

Session 10C

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**SESSION 10: TRADEMARK LAW**

**10C. U.S. Trademark Law Update**

***Moderator:***

**Marshall Leaffer**

*Maurer School of Law, Indiana University, Bloomington*

***Speakers:***

**Marshall Leaffer**

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***Recent U.S. Trademark Law Developments***

**Jeffery A. Handelman**

*Brinks Gilson & Lione, Chicago*

***Noteworthy Developments at the TTAB***

**Magdalena Berger**

*Curi Platz LLP, New York*

***Marijuana Marks: The Struggle with the Lawful Use Requirement***

**Carey R. Ramos**

*Quinn Emanuel Urquhart & Sullivan LLP, New York*

***Game of Coins: Cryptocurrencies and Trademarks***

***Panelists:***

**Christian W. Liedtke**

*acuminis LLP, Costa Mesa, California*

**Ron Lazebnik**

## Session 10C

*Fordham University School of Law, New York*

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PROF. LEAFFER: Welcome to the U.S. Trademark Update panel. This is the perfect panel to have at 5:25 because we have some interesting speakers.

Let me introduce our panelists. Our speakers are Jeffery Handelman from Brinks Gilson in Chicago, who is probably well-known to you all; Magdalena Berger from Curi Platz LLP in New York, who's also a well-known entity — an iconic entity, I suppose (that's an inside joke because she moderated a panel on iconic marks); and Carey Ramos from Quinn Emanuel Urquhart & Sullivan in New York. Our two panelists are Ron Lazebnik from Fordham Law School and Christian Liedtke from acuminis in California.

I will give you a trademark update. Obviously, in twelve minutes I'm not going to be able to cover the whole waterfront of trademark law. My intention in doing the update is to talk about a couple of interesting cases that I think are thematic.

I will mention two important Supreme Court cases which I will not talk about in my update, *Mission Products v. Tempnology*<sup>1</sup> and *In re Brunetti*.<sup>2</sup> Perhaps our panelists — and our audience, of course, who are as well versed in these matters as we are up here — can give us some insight on those cases as well.

Let me start my trademark update with the *Rogers v. Grimaldi*<sup>3</sup> First Amendment defense in trademark law. I have chosen to discuss this case because I have noticed that there have been a growing number of cases dealing with the *Rogers* defense in recent times. *Gordon v. Drape*, which was decided last year, is one of the most interesting cases that comprehensively examines the defense.<sup>4</sup>

*Gordon* involves the African honey badger. On the left is the allegedly infringing work and on the right is a photograph of the African honey badger. Honey badgers don't make good pets; you might like them but enjoy them from afar.

The African honey badger became famous because of a humorous soundtrack record-ed over a National Geographic video you really ought to see this on YouTube; it's a gem about African honey badgers and their prey entitled *The Crazy Nastyass Honey Badger*.<sup>5</sup> The soundtrack was written and produced by a comedian and writer identified in the video as Christopher Z. Gordon. The video went viral, and the Honey Badger catchphrases appeared on clothing, bumper stickers, posters, greeting cards — you name it. Basically, the key phrase was “Honey Badger don't give a shit.”

In 2011 Christopher Z. Gordon applied to the U.S. Patent and Trademark Office to register certain catchphrases, particularly “Honey Badger Don't Give a Shit,” as trademarks. He brought suit against Drape, who produced greeting cards and was using

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<sup>1</sup> *Mission Prod. Holdings, Inc. v. Tempnology, L.L.C.*, 139 S. Ct. 1652 (2019).

<sup>2</sup> *Iancu v. Brunetti*, 139 S. Ct. 2294 (2019).

<sup>3</sup> 875 F.2d 994 (2d Cir. 1989).

<sup>4</sup> *Gordon v. Drape Creative, Inc.*, 897 F.3d 1184, 1190-95 (9th Cir.), *opinion withdrawn and superseded on reh'g*, 909 F.3d 257 (9th Cir. 2018).

<sup>5</sup> czg123, *The Crazy Nastyass Honey Badger (Original Narration by Randall)*, YOUTUBE (Jan. 18, 2011), <https://www.youtube.com/watch?v=4r7wHMg5Yjg>, (last visited, June 21, 2020).

## Session 10C

variations of the Honey Badger catchphrase. The U.S. district court granted a summary judgment for the defendant, holding that their greeting cards were “expressive works.”<sup>6</sup> It applied the *Rogers* test to bar all of Gordon’s claims.

The Ninth Circuit reversed the district court. It provided a detailed explanation of the *Rogers* test, developed by the Second Circuit in the opinion of *Rogers v. Grimaldi*, regarding the “artistic relevance” analysis. The Ninth Circuit explained how *Rogers* is useful for balancing the competing interests at stake when a trademark owner claims that an expressive work infringes on its trademark rights. The *Rogers* test interprets trademark law to apply only to “artistic or expressive works where the public interest in avoiding consumer confusion outweighs the public interest in free expression.”

Under *Rogers* the defendant has the initial burden to show that its allegedly infringing use is part of an artistic or expressive work protected by the First Amendment. If the defendant is successful, the plaintiff bears a heightened burden to prove that the defendant’s use of the mark is likely to cause confusion; and that the mark satisfies one of *Rogers*’ two prongs that it either (1) is not artistically relevant to the underlying work, or (2) explicitly misleads consumers as to the source or content of the work.

How did the court handle this? The court found that the defendant’s greeting cards were expressive, they were works that are protected by the First Amendment, but that a jury could conclude that the defendant’s uses of Gordon’s mark were not artistically relevant to their greeting cards. The court held that the defendant may have merely appropriated the goodwill inherent in the plaintiff’s mark without adding any creativity of its own; therefore, a jury could determine that the defendant simply copied a trademark in its greeting cards without adding its own artistic expression and claim First Amendment protection as the original artist.

Why do I think this case is important on the issue of the *Rogers* test? It’s simply this: it’s the question of artistic relevance. The standard for artistic relevance is not high. Courts recognize that the level of artistic relevance of the mark in the work must merely be above zero. For artistic relevance to be above zero, the mark must relate to the defendant’s work and the defendant must add its own artistic expression beyond that which is represented by the mark. The artistic relevance analysis does not simply assess whether the mark is relevant to the underlying work, but also examines whether the use of the mark is relevant to the defendant’s own artistry. The use of a mark in an expressive work will be artistically relevant if the defendant uses it for its own artistic reasons. The use of a mark is not artistically relevant when a defendant uses it merely to appropriate the goodwill in the mark or for no reason.

My problem with *Gordon* is that it focuses on the concept of artistic relevance to too great a degree, which, in itself, goes against the grain of American law. You remember Justice Holmes’s oft-cited declaration in *Bleistein* that judges should refrain from imposing their notions of aesthetic merit to determine what’s “art” and what’s not.<sup>7</sup>

The court found that defendant’s greeting cards were expressive works protected by the First Amendment but that a jury could conclude that defendant’s uses of Gordon’s marks were not artistically relevant to its greeting cards as a matter of law. The court held

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<sup>6</sup> *Gordon v. Drape Creative, Inc.*, No. CV 15-4905-JFW (PLAx), at \*5-6 (C.D. Cal. 2016), <https://images.law.com/contrib/content/uploads/documents/403/19174/WalterOrder.pdf>.

<sup>7</sup> *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 251–52 (1903).

## Session 10C

that the defendant “may have merely appropriated the goodwill inherent in plaintiff’s mark without adding any creativity of its own.” A jury could conclude that the defendant used the phrases in the same way as the plaintiff — “to make humorous greeting cards in which the bottom line is ‘Honey Badger Don’t Care’” — and not in any way that added expressive value apart from that already contained in Gordon’s trademarked phrases. The defendant could not “simply copy a trademark into its greeting cards without adding its own artistic expression and claim the same First Amendment protection as the original artist.”

*Gordon v. Drape* reconfirms the *Rogers v. Grimaldi* First Amendment defense but does not auger well for an expansive use of the test if courts are reluctant to issue summary judgment on the issue of artistic relevance.

The next case I would like to discuss is *Viacom International, Inc. v. IJR Capital Investments LLC*, which involves the fictional use of trademarks that blocks real-world trademark use.<sup>8</sup>

In the era of social media where entertainment abounds, brands are even present in fictional settings. In the *Viacom* case the U.S. Court of Appeals for the Fifth Circuit held that a trademark protects a well-recognized fictional business even though it exists only in a literary construct. One might look at this case as the reverse of *Gordon v. Drape* or *Rogers v. Grimaldi*.

In this situation Viacom’s Nickelodeon Network had featured an animated show called *SpongeBob SquarePants*. The show focuses on its hero, a kind of a Scythian square sea sponge who works at an undersea restaurant called The Krusty Krab. Most of the show’s episodes feature that restaurant. It’s a famous show that many people watch. The company licenses “The Krusty Krab” and the like to toymakers.

In 2014 the very enterprising IJR Capital Investments decided to open a chain of seafood restaurants in California and Texas, and, after finding that no real restaurant was named The Krusty Krab, they applied to register the mark in 2014. The PTO approved the mark and published it for opposition. No one opposed it. What was Viacom doing? God knows, but they obviously were not policing their rights. Anyway, nobody opposed it.

In 2016 Viacom sued IJR alleging federal unfair competition. Viacom asserted that IJR’s use of THE KRUSTY KRAB name was likely to cause confusion among consumers by making them think IJR’s restaurants were affiliated with or sponsored by or otherwise connected with Viacom and its Krusty Krab fictional restaurant.

Viacom also commissioned a survey, which found that 30 percent of the respondents thought that IJR’s Krusty Krab restaurant was connected with Viacom.

The trial court granted Viacom’s motion and established that it had established the KRUSTY KRAB mark through sales and licensing.<sup>9</sup>

On appeal from the decision, the Fifth Circuit ruled for Viacom. It ruled that THE KRUSTY KRAB was distinctive and operated as a trademark in long use. In sum, the

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<sup>8</sup> *Viacom Int’l, Inc. v. I.J.R. Capital Investments, L.L.C.*, 891 F.3d 178 (5th Cir. 2018).

<sup>9</sup> *Viacom Int’l Inc. v. I.J.R. Capital Investments, L.L.C.*, 242 F. Supp. 3d 563, 568 (S.D. Tex. 2017), *aff’d sub nom.* *Viacom Int’l, Inc. v. I.J.R. Capital Investments, L.L.C.*, 891 F.3d 178 (5th Cir. 2018).

## Session 10C

court ruled that the name “The Krusty Krab” identified Viacom as “the origin of the SpongeBob properties” — that’s what they were called officially.

The court also had little trouble finding likelihood of confusion. They applied the multi-factor test: THE KRUSTY KRAB mark was strong; IJR copied it identically; and both marks were for restaurants.

Even though Viacom’s restaurant was fictional, the court explained that Viacom might reasonably expand into restaurants, and they had done so at an earlier time with the Bubba Gump Shrimp Company.

I think *Viacom* will be a useful precedent for owners of franchises that feature fictional brands like “THE KRUSTY KRAB” so long as the owners use the brands prominently in both fictional properties and real-world marketing.

I see that I’m out of time. I wanted to get to a couple of other matters. I might even refer to them later on during the course of our panel discussion. I wanted to talk about *adidas America, Inc. v. Skechers, USA*<sup>10</sup> and *Pinkette Clothing v. Cosmetic Warriors Ltd.*<sup>11</sup> dealing with laches and the lack of a statute of limitations in trademark law, unlike for copyright and patent.

We have five minutes for discussion. First, I will turn to members of the audience if you have any questions or comments.

QUESTION [Anderson Duff, Revision Legal, New York]: Marshall, I have a question. It occurred to me that there is a lack of laches in the trademark law. [Laughter]

PROF. LEAFFER: Well, certainly not, Anderson, just the opposite. It comes as a surprise to some that, unlike in copyright and patent law, trademark law has no statute of limitations. As for laches, the *Pinkette* case dealt with the fact that you’re never off the hook as a trademark owner; you always can be subjected to the laches defense. Christian?

MR. LIEDTKE: On the laches point I think it’s important to note that the courts, maybe because of the lack of a statute of limitations, are all over the place when it comes to the time period for laches, and seem to very much go for a legal realist approach: they really weigh the merits of the case, looking at who is the good guy and who is the bad guy, and then come to a conclusion as to whether enough time has passed, depending on what side of the aisle you are on.

A good example out of the Ninth Circuit in California in this regard, somewhat recent, is *Fitbug v. Fitbit* where exactly that happened.<sup>12</sup> It was obvious from the court’s decision that they looked at who was the good guy, who was the bad guy; and then they felt that, even though only three or four years had passed, that was more than sufficient for the laches defense to succeed.

PROF. LEAFFER: The message is: police your marks and don’t do what Viacom did. Viacom should have picked up THE KRUSTY KRAB restaurant trademark earlier. After all, it was published for opposition.

PROF. LAZEBNIK: I’ll push back on that a little, Marshall. In some ways your description of both The Honey Badger and The Krusty Krab situations links back to what Anderson was talking about during one of the earlier panels, about the sense of

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<sup>10</sup> *Adidas Am., Inc. v. Skechers U.S.A., Inc.*, 890 F.3d 747 (9th Cir. 2018).

<sup>11</sup> *Pinkette Clothing, Inc. v. Cosmetic Warriors Ltd.*, 894 F.3d 1015 (9th Cir. 2018).

<sup>12</sup> *See generally* *Fitbug Ltd. v. Fitbit, Inc.*, No. 13-1418 SC, 2015 WL 3543116 (N.D. Cal. June 5, 2015).

## Session 10C

community: we are looking at an overlap of communities between the people who are likely to dine at this restaurant and watch the SpongeBob show, or who enjoyed The Honey Badger video and then also buy The Honey Badger cards — you have to get the joke — so consumer-wise there's an overlap.

It's almost like the court is applying the famous mark doctrine without saying so, right? They're just doing it under the doctrines that they can based on what the parties are giving them. Do you think maybe it's really just an expansion of the famous mark doctrine?

PROF. LEAFFER: Well, not in the classical sense of the term. But certainly, in The *Viacom* case there are overtones of the famous mark doctrine.

PROF. LAZEBNIK: But also, The Honey Badger.

PROF. LEAFFER: Well, Honey Badger is a recent development arising out of a viral video which a card company picked up on immediately as a quick way to make some money. They used "We wish you a happy birthday, but the Honey Badger don't give a shit" and other versions.

MR. LIEDTKE: We should keep in mind that in the United States, unlike in many other jurisdictions, trademark law is based on Lockean philosophy, the protection of goodwill. Why did these guys call the restaurant "The Krusty Krab"? They did it because they wanted to play off that image and the goodwill and everything that The Krusty Krab in the show is about. That was no coincidence.

PROF. LEAFFER: I'd now like to invite Jeff Handelman to the podium.

MR. HANDELMAN: Good afternoon, everyone.

I'm going to talk a little bit about the Trademark Trial and Appeal Board (TTAB); what the appeal options are for parties who appear before the TTAB; and how those have played out in some recent cases of note.

I am going to start off with some background, a refresher. We saw during the last panel a similar diagram with respect to the appeal process in the European Union.<sup>13</sup> The U.S. practitioners are familiar with this. For people practicing in Europe this is how it works in the United States.

The U.S. Patent and Trademark Office has the Trademark Trial and Appeal Board (TTAB), the trademark tribunal that decides registration disputes. The TTAB decides both ex parte appeals, where an applicant files an application; the application is examined by the examining attorney; if the registration is refused, the applicant can appeal up to the TTAB. Similarly, opposition and cancellation proceedings are those in which you have a petitioner and a respondent or an opposer and an applicant. Those cases are heard by the TTAB and the TTAB will issue a final decision based on the evidence submitted.

Cases before the TTAB involve motion practice, testimony, and discovery. They're much akin to federal court litigation.

Once the TTAB issues its final decision, the losing party has an option: it can either appeal that final decision up to the Federal Circuit, which is a court of appeals; or the losing party can appeal by filing a complaint with a district court in a de novo case.

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<sup>13</sup> See Session 10B: EU Trademark Law Update.

## Session 10C

The big difference between those two proceedings is that in an appeal to the Federal Circuit the record is closed, no new evidence can be submitted; whereas when the losing party takes an appeal to a district court, the district court will allow discovery to proceed and will also accept new evidence in the case.

Once a district court reaches a final decision, or an appealable decision, that appeal will go up to the regional circuit. In the United States we have eleven regional circuits<sup>14</sup> depending on what geographic area the district court sits in. For example, in New York if the TTAB case were appealed to the Southern District of New York, the appeal would go up to the Second Circuit. We have a number of Second Circuit judges here at Fordham.

From the regional circuit and from the Federal Circuit the court of last resort is the U.S. Supreme Court. The U.S. Supreme Court in the IP area has discretion whether to grant certiorari or not to hear an IP case. Regardless of which track the appellant takes, the last resort will be the U.S. Supreme Court.

Recently there have been some high-profile cases in the United States.

The *In re Tam*<sup>15</sup> and the *In re Brunetti*<sup>16</sup> cases, as many people are aware, involved the disparagement provision and the scandalous provision in the Lanham Act.<sup>17</sup> What happened was the TTAB made the first decision that the marks at issue were not registrable and it affirmed the refusal of registration. In both cases the appeals were taken up to the Federal Circuit. The appeals could have been taken to a district court, but in both cases the applicant appealed up to the Federal Circuit.

*In re Tam* was first. That case involved the mark SLANTS. The Federal Circuit found that Section 2(a) of Lanham Act, which barred registration of disparaging marks, was unconstitutional. The court overturned the TTAB.<sup>18</sup>

That judgment was appealed up to the U.S. Supreme Court, and the Supreme Court affirmed the holding in *Tam* that Section 2(a), the disparagement provision, was unconstitutional.

The same appellate route was followed in the *Brunetti* case, the scandalousness case. The TTAB refused registration for the mark FUCTION for apparel. That case went up to the Federal Circuit. The Federal Circuit found the scandalousness provision unconstitutional.<sup>19</sup> That case was appealed up to the Supreme Court. The Supreme Court granted certiorari, heard oral argument recently in the case, and that case is still pending.<sup>20</sup>

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<sup>14</sup> Twelve regional circuits, including the US Court of Appeals for the Federal Circuit.

<sup>15</sup> *Matal v. Tam*, 137 S. Ct. 1744 (2017).

<sup>16</sup> *Iancu v. Brunetti*, 139 S. Ct. 2294 (2019).

<sup>17</sup> Lanham Act (Lanham Trade-Mark Act) (Trademark Act of 1946), 15 U.S.C. § 1052(a) (2012).

<sup>18</sup> *In re Tam*, 808 F.3d 1321, 1358 (Fed. Cir. 2015), *as corrected* (Feb. 11, 2016), *aff'd sub nom.* *Matal v. Tam*, 137 S. Ct. 1744 (2017).

<sup>19</sup> *In re Brunetti*, 877 F.3d 1330, 1357 (Fed. Cir. 2017), *cert. granted sub nom.* *Iancu v. Brunetti*, 139 S. Ct. 782 (2019), *and aff'd sub nom.* *Iancu v. Brunetti*, 139 S. Ct. 2294 (2019).

<sup>20</sup> On June 24, 2019, the Supreme Court published its decision, which upheld the Federal Circuit's judgment. *Brunetti*, 139 S. Ct. at 2302 (2019).

## Session 10C

To show another scenario, there is a recent case that has gotten a lot of attention here in the United States involving the mark PRETZEL CRISPS for a pretzel cracker product very widely sold throughout the United States.<sup>21</sup>

What happened here is the TTAB made the original decision that PRETZEL CRISPS is generic and therefore not protectable.

The losing party appealed to the Federal Circuit. The Federal Circuit reversed the TTAB on the basis that the TTAB applied the wrong legal test. The Board, the Federal Circuit said, looked at whether the individual terms “pretzel” and “crisps” were generic without looking at the mark as a whole. The Federal Circuit on that basis remanded the case back down to the TTAB.<sup>22</sup>

In its second decision in the case, the TTAB reviewed the record again in light of the Federal Circuit’s instructions and again concluded that PRETZEL CRISPS is generic, this time saying both the individual terms are generic and when you combine them together you have nothing more than a generic combination.

Having received the second negative result in the TTAB, the losing party this time instead of appealing up to the Federal Circuit decided to take the district court route. They filed a complaint in the Western District of North Carolina, where the trademark owner is based, and they’re now proceeding with a civil action appealing that second adverse decision by the TTAB.<sup>23</sup>

Another recent case involves the mark BOOKING.COM. In *Booking.com* the TTAB’s first decision held BOOKING.COM to be generic for hotel reservation services.<sup>24</sup> The losing party did not appeal up to the Federal Circuit but went directly to the district court.

The appeal went up to the Eastern District Court of Virginia. Remember that when you file an appeal to a district court it allows you to submit additional evidence. The owner of Booking.com did a consumer survey that had not been presented to the TTAB. The survey, which was conducted as part of the new case, the civil action, supported a finding that Booking.com is perceived as a brand. The Eastern District Court of Virginia reversed the finding of the TTAB and found BOOKING.COM not to be generic.<sup>25</sup>

As mentioned at the outset, a party can appeal a district court decision to the regional circuit court of appeals. In Virginia that’s the U.S. Court of Appeals for the Fourth Circuit. That case was appealed up to the Fourth Circuit, which affirmed the

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<sup>21</sup> *Frito-Lay N. Am., Inc. v. Princeton Vanguard, L.L.C.*, 124 U.S.P.Q.2d 1184 (T.T.A.B. 2017).

<sup>22</sup> *Princeton Vanguard, L.L.C. v. Frito-Lay N. Am., Inc.*, 786 F.3d 960, 970 (Fed. Cir. 2015).

<sup>23</sup> *Snyder's-Lance, Inc. v. Frito-Lay N. Am., Inc.*, No. 3:17-cv-00652 (W.D.N.C. filed Nov. 6, 2017).

<sup>24</sup> *In re Booking.com B.V.*, No. 85485097, 2016 WL 1045674, at \*19 (P.T.A.B. Feb. 18, 2016).

<sup>25</sup> *Booking.com B.V. v. Matal*, 278 F. Supp. 3d 891, 923 (E.D. Va. 2017), *amended*, No. 1:16-cv-425 (LMB/IDD), 2017 WL 4853755 (E.D. Va. Oct. 26, 2017), *aff'd sub nom.* *Booking.com B.V. v. U.S. Patent & Trademark Office*, 915 F.3d 171 (4th Cir. 2019), *as amended* (Feb. 27, 2019), *and aff'd sub nom.* *Booking.com B.V. v. U.S. Patent & Trademark Office*, 915 F.3d 171 (4th Cir. 2019), *as amended* (Feb. 27, 2019).



## Session 10C

district court and found BOOKING.COM to be a valid mark.<sup>26</sup> So BOOKING.COM is now registered in the United States.

I'm going to close with two quick slides relating to surveys that were done in two of these cases.

Remember in the *Pretzel Crisps* case the TTAB concluded twice that PRETZEL CRISPS was generic. There were a number of consumer surveys submitted in the case. One survey was based on the *Teflon* approach, where you explain to the respondents the difference between a brand name and a common name and then you give the respondents a list of terms and you ask them, "Is this a brand or is this a common name?"<sup>27</sup>

Here are the actual results, a variation of a *Teflon* survey. The respondents were told, "I'm going to give you a list of three names; tell me if they are put out by one company, more than one company, or you don't know."

As you can see, for Sun Chips it was 96.5 percent one company; onion rings 23.8 percent one company; pretzel crisps only 38.7 percent said one company whereas 47 percent said more than one company. That suggests it's a generic term.

The last survey I'm going to talk about was done in *Booking.com* using the same *Teflon* design. The results of that survey are as follows: for Booking.com, 74.8 percent said "brand"; only 23.8 percent "common"; and then 1.5 percent said, "I don't know." That survey was submitted for the first time in the district court, and the district court relied heavily on the *Teflon* survey to find BOOKING.COM to be a valid trademark in the appeal.

Just to recap, keep in mind that in the United States you'll start out in many cases before the TTAB. They are the experts. Each TTAB final decision is decided by three administrative trademark judges.

But some strategy goes into appealing the decision. Do you want to go up to the Federal Circuit? Most litigants do take their appeals to the Federal Circuit. It's a lot less expensive; the record is closed.

But you do have that district court option, and the main reason to pursue that option is if you have new evidence that you want to submit that was not before the TTAB. And then, if you do go to the district court, you'll end up going up to the regional circuit court of appeals.

From the court of appeals, you can go up to the U.S. Supreme Court, which has discretion to hear the case. The U.S. Supreme Court has heard two trademark cases in the last three to four years, which is pretty unusual.

That concludes my presentation. Thank you for your attention.

PROF. LEAFFER: Thank you, Jeff. That was very interesting.

I'm glad you talked about the strategy of deciding which appeal avenue to take, whether you are going to go to the Federal Circuit or to a district court. You mentioned one of the reasons why you would choose to appeal in a district court is that you can present new evidence.

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<sup>26</sup> *Booking.com B.V. v. U.S. Patent & Trademark Office*, 915 F.3d 171, 188 (4th Cir. 2019), *as amended* (Feb. 27, 2019).

<sup>27</sup> *E.I. Du Pont de Nemours & Co. v. Yoshida Int'l, Inc.*, 393 F. Supp. 502, 525-27 (E.D.N.Y. 1975).

## Session 10C

Are there any other strategic reasons why you would want to take an appeal to the district court, which you mentioned is a much more expensive option?

MR. HANDELMAN: Another thing you can do in the district court is add new causes of action. The TTAB only has the power to decide is the mark registrable or not. It can't issue an injunction. The TTAB cannot award monetary damages.

But let's say you're an opposer, you are in the position of the plaintiff. If you file an opposition before the TTAB and you lose, you can appeal up to a district court and convert that into an infringement action. One count in the complaint that you file will be asking for a reversal of the Board, but then your next count will be asking for an injunction, monetary damages based on claims of infringement and unfair competition. The district court has broader jurisdiction. You can really put more pressure on the other side by taking it to the district court.

The Federal Circuit, again, wouldn't hear those additional claims.

PROF. LEAFFER: In your practice how often have you chosen the avenue of appealing to a district court as opposed to the Federal Circuit?

MR. HANDELMAN: I would say it's probably 80 percent Federal Circuit, 20 percent district court. It's more common to appeal up to the Federal Circuit. It's more efficient, more economical, but it does counsel in favor of developing your record at the TTAB because you're going to be locked into that record.

For example, in *Booking.com* there was no survey before the TTAB and that proved to be decisive because the district court was able to say, "Well I have new evidence, and on that basis I'm going to reverse what the TTAB did."

So, you're much better off developing your record before the TTAB and then you don't need to worry about doing that in front of a district court.

PROF. LEAFFER: Questions from the audience?

QUESTION [Suzann Lang, South Africa]: Which of your district courts will have jurisdiction? Is it where the trademark applicant is based? Also, would that kind of case go to a jury? What would your procedure be?

MR. HANDELMAN: That's a really good question.

In an opposition context, where you have an opposer and an applicant and the TTAB decides the case, if you appeal to a district court the normal rules for jurisdiction and venue apply. Typically, the plaintiff would file in its own district, its home district. However, under U.S. law the court in that district would have to have personal jurisdiction over the defendant. If the defendant doesn't sell the infringing product in the plaintiff's home district, then the court may not have personal jurisdiction there. In that case the opposer would have to file in the district where the defendant resides in order to get jurisdiction over the defendant. So, you have to look at the procedural rules.

PROF. LAZEBNIK: I'll add to that that in all those instances where you are suing the USPTO<sup>28</sup> the Eastern District Court of Virginia has jurisdiction over all of those defendants because they made themselves available to the USPTO for that proceeding.

MR. HANDELMAN: Yes.

PROF. LAZEBNIK: You can also sue them in Eastern District of Virginia as well as where they reside.

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<sup>28</sup> United States Patent and Trademark Office.

## Session 10C

MR. LIEDTKE: We should note, though, that hometown courts tend to be favorable to their own plaintiffs. If you make a showing, if you're willing to pay that kind of money, the court will try everything, if they like the party, to keep the case. And of course, there is a significant advantage to having a hometown jury decide a case, particularly where it's close.

MR. HANDELMAN: That's a great point, and that's what happened in *Pretzel Crisps*. They lost before the TTAB twice, so they went to their home court where they're employing a lot of people, it's a big snack company, and they want to get the benefit of the homefield advantage, exactly.

PROF. LAZEBNIK: So, it's really just forum shopping.

MR. LIEDTKE: That mustn't be a bad thing.

PROF. LEAFFER: Gordon?

QUESTION [Gordon Humphreys, European Intellectual Property Office, Alicante]: Just a quick question to Jeff. What's the percentage of cases that get appealed from the TTAB? Do most stay with the TTAB and go no further?

MR. HANDELMAN: That's an excellent question. I would say definitely fewer than 10 percent of TTAB final decisions get appealed anywhere, and of the ones that do get appealed most go up to the Federal Circuit.

QUESTIONER [Mr. Humphreys]: Are most confirmed on appeal?

MR. HANDELMAN: I think in most cases the Federal Circuit affirms the TTAB. I've noticed in the last five years there have been genericness cases where the Federal Circuit has reversed the TTAB and remanded the case. Remember *Coke Zero*? In *Coke Zero* the TTAB found that the term ZERO was not generic. That got appealed up the Federal Circuit. The Federal Circuit said, "TTAB, you applied the wrong test in concluding that ZERO is not generic," so that got remanded.<sup>29</sup>

*Pretzel Crisps* again got appealed up to the Federal Circuit. The Federal Circuit said, "You've applied the wrong legal test."

So there have been a few reversals on genericness in the last three or four years, but on the whole the TTAB does pretty well and they get affirmed.

PROF. LEAFFER: Very good.

We'll have some time for questions at the end, but now we're going to talk about something quite fascinating, "Marijuana Marks: The Struggle with the Lawful Use Requirement." Our very own Magdalena Berger is going to tell us about this.

MR. LIEDTKE: Can we have samples?

MS. BERGER: I did not bring samples because I'm not a citizen, so I apologize.

I also want to preface this with the fact that whenever I told people at this conference that I'm going to give this talk, every single attorney replied, "Oh, I've been doing a lot of work in that field." I'm not sure that's true for me personally, so I assume the audience will be much better qualified. I will give a quick overview and then I hope that there will be discussion.

The first thing I learned, by the way, when preparing for this talk is that you don't say "marijuana marks" anymore; you now say "cannabis marks" because it sounds a little more upscale and less illegal apparently.

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<sup>29</sup> Royal Crown Co., Inc. v. The Coca-Cola Co., 892 F.3d 1358, 1371 (Fed. Cir. 2018).

## Session 10C

The TTAB says that the Lanham Act says that your use of the mark has to be lawful in order for you to get a mark. If it's unlawful under federal law — and that's not just drugs but it's also things like sex trafficking or illegal gun sales—then you can't have a trademark registration.<sup>30</sup>

If your trademark application smells a little like that, either because you're straightforward and your description of goods and services has a word that will trigger the examining attorney, or if you're, let's say, a little loose with your specimens of use and you slip, then the law says that the USPTO “may make appropriate inquiry as to the compliance with such act.”<sup>31</sup>

What actually happened to me, which triggered my interest in this topic, is we submitted a trademark application for a mark that did not sound like drugs and we submitted a description of goods that sounded a little like tobacco but — maybe I'm naïve — it didn't trigger anything for me specifically where I was like “Ooooh!”

The examining attorney quickly checked the product's website. The website was clean — whew! The specimens of use were clean — good for us. He did a Google search, and of course the Internet knew exactly what the vaporizers were used for and that they were not for “herbs,” as the application stated. So the Office Action came back telling us that, according to five gazillion websites that love the products for cannabis, “apparently they are using these vaporizers for cannabis; so, I'm sorry, we're going to refuse the trademark.”

Usually, you get either an inquiry with a list of questions that basically force you to say, “No, no, no; what we're doing is all okay,” or you just get a refusal.

I looked at the Register just to get some numbers. There are registrations containing the term “marijuana” and/or “cannabis.” However, those registrations are for things like “online journals, namely, blogs featuring social and medical benefits of cannabis.” That's of course covered by freedom of speech, right?

There are 1778 pending applications hoping for something containing the word “cannabis” and 623 containing the word “marijuana.” So, you can see there is a trend toward “cannabis” being used in the description.

I think the main question that comes up is: But it should be legal now, right, because we heard about Washington and Oregon and California? It seems like it's only illegal for people in New York.”

No. Under the Controlled Substances Act (CSA) it's still illegal,<sup>32</sup> so federal law still says it's illegal.

And, as I learned in the vaporizer case, paraphernalia are also illegal (defined in § 863(d) CSA). Everything that can be used in connection with drugs is illegal. So, if you have a vaporizer that you only want to use for cannabis, apparently that's no good.

Recreational and/or medical use is legal in some form in thirty-three states. That's important to keep in mind.

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<sup>30</sup> See *In re JJ206, LLC*, 120 U.S.P.Q.2d 1568, 1570 (T.T.A.B. 2016) (denying applicant's mark for marijuana vaporizers because vaporizers constitute illegal drug paraphernalia under the Controlled Substances Act).

<sup>31</sup> See 37 C.F.R. § 2.69 (2018).

<sup>32</sup> See 21 U.S.C. § 841-49 (2012).

## Session 10C

So how do we get our client a trademark? After all, this is a business, it's a growing business. It's a whole industry.

Right now, what seems to be the consensus is that you will try to get state registrations in the states where you are doing business. The downside is if you're doing business in Washington State only, then you will only get a trademark there because you're not selling in the other states, you're not doing business in the other states. Also, those state trademark registrations are very limited right now. They all have a very long list of what you have to follow. You may not get a trademark registration for everything. It may be limited in geographical scope. It's not a federal registration. It's not going to make you as happy.

You can register legal products, and you can register for your marketing swag. Be mindful though that if you put your brand on your T-shirt, that's not going to be enough; you have to put the brand on the tag in your T-shirt, on the label, because you don't want it to be ornamental use. You can use it for your website services, your online forum, or whatever else you do that smells like freedom of speech.

For our vaporizer, the examining attorney actually said that we could use "vaporizers not for use with marijuana." The client was thrilled, as you can all imagine. This is close to useless, but that's what the USPTO gives you.

What about common law? Yes, possibly, but again with the caveat that you have the use requirement and you are limited geographically. Actually, I couldn't really find out whether a court would go for that. I am not entirely positive. I hope someone in the audience knows more about this.

Food for thought: Is the ban going too far because cannabis is legal (in some form) in thirty-three states?

The TTAB says, "Uh-uh, sorry, we don't care whether it's legal in some state or other. We don't care about this. We don't even think about it. We do not address this question." That might be the loophole that people have to litigate.

Other food for thought: But we have this trademark law purpose of avoiding consumer confusion. Wouldn't we want exactly for those kinds of products for people to know what kind of product they're getting? Isn't avoiding confusion in the area of medical cannabis products really important?

The TTAB said, "Oh, sorry, we don't care, we really don't, because it's unlawful, so we don't want to think about this."

There are patents for cannabis inventions. Patent law apparently doesn't care. Apparently, they don't have any morals whatsoever. We do allow now disparaging trademarks and we are thinking about allowing (maybe) scandalous trademarks. Is there a difference?

The final food for thought: If we really want to go there because we all, at least in this liberal New York bubble, are very pro cannabis, would we be comfortable in regard to other unlawful uses? My very not politically correct example for that is why don't we have a trademark for sex trafficking? That makes everyone suddenly feel very uncomfortable about toying with this requirement.

On that very happy note, I'm going to skip my detour and I'm going to say, "That's it." Thank you very much.

## Session 10C

PROF. LEAFFER: Magdalena, thank you very much for that very interesting presentation on the issue of marijuana marks — or cannabis marks; excuse me, pardon my French.

PROF. LAZEBNIK: You mean your Spanish.

PROF. LEAFFER: Yes, or Spanish or whatever.

Question: would you advise a client to get a Washington State trademark because there it's legal? What good would a Washington State trademark do for you? Is it worth the money?

MS. BERGER: Well, it costs almost no money, so yes. State trademarks are insanely cheap.

PROF. LEAFFER: But what do you get from it?

MS. BERGER: Almost nothing.

PROF. LEAFFER: All right.

MS. BERGER: Actually, there are now cases popping up where cannabis producers sue each other because there are cases of consumer confusion between cannabis manufacturers. Then it makes sense because they're going to be in one of the states where cannabis is legal.

There is one interesting case. If you license your trademark, if you're doing your business in Washington but you're licensing your Washington State trademark to someone in California, a court said that you can sue in California based on that licensing.<sup>33</sup>

So, it makes sense to do that. It makes sense to increase your protection as much as you can. I know it's weird. But it's just what you do.

PROF. LEAFFER: But does it give you a presumption in Washington State?

MS. BERGER: No.

PROF. LEAFFER: Thus, it gives you nothing.

MS. BERGER: Well, here's the thing. A registration gives you the show that you know that your trademark is going to work. It gives you some recognition on a register that no one ever checks.

PROF. LEAFFER: And a piece of paper.

MS. BERGER: And a very nice piece of paper I assume.

PROF. LAZEBNIK: It also might long term help with priority rights. Let's say at some point the federal government flips the switch and says, "Okay, cannabis is legal." Does your Washington registration help you prove priority rights over others?

MS. BERGER: More than just use?

PROF. LAZEBNIK: More than just use.

MS. BERGER: I doubt it, but that's a possibility.

QUESTION [Anderson Duff, Revision Legal, New York]: On the issue of priority, I'm curious if anybody on the panel has any thoughts on — I'll just say in my experience with clients that are in this industry, most of them have been in this industry for a lot longer than it has been legal, so they are sort of inherently distrustful of anything that's not cash-based and other things.

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<sup>33</sup> The case involved a California company suing to protect their California trademark that had been licensed in Washington. *See* *Headspace Int'l L.L.C. v. Podworks Corp.*, 428 P.3d 1260, 1263 (Wash. Ct. App. 2018), *review denied*, 435 P.3d 269 (2019).

## Session 10C

On the question of priority, what do you think would happen when you're trying to prove priority when everybody's priority date is going to be the day that it became legal, right?

PROF. LAZEBNIK: I think one place that might be instructive is a parallel situation that's going on regarding rum in Cuba. There's a dispute in the courts as to who owns Bacardi rum.<sup>34</sup> The family in Cuba is claiming priority in most of the world, but they can't do so in the United States because of sanctions and whatnot between the United States and Cuba. As we ease the sanctions between the United States and Cuba it will really be a question of who has priority over the mark here in the United States. I think that case, once it's resolved, might ultimately be very instructive for this situation as well.

MS. BERGER: With the caveat that you don't have criminals involved.

PROF. LAZEBNIK: It's still illegal, though.

MS. BERGER: Very different illegal.

PROF. LEAFFER: Any further questions?

QUESTION: Anne Marie Verschuur from the Netherlands, where marijuana is not legal, contrary to what many people think.

PROF. LEAFFER: What! This is news to me.

QUESTIONER [Ms. Verschuur]: The government just doesn't take action against recreational use in small amounts basically, but it is illegal.

I was recently asked to advise on a certain licensing structure. I checked internally and our criminal law department said, "It's better not to do this because you will be advising partially on illegal structures." It was partly medicinal use and partly recreational use. They said, "You could even be personally held liable for a criminal offense." I said, "Okay, then I'm not going to do this."

In the United States you also have to be careful about this. If you are advising on certain licensing structures or certain trademark registrations where you know it's illegal in some states and legal in some states and you are advising on how to get around it, or just register for certain products excluding use for marijuana but you know that really it is going to be used for marijuana, you have to be careful about criminal liability. That's a related question. If you don't know, that's fine. I was just wondering.

MS. BERGER: You're just asking this now after I gave my presentation? The German me, my German side, would say, "Yeah, that's probably true." The American me is like, "Nah, attorney-client privilege, I'm going to be fine."

Any other thoughts?

PROF. LAZEBNIK: I will say also there are a couple of ethics opinions cautioning lawyers about instructing their clients about things that are illegal at the federal level.

That said, contract law in the United States is state level, so if you're talking about just advising your client about contracts and what's legal to license within that state, you might be okay if you're talking about state-level trademarks rather than federal trademarks.

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<sup>34</sup> Bacardi U.S.A. are involved in a dispute with Pernod Richard regarding ownership of the HAVANA CLUB trademark. *See, e.g.,* Pernod Ricard U.S.A., L.L.C. v. Bacardi U.S.A., Inc., 653 F.3d 241 (3d Cir. 2011).

## Session 10C

MS. BERGER: It's also not illegal to file for a trademark that will be refused. I am not advising them to actually sell in interstate commerce. They are telling me they sold (hopefully) only in the states where it's legal and they're asking me for a trademark. Of course, I'm also going to tell them, "We can file for this, but it doesn't look great."

PROF. LAZEBNIK: Although technically it's still federally illegal even within that state.

MS. BERGER: Yes.

PROF. LAZEBNIK: It's a murky area. Maybe you want to be the test case.

QUESTIONER [Ms. Verschuur]: I sent the case back, but I said, "I still want to travel to the United States."

PROF. LEAFFER: We will move on to Carey Ramos. Carey, I'm going to let you explain the very intricate issue of cryptocurrency.

MR. RAMOS: When Hugh asked me what I wanted to speak about and I told him cryptocurrencies, he said, "Oh, that's interesting," and we know how interesting it was to Hugh because he has made me the last speaker on the second day of the conference when everyone wants to go to the cocktail party and I'm wedged between cannabis and cocktails. [Laughter]

With your indulgence, knowing the cocktails are coming soon, maybe we can move through this fairly quickly. It is an interesting topic, one with which I have personal experience, as I will explain.

I am going to pose what I've described as a brand owner's nightmare: One day you find that your precious brand name has been named a cryptocurrency, whatever it may be — GoogleCoins, DisneyCoins, NikeCoins, SpongeBobCoins. Somebody out there on the dark web has nabbed your name and stuck it before the word "coins" and is now selling a cryptocurrency using your name.

In a highly volatile market, whereas we know cryptocurrencies have gone up and down in value, suddenly you are going to be associated with some cryptocurrency that somebody has bought and lost a lot of money on potentially. Which in fact happened in this particular case, and it happened to a client of mine, Alibaba. You may find this an interesting story.

There are many trademark cases against Alibaba. This case involves Alibaba suing to protect its trademark.

In March 2018 an initial coin offering, what's called an ICO,<sup>35</sup> was launched for a new cryptocurrency called "Alibabacoin."

The website for this coin says, "Welcome to Alibabacoin Foundation," and it refers to "Alibabacoin" on the top, and it talks about it's a new technology and a lot of other things.

It uses these two logos: "Alibabacoin" using the orange-and-black color scheme that's used by Alibaba; and then the logo on the right, "Alibabacoin," making it pretty clear what these folks were doing.

Here's the Alibabacoin Wallet. If you're familiar with cryptocurrencies, when

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<sup>35</sup> An Initial Coin Offering (ICO) is the cryptocurrency industry's equivalent to an Initial Public Offering (IPO). ICOs act as a way to raise funds, where a company looking to raise money to create a new coin, app, or service launches an ICO (June 20, 2020), *See* <https://www.investopedia.com/terms/i/initial-coin-offering-ico.asp>.



## Session 10C

you buy them you keep them in a wallet. Here again they use the “Alibabacoin” name for the wallet.

Instead of an offering statement, ICOs are done using what’s called a “white paper.” The white paper is posted on the website. It describes the proposed coin offering.

In this case there’s a section of the white paper that talks about how they are going to do a deal with Alibaba.com so you can buy things at Alibaba.com using Alibabacoins. When you read down this, it actually says, “Through our subsidiary Cainiao Network and investee affiliate Koubei,” as though it’s Alibaba that’s talking here.

Interestingly, just prior to the ICO — we didn’t know about this at the time; we found out about it when we learned of the ICO — there were postings on social media in South Korea regarding Alibabacoins was going to be launched and they used a photograph of the Alibaba headquarters for the social media postings. We don’t know who posted these, but they appeared just before the coin offering.

The question there was: What do you do about this?

- In this case we’ve got an offeror, Alibabacoin Foundation, which is organized under the laws of Belarus with an address in Minsk. It’s also registered as a nonprofit in the United Arab Emirates (UAE).

- There is a trading company that’s licensed in the UAE, something called ABBC Blockchain IT Solutions LLC, which is a software development company licensed in the UAE.<sup>36</sup>

- The CEO of the company, a gentleman by the name of Jason Daniel Paul Philip, is a Malaysian national residing in Dubai.

- The Chief Technology Officer of the company is Hasan Abbas who resides in Rawalpindi, Pakistan.

So where do you sue, also knowing this is an elusive currency that is reflected in ledger entries on blockchain so they could easily move the business anywhere in the world?

Just a little bit more about these guys.

- They said they have an office in Minsk, Belarus. We couldn’t find any office when we investigated it. There was no office in the office building.

This is a picture of their office. At the oral argument they presented this as their office. They stuck a poster on the door of this office that says “Alibabacoin.”

This then gets even better. They had pictures. You go inside the office and it’s an empty office with a plastic bag on a table.

They also presented the office lease. I love this. The lease up at the top said that it expired in January of 2018, before we even brought the lawsuit, which I thought was just marvelous.

Interestingly, when we pointed out to them, “Hey, this is an empty office in this building; this is very suspicious,” they then presented photographs of their office with all these workers inside. It was absolutely priceless.

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<sup>36</sup> United Arab Emirates.

## Session 10C

To cut to the chase, we filed a lawsuit in the Southern District of New York.<sup>37</sup> The rationale for suing was we focused on where the market was, who were the buyers of these coins.

- There is publicly available information you can get regarding visitors to websites. We were able to determine that about half of the visitors to this website we believe came from the United States. We couldn't do it on a state-by-state basis, but we believe about half came from the United States.

- We later found out in discovery that there were over one thousand visitors from New York during the period of the ICO.

- The wallet website was hosted by a company in Manhattan. They offered the wallet app on the Apple Play Store and Google Play for Android.

- They announced plans to list Alibabacoin exchanges in the United States. There were a few other connections to the United States.

We first got a temporary restraining order from Judge Kimba Wood in the Southern District. We then had a very colorful oral argument in which they argued, among other things, that their use of Alibaba was based on *Ali Baba and the Forty Thieves*, which we had some fun with, pointing out that we were Alibaba so I guess they were the forty thieves.

Judge Oetken said, "Gee, this is a very strong case for infringement, but I'm having trouble with jurisdiction." He initially denied the application for a preliminary injunction with leave to replead.

We moved for expedited discovery. This is where it gets really complicated and tricky because these are not physical products nor are they services that you'll see anywhere, they're just blockchain ledgers, and the only information we got were e-mail addresses, most of which were weird, weird email addresses. They weren't Gmail; they were various odd domains.

We were able to find one buyer in New York — I can't tell you who that buyer is because it was subject to a protective order — who had made three buys totaling \$120 roughly. That got us jurisdiction.

So, we got our injunction, and then we recently settled. They agreed on a worldwide basis to stop using our trademark.

There have been, interestingly, about ten of these cases filed in U.S. courts last year regarding domain names. Are we going to see more of these? Maybe what happened in our case will deter this activity. We shall see.

Can you get a trademark for cryptocurrencies? Who knows? There is a registration for RIPPLE. There are some funny registrations for BITCOIN in the United Kingdom; in the United States it was denied.

Is it a service? Is it a good? These are interesting questions that may get litigated.

But, fortunately, we were able to put an end to this use of Alibaba's trademark.

Thank you.

PROF. LEAFFER: Thank you, Carey.

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<sup>37</sup> Alibaba Grp. Holding Ltd. v. Alibabacoin Found., No. 18-CV-2897 (JPO), 2018 WL 5831320 (S.D.N.Y. Nov. 7, 2018).

## Session 10C

We're going to open up for five minutes of general questions. Any questions will be entertained. Is there anything you want to say?

QUESTION [Christopher Turk, FisherBroyles, Philadelphia]: With regard to appealing TTAB cases up to the federal courts, I believe it's the Solicitor General's Office that makes the decision when a TTAB decision is appealed; is that correct?

MR. HANDELMAN: I believe that's right.

QUESTIONER [Mr. Turk]: I find it interesting that the Section 2(a) cases have gone to the Supreme Court, yet in the generic case, which probably affects a lot more trademarks and is a more valuable law to practitioners, they just gave up at the Fourth Circuit. They won in the Fourth Circuit.

MR. HANDELMAN: They won in the Fourth Circuit.

QUESTIONER [Mr. Turk]: Okay.

MR. HANDELMAN: But it is peculiar that the two cases for which the Supreme Court granted certiorari relate to a disparaging mark and a scandalous mark, whereas generic marks are much more the mainstream of trademark law, no question.

QUESTIONER [Mr. Turk]: And affect practitioners much more on a daily basis.

MR. HANDELMAN: Yes.

PROF. LAZEBNIK: But if you think about the general trend of the Supreme Court, it makes sense because our Supreme Court has been more and more leaning towards expanding the First Amendment. The *Tam* and *Brunetti* cases are really about First Amendment jurisprudence, so the Supreme Court would naturally be more inclined to grab those than the generic case, which doesn't really have to do with the First Amendment as much.

MR. LIEDTKE: In addition to that, both of these cases received significant publicity, particularly the first one with the REDSKINS story. I wouldn't be surprised that the widespread media coverage led to the Supreme Court granting certiorari.

MR. HANDELMAN: Yes, that's a really good point. The Washington Redskins football team here in the United States had a registration for the mark REDSKINS. That by far was the most notable and the most visible case in the disparagement area. The Redskins lost before the TTAB. They ended up appealing to the Eastern District Court of Virginia and then up to the Fourth Circuit.<sup>38</sup>

The SLANTS case was a sleeper. No one had heard of that mark. SLANTS appealed up to the Federal Circuit and that's the case the Supreme Court ended up taking. It's really ironic that we have this Supreme Court opinion on SLANTS and REDSKINS never made it up to the Supreme Court.

PROF. LAZEBNIK: As I recall, the appellants in the *Redskins* case actually asked the Fourth Circuit if they could speed things up so that they could be heard at the same time as *Tam*, and the Fourth Circuit said, "Nice try."

MS. BERGER: Yes.

PROF. LEAFFER: Any questions from the audience? We have time for maybe one or two more.

QUESTION: Alyson Stone, formerly of Signature Bank, which I'm about to mention.

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<sup>38</sup> See, e.g., *Pro-Football, Inc. v. Blackhorse*, 709 F. App'x 182 (4th Cir. 2018).

## Session 10C

I just want to make a note just in case anybody's practicing in this area. Signature Bank did receive a registration on a virtual currency in Class 36 with descriptions that were modeled off of online payments. Just as a note, that's one that I happen to be personally aware of.

One thing I would note, if anyone is interested, is that there's a great law review article from 2017 in *BOSTON UNIVERSITY REVIEW OF BANKING AND FINANCIAL LAW* called *The Path of the Blockchain Lexicon (and the Law)*.<sup>39</sup> It talks about the constant changes in the lexicon of the cryptocurrency world effectively to avoid regulation, which creates a lot of confusion in this space.

Personally, just as a side note, noting that this is an IP conference not a banking conference, I think that there is a significant lack of analysis that I've come across so far under commercial law for cryptocurrencies, as opposed to the Commodities Futures Trading Commission and Securities and Exchange Commission. To me cryptocurrencies are not any functionally different than negotiable instruments.

PROF. LAZEBNIK: They want it to be, though.

MR. RAMOS: Yes. The cryptocurrencies are going to present a lot of legal issues in the coming years, and blockchain could very well be the core of how transactions are conducted on the Internet. It's a fascinating field.

PROF. LEAFFER: Perhaps one more question. A question on *Mission Products*? We've got to get *Mission Products* in. We have to do that. It's important.

MR. LIEDTKE: In *Mission Products*, recently argued before the Supreme Court, the issue was whether a bankruptcy licensor can cancel or rescind a license.

To illustrate: You own a McDonald's franchise employing fifty people. McDonald's goes bust. Can they rescind the original license and force you to pay more?

This is what Hugh Hansen would probably use as an example of a "good guy/bad guy" case. Everyone favors the licensee. But the question is: How can we get to that kind of outcome?

The Supreme Court's arguments are fascinating because the Justices tried just that. It remains to be seen how they come out. Certainly, what doesn't seem possible is that there will be a carve-out just for trademarks. Justice Sotomayor made that pretty much abundantly clear in a comment.<sup>40</sup>

The other angle here is that some people point to quality-control concerns and argue that because of quality-control concerns the licensor should receive special rights to rescind. Justice Alito pointedly noted that would be borderline ludicrous.<sup>41</sup>

So, I would venture a guess that the licensees will receive an outcome in their favor. The question is: how are we going to reason that?

PROF. LEAFFER: Christian, you had the last word here.

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<sup>39</sup> Angela Walch, *The Path of the Blockchain Lexicon (and the Law)*, 36 *REV. BANKING & FIN. L.* 713 (2017).

<sup>40</sup> Transcript of Oral Argument at 60, *Mission Prod. Holdings, Inc. v. Tempnology, L.L.C.*, 139 S. Ct. 1652 (2019) (No. 17-1657).

<sup>41</sup> *Id.* at 56-57.