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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92046185
Party	Plaintiff Amanda Blackhorse, Marcus Briggs, Phillip Gover, Shquanebin Lone-Bentley, Jillian Pappan, and Courtney Tsotigh
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Attachments	Reply Brief In Support of Motion to Reconsider Laches Standard.pdf (11 pages) (40273 bytes)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In re Registration No. 1,606,810 (REDSKINETTES)
Registered July 17, 1990,

Registration No. 1,085,092 (REDSKINS)
Registered February 7, 1978,

Registration No. 987,127 (THE REDSKINS & DESIGN)
Registered June 25, 1974,

Registration No. 986,668 (WASHINGTON REDSKINS & DESIGN)
Registered June 18, 1974,

Registration No. 978,824 (WASHINGTON REDSKINS)
Registered February 12, 1974,

and Registration No. 836,122 (THE REDSKINS—STYLIZED LETTERS)
Registered September 26, 1967

Amanda Blackhorse, Marcus Briggs, Phillip Gover,)
Jillian Pappan and Courtney Tsotigh,)

Petitioners,)

v.)

Pro-Football, Inc.,)

Registrant.)

Cancellation No. 92/046,185

**PETITIONERS’ REPLY BRIEF IN SUPPORT OF THEIR MOTION TO RECONSIDER
THE LEGAL STANDARD FOR LACHES IN LIGHT OF THE AMERICA INVENTS ACT**

Petitioners filed a straightforward five-page motion citing the Board’s prior orders in this matter and requesting reconsideration of a discrete issue based on a new statute. In response,¹ Registrant Pro-Football, Inc. (“PFI”) accuses Petitioners of a “facially frivolous” filing (Response at 1), being time-wasters (*id.* at 2), “striking” “hubris” and presumptuousness (*id.* at

¹ Registrant’s Response To Petitioners’ Motion To Reconsider The Legal Standard For Laches (“Response”) [Dkt. 180].

6), committing “brazen” and/or “blatant” violations (three times) (*id.* at 9, 11), “engaging in gamesmanship” (*id.* at 10), being “motivated by non-meritorious factors” (*id.*), “likely bad faith” (*id.* at 11), making a “suspicious” filing (*id.*), being “opportunistic” (*id.* at 12), making “sanctionable arguments” (*id.*), “unfair” conduct (*id.* at 13), and “flouting the Board’s authority” (*id.*).

Despite the overwrought rhetoric, PFI does not dispute two crucial propositions supporting Petitioners’ simple motion:

- The America Invents Act establishes that any subsequent federal court proceedings will occur in either the Federal Circuit or the Fourth Circuit, and there is no chance that subsequent proceedings will occur in the D.C. Circuit.
- Under the Board’s precedential decisions (including the Board’s 1994 laches ruling in *Harjo*), PFI would not be able to rely upon laches as a defense because of the broader public interests at stake.

Consequently, the question presented by Petitioners’ motion boils down to this: Was the May 31, 2011 Order an effort by the Board to apply the D.C. Circuit rulings to this proceeding because D.C. was the venue for the federal court litigation in *Harjo*, or did the Board’s Order represent its new interpretation of laches? If the former, then Petitioners’ motion should be granted since the America Invents Act has eliminated the possibility that subsequent proceedings will occur in D.C. federal courts. If the latter, then Petitioners’ motion should be denied.

Based on the record, it appears as though the non-precedential May 31, 2011 Order did not overrule prior Board precedential decisions. In addition, PFI’s procedural arguments lack merit. Accordingly, Petitioners’ motion should be granted.

ARGUMENT

I. The Board’s May 31, 2011 Non-Precedential Order Did Not Overrule Prior Board Precedents Holding Laches Inapplicable Where Broader Public Interests Are At Stake.

The Lanham Act provides that laches is a defense that “where applicable may be considered and applied” in *inter partes* cancellation proceedings. *See* 15 U.S.C. § 1069. However, the Board has held repeatedly that laches, being an equitable defense, is not “applicable” under 15 U.S.C. § 1069 in cases where broader public interests are at stake. Indeed, in *Harjo v. Pro-Football, Inc.*, 30 U.S.P.Q.2d 1828, 1831 (T.T.A.B. 1994), a precedential opinion citing three of its prior opinions, the Board held that laches was not applicable because of the broader public interests at stake. As Petitioners have already demonstrated, in addition to *Harjo* and other Board decisions, the Third Circuit and the Federal Circuit’s predecessor court have likewise ruled that the equitable defense of laches does not apply where a substantial public interest is at stake. *See* Petitioners’ Motion at 4-6.² PFI’s Response disputes none of this.

It does not appear that the Board’s rulings in this matter were intended to overrule *Harjo* or other Board decisions regarding laches. On March 15, 2011, the Board *sua sponte* directed the parties to offer “edits, additions, suggestions” on the Board’s summary of certain legal issues, including laches. The Board stated that its summary of legal standards was based on its “previous decision in *Harjo* and the decisions by the District of Columbia District Court and the District of Columbia Circuit Court of Appeals.” March 15, 2011 Order at 3 [Dkt. 32]. After receiving the parties’ submissions, on May 31, 2011, the Board issued an Order setting forth the

² In addition to *Harjo*, Petitioners’ motion (at pages 4 and 5) cites two other decisions of the Board ruling that laches is not available where broader public interests are at stake. *See Midwest Plastic Fabricators, Inc. v. Underwriters Labs., Inc.*, 5 U.S.P.Q.2d 1067, 1069 (T.T.A.B. 1987); *Am. Velcro, Inc. v. Charles Mayer Studios, Inc.*, 177 U.S.P.Q. 149, 150, 153 n.5 (T.T.A.B. 1973). A third decision stating the same rule is *Am. Speech Language-Hearing Ass’n v. Nat’l Hearing Aid Soc’y*, 224 U.S.P.Q. 798, 805 n.4 (T.T.A.B. 1984).

legal standards for disparagement and laches that it would apply in this proceeding. In that Order, the Board stated that it was following the D.C. Circuit's *Harjo* decisions because there was no Federal Circuit decision on point. May 31, 2011 Order at 12 n.6 [Dkt. 40]. It appears that the Board made a prudential decision to follow the *Harjo* rulings of the D.C. Circuit because this case and *Harjo* are substantively identical, and *Harjo* was ultimately litigated in the D.C. federal courts.

The Board, however, did not state that its Order overruled its own prior *Harjo* decision or reflected a change in the Board's own interpretation of how laches applies. To the contrary, the May 31, 2011 Order specifically recited that it is non-precedential. *Id.* at 1.

As a result of the passage of the America Invents Act, there is now no possibility that future federal court proceedings in this matter will occur in the D.C. Circuit. Consequently, there is now no more reason to follow the D.C. Circuit's laches ruling in *Harjo* than to follow the Third Circuit's opinion in *Marshak v. Treadwell*, 240 F.3d 184, 193, 57 U.S.P.Q.2d 1764, 1770, 1771 n.2 & n.4 (3d Cir. 2001) (Alito, J.) (agreeing with the Board's laches ruling in *Harjo*).

Furthermore, the Federal Circuit case law is in accord with the Board's interpretation of laches in *Harjo*. See *Bridgestone/Firestone Research, Inc. v. Auto Club de l'Ouest de la France*, 245 F.3d 1359, 1363, 58 U.S.P.Q.2d 1460, 1463-64 (Fed. Cir. 2001). PFI criticizes Petitioners for mentioning *Bridgestone/Firestone* only in passing, and incorrectly insinuates that the Federal Circuit in that matter rejected Petitioners' position. See Response at 8 & n.3. To the contrary, in *Bridgestone/Firestone*, the Federal Circuit considered and implicitly accepted the argument that laches is not available where public interests are at stake:

The Automobile Club contends that laches is not available to the § 2(a) ground of 'false suggestion of a connection' because 'false suggestion' involves the public interest in avoiding deception as to the origin or sponsorship of a product. However, the rights protected under the § 2(a)

false suggestion provision are not designed primarily to protect the public, but to protect persons and institutions from exploitation of their persona. This protection of rights of personal privacy and publicity distinguishes the § 2(a) false suggestion of connection provision from the § 2(d) likelihood of confusion provision. *There was no evidence that Bridgestone's use of the LEMANS mark for tires entailed misrepresentation or that the public was deceived. Thus, Bridgestone may avail itself of the defense of laches.*

245 F.3d at 1363, 58 U.S.P.Q.2d at 1463-64 (emphasis added) (citations omitted). The italicized sentences – and especially the word “thus” in the final sentence – imply that if public interests had been a significant factor, Bridgestone could *not* have availed itself of laches.³ The Federal Circuit’s decision was not, however, in the context of a disparagement case, as the Board’s May 31, 2011 Order noted.

In sum, the Board’s May 31, 2011 non-precedential Order appears to have been based on D.C. Circuit law solely because the *Harjo* litigation occurred in the D.C. Circuit, but does not appear to constitute an overruling of *Harjo* or other precedential decisions of the Board regarding laches. If so, there is no longer reason to follow D.C. Circuit precedent because there is now no chance that subsequent proceedings in this matter will occur in D.C. federal courts.

II. Petitioners Did Not Suggest That The Board Issue An “Advisory Opinion.”

In their motion, Petitioners made the obvious suggestion that the Board could evaluate the laches issue both under its own legal standard for laches and under the D.C. Circuit standard. PFI vigorously objects to this suggestion, calling it a “request for an advisory opinion.”

Response at 8. No advisory opinion is sought. PFI has asserted laches as an affirmative defense,

³ PFI also incorrectly implies that *Bridgestone/Firestone* held that laches is an available defense, regardless whether broader public interests are at stake, and states inaccurately that the district court in *Harjo* interpreted *Bridgestone/Firestone* in such a manner. See Response at 8 n.3. In fact, the *Harjo* district court believed that the Federal Circuit never reached the issue because only private interests were at issue: “[t]he [*Bridgestone/Firestone*] court merely observed that a ‘false suggestion’ claim did not implicate the public interest.” *Pro-Football, Inc. v. Harjo*, 284 F. Supp. 2d 96, 137, 68 U.S.P.Q.2d 1225, 1257 (D.D.C. 2003).

making laches an issue in the case. Courts routinely evaluate facts under alternative legal standards where the actual legal standard is not clearly established. *See, e.g., Wash. State Grange v. Wash. State Republican Party*, 552 U.S. 442, 449 (2008) (“Washington’s primary system survives under either standard, as we explain below.”); *United States v. Vonn*, 535 U.S. 55, 58-59 (2002); *Zenith Radio Corp. v. United States*, 764 F.2d 1577, 1580 (Fed. Cir. 1985) (“We find it unnecessary to decide which of these two standards is appropriate in this case, since we conclude that under either standard the government’s claim of privilege should have been allowed.”). This commonsense practice of applying alternative legal standards where the legal standard is not resolved does not constitute the issuance of an advisory opinion.

Furthermore, PFI states that it is unnecessary for the Board to try to interpret the law correctly because the Board’s May 31, 2011 Order preserves the laches issue for appeal. PFI asserts that a reviewing court will not care about the Board’s legal interpretation of laches since *Chevron* deference (supposedly) applies only to factual determinations. *See* Response at 8-9. According to PFI, it would be “pointless” for the Board to apply its own legal interpretation “because any subsequent review of the Board’s standard would be conducted *de novo* and not entitled to any deference, *Chevron* or otherwise.” *Id.* at 9.

PFI misconstrues the *Chevron* doctrine. In fact, under *Chevron*, a reviewing court defers to a reasonable agency interpretation of *law*; the *Chevron* doctrine does not concern a reviewing court’s deference to agency factual determinations. *See Chevron, U.S.A., Inc. v. Natural Res. Def. Council, Inc.*, 467 U.S. 837, 843 (1984); *see also Am. Online, Inc. v. AT&T Corp.*, 243 F.3d 812, 817, 57 U.S.P.Q.2d 1902, 1905 (4th Cir. 2001). Indeed, federal appellate courts have applied *Chevron* deference to the Board’s interpretations of the Lanham Act. *See Eastman Kodak Co. v. Bell & Howard Document Mgmt. Prods. Co.*, 994 F.2d 1569, 1571, 26 U.S.P.Q.2d

1912, 1916 (Fed. Cir. 1993) (affording *Chevron* deference to the Board’s reasonable interpretation of the Lanham Act); *In re Hacot-Colombier*, 105 F.3d 616, 618, 41 U.S.P.Q.2d 1523, 1525-26 (Fed. Cir. 1997) (same); *Kohler Co. v. Moen, Inc.*, 12 F.3d 632, 634, 29 U.S.P.Q.2d 1241, 1242 (7th Cir. 1993) (same); *see also* TBMP § 906.01 n.22 (stating that a number of federal circuits have given “deference to the Board’s reasonable interpretations of the statute the agency is charged with administering” and citing cases from the Second, Fourth, Seventh, and Federal Circuits). The Solicitor General of the Department of Justice and the Solicitor of the USPTO agree that the Board’s reasonable interpretations of the Lanham Act deserve *Chevron* deference.⁴ Recently, relying on *Eastman Kodak*, the U.S. District Court for the Eastern District of Virginia gave *Chevron* deference to the USPTO’s “permissible construction” of a section of the patent statute. *Genetics & IVF Inst. v. Kappos*, 801 F. Supp. 2d 497, 510, 100 U.S.P.Q.2d 114, 1124 (E.D. Va. 2011) (citing *Eastman Kodak*, 994 F.3d at 1571). A court, however, cannot adequately consider the issue of deference unless the agency expresses its own legal interpretation, and the Board should do so here.⁵

⁴ *See* Brief of the United States as Amicus Curiae Supporting Petitioner, *Qualitex Co. v. Johnson Products Co., Inc.*, 514 U.S. 159 (1995) (No. 93-1577) at 24-25 (favorably citing and seeking to extend *Eastman Kodak* to other USPTO legal interpretations), *available at* <http://www.justice.gov/osg/briefs/1993/w931577w.txt>.

⁵ Without discussing *Chevron* or *Eastman Kodak*, the Federal Circuit has also stated that it reviews the Board’s interpretation of the Lanham Act *de novo*. *See In re Save Venice New York, Inc.*, 259 F.3d 1346, 1351-52, 59 U.S.P.Q.2d 1778, 1781 (Fed. Cir. 2001) (citing *Recot, Inc. v. Becton*, 214 F.3d 1322, 1327, 54 U.S.P.Q.2d 1894, 1897 (Fed. Cir. 2000) (citing *Giant Food, Inc. v. Nation's Foodservice, Inc.*, 710 F.2d 1565, 1569, 218 U.S.P.Q. 390, 394 (Fed. Cir. 1983))). However, *Eastman Kodak*, the earliest case post-dating the 1984 *Chevron* decision, appears to be the valid decision. “Where there is direct conflict” between Federal Circuit panel decisions, “the precedential decision is the first.” *Newell Companies, Inc. v. Kenney Mfg. Co.*, 864 F.2d 757, 765, 9 U.S.P.Q.2d 1417, 1423 (Fed. Cir. 1988); *see also B-K Lighting, Inc. v. Fresno Valves & Castings, Inc.*, 375 F. App’x 28, 35 (Fed. Cir. 2010) (“It is a bedrock principle of appellate review that earlier panel decisions prevail unless overturned by the court sitting en banc”).

Even more, as a component of the Executive Branch, the Board has a Constitutional duty to take care that the laws are faithfully executed. *See* U.S. Const. art. II, § 3. It is decidedly not “pointless,” as PFI says, for the Board to interpret and execute the law as faithfully as it can.

III. PFI’s Procedural Arguments Provide No Good Reason To Deny Petitioners’ Motion, Let Alone Dismiss The Petition As A Sanction.

PFI’s procedural arguments do not provide a good reason to deny Petitioners’ motion or to impose sanctions. Relying on the one-month deadline set forth in TBMP § 518, 37 C.F.R. § 2.127(b), PFI first argues that the Board should disregard Petitioners’ motion because it was filed more than 30 days after the May 31, 2011 Order. Response at 4-5. Then, conceding that filing a motion in June 2011 based on adoption of the America Invents Act in September 2011 was not actually possible, PFI argues in the alternative that the motion should be disregarded because it was not filed within 30 days of the passage of the America Invents Act, or by October 16, 2011. *Id.* at 5. Contrary to PFI’s assertion, however, TBMP § 518 does not set a deadline for a motion based on the enactment of a new law. In any event, in all cases, the Board “may . . . in its discretion, consider an untimely request for reconsideration or modification.” TBMP § 518. Here, given the new law and lack of prejudice to PFI, the Board should exercise its discretion and consider the motion even if it is deemed untimely.

PFI then requests that the Board enter judgment in PFI’s favor as a sanction for filing the motion. (*Id.* at 9-13.) PFI argues for sanctions because the motion supposedly violated the Board’s May 5, 2011 Order [Dkt. 39], which states that “once the Board issues an order that constitutes law of the case and/or preserves an issue for appeal, any further re-argument of the issue in a subsequent motion or brief will not be considered.” Proceeding further, PFI incorrectly asserts that the motion is “incorporated by reference” in Petitioners’ Trial Brief, so the entire case should be dismissed as a sanction. Response at 10 & n.5.

PFI is wrong on all counts. Petitioners have made a simple and transparent argument based on the enactment of a new law, the America Invents Act. Regardless whether Petitioners' argument about the significance of the new law prevails, Petitioners made the argument in good faith. *Bd. of Trs. of Bay Med. Ctr. v. Humana Military Healthcare Servs.*, 447 F.3d 1370, 1377 (Fed. Cir. 2006) (noting various courts' acceptance of an "intervening development or change in controlling law" as grounds for reconsideration) (internal citations omitted). Furthermore, Petitioners' motion forthrightly disclosed that the Board had previously stated that its laches ruling was final; there was no effort to mislead the Board, only to persuade with full disclosure to the Board of all relevant considerations. Moreover, Petitioners' Trial Brief mentions the filing of the motion, but it does not incorporate the motion or the arguments made in it. The Trial Brief expressly states that it argues that "PFI's laches defense lacks merit under the standard set forth in the May 31, 2011 Order," and that the motion was filed "separately." *See* Petitioners' Trial Brief at 48 [Dkt. 177].

PFI has also not demonstrated that it was prejudiced by the filing of the five-page motion. The only prejudice that PFI even claims to have incurred is that it had to respond to the motion at the same time that it had to draft its Trial Brief. *Id.* at 10-11. Rather than arguing for sanctions, PFI could have remedied any supposed difficulty associated with responding to the motion by seeking additional time to file its Trial Brief, additional time to respond to the motion, or both. During this proceeding, Petitioners agreed to five extensions of the discovery period at PFI's request (*see* Dkt. Nos. 25, 27, 33, 41, 43), accommodated PFI requests regarding the scheduling of Petitioners' depositions, and agreed to factual stipulations that PFI found agreeable (*see* Dkt. Nos. 31, 45, 46). Petitioners would have consented to additional time, but PFI never made such

a request. In addition, Petitioners adamantly deny that the motion was filed with the Trial Brief in order to inconvenience PFI.

Finally, the cases PFI cites regarding the Board's inherent authority to impose sanctions involve egregious circumstances and are not relevant here. *See Carrini Inc. v. Carla Carini S.R.L.*, 57 U.S.P.Q.2d 1067, 1068-69 (T.T.A.B. 2000) (before issuing sanctions against both parties, the Board had issued four prior cautionary orders in response to litigants exhibiting "a pattern of filing baseless papers," including two orders forbidding the filing of any papers by any party without leave); *Giant Food, Inc. v. Standard Terry Mills, Inc.* 231 U.S.P.Q. 626, 633-34 (T.T.A.B. 1986) (grounds for sanctions included that the applicant had "filed a frivolous request for reconsideration . . . engaged in a continued course of conduct involving the filing of baseless, unnecessary and frivolous motions and other papers . . . and . . . stated its willful intent not to comply with opposer's discovery requests").

CONCLUSION

For the foregoing reasons, and for the reasons stated in Petitioners' motion, Petitioners respectfully request that the Board grant the motion and reconsider the legal standard for laches.

Respectfully Submitted,

Dated: October 11, 2012

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on October 11, 2012, he caused a copy of the foregoing Petitioners' Reply Brief in Support of Their Motion to Reconsider the Legal Standard for Laches in Light of the America Invents Act to be served via Federal Express upon the following:

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