

# Alert

## Cancellation of REDSKINS Trademark Registrations Highlights Distinction Between Registration and Use

June 23, 2014

On June 18, 2014, the Trademark Trial and Appeal Board (“TTAB”) of the United States Patent and Trademark Office ordered the cancellation of six U.S. Trademark Registrations<sup>1</sup> for the REDSKINS trademark used by the iconic Washington Redskins football franchise for over 80 years. The TTAB ruled that the REDSKINS mark violates the provision of the primary U.S. Trademark statute (the Lanham Act) that prohibits registration of marks that “may disparage” or “bring into contempt or disrepute” persons, institutions, beliefs or national symbols.<sup>2</sup> The lengthy decision garnered instant media attention, but a closer look at the decision shows that while some initial accounts greatly exaggerated its likely effect on the team, the legal issues at play in the case can in fact impact businesses of all types. No matter the industry, companies seeking to protect their brands need to understand the difference between trademark registration and use.

### Some Media Attention Overstates Impact

The primary misconception surrounding some early takes on the “ramifications” of the TTAB decision centered around the impact it would have on the ability of the National Football League (“NFL”) and the Redskins team to continue using the REDSKINS name and collect royalty and merchandising revenue from the exploitation of jerseys, memorabilia and other goods and services bearing the REDSKINS brand. These reports claimed that the Redskins could no longer use the mark, that the NFL could no longer collect on its vast revenue stream from royalties and merchandising payments and that anyone could now freely use the REDSKINS name without paying the NFL.

### The NFL Will Still Be Able to Use the REDSKINS Mark and Stop Infringement

The TTAB decision only applies to the trademark registrations; the TTAB does not have the power to order anyone to stop using a trademark. The NFL and the Redskins may continue to use REDSKINS as the team name and claim trademark rights in this term, and royalty payments will certainly continue. Because the decision does not impact use, the NFL and its authorized licensees can continue selling merchandise bearing the REDSKINS trademark in accordance with the terms of existing commercial agreements.

---

<sup>1</sup> Reg. No. 0836122 (for the mark THE REDSKINS [stylized]; registered in 1967); Reg. No. 0978824 (for the mark WASHINGTON REDSKINS; registered in 1974); Reg. No. 0986668 (for the mark WASHINGTON REDSKINS and Design; registered in 1974); Reg. No. 0987127 (for the mark THE REDSKINS and Design; registered in 1974); Reg. No. 1085092 (for the mark REDSKINS; registered in 1978); and Reg. No. 1606810 (for the mark REDSKINETTES; registered in 1990).

<sup>2</sup> 15 U.S.C. § 1052(a).

Enforcement will still be possible because registration is not necessary to enforce rights in a trademark. The primary purpose of the trademark laws is to avoid consumer confusion and deception and protect consumers' expectations when they encounter products in the market. Courts in future cases involving counterfeit or infringing REDSKINS products are unlikely to ignore these fundamental principles and will have the ability to protect these interests by recognizing the NFL's ongoing use-based rights as prescribed by the Lanham Act.

### **Enforcement Efforts Will Be Hindered, But Not Significantly**

Trademark registrations help to enforce a trademark owner's rights, so the loss of these registrations will make policing the REDSKINS name incrementally more difficult for the NFL. For example, owners of federal trademark registrations are entitled to the legal presumption of their ownership of the registered mark and protection of their exclusive right to use the mark nationwide in connection with the goods and services listed in the registration.<sup>3</sup> In addition, and of significance to businesses, like the NFL, that must be constantly vigilant for counterfeit merchandise from abroad, federal trademark registration provides the ability to record the trademark registration with U.S. customs officials, which can aid in the confiscation of infringing merchandise at U.S. borders.<sup>4</sup> These benefits will be lost if the TTAB decision is upheld on appeal.

But even though the NFL will lose some of these policing benefits, the organization can still count on its use-based rights to protect itself. Evidence to support continued protection for the REDSKINS mark is readily available to the NFL and one of its most prominent franchises in the form of sales revenue, advertising spend, media mentions and similar evidence, which they can use to establish consumer recognition of the REDSKINS trademark. After presenting financial numbers, the NFL can also dip into its archives for footage of the likes of John Riggins' epic Super Bowl touchdown run in 1983, Doug Williams' historic Super Bowl triumph in 1988, or other memorable moments in Redskins team history that have served to cement name recognition. Suffice it to say, the NFL will have little trouble establishing the protectability of its REDSKINS trademark under traditional legal standards based on the use of the name and the widespread fame and renown that such use has achieved since its adoption in the 1930s.

### **Decision Is Still Significant**

Still, the decision may prove to be a watershed cultural moment leading to the eventual abandonment of a name that is simultaneously loathed by many Americans yet identified strongly with by many fans of the team. And the story is bound to grab more headlines as it unfolds.

Legally, the decision is significant because it establishes a benchmark for the type and amount of evidence sufficient to invoke the Lanham Act's prohibition on disparaging marks. Other groups that have battled discrimination or suffered cultural disparagement now have a playbook from which to plan their attack on other trademarks they find offensive, and we could see more cancellation proceedings brought on these grounds.

### **Legal Relevance to Companies in All Industries**

For trademark owners in other industries, the case offers a "teachable moment" as a prominent example of the distinction between trademark *registration* and *use*, which is very important to keep in mind for all businesses, whether established or start-up, domestic or global.

---

<sup>3</sup> See [http://www.uspto.gov/faq/trademarks.jsp#\\_Toc275426681](http://www.uspto.gov/faq/trademarks.jsp#_Toc275426681).

<sup>4</sup> *Id.*

On one hand, having a trademark registration can be invaluable both as a deterrent to others who might adopt similar names and as a weapon against those who actually do. This is especially true for companies, such as ones that have historically needed to avoid publicity, that cannot easily establish entitlement to trademark protection based on use of a name in commerce. For example, hedge fund managers are typically, and for obvious reasons, secretive about their market positions; they will usually not be able to elicit the type of advertising expenditure and widespread public recognition that a mass-consumer, cultural and media giant like the NFL can. Registration of a trademark protecting their name might be the best path.

On the other hand, because use and registration are distinct, if obtaining a registration is not possible it may not be terribly significant for other businesses. For example, an investment manager or hedge fund that has a long and successful track record of using a mark might never feel the absence of a trademark registration. Or a start-up that is entering a field crowded with similar names and uses but dominated at the Trademark Office by a single registration that would block the start-up from getting its own registration in the first place could still thrive.

For companies operating across multiple jurisdictions, the ramifications of having or not having a trademark registration will usually be more significant in jurisdictions that do not recognize use-based rights (“first-to-file” countries) than in jurisdictions that do (“first-to-use” countries).

The Redskins case also teaches that sooner is better than later when it comes to registering your trademark. Here, delay in seeking trademark registration may have doomed the NFL because the test for whether a trademark is too disparaging to be registered is applied not as of the time a cancellation proceeding is brought, but as of the time the registration in question was issued. The Washington Redskins claimed use of the REDSKINS mark dating back to the 1930s. But neither the team nor the league sought to trademark the name until 1966, and the first registration issued in 1967. By then, the civil rights movement had greatly increased overall awareness of this term’s offensiveness, which, while clearly present before then, was not nearly as well documented as it had become by the mid-1960s. This made it much easier for the plaintiffs in the present case to prove disparagement. In fact, the NFL may well have withstood the challenge to the REDSKINS marks that were adopted in the 1930s and 1940s had registration been obtained then.

As always, consideration and determination of trademark rights depend heavily on the facts and circumstances of each case, and absolute rules are hard to come by. Consultation with experienced trademark counsel should always be part of the game plan for any company that is concerned about protecting its intellectual property.

*Authored by [Scott M. Kareff](#).*

If you have any questions concerning this *Alert*, please contact your attorney at Schulte Roth & Zabel or the author.

This information has been prepared by Schulte Roth & Zabel LLP (“SRZ”) for general informational purposes only. It does not constitute legal advice, and is presented without any representation or warranty as to its accuracy, completeness or timeliness. Transmission or receipt of this information does not create an attorney-client relationship with SRZ. Electronic mail or other communications with SRZ cannot be guaranteed to be confidential and will not (without SRZ agreement) create an attorney-client relationship with SRZ. Parties seeking advice should consult with legal counsel familiar with their particular circumstances. The contents of these materials may constitute attorney advertising under the regulations of various jurisdictions.

**Schulte Roth&Zabel**

New York | Washington DC | London

[www.srz.com](http://www.srz.com)