. (US Br. 9).

2. *Use Of A Trademark Is Speech Protected By The First Amendment*

PFI and other trademark owners have a First Amendment right to speak by *using* their trademarks. (PFI Br. 7-8); *Piazza’s Seafood World, LLC v. Odom*, 448 F.3d 744, 752 (5th Cir. 2006) (First Amendment right to use trade name). That use is afforded (at least) the protections available to commercial speech under the First Amendment.¹³ Like other commercial speech,

¹² *See, e.g., Leidersdorf v. Flint*, 50 Wis. 401 (Wis. 1880) (“Nigger-Hair Smoking Tobacco”); *Paddy’s Market Produce Dealers & Merchants Assn’n v. Lutus*, 7 N.Y.S.2d 676 (N.Y. Sup. Ct. 1938) (“Paddy’s Market”); *McCann v. Anthony*, 21 Mo. App. 83, 91-92 (1886) (“Old Coon”). In contrast, the U.S. cites only two cases (at 12-13) for the proposition that pre-Lanham Act common law recognized disparagement. ***But neither case so held.*** *McVey v. Brendel*, 144 Pa. 235 (Pa. 1891) found that a label could not receive trademark protection because ***it did not designate the source*** of the goods, and then held that equitable relief was not warranted in the absence of trademark rights. *Id.* at 246-49. *Smiling Irishman, Inc. v. Juliano*, 45 N.Y.S.2d 361 (N.Y. Sup. 1943), attached no legal significance to whether the marks at issue were “caricature[s] of the Irish” and explained that the ***deceptive*** (not disparaging) use of “Smiling Irishman” might be “of grave concern to ... persons ... of Irish blood.” *Id.* at 366-67.

¹³ As the Sixth Circuit recently confirmed, it is “clearly established” that “banning a ... label based on its content would violate the First Amendment unless [intermediate scrutiny] was
(footnote continued)

trademark use is protected because it conveys “commercial information” (PFI Br. 8)—specifically, the source of a product and “the goodwill represented by particular marks.” *George & Co. v. Imagination Entm’t Ltd.*, 575 F.3d 383, 392 (4th Cir. 2009).

The U.S. is thus incorrect when it suggests (at 8) that trademarks are not protected speech because they serve a commercial function that is “different from expression.”¹⁴ To the contrary, trademarks often convey *more* than commercial information, and can be enormously expressive. Longstanding trademarks with secondary meaning serve as cognitive shortcuts referencing everything associated with a brand, including its history and its expressive activities. Thus, in using the Redskins Marks, PFI conveys not only source information and goodwill, but also evokes the entire storied history of the Washington Redskins franchise and its longstanding associations. [Dkt. 1 ¶38]. PFI’s use of its marks also conveys its position in the ongoing debate about the Redskins’ team name. (PFI Br. 7). Strong brands have emotional resonance—that’s why they’re so valuable.¹⁵ And as *amici* point out, trademarks can function as parody and communicate the values and identity of the mark owner. (ACLU Br. 5-6).¹⁶

satisfied.” *Flying Dog Brewery, LLP v. Mich. Liquor Control Comm’n*, 2015 WL 968278, at *13 (6th Cir. Mar. 5, 2015) (unpublished).

¹⁴ The U.S.’s repeated reliance (at 1, 6, 8) on *Friedman v. Rogers*, 440 U.S. 1 (1979), is misplaced. There, the Court held that a *potentially misleading* trade name held little intrinsic meaning. *Id.* at 14-15. It thus stands for the proposition that “government may ban forms of [commercial] communication more likely to deceive the public than inform it.” *Ctrl. Hudson Gas & Elec. Corp. v. Pub. Serv. Comm’n of N.Y.*, 447 U.S. 557, 563 (1980) (citing *Friedman*, 440 U.S. at 13, 15-16). Here, there is no contention that marks denied registration as “disparaging” are misleading or deceptive.

¹⁵ See, e.g., Rebecca Tushnet, *Gone in Sixty Milliseconds: Trademark Law & Cognitive Science*, 86 TEX L. REV. 507, 508 (2008) (“trademark protection is premised on a psychological assumption: exposure to a mark will trigger ideas and emotions in the mind of a consumer”).

¹⁶ The U.S.’s assertion (at 8) that expressive trademarks have less of a “commercial function” is irrelevant to whether a First Amendment right is restricted by Section 2(a). It is also wrong—it ignores the secondary meaning that even expressive marks develop.

3. Section 2(a) Burdens Trademark Holders' Protected Speech

While denial of a registration under Section 2(a) does not ban a trademark owner from using its mark (*see* US Br. 9), it severely burdens use of a mark that the PTO deems disparaging. *Id.* “Registration is significant,” as it confers “substantial” and “important legal rights and benefits,” *B&B*, 2015 WL 1291915, at *4, *13-14; *Handelman Rep.* at 6-15. Confronted with the possible loss of such crucial rights and benefits indisputably will result in self-censorship, dissuading prospective uses of a mark that has even a whiff of controversy, to mitigate against the possibility of a “disparagement” ruling in later years. Such chilling is a classic burden under First Amendment law. *Neither the U.S. nor Defendants dispute that Section 2(a) imposes such a chilling effect*—if it were otherwise, “there would be no point to this litigation being used as a vehicle to force [PFI] to change the name of the team.” *Pro-Football, Inc. v. Harjo*, 284 F. Supp. 2d 96, 144 (D.D.C. 2003). This alone triggers First Amendment scrutiny. (PFI Br. 9-10).

First, the U.S. tries to sidestep the inquiry by asserting (at 9) that the costs imposed by denial of registration “are unrelated to expression and cannot give rise to a First Amendment claim.” But these costs are related to speech—PFI and other trademark owners bear the costs imposed by Section 2(a) as a *direct result* of their protected use of a particular trademark. This burden on commercial speech is every bit as cognizable as burdens on other types of protected speech or expression. *Sorrell*, 131 S. Ct. at 2663-65 (applying intermediate scrutiny to a “content-based burden” on commercial speech).

Second, the U.S. improperly suggests (at 10) that Section 2(a)’s burdens cannot support a First Amendment claim because they are not “direct monetary fines on speech itself.” No such distinction exists in law or logic; courts routinely recognize that burdens other than “direct monetary fines” trigger First Amendment scrutiny. *See, e.g., Milavetz, Gallop & Milavetz, P.A. v. U.S.*, 559 U.S. 229, 250 (2010) (“Unjustified or unduly burdensome *disclosure requirements*

offend the First Amendment by chilling protected speech.”) (emphasis added); *PSINet, Inc. v. Chapman*, 362 F.3d 227, 235-37 (4th Cir. 2004) (requiring credit card information to verify age, not for payment, constitutes an impermissible burden on adult speech). “[T]he amount of burden on speech needed to trigger First Amendment scrutiny as a threshold matter is *minimal*.” *Am. Legion Post 7 of Durham, N.C. v. City of Durham*, 239 F.3d 601, 607 (4th Cir. 2001) (emphasis added). In light of the foregoing, there can be no real dispute that the burdens imposed by Section 2(a) are sufficient to find that the First Amendment is at least *implicated* by Section 2(a), and the Court cannot find it constitutional without subjecting it to First Amendment scrutiny.

Third, none of the U.S.’s cited cases (at 9-10) support a contrary conclusion. At most, they suggest, that *after* First Amendment scrutiny is triggered, purely economic burdens *that do not chill speech* might be justified in light of the state’s interest. Thus, in the course of *applying* First Amendment scrutiny to compelled factual commercial speech in *Am. Meat Inst. v. USDA*, 968 F. Supp. 2d 38 (D.D.C. 2013), the district court contrasted the burden on finances imposed by mandatory meat labeling requirements with unduly burdensome disclosure requirements that “offend the First Amendment by chilling protected speech.” *Id.* at 52.¹⁷ These cases have no bearing on whether the burden imposed by Section 2(a) qualifies as a “cognizable” First Amendment claim that should be subject to scrutiny as a threshold matter.

Fourth, the U.S.’s analogy to name change requests (at 10-11 & nn.13-14) is far off point. A name change registry is merely a “public record of the name change,” *Lee v. Sup. Ct.*, 9

¹⁷ Similarly, *Int’l Food & Bev. Sys. v. City of Ft. Lauderdale*, 794 F.2d 1520 (11th Cir. 1986), and *City of Renton v. Playtime Theaters, Inc.*, 475 U.S. 41 (1986), in applying First Amendment scrutiny, found that economic burdens on strip club owners were justified in light of the state interest in regulating secondary effects of nude dancing through zoning laws. The U.S.’s other cited cases (at 9-10) have nothing to do with burdens on speech. For instance, *Dun & Bradstreet*, 472 U.S. 749 (1985), stands for the well-established proposition that deceptive commercial speech is not entitled to First Amendment protection.

Cal. App. 4th 510, 514 (Cal. 1992), which does not confer the substantial benefits of a trademark registration; thus, it places no similar burden or chilling effect on speech. Moreover, just two of the U.S.’s cases on this point included First Amendment analysis, and both concluded that the requested names may be “fighting words” or “obscene”—and thus unprotected by the First Amendment. *Id.* at 513, 517-18 (fighting word); *Pet. of Variable for Change of Name v. Nash*, 144 N.M. 633, 635 (N.M. Ct. App. 2008) (obscene).¹⁸

4. **Section 2(a) Conditions Access To Federal Benefits On The Restriction Of Protected Speech**

As a result of the burdens it imposes, Section 2(a) requires owners of marks that “may disparage” to choose between important benefits of registration and their First Amendment right to adopt their desired marks. While Defendants (at 11) and the U.S. (at 14-15) claim this condition is permissible because the U.S. can choose to “selectively fund” or “subsidize” speech through a “government spending program,” both ignore the limits of the doctrine they invoke.¹⁹

a. **Federal Registration Is Not A “Subsidy” Or “Spending Program”**

Unlike the funding programs that the U.S. may permissibly limit, federal registration

¹⁸ The U.S.’s case (at 11 n.15) challenging restrictions on domain name registrations is even further afield—it holds that top-level domains (the “.com” portion of a web address), unlike trademarks, ***are not protected speech at all***. *PGMedia, Inc. v. Network Sols., Inc.*, 51 F. Supp. 2d 389, 407-08 (S.D.N.Y. 1999). The Second Circuit later held that such domains ***could*** be protected commercial speech. *Name.Space, Inc. v. Network Sols., Inc.*, 202 F.3d 573, 586 (2d Cir. 2000); *see also Taubman*, 319 F.3d at 778 (use of expressive domain name protected speech). The other cited domain name cases unsurprisingly hold that confusing uses of another’s mark in a domain name is not protected speech.

¹⁹ Defendants invoke (at 10-12) the same case law as the U.S., but argue that government spending programs amount to “government speech.” The doctrines of government speech and limited subsidies are related—as the Supreme Court has recognized, that the government can speak for itself justifies content- and viewpoint-based funding decisions when the government itself speaks or when it uses “private speakers to transmit specific information pertaining to its own program.” *Legal Servs. Corp. v. Velazquez*, 531 U.S. 533, 541 (2001) (quotation marks and citation omitted). For the reasons set forth *infra*, federal registration does not fall into either category of funding program, nor does it otherwise amount to “government speech.”

does not “subsidize” private speech or activity. The U.S. creates a “subsidy” when it provides for the private “receipt of funds *from the public fisc.*” *Dep’t of Tex., Veterans of Foreign Wars of the U.S. v. Tex. Lottery Comm’n*, 760 F.3d 427, 436 (5th Cir. 2014). Thus, the U.S. “subsidizes” speech or activity when it acts under the Spending Clause to provide grants or tax exemptions for private activities. *Regan v. Taxation With Rep’n of Wash.*, 461 U.S. 540, 544 (1983) (tax exemption is “a form of subsidy that is administered through the tax system” and “has much the same effect as a cash grant”). Similarly, the U.S. provides a “subsidy” when it allows for payments from the government fisc directly to a private organization through government employee payroll deductions. *S.C. Educ. Ass’n v. Campbell*, 883 F.2d 1251 (4th Cir. 1989) (program allowing state employees to designate a portion of their paycheck to be paid directly to a charitable organization was a government subsidy).²⁰

By contrast, federal registration does not give trademark owners “funds from the public fisc,” either directly or indirectly. Although the important benefits of registration ultimately have significant economic consequences for registrants, no government funds are transferred to the registrant as a result of registration. Instead, any funds taken from the public coffer as a result of the registration system are paid *to the PTO and its employees* to cover costs of administration. The U.S. implies (at 14) that a “subsidy” is created through the funding of any activity of an administrative agency that ultimately benefits private citizens, but this would render just about *every* administrative function a “subsidy” on which it could condition speech. The Ninth Circuit rejected this very position in *Bullfrog Films, Inc. v. Wick*, 847 F.2d 502 (9th

²⁰ See also *Ysursa v. Pocatello Educ. Assoc.*, 555 U.S. 353, 357 (2009) (government could limit uses for which local government employees could authorize payroll deductions); *NEA v. Finley*, 524 U.S. 569 (1998) (NEA grants); *Rust v. Sullivan*, 500 U.S. 173, 193 (1991) (federal grants under Title X to “subsidize family planning services”).

Cir. 1988),²¹ finding that substantive and procedural benefits that accompanied certification conferred on authors of foreign films were *not* a “subsidy,” even though the United States Information Agency was required to expend resources to “decide for itself whether the material presented qualifies for benefits under the [Convention].” *Id.* at 504, 509. And, as *amici* correctly note, the PTO expends no public funds in evaluating and approving marks; since 1991, *user application fees* support the PTO. (ACLU Br. 12). Defendants’ and the U.S.’s arguments about permissible conditions on “subsidies” are thus inapplicable.

b. Registration Is Designed To Facilitate Private Speech

Even if federal registration is a “subsidy” (which it’s not), Section 2(a) implicates the First Amendment because it limits access to benefits designed to broadly facilitate the private use of trademarks. The U.S. *can* “selectively fund ... [to] encourage certain activities it believes to be in the public interest,” *Rust*, 500 U.S. at 193, but *cannot* be so selective when it “expends funds to encourage a diversity of views from private speakers,” *Rosenberger v. Rector & Visitors of the Univ. of Va.*, 515 U.S. 819, 834 (1995), or to generally promote or “facilitate private speech,” *Velazquez*, 531 U.S. at 542;²² *see also Rust*, 500 U.S. at 194-95 (distinguishing subsidy at issue from “a *general law* singling out a disfavored group on the *basis of speech content*”) (emphases added).

²¹ As PFI explained, *Bullfrog Films* is remarkably similar the instant action. (PFI Br. 11-12). Defendants never even mention the case, and the U.S. simply says (at 8 n.6) that films are “different” than trademarks. (US Br. 8 n.6). Even if this were true, any “difference” would be addressed by the level of scrutiny applicable. *Educ. Media Co. at Va. Tech, Inc. v. Insley*, 731 F.3d 291, 297 (4th Cir. 2013) (applying “intermediate scrutiny” to commercial speech addresses “‘commonsense distinction’ between commercial speech and other varieties of speech”).

²² *Legal Aid of Ore. v. Legal Servs. Corp.*, 608 F.3d 1084 (9th Cir. 2010) does not undermine *Velazquez*’s applicability. *Legal Aid* held that *categorical* limitations on the use of procedural tools and strategies by grant recipients were permissible limitations on a funding program. *Id.* at 1095. It did not address the situation here, where the U.S. has imposed *substantive* limitations on speech that is otherwise eligible for widely-available benefits.

Here, the benefits of federal registration, like the rest of the Lanham Act, were created to facilitate the *private* use and enforcement of trademarks. *See supra* at 3. These benefits are available to nearly all owners of marks that can serve a “trademark function,” but Section 2(a) excludes a small group of otherwise eligible marks based solely on their protected content. *Supra* at 4. Because this infringes the protected right to use a trademark, Section 2(a) must be subject to First Amendment scrutiny. *See Columbia Union Coll. v. Clarke*, 159 F.3d 151, 155-56 (4th Cir. 1998) (“broad grant program” established to “support ... higher education *generally*” infringed First Amendment by denying grant to college because it was “pervasively sectarian”).

c. Section 2(a) Conditions Speech Outside The “Program”

Even if registration amounted to a subsidy, Section 2(a) nonetheless infringes the First Amendment because it conditions benefits on mark owners’ speech *outside* of the registration system. When Congress creates a “government spending program,” it cannot impose conditions “that seek to leverage funding to regulate speech outside the contours of the program itself.” *USAID*, 133 S. Ct. at 2328. A claim that denial of registration does not affect “outside” speech (US Br. 16; Def. Br. 12) misunderstands the law and the function of trademarks.

A condition regulates speech “outside” a spending program when there is *no situation* in which the speaker could both use the restricted speech and receive the conditioned funds, so must choose between the benefits and the speech entirely. In *USAID*, for example, the Supreme Court found a funding condition unconstitutional because “[a] recipient cannot avow the belief dictated by the [condition] when spending [the conditioned] funds, and then turn around and assert a contrary belief, or claim neutrality, when participating in activities on its own time and dime.” *Id.* at 2330. Conversely, in *Rust*, the Court upheld a program prohibiting grant recipients from *using their grant money* to perform abortion-related services because the recipients could “continue to perform abortions ... through programs that are separate and independent from the

project that receives [the conditioned] funds.” 500 U.S. at 196.

Section 2(a) is much closer to the condition at issue in *USAID* than that in *Rust*. A brand owner cannot have one trademark on the federal register that complies with Section 2(a) but then use a different mark on the same product in commerce. This would be functionally equivalent to not having a registration at all—the benefits of registration would attach to a mark not being used, and those benefits would be useless in enforcing the unregistered mark that *was* being used. Section 2(a) thus forces a trademark owner to choose between registration benefits and using a mark that “may disparage.” It can’t do both. And because it affects the trademark that a brand owner uses *in all contexts*—both on the federal register and in commerce—Section 2(a) goes beyond “defining the limits” of the federal registration system to literally “defining the recipient” by dictating which names it may use if it wishes to receive the benefits of registration. *USAID*, 133 S. Ct. at 2330.²³ It thus infringes the First Amendment and warrants constitutional scrutiny. *Bullfrog Films*, 847 F.2d at 511.

5. **Trademark Rights’ Exclusive Nature Does Not Preclude A First Amendment Challenge**

Notably, Defendants do not contest that PFI has a First Amendment right to use its trademarks, and that enforcement of Section 2(a) burdens that speech. Instead, they claim (without support) that Section 2(a) cannot implicate “any of PFI’s rights protected under the First Amendment” because PFI’s right to use its trademarks entails a right to enjoin others from speaking. (Def. Br. 8-9). But courts recognize that the First Amendment protects the right to use

²³ Defendants’ assertion that Section 2(a) “define[s] the Government’s program” because it is part of the Lanham Act and is a limit on registration (at 12) is circular and fails for the reasons set forth above. “Congress cannot recast a condition on funding as a mere definition of its program in every case, lest the First Amendment be reduced to a simple semantic exercise.” *Velazquez*, 531 U.S. at 547. And Defendants’ claim (at 12) that Section 2(a) is not a “device[] to leverage speech outside of the program” is hypocritical given their acknowledged goal in this litigation is to pressure PFI into changing its name. (See PFI Br. 10 & n.7).

a trademark, even though that right includes features of exclusivity. *See Sambo's Rests., Inc. v. City of Ann Arbor*, 663 F.2d 686 (6th Cir. 1981) (ordinance infringed First Amendment right to use a registered trademark). There is no support for the idea that this right cannot be infringed when the government takes away or diminishes the “right to enjoin others.” For example, there is no real dispute that the U.S. could not deny copyright protection to a book that expressed an unpopular view, even though copyright law enforces the copyright holder’s right to exclude others from, *e.g.*, reproducing its content. 17 U.S.C. §106. Likewise, the PTO could not deny a trademark registration that included the name of a political party solely because it disagrees with that party’s platform. It is Defendants’ argument, not PFI’s, that “turns trademark law on its head” (at 7) by suggesting that any speech that can be protected through exclusivity—be it by trademark, copyright, or otherwise—suddenly foregoes constitutional protection.

In any event, Defendants’ premise is flawed because the right to exclude inherent in trademark ownership does not infringe the “speech rights” of others. (Def. Br. 7). Trademark rights generally are enforced only against deceptive or misleading commercial speech (which is not protected by the First Amendment) and attempts to enforce marks against non-commercial uses are generally barred by the First Amendment. *Supra* Part I.A.1. At the same time, denying registration under Section 2(a) *harms* other potential users of a mark, by hiding exclusive rights in certain marks, thereby opening the door to unwitting infringement. *See supra* at 3.

6. Registered Trademarks Are Not Government Speech

Finally, Defendants claim that the speech here is “government speech,” a conclusion reached only by characterizing the relevant speech as the PTO’s “trademark registration and cancellation decisions.” (Def. Br. 14). Of course governmental decisions themselves are government speech. But the government speech inquiry focuses on whether speech that is *impacted by* a government decision becomes government speech by virtue of that

decision. Thus, in *Pleasant Grove City, Ut. v. Summum*, 555 U.S. 460, 470-73 (2009), the Court analyzed whether monuments displayed in public parks constituted government speech, not whether the U.S.’s decision to accept those monuments into the park was government speech.

Here, the speech that is *impacted by* the PTO’s registration decisions is the use of trademarks. That speech remains purely private, even after receiving the benefits of registration. The Fourth Circuit looks to four factors in determining whether speech is that of the government or private parties: “(1) the central purpose of the program in which the speech in question occurs; (2) the degree of editorial control exercised by the government or private entities over the content of the speech; (3) the identity of the literal speaker; and (4) whether the government or the private entity bears the ultimate responsibility for the content of the speech.” *ACLU v. Tata*, 742 F.3d 563, 569 (4th Cir. 2014) (quotation marks omitted).

Each factor here weighs in favor of finding that the use of registered marks is private speech. **First**, the “central purpose” of the registration system is to secure to the owner of the mark the goodwill of his business—*i.e.*, to facilitate the private use of trademarks, not convey a governmental message. *See Tata*, 742 F.3d at 572-73 (factor in favor of private speech where no suggestion that government intended to communicate its own message). **Second**, the PTO does not exercise editorial control over registered marks; the substantive content is controlled by its owner, and the PTO’s discretion to deny registration is cabined to a few limited bases.²⁴ **Third**,

²⁴ The U.S. exercises editorial control where it has control over the *substantive content* of the speech at issue, *e.g.*, where the speech originates with the government or can be altered by the government. *Planned Parenthood of S.C. Inc. v. Rose*, 361 F.3d 786, 793, 798 (4th Cir. 2004) (editorial control where the idea for speech “originated with the State” and was State “approve[d]”). It does not have “editorial control” where it merely exercises discretion to approve or deny speech. *Sons of Confed. Veterans v. Comm’n of Va. Dep’t of Motor Vehicles (“SCV”)*, 288 F.3d 610, 620-21 (4th Cir. 2002) (no editorial control where “sponsors of special plates” “make the substantive decisions regarding special plate content”). It certainly does not
(footnote continued)

the trademark owner is the “literal speaker” when it uses its trademark to identify goods or services in commerce, just as a vehicle owner is the “literal speaker” of messages displayed on license plates. *Id.* at 574.²⁵ **Fourth**, ultimate accountability for a trademark’s content lies with the owner who uses it. She must maintain the trademark and is ultimately accountable to the market if the speech is unpopular.

The U.S. does not even believe that the speech here is its own—it argues that the use of registered trademarks is a “hybrid” of private and government speech because the government has a “role” in registration. (US Br. 16-17). But not just any governmental “role” creates “hybrid” speech. Under Fourth Circuit precedent, “hybrid” speech is at issue when *at least one* of the factors cited above weighs in favor of government speech. *See, e.g., WV Ass’n of Club Owners & Fraternal Servs., Inc. v. Musgrave*, 553 F.3d 292, 298-99 (4th Cir. 2009). Since none do here, the speech at issue is purely private. Even if the speech here were “hybrid,” that would be irrelevant to the threshold issue of whether First Amendment scrutiny applies. Limitations on “hybrid” speech are scrutinized for compatibility with the First Amendment. *See Musgrave*, 553 F.3d 292 (intermediate scrutiny applied to hybrid commercial speech).

* * *

Because neither the U.S. nor Defendants undermine PFI’s showing that Section 2(a) impacts First Amendment rights, the Court should proceed to scrutinize the provision to determine if its impact on speech is constitutionally justified. (PFI Br. 12-13 (citing cases)).

do so where, as here, it broadly approves most speech and its discretion to deny speech is limited to a few bases.

²⁵ Defendants’ focus (at 14) on the actual publication of registered trademarks on the Principal Register is misplaced because the speech right that is burdened by Section 2(a) is the use of a mark in commerce, not its publication on the Register.

B. Section 2(a) Is Unconstitutional On Its Face And As Applied To PFI

Section 2(a) is subject to at least intermediate scrutiny because it affects commercial speech. Thus it is unconstitutional unless the U.S. can establish that Section 2(a): (1) directly advances a substantial government interest; and (2) is drawn to achieve that interest. (PFI Br. 14). It cannot do so, and its attempts to demonstrate otherwise are unpersuasive.

At the outset, the Court should reject the U.S.’s invitation to apply a novel form of “relaxed” intermediate scrutiny because “hybrid” speech is at issue. (US Br. 16-17, 23-24). Again, this case does not involve hybrid speech. *Supra* Part I.A.6. But even if it did, standard intermediate scrutiny *still* would apply. In its brief, the U.S. invents concept of “relaxed” scrutiny, based on misleading characterizations of *Musgrave*, 553 F.3d 292, which applied *regular* intermediate scrutiny.²⁶ Nor is there any support for the U.S.’s alternative plea for “deferential” scrutiny because trademarks have “limited expressive content” and Section 2(a) is not an “outright prohibition”—the Supreme Court has already held to the contrary. *Sorrell*, 131 S. Ct. at 2667-68 (applying intermediate scrutiny to burden on uses of prescription data).²⁷

²⁶ *Musgrave*, for example, does not say that hybrid speech warrants “a less ‘searching’ application of” intermediate scrutiny (US Br. 23-24)—it says that intermediate scrutiny *itself* does not require “a searching inquiry” into whether the U.S. has applied “the least restrictive means conceivable.” 553 F.3d at 307. At best, *Musgrave* suggests that that in applying that test, the particular “government speech aspects ... at issue” *may* suggest that “the state’s interest [in the regulation] is higher.” *Id.* at 301. There, the speech was tied to the government’s “ownership interest, not just a regulatory interest” in a state lottery system. But here, the U.S. claims no ownership interest in affected trademarks. The U.S.’s other questionable quotes likewise say nothing about a “special solicitude” for hybrid speech or any form of “relaxed” scrutiny. (US Br. 17 (citing *SCV*, 288 F.3d at 616-17; *Rose*, 361 F.3d 795-96)).

²⁷ Even if Supreme Court precedent did not directly contradict the U.S.’s claim, Section 2(a) cannot be analogized to laws compelling commercial disclosure of purely factual and uncontroversial information. (US Br. 24). Those laws are subject to a more deferential form of scrutiny because “the extension of First Amendment protection to commercial speech is justified principally by the *value to consumers* of the information such speech provides,” and therefore an entity’s “interest in *not* providing ... factual information in his advertising is minimal.” *Zauderer v. Office of Discip. Counsel*, 471 U.S. 626, 651 (1985). The speech at issue here
(footnote continued)

Neither Defendants nor the U.S. contest, and therefore concede, that Congress' interest in preventing offense cannot justify a speech regulation. The three²⁸ purportedly "substantial" state interests proffered by Defendants and the U.S. fare no better: The U.S. has not met its burden of showing by more than "mere speculation or conjecture" that any of these interests are substantial or that the "harms it recites are real" and Section 2(a) "will in fact alleviate them to a material degree." *Edenfield v. Fane*, 507 U.S. 761, 770-71 (1993). In fact, the U.S. provides *no evidence whatsoever* in support of its claimed interests—not even "studies and anecdotes" or "history, consensus, and simple common sense." *Educ. Media Co. at Va. Tech v. Insley*, 731 F.3d 291, 299 (4th Cir. 2013).

1. **Section 2(a) Does Not Directly Advance A Substantial State Interest In Avoiding The Perception Of Government Endorsement Of Allegedly Disparaging Marks**

Defendants and the U.S. claim that Section 2(a) is supported by a substantial government interest in "dissociating itself from ... trademarks that may disparage" (Def. Br. 16) or avoiding "the perception of government endorsement." (US Br. 21). This is not a valid interest.

First, government speech and unconstitutional conditions doctrines already address the concern that the U.S. can avoid being associated with speech it disagrees with. *See supra* Parts

conveys brand information "valu[able] to consumers," but Section 2(a) removes that information from the marketplace by encouraging mark owners to abandon their marks. *Id.* at 628.

²⁸ The U.S.'s suggestion (at 20) that it also has a separate valid interest in preventing "harmful" commercial speech is wrong—the U.S. may not restrict speech to prevent offensiveness (PFI Br. 15-16) *or its primary effects*. *See, e.g., Lewis v. Wilson*, 253 F.3d 1077, 1081-82 (8th Cir. 2001) (regulation not justified by interest in preventing violence, where "possibility of violence is a primary effect of the message itself" and thus "not a constitutional basis on which to restrict [the] right to speak"). *Va. State Bd. of Pharm. v. Va. Citizens Consumer Council, Inc.*, 425 U.S. 748 (1976), is not to the contrary—it says nothing about an interest in regulating "harmful" commercial speech generally, but only that "some forms of commercial speech regulation are surely permissible," including content-neutral time, place, and manner restrictions, and regulations on false and misleading speech. *Id.* at 770-73. There is no exception to intermediate scrutiny for "harmful" speech. *See Rubin v. Coors Brewing Co.*, 514 U.S. 476, 482 n.2 (1995).

I.A.4, I.A.6. If the Court were to find that Section 2(a) does not implicate these doctrines but still could be upheld on the basis of a government interest in “dissociati[on],” those doctrines would be rendered meaningless. Indeed, two of the three cases cited by Defendants (at 16) in support of this “interest” did not involve First Amendment challenges at all, and the third did not consider whether the government speech or unconstitutional conditions doctrine applied.²⁹

Second, neither Defendants nor the U.S. demonstrate that this purported interest is “substantial.” The only support offered (Def. Br. 16) are cases that applied lower scrutiny.

Third, and dispositively, the U.S. has not met its burden of showing that “the harms it recites are real.” *Edenfield*, 507 U.S. at 771. As the U.S. concedes, the “issuance of a trademark registration” does not actually “amount[] to the awarding of the U.S. Government’s ‘imprimatur.’” (US Br. 21 (quoting *In re Old Glory Condom Corp.*, 26 USPQ2d 1216, *5 n.3 (TTAB 1993))). Its mere speculation that there might nonetheless be the “perception of government endorsement” of “disparaging” registrations is unsupported,³⁰ and ignores how trademarks are used in commerce. (US Br. at 21). Consumers perceive marks as brand signifiers—they are not likely to be aware of whether a trademark does or does not appear on the federal Register. See Jeffrey Lefstin, *Does the First Amendment Bar Cancellation of Redskins?*, 52 STAN. L. REV. 665, 684 (2000) (“The overwhelming majority of the public encounters

²⁹ *Air Transp. Ass’n of Am. v. City & Cnty. of San Fran.*, 992 F. Supp. 1149 (C.D. Cal. 1998), and *Bd. of Trs. of Emps’ Retirement Sys. of Balt. v. Mayor & City Council of Balt.*, 562 A.2d 720 (Md. 1989), involved dormant commerce clause challenges to local government actions, and *Perry v. McDonald*, 280 F.3d 159 (2d Cir. 2001), applied forum analysis. *Perry* indicates that license plates are government speech, even though it did not apply government speech doctrine, given the court’s finding that the speech occurred on “governmental property intended primarily to serve a governmental purpose” and would “inevitably ... be associated with the state that issues them.” *Id.* at 169. *Perry* is also contradicted by Fourth Circuit cases holding restrictions on license plates to be unconstitutional. See *SCV*, 288 F.3d at 626-27.

³⁰ The only support cited (at 21) is a 1993 law review article by the *Harjo* petitioners’ attorney, and a case about the Establishment Clause, which has its own, unique endorsement doctrine.

trademarks in their roles as product identifiers, not as the beneficiaries of a federal registration scheme.”). And even when they do, they will not perceive federal registration as government endorsement—just as no one would assume the U.S. endorses pornography merely because obscene works can be registered with the U.S. Copyright Office. *See, e.g., Jartech, Inc. v. Clancy*, 666 F.2d 403, 406-08 (9th Cir. 1982) (obscene works of authorship protected by federal copyright law).

2. ***The U.S. Has Not Asserted A Substantial State Interest In Preventing “Secondary Effects” Of Disparaging Marks***

The U.S.’s attempt to invoke the concept of “secondary effects” to justify Section 2(a) also fails.³¹ (US Br. at 21). In First Amendment jurisprudence, a “secondary effect” of speech is an indirect consequence of speech unrelated to expression, such as the “impacts” of speech “on public health, safety, and welfare.” *City of Erie v. Pap’s A.M.*, 529 U.S. 277, 291 (2000). While preventing these effects can rise to a substantial state interest, *Legend Night Club v. Miller*, 637 F.3d 291, 299 (4th Cir. 2011), the U.S. made no effort to specify what the “secondary effects” of disparaging marks are, much less that such effects are directly advanced by Section 2(a).³²

³¹ The “magnif[ication of] the harm of the disparagement” allegedly caused by registration (US at 21) is not a “secondary effect.” A secondary effect is an indirect effect of speech—*e.g.*, the effects of nude dancing include prostitution and exploitation of women. *Legend Night Club*, 637 F.3d at 299. It is not a law’s capability to enhance or “magnify” the offensiveness of speech, which is never a substantial and legitimate state interest. (PFI Br. 15-16).

³² To the extent the U.S. is arguing (at 19-20) that a secondary effect of disparaging trademarks is “racial exclusion,” *City of Richmond v. J.A. Croson Co.*, 488 U.S. 469, 492 (1989), or harm to “racial harmony and equality,” *Sambo’s*, 663 F.2d at 695, and that it has a substantial state interest in preventing these secondary effects, it still has not met its burden. The U.S. has not shown that this interest is directly advanced by denial of registration for disparaging marks, and the “impact on these laudable goals by” the registration of Redskins Marks or any other trademark “is speculative at best.” *Id.* The U.S. provides “no evidence to demonstrate that” the registration of purportedly disparaging marks “has retarded or impeded achievement or furtherance of its goal or racial equality.” *Id.*; *cf. Legend Night Club*, 637 F.3d at 299 (doubting that secondary effects could justify statute where government did not “produce[] evidence of harmful secondary effects”).

3. **Section 2(a) Does Not Directly Advance A Substantial State Interest In “Smooth Functioning” Of The Trademark System**

The U.S.’s final proffered interest (at 21-22) is of “ensuring the smooth functioning of the complex ... system of trademark regulation” and “avoid[ing] ... conflicts between federal and state law protections for trademarks.” Again, the U.S. has not offered any evidence that this was Congress’ intent with respect to Section 2(a) specifically, or that Section 2(a) furthers these interests. To the contrary, for the reasons set forth in Part I.A.1, these professed interests are *unrelated* to Section 2(a), which is not derived from state or common law, is irrelevant to the core function of trademarks, and is not connected to any “balance” between trademark rights and free speech concerns. Nor is it connected to the “primacy” of state and common law in the trademark system—with or without Section 2(a), the common law limits what constitutes a registrable “trademark” in the first instance. *See MicroStrategy*, 245 F.3d at 341.³³

C. **The Court Should Not Apply Forum Analysis, But If It Does, Section 2(a) Is Unconstitutional**

The U.S. offers a curious alternative analysis of Section 2(a): It asks the Court to engage in forum analysis, which it asserts is the “Fourth Circuit’s treatment of hybrid speech.” (US Br. 17). Putting aside that trademarks are not hybrid speech, the U.S. is incorrect—the Fourth Circuit subjects restrictions on hybrid commercial speech to intermediate scrutiny. *See supra* Part I.B; *Musgrave*, 553 F.3d at 300-02 (so holding).

Moreover, registration is not like any type of “forum” recognized by the courts.³⁴ Forum

³³ The U.S. also states (at 20-21) that “[t]he Constitution does not require the federal government to provide direct incentives to use language that disparages individuals or groups.” This is not a “state interest”; it is an unsupported assertion that the U.S. need not provide the benefits of registration to disparaging marks, incorrect for the reasons set forth in Parts I.A.3 and I.A.4. To the extent the U.S. is arguing it has an interest in not providing direct incentives for disparaging speech, that interest is invalid for the reasons stated. (PFI Br. 15-16).

³⁴ The U.S. even admits “the better view is that registration is not a forum.” (US Br. 17 n.24).

analysis applies to speech that occurs: (1) “on government property” (*e.g.*, in classrooms or on license plates); or (2) certain other speech that occurs “with government participation.” *SCV*, 288 F.3d at 622-23 (citing cases). The latter has been described as a “metaphysical” forum, occurring where “the state encourages private speech by making funds available,” with some connection to publicly-owned property, such as a school. *Child Evangelism Fellowship of S.C. v. Anderson Sch. Dist. Five*, 470 F.3d 1062, 1069 (4th Cir. 2006) (“*CEF*”) (fee waivers for after-hours use of school property); *see also Rosenberger*, 515 U.S. at 830 (funding of printing costs for student newspapers at a public university). In contrast, in cases (such as this one) where speech is benefited or burdened by the government but disseminated without any connection to public property, courts first apply unconstitutional-conditions or government-speech analysis, followed by First Amendment scrutiny.³⁵

If this Court nonetheless applies a forum analysis (which it shouldn’t), and assuming that registration is a “nonpublic” forum (which it isn’t),³⁶ Section 2(a) still is an impermissible restriction on speech. Such restrictions must be: (1) “reasonable in light of the purpose served by the forum”; and (2) “viewpoint-neutral.” *CEF*, 470 F.3d at 1067. Section 2(a) is neither.

First, Section 2(a) is not reasonable in light of the purpose served by registration. The “purpose” of federal registration is to “secure to the owner of the mark the goodwill of his

³⁵ *See, e.g., Bullfrog Films*, 847 F.2d 502 (1988) (so proceeding) (applying unconstitutional conditions analysis and then strict scrutiny to restrictions on non-financial benefits granted to foreign works of authorship); *Musgrave*, 553 F.3d at 300-02 (applying government speech analysis and intermediate scrutiny to restrictions on private ads for the state’s video lottery).

³⁶ PFI does **not** concede that, if forum analysis were appropriate, registration is a nonpublic forum. If anything, it is a designated public forum, created when the Government by purposeful action intends to make a traditionally nonpublic forum “generally available.” *Goulart v. Meadows*, 345 F.3d 239, 249 (4th Cir. 2003). Because registration is contingent upon the “ministerial judgment” of whether a trademark complies with Section 2, and registration is “granted as a matter of course,” it comes closest to a designated public forum. *Id.* at 250-51.

business” and “protect the ability of consumers to distinguish among competing producers.” *Park ‘N Fly*, 469 U.S. at 198. Section 2(a) bears no relationship to this purpose, nor to the purposes of balancing free speech interests or harmonizing federal and state law that the U.S. now claims. *See supra* at 3-4 & Part I.A.1.

Second, Section 2(a) is a viewpoint-based restriction—it denies registration to marks that “disparage” certain persons, but allows registration for those that are neutral toward or celebratory of the same persons. (PFI Br. 6). The U.S.’s arguments to the contrary are frivolous. For example, it is *irrelevant* that trademark law’s general purpose is to protect source-identification (at 18), because such a purpose does not negate the fact that trademarks can and often do express viewpoints (*see supra* Part I.A.2), and Section 2(a) denies registration to those marks with what the PTO deems undesirable viewpoints. It is *irrelevant* that “laudatory” trademarks can be denied registration as generic or descriptive under Section 2(e) (at 18), because: (1) such marks do not function as trademarks at all; (2) Section 2(e) does not exclude all “laudatory” marks; and (3) Section 2(e) does not target any particular viewpoint, while Section 2(a) expressly targets “disparaging” viewpoints. And it is *irrelevant* that the PTO does not to look to the “intent” of the trademark owner but rather the perception of the referenced group in determining whether a mark “may disparage.” (US Br. 18-19). Many restrictions that exclude speech based on the way the speech is perceived are impermissibly viewpoint-based because they favor the views of those that are offended over those with different views.³⁷

³⁷ *See, e.g., Sons of Confederate Veterans v. Glendening*, 954 F. Supp. 1099, 1103-04 (D. Md. 1997) (refusal to issue license plates bearing Confederate flag because it was perceived as “a symbol of racial oppression and hostility” was viewpoint-based); *cf. R.A.V. v. City of St. Paul Minn.*, 505 U.S. 377, 389 (1992) (“State may not prohibit only that commercial advertising that depicts men in a demeaning fashion.”). The U.S.’s attempt (at 19 n.25) to distinguish *R.A.V.* is misconceived, as the ordinance specifically prohibited speech based on the way it is perceived by
(footnote continued)

II. SECTION 2(A) IS UNCONSTITUTIONALLY VAGUE

A. Because Section 2(a) Chills Protected Speech, The Vagueness Standards Are To Be Rigorously Applied

Where “the law interferes with the right of free speech ..., a *more stringent* vagueness test should apply.” *Vill. of Hoffman Estates v. Flipside, Hoffman Estates, Inc.*, 455 U.S. 489, 499 (1982) (emphasis added); *see also Ctr. for Individual Freedom, Inc. v. Tennant*, 706 F.3d 270, 280 (4th Cir. 2013) (“When a statute is *capable of reaching* expression sheltered by the First Amendment, the [vagueness] doctrine demands a *greater* degree of specificity.”) (quotations omitted, emphases added). Such “rigorous adherence to those requirements is necessary to ensure that ambiguity does not chill protected speech.” *FCC v. Fox TV Stations, Inc.*, 132 S. Ct. 2307, 2317 (2012); *Reno v. ACLU*, 521 U.S. 844, 871-72 (1997) (chilling effect of vagueness is “obvious”). Putting aside whether Section 2(a) actually violates the First Amendment, *see supra* Part I.B,³⁸ Section 2(a) indisputably chills trademark holders’ speech by forcing applicants to choose the blandest of marks, for fear that an applied-for registration will be cancelled as “disparaging” years down the road. *See supra* Part I.A.3; (ACLU Br. 14-15). Thus, the Court is to apply a heightened standard to determine whether Section 2(a) is unconstitutionally vague.

Defendants and the U.S. try to avoid this heightened standard by suggesting that it applies only to criminal statutes. (US Br. 24-25; Def. Br. 17-18). “While this may be true generally, it is *not* the case where [First Amendment] rights are at issue.” *Bullfrog Films*, 847 F.2d at 513 (emphasis added).³⁹ Defendants and the U.S. also argue that because Section 2(a) does not

others. *Id.* at 391. And in *Rosenberger*, the Court held that a law that proscribes “an entire class of viewpoints” is still viewpoint-discriminatory. 515 U.S. at 831-32.

³⁸ The Court may find Section 2(a) is vague under the Fifth Amendment without deciding whether it also violates the First Amendment. *Smith v. Goguen*, 415 U.S. 566, 582 n.32 (1974).

³⁹ Thus, courts routinely strike down regulations as vague that have no criminal element. *See, e.g., Dambrot v. Cent. Mich. Univ.*, 55 F.3d 1177, 1184 (6th Cir. 1995) (school harassment (footnote continued)

directly “prohibit” speech, a more stringent test does not apply. (US Br. at 24; Def. Br. 17-18). This is wrong—as noted above, the mere chilling of protected speech justifies heightened scrutiny. In *Bullfrog Films*, for example, filmmakers were not “prohibited” from making their films, but the withholding of the benefits associated with certification chilled such speech; thus, the Ninth Circuit “applie[d] its vagueness analysis strictly.”⁴⁰ 847 F.2d at 512. The same applies here—withholding important federal registration benefits chills protected speech.⁴¹

B. Section 2(a) Does Not Provide Fair Notice Of What Marks “May Disparage”

By any measure, Section 2(a) does not provide the public with clear warning of which trademarks “may disparage.” The word “disparage” is not defined in the Lanham Act, nor does any other section of the Lanham Act inform the meaning of the word. Further, the dictionary definition of “disparage”—*i.e.*, to describe something as “unimportant, weak, bad, etc.,” “to lower in rank or reputation,” or “to depreciate by indirect means” (Anten Ex. 53)—provides no hint of what kinds of words would be deemed disparaging under Section 2(a). It merely presents synonyms for the word “disparage,” without providing clarity as to the *content* of such speech.

Neither Defendants nor the U.S. offer any explanation of how this definition provides people of ordinary intelligence with any reasonable notice of what conduct is prohibited.

policy vague); *Bullfrog Films*, 847 F.2d at 514 (standards for certifying films vague); *Big Mama Rag, Inc. v. U.S.*, 631 F.2d 1030, 1035-36 (D.C. Cir. 1980) (tax exemption regulations vague).

⁴⁰ The U.S.’s and Defendants’ remaining arguments are retreads of their flawed First Amendment arguments. For example, both cite *Finley* (US Br. 24; Def. Br. 18), where the Court did not apply the higher standard because the U.S. was “acting as patron.” 524 U.S. at 589. Here, however, the U.S. is not “acting as patron,” *i.e.*, granting a subsidy. See *supra* Part I.A.5.a.

⁴¹ Defendants also argue that, to assert a facial vagueness challenge, PFI must establish that no set of circumstances exist under which Section 2(a) is valid. (Def. Br. 18, citing *U.S. v. Salerno*, 481 U.S. 739 (1987) and *Wash. State Grange v. Wash. State Repub. Party*, 552 U.S. 442, 449 (2008)). This is wrong—neither *Salerno* nor *Grange* involved a void-for-vagueness challenge. Further, the Supreme Court rejected this formulation for vagueness challenges. *City of Chi. v. Morales*, 527 U.S. 41, 55 n.22 (1999). In any event, for the reasons described above, such a standard does not apply when First Amendment rights are implicated.

Defendants, for example, simply label the definition as “straightforward and well-defined.” (Def. Br. 19). But both ignore that the word “disparage” is necessarily *subjective*. *Dambrot*, 55 F.3d at 1184 (term vague where “one must make a subjective reference”); *Anten Ex. 52* at 21 (PTO Assistant Commissioner describing disparagement as “a matter of the personal opinion”). Courts thus strike down as vague statutes that turn on words (such as “annoying”) that involve “wholly subjective judgments without statutory definitions, narrowing context, or settled legal meanings.” *Holder v. Humanitarian Law Project*, 561 U.S. 1, 20 (2010) (citing *U.S. v. Williams*, 553 U.S. 285, 306 (2008); *Papachristou v. Jacksonville*, 405 U.S. 156 n.1 (1972)). “Disparage” is such a word—it involves: (1) wholly subjective judgments; (2) no statutory definitions; (3) no narrowing context; and (4) no settled legal meanings. Section 2(a) is all the more infirm because it involves an applicant being forced to hypothesize as to the subjective judgment of a third party’s (such as Native Americans’) possible reactions, requiring him or her to “guess at its contours.” *Gentile v. State Bar of Nevada*, 501 U.S. 1030, 1048 (1991).⁴²

Instead of explaining how “disparage” is not vague, the U.S. points to other terms in the Lanham Act (*e.g.*, “merely descriptive,” “likely to cause confusion,” “functional”) and claims that if “disparage” is vague, these terms must also be vague. (US Br. 25-26). This argument is difficult to understand—those words have their own definitions, are not based on purely subjective judgments, are contextualized throughout the Lanham Act, and have “settled legal

⁴² In *Gentile*, for example, the Court struck down a statute that included the terms “general” and “elaboration” because they “are both classic terms of degree” that “have no settled usage or tradition of interpretation in law.” 501 U.S. at 1048-49. The term “disparage” is also one of degree, without settled usage or legal meaning. Nor are there other indicia that might otherwise save Section 2(a)—there is no scienter requirement, nor guidelines, examples, or other objective criteria. *Gonzales v. Carhart*, 550 U.S. 124, 149 (2007) (“scienter requirements alleviate vagueness concerns,” and statute set forth “guidelines” and “objective criteria”); *Posters ‘N’ Things, Ltd. v. U.S.*, 511 U.S. 513, 526 (1994) (statute “sets forth objective criteria”).

meanings” through a robust body of case law. And perhaps most importantly, those terms fall within the core of the Lanham Act—*i.e.*, the existence and protection of a mark. *See supra* at 3. Whether a mark “disparages,” however, has nothing to do with its ability to function as a mark.⁴³

Defendants also insist the word “may” in front of disparage “clarifies” the statute because the PTO “need not determine with certainty” that a mark disparages. (Def. Br. 20). Even if this interpretation of “may” is accurate (and it is not, *see* Dkt. 100 at 32-33), it would render Section 2(a) *more* vague—the scope of prohibited activity is even less clear, and an applicant must now eschew any use of a mark that conceivably *might* disparage another. Aside from the obvious chilling effect, such construction introduces yet one more level of subjectivity and guesswork.⁴⁴

Finally, the PTO’s interpretation of Section 2(a) offers no further clarity. While the TTAB certainly has issued opinions addressing Section 2(a) (almost all after 1999), none offer clarity as to what the term “disparage” means—they just say yea or nay. Even the most recent test merely asks if “the meaning [of the mark] may be disparaging to a substantial composite of the referenced group”⁴⁵ (Thompson Ex. 13). This circular definition—“disparaging” means that the mark “may be disparaging”—reinforces, rather than resolves, any vagueness.⁴⁶

⁴³ Defendants also argue that the word “disparage” is “less vague” than other terms with other definitions upheld in other cases. (Def. Br. 20-21). These cases can be dispensed of easily—they involve different terms in different statutory contexts, and none involve a term that requires one person to predict, on a subjective basis, the unique personal feelings of another.

⁴⁴ *E.g.*, *Bullfrog Films*, 847 F.2d at 513-14 (“[o]ne might perhaps make some educated guesses as to the meaning of the[] regulations, but one could never be confident that the [Government] would agree”); *Norfolk 302, LLC v. Vassar*, 524 F. Supp. 2d 728, 740 (E.D. Va. 2007) (statute facially vague where both language and judicial gloss left individuals guessing at its meaning).

⁴⁵ Neither Defendants nor the U.S. try to explain what a “substantial composite” even is, let alone how to figure out what it comprises. The U.S. says there is “no vagueness problem” with “substantial composite” (at 26 n.36), but gives no explanation. Nor did the TTAB Order explain why 30% is a “substantial composite”—it simply declared it so, without any discernible basis.

⁴⁶ Defendants’ suggestion that the word “disparage” in Section 2(a) is not vague because the Supreme Court used the word “disparage” in passing in *Marsh v. Chambers*, 463 U.S. 783
(*footnote continued*)

C. Section 2(a) Authorizes Arbitrary And Discriminatory Enforcement

Separately, Section 2(a) permits the PTO to (and the PTO actually does) engage in arbitrary and discriminatory enforcement of purportedly disparaging marks.⁴⁷ That examining attorneys' decisions are publicly available or subject to public review by the TTAB (Def. Br. 22; US Br. 25 n.34), does not make the PTO's application of Section 2(a) any less arbitrary. Rather, the doctrine requires that "laws must provide *explicit standards* for those who apply them. A vague law impermissibly delegates basic policy matters to policemen, judges, and juries for resolution on an *ad hoc* and subjective basis." *Grayned v. City of Rockford*, 408 U.S. 104, 108-09 (1972). That decisions of policemen, judges, juries, or PTO examining attorneys are subject to appellate review does not create "explicit standards" where none exist.

Defendants also suggest that PFI's chart of arbitrary application of Section 2(a) demonstrates "some possible inconsistencies," but are not final PTO decisions. (Def. Br. 23). Defendants are wrong—examples for HEEB, SQUAW and REDSKINS were final decision of the TTAB. (PFI Br. at 21). In any event, the point is that there are no explicit standards for the PTO to apply. Inconsistencies would certainly be understandable if examining attorneys applied explicit standards to difficult or unique factual scenarios. But the PTO has no standards at all—every inquiry is an *ad hoc* evaluation, based on the subjective views of the examining attorney (whose decision is then provided high deference). Defendants' own exhibit proves this—the

(1983), is frivolous. (Def. Br. 20). The Supreme Court is not Congress, does not write statutes, and its opinions are not subject to the vagueness doctrine. Quite simply, the Supreme Court can use any words it wants and leave it to the lower courts for interpretation. Congress cannot.

⁴⁷ Defendants suggest that PFI must establish that it is "a victim of unlawful favoritism." (Def. Br. 22) (citing *Wag More Dogs, LLC v. Cozart*, 680 F.3d 359, 372 (4th Cir. 2012)). No such standard exists. Rather, *Wag More Dogs* (and the cases it cites in turn) stands for the proposition that a plaintiff must "detail other enforcement actions" that demonstrate a "pattern of arbitrariness," rather than "speculate about possible vagueness in hypothetical situations." 680 F.3d at 373. PFI provided the Court with a chart exemplifying actual (not hypothetical or speculative) arbitrary results as to Section 2(a). (PFI Br. at 21). PFI therefore met this standard.

TMEP circularly instructs that a mark may be disparaging if it “may be disparaging” (to a substantial composite) without offering any standards for determining *how to decide* whether a mark may disparage. Thompson Ex. 13. As the TTAB has conceded, determination of whether a mark is disparaging “is necessarily a highly subjective one.” *In re In Over Our Heads Inc.*, 16 USPQ2d 1653, 1654 (TTAB 1990). This should end the inquiry.

D. Section 2(a) Is Unconstitutionally Vague As Applied To PFI

While the Court can (and should) find that Section 2(a) is unconstitutionally vague on its face, it may opt instead for a narrower course and hold that the statute is impermissibly vague as applied to PFI. *See, e.g., U.S. v. John-Baptiste*, 747 F.3d 186, 200 (3d Cir. 2014).⁴⁸

Here, PFI did not “in fact ha[ve] fair notice” that Section 2(a) proscribed the registration of the Redskins Marks in 1967, 1974, 1978, and 1990 such that PFI should have known they would be cancelled 25 to 50 years later. *U.S. v. Hsu*, 364 F.3d 192, 196 (4th Cir. 2004). To the contrary, the dozens of Native American schools and tribes that named their sports teams the “Redskins” in 1967-1990 demonstrate that, in the sports context, the name “Redskins” was not disparaging to Native Americans.⁴⁹ Further, in 1977, hundreds of Native Americans competed to participate in an All-Indian Half-Time Marching Band and Pageant. This event included Native Americans from more than 80 tribes, was coordinated with the Bureau of Indian Affairs, and was endorsed by leading Native American organizations such as the NTCA and NIEA. It was

⁴⁸ Even if the Court were to find that Section 2(a) does not interfere with First Amendment rights, it may still find Section 2(a) to be facially void because it has no *mens rea* requirement and is “permeate[d]” with vagueness. *Morales*, 527 U.S. at 55 (Stevens, J., plurality). But the Court need not go down that road, as it still may find that Section 2(a) is impermissibly vague as applied to PFI. *See, e.g., Maynard v. Cartwright*, 486 U.S. 356, 361 (1988).

⁴⁹ *See* PFI Br. 22. It does not matter whether PFI “knew or relied upon” the existence of these names. (Def. Br. 24). The inquiry in an as-applied challenge is whether PFI acted “reasonably” under the circumstances. *U.S. v. Nat’l Dairy Prods. Corp.*, 372 U.S. 29, 32-33 (1963). That Native Americans used such names for their own sports teams evinces that PFI acted reasonably.

favorably reported in Native American newspapers, and there is no evidence of any objections to the event. *Supra* SMF ¶2. Given such broad support, it is inconceivable PFI should have known that, decades later, its team name would retroactively be deemed “disparaging” by the PTO.

Defendants claim (at 25) that PFI “was fully on notice” that the Redskins Marks contained purportedly disparaging material when it applied for the registration. Not so. Defendants’ six dictionary usage labels (only 4 of which are from 1967-1990): (1) offer no indication of *Native Americans*’ perceptions of the word in 1967-1990; (2) never use the word “disparage”; (3) qualify the word “redskin” as *possibly* offensive, depending on the context; and (4) do not consider the context of *PFI*’s use as a team name, which had been employed since 1933.⁵⁰ In contrast, based on **63** dictionary definitions from 1967-1990, PFI’s expert concluded that the term “redskin” was not considered disparaging at the relevant time. [Dkt. 100, PFI’s response to Def. SMF at 12]. One 1977 dictionary even had its own separate entry for “Redskins,” defined as the NFL’s Washington, D.C. team. [Dkt. 99-1]. Defendants’ experts conceded that the team name “Redskins” has its own distinct definition. *See supra* SMF ¶1. Even the PTO recognizes this, opining that “‘REDSKINS’ points *uniquely and unmistakably* to the Redskins football team.” Bishop Ex. 9 (emphasis added).⁵¹ *See also supra* SMF ¶1. Nor does a single meeting with seven self-identified activists in 1972 speak to what the larger Native American population believed—the attendees represented only their own views. *Harjo*, 284 F. Supp. 2d at 135. The same is true of the few articles from 1971-1972 and the article from *Pro!*

⁵⁰ Defendants’ purported dictionary evidence also cannot be reconciled with the dozens of Native American schools and tribes who chose to name their sports teams the “Redskins.”

⁵¹ Barnhart never conceded that the Redskins Marks are disparaging; rather he said, in discussing the word “redskin,” that “disparaging is too strong a term to apply in this case,” and that the word “might be offensive,” but it would depend on the context. [Dkt. 100, PFI’s response to Def. SMF at 15].

magazine, which in one passing sentence relayed the view of *one* Native American activist. [Dkt. 100, PFI’s response to Def. SMF at 20].

Defendants also posit (at 25) that “the USPTO has shown no inconsistency” regarding marks that contain the term “redskin.” But if anything, the PTO showed remarkable consistency in adjudicating marks containing the word “redskin” as *not* disparaging to Native Americans. For example, as of 1967, the PTO had already registered many marks containing the word “redskin” without any hint they were disparaging, including the two below:



Reg. No. 643,684 (April 2, 1957)



Reg. No. 590,643 (June 1, 1954)

Bishop Exs. 1-2. No cancellation proceeding was ever initiated against these registrations, even though they remained on the federal register through 1998 and 1995, respectively. *Id. As far as PFI is aware, through 1990 no mark had ever been refused registration or cancelled under Section 2(a) as disparaging based on its use of the word “redskin.”* PTO actions could not have provided notice to PFI of the risk of cancellation based on disparagement if the PTO had never done so before.

It was not until late 1992, *after* the *Harjo* petition was filed, that the PTO expressed ambivalence about marks containing the word “redskin.” But those post-filing decisions cannot undo the PTO’s consistent approval of “redskins” marks before that time. Even after the *Harjo* petition was filed, the PTO expressed uncertainty. For example, for three of PFI’s applications filed in 1996, the PTO *accepted and published* for registration PFI’s marks containing the word “redskin”—thus, the examining attorney did not find them to disparage Native Americans. It

was only after the *Harjo* petitioners filed a request to extend the time to file oppositions that the examining attorneys, “upon further consideration,” changed their minds and refused registration, (but suspended each of those denials pending the outcome of *Harjo*). *See* Bishop Exs. 15-17. Thus, four years after the *Harjo* petition was filed, the PTO’s treatment of marks containing the word “redskin” was inconsistent. And if the PTO didn’t know, how could PFI know?⁵²

Even in recent years, the PTO has not uniformly denied registration of marks on grounds of disparaging that contain the word “redskin” in reference to the Washington Redskins. For example, in 2009 the PTO rejected an application for the mark REDSKINS PUSH IT UP because it consisted of matter “which may falsely suggest a connection with the Washington Redskins,” but made no reference to disparagement. Bishop Ex. 9; *see also id.* Exs. 10-11 (denying registration to 12TH REDSKIN in 2001 because of likelihood of confusion with Redskins Marks, without reference to disparagement); *id.* Ex. 12 (denying registration to OCCUPY REDSKINS PARK in 2012, without reference to disparagement).⁵³

III. THE TTAB’S ORDER UNCONSTITUTIONALLY TAKES PFI’S PROPERTY

A. This Court Has Jurisdiction Over PFI’s Takings Claim

Defendants and the U.S.⁵⁴ challenge this Court’s jurisdiction over PFI’s Takings claim,

⁵² The PTO’s confusion holds true even when considering the word “redskin” outside of any Native American context. Before the *Harjo* petition was filed, the PTO registered multiple such marks. *See, e.g.*, Bishop Exs. 3-8 (attaching registrations for REDSKIN from 1926 through 1990). In recent years, however, the PTO has fluctuated between granting and denying such registrations, without rhyme or reason. *Compare* Bishop Ex. 14, attaching Reg. No. 3,792,438 (May 25, 2010) (mark including “Carmelized Jumbo Redskins” for nuts); *with* Thompson Exs. 9-10 (denying on disparagement grounds applications to register REDSKIN for computer software and REDSKIN HOG RINDS for pork rinds in 2011 and 2013, respectively).

⁵³ The PTO’s multiple renewals demonstrate that the marks were on the register yet remained unchallenged. (Def. Br. 25). But publications and registrations—12 times without complaint—*do* weigh against a conclusion of disparagement. *Harjo*, 284 F. Supp. 2d at 136 n.34.

⁵⁴ The Court should disregard the U.S.’s uninvited Fifth Amendment arguments because, as the U.S. concedes (at 27 n.37), they have nothing to do with its intervention for “the limited purpose
(footnote continued)

asserting that the Court of Claims has exclusive jurisdiction under the Tucker Act. (Def. Br. 26; US Br. 26-28). But as one court explained:

it would be illogical to announce and follow a simple rule that a claim is within the exclusive jurisdiction of the Court of Claims simply because [PFI] intoned the words “taking without just compensation.” Instead, the claim and the relief requested must be reviewed to determine whether they are of the type that logically fall within the powers of the Claims Court.

In re Chateaugay Corp., 163 B.R. 955, 959 (S.D.N.Y. 1993) *aff’d*, 53 F.3d 478 (2d Cir. 1995).

Defendants and the U.S. ignore that this action was *not* brought as a Takings claim, but rather an appeal of the TTAB’s Order pursuant to 15 U.S.C. §1071(b).⁵⁵ *Pro-Football, Inc. v. Blackhorse*, 2014 WL 6682640, at *1 (E.D. Va. Nov. 25, 2014). With respect to its Takings claim, PFI seeks only a declaration “that the TTAB Order is unconstitutional.”⁵⁶ [Dkt. 1 at ¶148(h)]. But the Court of Claims lacks jurisdiction to award declaratory relief. *Anderson v. U.S.*, 85 Fed. Cl. 532, 538 (Fed. Cl. 2009). Its jurisdiction is limited to money damages, *which PFI does not seek*.⁵⁷ See *Kennedy v. U.S.*, 19 Cl. Ct. 69, 75 (Cl. Ct. 1989) (so holding).

Moreover, PFI seeks prospective relief because cancellation of the six registrations has been scheduled, but will not occur until resolution of PFI’s appeal. See TTAB Manual of Procedure §806. Where, as here, “the declaratory ... relief a claimant seeks has significant prospective effect or considerable value apart from merely determining monetary liability of the

of defending the constitutionality” of Section 2(a) against PFI’s First Amendment claim. [Dkt. 46, at 1]. When the U.S. intervenes for the limited purpose of defending a statute’s constitutionality, courts will not accept arguments that go further. *E.g.*, *Freedom from Religion Found. v. Congress of the U.S.*, 2008 WL 3287225, at *8 (D.N.H. Aug. 7, 2008) (“not appropriate to reach” additional arguments).

⁵⁵ Defendants’ and the U.S.’s cases regarding the purported exclusivity of the Court of Claims’ jurisdiction are thus misplaced. (Def. Br. 26; US Br. 28). Those cases involved: (1) Takings claims in the first instance; that were (2) brought against the United States.

⁵⁶ Accordingly, Defendants’ arguments and citations (at 26) regarding PFI’s “obtain[ing] an injunction to prevent the alleged Taking” are thus irrelevant—PFI does not seek such a remedy.

⁵⁷ Depreciation figures are unnecessary as money damages are not sought. (US Br. at 28 n.39).

government, ... the district court may assume jurisdiction over the nonmonetary claims.” *Hahn v. U.S.*, 757 F.2d 581, 590 (3d Cir. 1985); *Bowen v. Mass.*, 487 U.S. 879, 905 (1988) (similar).

The Court of Claims also lacks jurisdiction over this action because a cancellation proceeding before the TTAB is inter partes, initiated and litigated by and against private parties. TBMP §102.02.4. Thus, not only is this action not “against the United States,” as required by 28 U.S.C. §1491(a)(1), but the United States is *forbidden* from “be[ing] made a party to an inter partes proceeding.” 15 U.S.C. §1071(b)(2). Because, as the U.S. concedes (at 27), this action is not against the United States, the Court of Claims lacks jurisdiction. *See Orion Sci. Sys. v. U.S.*, 28 Fed. Cl. 669, 670 (1993) (“this court possesses no jurisdiction to hear or decide claims between private parties”). Moreover, where a private party is necessary to the suit, the Court of Claims lacks jurisdiction because it cannot award full relief. *See Chateaugay*, 163 B.R. at 959 (Court of Claims lacked jurisdiction because trustee necessary to Takings claim).⁵⁸

B. The Redskins Marks Are Property Protected By The Fifth Amendment⁵⁹

PFI argued that its *trademarks* are constitutional property under the Takings and Due Process Clauses, and that cancellation of the marks’ registrations constitutes a taking of the *underlying* marks. (PFI Br. 24-25, 29). Defendants and the U.S. concede that the trademarks

⁵⁸ In analogous circumstances, courts have held that the district court *did* have jurisdiction. *Chateaugay*, for example, held that the Court of Claims lacked jurisdiction where the plaintiff only sought a declaration that a statute was unconstitutional under the Takings and Due Process Clauses and did not seek money damages in a suit that was not against the U.S. 163 B.R. at 958-59. The court refused to follow *Ry. Labor Execs. Ass’n v. U.S.*, 987 F.2d 806, 815-16 (D.C. Cir. 1993), cited by the U.S. (at 28), because it “did not explain how the Claims Court could award meaningful relief in a case such as this” and “failed to distinguish the many cases ... that hold that the Tucker Act applies only to claims for money damages.” *Id.* at 958-59; *see also, e.g., Bellaire Corp. v. Shalala*, 995 F. Supp. 125, 139-40 (D.D.C. 1997) (same).

⁵⁹ The U.S. (at 28-29) improperly conflates its analyses of the Takings and Due Process Clauses. But the U.S.’s own case recognizes that these involve different tests that “cannot be blended as one.” *Roth v. King*, 449 F.3d 1272, 1286 (D.C. Cir. 2006). Herein, PFI addresses property under the Takings and Due Process Clause together only for ease of response.

are constitutional property but argue that *registrations* are not. (US Br. 28-30; Def. Br. 27-28). Accordingly, most of Defendants’ and the U.S.’s arguments are irrelevant.⁶⁰

In the only part of its brief addressing PFI’s argument that *trademarks* are constitutional property (*i.e.*, the relevant inquiry), the U.S. argues that “trademarks are not ‘property’ within the meaning of the Fifth Amendment.” (US Br. 29). This is incorrect.

First, none of the U.S.’s cases (at 29) concern constitutional property, which is treated differently than ordinary property. *See Ruckelshaus v. Monsanto Co.*, 467 U.S. 986, 1001 (1984) (constitution-based “[p]roperty interests ... are created and their dimensions are defined by existing rules or understandings that stem from an independent source such as state law.”).

Second, the U.S.’s argument is irreconcilable with *College Savings Bank v. Fla. Prepaid Postsecondary Educ. Expense Bd.*, 527 U.S. 666 (1999), which juxtaposed the Lanham Act’s false advertising provisions (which were not constitutional property) with other provisions that may “protect constitutionally cognizable property interests—notably, its provisions dealing with infringement of trademarks, *which are the ‘property’ of the owner* because he can exclude others from using them.” *Id.* at 673 (emphasis added). Indeed, the U.S. previously cited *College Savings* in admitting that “a [Due Process Clause] property interest could exist in a trademark.” *Empresa Cubana Exportadora v. Dep’t of Treasury*, No. 06-cv-1692, Dkt. 5, Brief of DOT at 21 (D.D.C. Dec. 21, 2006) (*compare with* US Br. 29 n.40); PFI Br. 21 (citing *Rex, Inc.*).

⁶⁰ Even if PFI *had* asserted that a registration, as opposed to the underlying mark, was constitutional property (which it did not), Defendants and the U.S. are still incorrect. *In re Int’l Flavors & Fragrances*, 183 F.3d 1361 (Fed. Cir. 1999) concerned a Due Process claim, not a Takings claim, for a property interest in “obtaining [a] federal registration,” not an existing registration. *Id.* at 1368. (US Br. 28-29; Def. Br. 27). In addition, trademarks are not “subject to pervasive Government control” (US Br. at 29) because they are not “entirely a product of government regulations” which it “would not exist without.” *Hearts Bluff Game Ranch, Inc. v. United States*, 669 F.3d 1326, 1330-31 (Fed. Cir. 2012); *see* PFI Br. 24.

Third, contrary to the U.S.’s contention (at 29), established case law holds that patents (unlike trademarks) are *not* Takings Clause property. *See* PFI Br. 24 n.18.

Fourth, Defendants and the U.S. concede that trademarks are assignable, a relevant characteristic of constitutional property. (PFI Br. 24; US Br. 29-30; Def. Br. 27). The U.S.’s cases (at 30) merely recite that a valid trademark assignment requires transfer of its underlying goodwill—an undisputed and elementary feature of trademark law, as a trademark *is* the goodwill accompanying a distinctive product or service. Contrary to the U.S.’s erroneous parenthetical (at 30), *U.S. v. Hedaithy*, 392 F.3d 580, 600 (3d Cir. 2004) does not hold that constitutional property must be capable of assignment “alone.” *Hedaithy* did not even concern trademarks or any constitutional property, but rather a criminal mail fraud statute.

C. Cancelling PFI’s Registrations Is A Taking Of The Redskins Marks

PFI argued that its constitutionally-protected property—*i.e.*, the Redskins Marks—would be significantly impaired by cancelling its registrations. (PFI Br. 26). The U.S. does not respond to PFI’s arguments. Defendants, meanwhile, merely state the test for a regulatory taking⁶¹ and assert, without explanation, that “[t]hese factors show no Taking occurred.” (Def. Br. 27-28). Defendants’ only contention is that PFI did not introduce certain evidence (at 28), ignoring the evidence PFI has introduced. (Handelman Rep. at 16-17; Anten Decl. ¶¶4-6, 9-12 & Ex. 51). Moreover, cancelling PFI’s registrations is “functionally equivalent” to depriving PFI of its marks by significantly impeding its right to exclude. (PFI Br. 25-27).

D. PFI’s Property Cannot Be Taken For A Public Use Where The Taking Exceeds Constitutional Limitations

The U.S. is wrong that PFI never challenged that the taking occurred without a “public purpose.” (US Br. 27). PFI did just that when it argued that a taking must not exceed

⁶¹ PFI did not contend that cancellation of its registrations was a *per se* taking. (Def. Br. 27).

constitutional limitations, including the First Amendment, to constitute a “public use” and that, because Section 2(a) does not satisfy that requirement, “the taking is invalid and the registrations must be restored.” (PFI Br. 27). Where a taking is not for a public use, the U.S. does not have the power to exercise the taking. That is the remedy PFI seeks. Only if this Court rejects that argument does PFI accept that the taking would be for public use. (PFI Br. 27-28).

E. PFI Was Unconstitutionally Denied Just Compensation

PFI seeks a declaration that the TTAB’s Order is invalid. Contrary to the U.S.’s assertion (at 27 n.38), compensation would not be the only result of declaring that the Order is an unconstitutional taking; the U.S. may instead “elect to abandon its intrusion”—here, by leaving PFI’s registrations intact. *First English Evangelical Lutheran Church of Glendale v. Los Angeles Cnty*, 482 U.S. 304, 317 (1987). The U.S.’s additional contention (at 28) that the *possibility* of compensation under the Tucker Act undercuts a Takings claim is inconsistent with holdings in analogous cases. *See supra* n.58 (discussing *Chateaugay* and *Bellaire Corp.*).

IV. PFI HAS BEEN DEPRIVED OF ITS PROPERTY WITHOUT DUE PROCESS

The U.S. asserts (at 27) that PFI never challenged the validity of the statutory cancellation procedure. To the contrary, such a challenge is the very foundation of PFI’s Due Process claim. PFI argued that the inordinate delay after the registrations issued deprived PFI of its procedural due process right to a hearing at a “meaningful time.” (PFI Br. 29-30). Instead of addressing PFI’s argument about what it was denied, the U.S. describes what PFI received. (US Br. 30). This adds nothing to the due process questions at issue.

Defendants do not deny,⁶² and thus concede, that PFI was entitled to a hearing at a “meaningful time.” Defendants, however, assert that a single 1972 meeting with seven Native

⁶² *Int’l Flavors* never addressed whether a delay was a due process violation (Def. Br. 29).

Americans put PFI “on notice that ‘redskins’ is an ‘offensive’ term.” (Def. Br. 29). This cannot be—a threat to sue PFI in 1972 followed by *twenty years* of inaction gave PFI every reason to believe its registrations were secure. Anten Ex. 49. Moreover, five years later (in 1977), hundreds of Native Americans from over 80 tribes with the backing of both the BIA and reputable, mainstream Native American groups, endorsed the Redskins Marks by performing at a Washington Redskins half-time show, and without any objections. *See supra* SMF ¶2. This cemented PFI’s reliance on the absence of a suit, compounding the substantial prejudice to PFI.⁶³

Defendants also argue that, as a private citizen, Mr. Cook’s actions cannot be imputed to the U.S. (Def. Br. 30). But PFI is not required, and never sought, to do so. The TTAB’s Order cancelling the registrations pursuant to the statutory procedure after nearly eighty years of use and fifty years of registration suffices as any requisite government action.⁶⁴ During that time, PFI relied upon the Lanham Act’s purpose of “secur[ing] to the owner of the mark the goodwill of his business” to develop extraordinarily valuable goodwill in the Redskins Marks. *Park ‘N Fly*, 469 U.S. at 198. Cancellation of the registrations not only substantially prejudices PFI and undermines the objectives of the Lanham Act, but denies PFI due process.

CONCLUSION

PFI’s motion should be granted and Defendants’ motion should be denied.

⁶³ Defendants attempt to turn *PFI’s constitutional* claim on its head by asserting that providing PFI its *constitutionally-mandated right* to due process somehow denies Defendants a *statutorily-conferred privilege* to deprive PFI of its constitutional property. (Def. Br. 30). But in the event of conflict, the Constitution trumps ordinary statutes. And it is illogical that an individual could have the “right” for the U.S. to act unconstitutionally. That cancellation proceedings can be brought “at any time” begs the question because it is the validity of that provision as applied to PFI that is in dispute. (Def. Br. 29 (citing 15 U.S.C. § 1064(3))).

⁶⁴ Defendants’ *McGinley* quote (at 29) involved “entitle[ment] to registration,” not cancellation.

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Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on April 3, 2015, I caused the foregoing pleading or paper to be filed and served electronically by the Court's CM/ECF system upon all registered users in this action, including the following counsel of record:

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