No. 09-326

In The
Supreme Court of the United States

SUZAN S. HARJO, *ET AL.*,
Petitioners,

v.

PRO-FOOTBALL, INC.,
Respondent.

ON PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

REPLY BRIEF TO BRIEF IN OPPOSITION TO PETITION FOR APPEAL

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QUESTION PRESENTED

The United States District Court for the District of Columbia reversed the Trademark Trial and Appeal Board's order scheduling cancellation of the disputed marks and granted summary judgment to Pro-Football, Inc., finding that the doctrine of laches precluded consideration of Petitioners' cancellation petition brought pursuant to Section 14(3) of the Lanham Act, 15 U.S.C. § 1064(3). On appeal, a panel of the District of Columbia Circuit agreed and, after a remand, ultimately affirmed the District Court's decision in full. The District of Columbia Circuit's decision and the Federal Circuit's decision in *Bridgestone/Firestone Research, Inc. v. Automobile Club De L'Ouest De La France*, 245 F.3d 1359, 1360-61 (Fed. Cir. 2001), are in conflict with the holding of the Court of Appeals for the Third Circuit in *Marshak v. Treadwell*, 240 F.3d 184 (3d Cir. 2001) (Alito, J.), that petitions made pursuant to Section 14(3) may be filed "at any time," rendering defenses such as laches and statutes of limitation inapplicable.

A single question is presented for review:

1. Whether the doctrine of laches is applicable to a cancellation petition filed pursuant to Section 1064(3) of the Lanham Act despite the plain meaning of the statutory language stating that such a petition may be filed "at any time."

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REPLY BRIEF FOR THE PETITIONERS

Respondent, Pro-Football, Inc. ("Pro-Football"), through its Opposition, attempts to avoid the issuance of a writ of certiorari by arguing that there is no split among the circuit courts of appeal because the Third Circuit's holding regarding the doctrine of laches in the *Marshak* case was *dicta*. Pro-Football's argument finds no support in the language of the Third Circuit's opinion and is based on a self-serving interpretation of the *Marshak* briefs and the structure of the court's decision. Pro-Football's Opposition is an attempt to read a holding into the *Marshak* opinion that is not contained therein. There is a conflict among the circuit courts and Petitioners have presented a single, straight-forward issue for this Court's consideration. This case presents an ideal opportunity for this Court to resolve this issue of statutory interpretation that affects numerous trademark cancellation petitions.

Pro-Football's argument on the merits of the issue presented is similarly flawed. Pro-Football's interpretation of Section 1069 of the Lanham Act ("the Act") is untenable as it renders language within that provision redundant and superfluous. Its citation to legislative history in support of its interpretation cannot alter the plain language of the text adopted by Congress. Moreover, even if the legislative history relied upon by Pro-Football were relevant, a close examination of that legislative history in context actually supports Petitioners' interpretation of the Act.

For these reasons, and the reasons stated in the Petition for a Writ of Certiorari, Petitioners respectfully request that this Court grant the Petition and issue a writ of certiorari to the United States Court of Appeals for the District of Columbia Circuit.

ARGUMENT

I. The *Marshak* Court Did Not Rule That The Issue Of Laches Had Been Waived And Its Holding Regarding Laches Thus Results In A Circuit Split.

Pro-Football's primary argument in opposition to the Petition is that the Third Circuit's extensive discussion of laches and its numerous citations to case law and legislative text constitute *dicta*, and therefore the case does not create a circuit split. *See* Opp. at 11-15. Pro-Football's argument finds no basis in the text of the *Marshak* opinion, and the briefs submitted by the parties in that case do not provide grounds for diminishing the import of the legal analysis that the *Marshak* court undertook in its published opinion.

The question of laches was considered and ruled upon by the district court in the *Marshak* case. *See*, *e.g.*, *Marshak v. Treadwell*, 58 F. Supp. 2d 551, 564 (D.N.J. 1999). This argument and the ruling were addressed by the appellant in his opening brief and again in his reply brief to the Third Circuit. *See* Opening Brief for Appellant in *Marshak v. Treadwell*, No. 99-5614, 1999 WL 33617536, at *21, 25-26, 27, 28, 56 (3d Cir. Nov. 9, 1999); Reply Brief

for Appellant, 1999 WL 33617537, at *24-25 (3d Cir. Dec. 7, 1999). Although the appellees in *Marshak* urged in their brief that the appellant had not adequately preserved the laches issue on appeal, Brief of Appellees, 1999 WL 33617536, at *56, the Third Circuit did not adopt this conclusion anywhere in its opinion. Had the Third Circuit agreed with the appellees that the issue had been waived, the court could have so stated in one sentence rather than going into detail on the legal issue of the applicability of laches, citing case law and recounting the history of federal trademark law on the point. Rather than ruling the argument waived, the court addressed the issue.[1]

The Third Circuit simply never held that the appellant's laches argument had been waived. Instead, the court addressed the applicability of laches in detail. The Third Circuit cited numerous cases and trademark law history maintaining that a laches defense is unavailable to cancellation petitions that can be brought "at any time." Absent

[1] The fact that the Third Circuit addressed laches primarily in footnotes does not render its holding on that issue *dicta*. Rather than implying that a major argument in the case had been waived, the Third Circuit may simply have focused on what it perceived as the main thrust of the appellant's argument – the statute of limitations – in the text while addressing the closely related issue of laches in the footnotes. In any event, it is not for Pro-Football to speculate as to hidden messages or meanings buried within the Third Circuit's opinion. Nor is Pro-Football's self-serving interpretation of the D.C. Circuit's use of the word "suggestion" relevant in interpreting the text of the Third Circuit's opinion. *See* Opp. at 11.

an express statement that laches was waived and not considered, the court's statements on the subject are a part of its holding.

Lacking any statement from the Third Circuit indicating that its discussion of laches constitutes *dicta*, Pro-Football attempts to buttress its argument by observing that the *Marshak* court did not cite to Section 1069 of the Act.[2] While this is true, the court did note similar language in the Act in the context of infringement actions but reasoned that the Act continues to provide that certain cancellation proceedings may be brought "at any time." 240 F.3d at 193 n.4. Nothing in Section 1069 alters this language, and the language of Section 1069 acknowledges that equitable defenses are only available "where applicable." In any event, the fact that the *Marshak* court did not cite to Section 1069 is irrelevant to Pro-Football's contention that the laches holding is *dicta*.

[2] Respondent alleges that Petitioners misrepresented *Marshak* on this point. Opp., at 13, n.3. To the extent the language of Petition caused any confusion, Petitioner offers this Reply Brief as clarification and response to Respondent's argument regarding the language of Section 1069.

II. The District Of Columbia Circuit's Statutory Interpretation, Supported By Respondent In Its Opposition, Is Incorrect On The Merits.

Both Pro-Football's argument regarding the circuit split and its argument on the merits are based on the proposition that Section 1069 is "dispositive," Opp. at 13, and provides for the use of equitable defenses in response to cancellation petitions brought pursuant to Section 1064(3) of the Act. This conclusion is derived from flawed statutory interpretation. To the extent that Pro-Football relies on legislative history in its Opposition to support its statutory construction, this history is unpersuasive. Moreover, to whatever extent the legislative history cited by Pro-Football does carry weight, it actually supports Petitioners' interpretation of the Act. This Court should grant certiorari to review and reverse the D.C. Circuit's erroneous construction.

Section 1069 of the Act states, in full, "In all inter partes proceedings equitable principles of laches, estoppel, and acquiescence, *where applicable* may be considered and applied." 15 U.S.C. § 1069 (emphasis added). In its Opposition, Pro-Football contends that the phrase "where applicable" in Section 1069 means that "where the elements of the equitable defense (*i.e.*, unreasonable delay by the petitioner and prejudice to the respondent) have been proven, it may be applied." Opp. at 17 n.6.

This reading violates one of the most basic principles of statutory construction, as it would render the phrase "where applicable" redundant and superfluous. *See*, *e.g.*, *Hibbs v. Winn*, 542 U.S. 88, 101 (2004) (discussing the rule against superfluities); *Dole Food Co. v. Patrickson*, 538 U.S. 468, 476-77 (2003) ("Absent a statutory text or structure that requires us to depart from normal rules of construction, we should not construe the statute in a manner that is strained and, at the same time, would render a statutory provision superfluous."); *TRW Inc. v. Andrews*, 534 U.S. 19, 31 (2001) ("It is a cardinal principle of statutory construction that a statute ought, upon the whole, to be construed that, if it can be prevented, no clause, sentence, or word shall be superfluous, void, or insignificant.") (internal quotation marks and citations omitted). A court or administrative agency is, of course, inherently required to weigh the equities between the parties, including delay and prejudice, in "consider[ing] and apply[ing]" equitable doctrines. *See* 15 U.S.C. § 1069. In other words, given Pro-Football's reading, Section 1069 would mean the same thing without the "where applicable" phrase as with it included: "In all inter partes proceedings equitable principles of laches, estoppel, and acquiescence, *[where applicable]* may be considered and applied." Pro-Football's reading renders the phrase "where applicable" mere surplusage.

Pro-Football's interpretation also ignores the conditional nature of the phrase "where applicable." This is apparent by comparison to the definitive language Congress used within the Act at 15 U.S.C. § 1115(b)(9), which states that in the infringement

context claims are subject to the defense that "equitable principles, including laches, estoppel, and acquiescence, *are* applicable." (emphasis added). Congress is capable of drafting language clearly providing for equitable defenses in all circumstances. It did not do so in Section 1069, because certain cancellation petitions enumerated in Section 1064(3) are still subject to cancellation "at any time."

The legislative history cited by Pro-Football, Opp. at 13-14, is unpersuasive in light of the weakness of its interpretation of the statute's text. Pro-Football cites as legislative history testimony in subcommittee hearings which occurred some five years prior to the passage of the relevant legislation in 1946, and in a different session of Congress. Serious objections have been repeatedly raised against the use of legislative history, *see*, *e.g.*, *Exxon Mobil Corp. v. Allapattah Servs.*, 545 U.S. 546, 568-69, (2005). In this case, Pro-Football does not cite the official House or Senate Reports but relies instead upon witness testimony in subcommittee hearings. This is extraordinarily tenuous evidence of what Congress intended when it enacted the legislation five years after the hearings. *See Kelly v. Robinson*, 479 U.S. 36, 50-51 (1986).

Moreover, even if the legislative history recited by Pro-Football were to be considered in any way persuasive, it does not support Pro-Football's construction of Section 1069. Pro-Football urges that the legislative history indicates that Section 1069 was enacted "with the specific purpose to reverse the outcome of the *Dwinell-Wright* case," Opp. at 13, which is one of the cases that the

Marshak court cited in support of its conclusion that the "at any time" language in Section 1064(3) precluded a laches defense. Pro-Football fails to observe, however, that the *Dwinell-Wright* case did not involve fraud, abandonment, disparagement, or any of the other types of cancellation petitions governed by the "at any time" language of the current Section 1064(3). Rather, the cancellation petition in question in *Dwinell-Wright* raised a standard confusion issue which, if it were to arise today, would not fall within the scope of Section 1064(3). *See* 15 U.S.C. § 1064(3); *White House Milk Prods. Co. v. Dwinell-Wright Co.*, 27 C.C.P.A. 1194, 1195, 111 F.2d 490, 491 (C.C.P.A. 1940) (proceeding related "solely to the 'confusion-in-trade' clause"). Accordingly, the "at any time" language would not apply to such a case, and a laches defense would be available even under the statutory construction that Petitioners and the *Marshak* court contend is correct. Thus, the cited legislative history provides no guidance as to which of the two interpretations of Sections 1064(3) and 1069 is correct; it is totally irrelevant to the issue in this case – whether a laches defense is available in a disparagement case governed by Section 1064(3).

Moreover, Pro-Football ignores the fact that the original Trademark Act of 1905 had a much simpler and broader cancellation provision, which stated that "whenever any person shall deem himself injured by the registration of a trade-mark in the Patent Office he may *at any time* apply to the Commissioner of Patents to cancel the registration." *Marshak*, 240 F.3d at 193 n. 4 (quoting 15 U.S.C. §

93). Section 93 governing cancellation Petitions subsequently was repealed.

The current Section 1064(3) governing a limited subset of cancellation petitions retains the same "at any time" language that federal courts interpreted as precluding a laches defense pursuant to the now repealed 15 U.S.C. § 93. Contrary to Pro-Football's suggestion that the equitable defenses provision of Section 1069 came "after the 'at any time' language," Opp. at 13, Congress adopted Section 1069 and the current language of Section 1064(3) at the *same time* and in the *same legislation*. *See* Trademark Act of 1946, 79 Pub. L. No. 489, 60 Stat. 433-34, §§ 14(c), 19 (July 5, 1946) (codified as amended at 15 U.S.C. § 1064 (2008)).[3] Had Congress wanted equitable defenses such as laches to be available for Section 1064(3) petitions it could have eliminated the "at any time" language. Instead, it retained that language with regard to exactly the kind of cancellation petitions where the federal courts and the Patent Office have been the most resistant to applying laches, even while clarifying that equitable defenses could be used in inter partes proceedings generally "where applicable." Viewed in this context, the legislative history cited by Pro-Football is entirely consistent with Petitioners' statutory interpretation and the history of the legislative scheme as a whole supports Petitioners' proposed construction.

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[3] Indeed, the legislative history reveals that Congress was inserting the phrase "at any time" into provisions of Section 1064 in conference only days before the Act became law. H.R. Conf. Rep. No. 79-2322, at 1-2 (June 24, 1946).

Congress' conscious use of the "at any time" language in Section 1064(3) created a carve out for particular types of cancellation petitions for which equitable defenses such as laches are not applicable. The D.C. Circuit's decision below and the Federal Circuit's holding in the *Bridgestone* case are in conflict with both the Third Circuit's decision in *Marshak* and the proper construction of the Lanham Act. This Court should grant certiorari to resolve this issue of statutory interpretation.

CONCLUSION

For all of the forgoing reasons, Petitioners respectfully request that this Court grant review of this matter.

Respectfully Submitted,

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