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OFFICIAL TRANSCRIPT PROCEEDINGS BEFORE

THE SUPREME COURT OF THE UNITED STATES

DKT/CASE NO. 83-1132

TITLE PARK 'N FLY, INC., Petitioner v. DOLLAR PARK AND FLY, INC.

PLACE Washington, D. C.

DATE October 9, 1984

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IN THE SUPREME COURT OF THE UNITED STATES

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PARK 'N FLY, INC., :
Petitioner : No. 83-1132
v. :
DOLLAR PARK AND FLY, INC. :
- - - - -x

Washington, D.C.

Tuesday, October 9, 1984

The above-entitled matter came on for oral
argument before the Supreme Court of the United States
at 10:05 o'clock a.m.

APPEARANCES:

ALAN E. POPKIN, ESQ., St. Louis, Mo.; on behalf of
Petitioner.

JOHN M. McCORMACK, ESQ., Portland, Ore.; on behalf
of Respondent.

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1 P R O C E E D I N G S

2 CHIEF JUSTICE BURGER: We'll hear arguments
3 first this morning in 83-1132, Park 'N Fly,
4 Incorporated, against Dollar Park and Fly.

5 Mr. Popkin, you may proceed whenever you're
6 ready.

7 ORAL ARGUMENT OF ALAN E. POPKIN, ESQ.

8 ON BEHALF OF THE PETITIONER

9 MR. POPKIN: Mr. Chief Justice, and may it
10 please the Court:

11 This case is a case of statutory
12 interpretation. The statutes involved are Sections
13 1064, 1065, and 1115(b) of Title 15 of the United States
14 Code, the so-called incontestability provisions of the
15 Lanham Act.

16 The sole question before this honorable Court
17 is whether this statute, whose constitutionality is
18 unchallenged and the literal meaning of which has been
19 conceded and which is clear, should be interpreted in a
20 way other than as Congress uttered it.

21 The factual background of this case is that
22 Park 'N Fly, the Petitioner, was organized in 1967 and
23 started its operations in St. Louis, Missouri. The
24 business of Park 'N Fly was the so-called offsite
25 airport parking, and that business consists, if Your

1 Honor please, of the acquisition of and building of a
2 parking facility in areas proximate to airports.

3 At those locations, customers or patrons come
4 to park their cars, and then there is a shuttle or bus
5 service that Park 'N Fly provides, or that such offsite
6 airport parking facilities provide, that moves the
7 customer from that offsite facility to the airport,
8 takes him right from his automobile to the gate area or
9 to the area where his baggage will be offloaded. And
10 then upon his return from his trip, buses are circulated
11 at three to five minutes and those buses pick the
12 patrons up, again very close to where they disembark,
13 return them to the parking lot and return them right to
14 their vehicles, from whence they then depart.

15 Park 'N Fly, as I say, started in 1967 in St.
16 Louis, and they have expanded now so that they are in
17 Cleveland, Boston, New Orleans, Houston, Montreal,
18 Memphis, San Francisco and Atlanta. Their operation has
19 truly become national in scope.

20 The history of the trademark that Park 'N Fly
21 obtained was that in 1969 Park 'N Fly, shortly after it
22 opened its second facility in Cleveland, decided to
23 apply for registration under the Lanham Act, and they
24 filed for registration originally in August of 1969.

25 Initially the registration that they sought

1 for their mark, Park 'N Fly, was denied by the examiner
2 at the Patent and Trademark Office. It was denied
3 because he found that the mark was merely descriptive of
4 the service that Park 'N Fly was rendering.

5 Park 'N Fly applied for re-examination of that
6 mark, applied to that examiner within six months, as it
7 had a right to do, and supplemented its presentation
8 with a brief setting forth in detail why it felt that
9 indeed this was not a merely descriptive mark. Upon
10 reexamination, the patent examiner, trademark examiner,
11 found that the mark was not merely descriptive and so it
12 was admitted to registration in August, August 31st of
13 1971, approximately two years after the date on which
14 Park 'N Fly had initially sought registration.

15 In May of 1977, Park 'N Fly filed an affidavit
16 pursuant to the provisions of Section 1065, an affidavit
17 of incontestability, setting forth therein the statutory
18 requirements, namely, that the mark Park 'N Fly as
19 registered had been in constant use for five years, at
20 least five years, and that there was no successful
21 challenge against its validity at that point in time.
22 Well, at that moment in May of '77 the certificate, if
23 you will, of incontestability was issued and the mark
24 became incontestable within the meaning of Sections 1065
25 and 1115(b) of Title 15.

1 During the year 1977, Defendant Dollar Park
2 and Fly was engaged in the identical business in the
3 Portland, Oregon area. In early 1977, the Plaintiff,
4 the Petitioner here, Park 'N Fly, became aware of the
5 existence of Dollar Park and Fly in Portland, Oregon,
6 and attempted, unsuccessfully, to extrajudicially
7 discourage them from their continued use of the name
8 Park 'N Fly.

9 When those efforts, which were mainly letters,
10 proved unsuccessful, suit was filed in the District
11 Court for Oregon in June of 1978, and the trial judge,
12 Judge Frye, found for the Petitioner and issued an
13 injunction restraining and enjoining the Respondent from
14 using the name Park and Fly because Park and Fly was
15 confusingly similar with Park 'N Fly. The Petitioner
16 spelled its name with an apostrophe N, instead of
17 spelling out "and," and the Respondent spelled out
18 "and."

19 On appeal, this case went to the United States
20 Court of Appeals for the Ninth Circuit and that court,
21 speaking through Judge Kennedy, reversed on October
22 13th, 1983, and in reversing held that incontestability
23 was not available in a proceeding for injunction or for
24 enforcement of a trademark, but that incontestability
25 applied only in a defensive posture, that is, when

1 somebody was attempting to cancel a mark.

2 And so the Ninth Circuit Court of Appeals
3 held, the gist of their holding was, that the mark Park
4 'N Fly cannot be cancelled because of the
5 incontestability provision, but cannot be enforced,
6 because the Ninth Circuit found on its own, without the
7 benefit of holdings from the court below, that the mark
8 was merely descriptive. And so that --

9 QUESTION: When you say can't be enforced, Mr.
10 Popkin, you mean that your client could not get an
11 injunction --

12 MR. POPKIN: That's right, Your Honor.

13 QUESTION: -- to prevent the use by someone
14 else?

15 MR. POPKIN: Exactly so. They cannot have
16 their mark cancelled, but on the other hand they are not
17 entitled to stop anybody from using it. So that the
18 gist of the holding was: You are free, Park 'N Fly,
19 Petitioner, to use that mark, but so is the rest of the
20 world because you cannot stop them from using it.

21 The sole question, as I indicated earlier,
22 involves the interpretation of the incontestability
23 provision of the Lanham Act, specifically of 1115(b) of
24 Title 15.

25 Yes, Your Honor.

1 QUESTION: You made a point of the fact that
2 the Court of Appeals made the finding more or less on
3 its own.

4 MR. POPKIN: Yes, sir.

5 QUESTION: Would it be a different case if the
6 district court had made a finding and you agreed that
7 the finding was correct?

8 MR. POPKIN: No, Your Honor, I don't think it
9 would be significantly different, because --

10 QUESTION: Can we assume for purposes of
11 decision that the mark will be treated as though it is
12 descriptive, as they say?

13 MR. POPKIN: No, I don't think we can assume
14 that the mark is descriptive, Your Honor. There's only
15 been one judicial holding or one holding as to whether
16 or not this mark is descriptive, other than what the
17 Ninth Circuit did, and that was what the patent examiner
18 did, the patent and trademark examiner. And he found
19 that the mark was not descriptive.

20 QUESTION: Well, I understand. Then I'm
21 puzzled. You're saying the issue of whether it's
22 descriptive simply isn't open, is that it?

23 MR. POPKIN: I'm saying that the issue of
24 whether or not the mark is descriptive is ruled out by
25 the incontestability provision. That is not one of the

1 seven defenses.

2 If it were one of the seven defenses, what the
3 Ninth Circuit has done would be still wrong because
4 there has been no -- nothing -- no clearly erroneous
5 finding. It should have remanded to the district
6 court. But it is not one of the seven defenses that
7 Congress permits under the provisions of the Lanham
8 Act.

9 QUESTION: Well, I understand. But I guess
10 what I'm asking is, if a court after hearing evidence
11 thought it was merely descriptive, it just isn't
12 permitted to think that, is about what it amounts to? I
13 mean, it really would be legally irrelevant?

14 MR. POPKIN: That would be so, yes, Your
15 Honor.

16 The plain meaning of the statute --

17 QUESTION: Let me pursue this just a little
18 further, because I'm confused by your answers to Justice
19 Stevens. Can we not approach this case under the
20 assumption that the term is merely descriptive, but
21 nonetheless determine what the effect is then of the
22 statutory scheme under these circumstances?

23 MR. POPKIN: Yes, Your Honor, you may approach
24 it in that way. We would not concede that the mark is
25 merely descriptive, but our position is that it doesn't

1 matter, because our position is that under the clear
2 language of 1115(b) mere descriptiveness is not a
3 defense to incontestability.

4 And in looking at the statutory language there
5 are, of course, many aids and guides that a court can
6 have in unraveling arcane or ambiguous statutes. But
7 there's a threshold question and that threshold question
8 is is the statute ambiguous, is it difficult to
9 understand.

10 And if it isn't then, as this Court observed
11 in the Escondido case decided last term, statutory
12 language must ordinarily be regarded as conclusive.
13 Let's look at this language. The language states that:
14 "The registration shall be conclusive evidence of the
15 registrant's exclusive right to use the registered mark,
16 except when" -- and then they list seven defenses,
17 Congress did, except when one of those defenses or
18 defects is appropriate.

19 The first phrase is "shall be conclusive
20 evidence." It's hard to imagine, at least for a person
21 who is used to trying lawsuits, anything clearer than
22 something that says "conclusive evidence," because that
23 means to us that it is, the issue is concluded. There
24 is no rebuttal available. When the evidence becomes
25 conclusive, that means that the issue is settled.

1 It is interesting to speculate also on what
2 Congress did not say. They didn't say that this was
3 conclusive evidence only in a cancellation proceeding,
4 or exclusive or conclusive evidence only when a
5 defensive use was being made. They said that this was
6 conclusive evidence, without limitation on the type of
7 proceeding.

8 They also didn't say that it was prima facie
9 evidence or admissible in evidence, which they said in
10 the immediately preceding section. 1115(a) of Title 15
11 deals with the effect of registration under former
12 Trademark Acts, and there Congress said that this shall
13 be admissible in evidence and shall be prima facie
14 evidence. But when they came to the effect of
15 incontestability under the Lanham Act, Congress said it
16 shall be conclusive evidence.

17 The next phrase, "exclusive right to use the
18 registered mark." Again, it is hard to imagine
19 something that could be clearer. "Exclusive right"
20 means the right to use the mark to the exclusion of the
21 world. What else can it mean? It is the right that the
22 Petitioner, that the registrant, has to use the mark
23 exclusively.

24 QUESTION: Your opponent, of course, contends
25 that, because the registration proceeding in the

1 Trademark Officer is essentially administrative or ex
2 parte, if your construction is adopted all sorts of
3 marks that don't really qualify under the Lanham Act
4 will get registered and there will be never any
5 adversary process for challenging them. I suppose you
6 say that's what Congress intended?

7 MR. POPKIN: I say two things to that, Your
8 Honor. First of all, that is what -- Congress intended
9 the procedure that they put forth. In order for my
10 opponent's position to make sense, we have to presume
11 that an administrative agency, the Patent and Trademark
12 Office, will not do its job properly.

13 Then the mark, after it has been passed upon
14 and some mistake made by the Patent and Trademark
15 Office, presumably, is published in the Trademark
16 Gazette for 30 days so that the world has an opportunity
17 to see it; and then five years of constant use, during
18 which time anybody may step forward and say, I wish to
19 challenge that mark, on any ground without limitation.

20 So that the opportunities for review are just
21 extensive for five years, the period of limitations, if
22 you will. And what I believe, Your Honor, is that
23 Congress balanced the needs. Yes, it is conceivable
24 that the Patent and Trademark Office will make a
25 mistake. Yes, it is conceivable that somebody situated

1 in Portland, Oregon, or in Boise, Idaho, or somewhere
2 else will not come in contact with that mark during that
3 five years of constant use, so that they won't raise the
4 question.

5 But Congress in its wisdom said, this is a
6 scheme that we believe is appropriate, because the fact
7 that somebody doesn't get to challenge that mark during
8 a period of five years, that doesn't preclude them from
9 having the opportunity to compete. They're free to
10 compete. Just don't use that name.

11 Park 'N Fly in this case has many competitors
12 and they don't identify themselves as Park 'N Fly.

13 There are a multitude of names available. So that the
14 consumer doesn't suffer, and the man who has invested
15 for five years in developing his mark knows at that
16 period of time that there is some stability, that he is
17 not going to be confronted eternally with the same
18 defense.

19 Now, in the final phrase of Section 1115(b) of
20 the statute the Congress says "except when one of the
21 following defenses or defects is established," and they
22 list seven. Of course, one of those seven is not the
23 defense of mere descriptiveness.

24 QUESTION: Is it your position, Mr. Popkin,
25 that those are the only defenses that are ever

1 available?

2 MR. POPKIN: Yes, Your Honor.

3 QUESTION: That's an exhaustive list?

4 MR. POPKIN: Yes, Your Honor. It's precisely
5 what Congress said it to be. It's an exhaustive list of
6 the substantive trademark defenses. 1116 of the same
7 Act points out that injunctions are issued according to
8 principles of equity, so equitable defenses such as
9 laches or unclean hands are still available. But the
10 substantive trademark defenses are set forth in 1115(b),
11 Your Honor.

12 Now, it's also interesting in helping to
13 interpret this Act to look at the defenses section.
14 Defenses four, five and six of the Act set out, amongst
15 other things, the nature of the defenses that can be
16 urged. And in using the language and in looking at the
17 language, they talk about the defense being available
18 when a mark is charged to be an infringement, or when
19 the mark whose use by a party is charged to be an
20 infringement, or that the mark whose use is charged as
21 an infringement.

22 It is quite clear from the context that what
23 Congress was anticipating was the use of
24 incontestability in an infringement proceeding, and that
25 has to be an offensive use.

1 The interpretation espoused by the Ninth
2 Circuit and adopted by the Respondent here must fail for
3 several reasons, that interpretation, i.e., that there
4 is a dichotomy between offensive and defensive use of
5 the mark.

6 First of all, there is nothing within the four
7 corners of the statute that suggests that or even hints
8 at it. There is nothing, not a syllable, in the
9 legislative history that points to this dichotomous
10 interpretation.

11 And third, if one looks at Section 1064 of the
12 Act, 1064 concerns itself only with cancellations.
13 1064(a) and (b) talk in terms of cancellation before
14 five years and 1064(c) talks in terms of what the
15 grounds are for cancellation after five years --
16 precisely the same thing that 1115(b) deals with, the
17 period after five years.

18 If both of those statutes are concerned only
19 with cancellation, they are utter redundancies; one is
20 not necessary. And we must presume that Congress had
21 something in mind when they enacted both of these
22 sections.

23 And finally, the logical situation. The
24 inherent value in a mark is the ability that it has to
25 identify goods and services, and if the position of the

1 Ninth Circuit is in fact true then Park 'N Fly in each
2 of the cities in which it chooses to operate may have
3 four or five or any number of competitors all of whom
4 will identify themselves as Park 'N Fly, and there will
5 be nothing that Park 'N Fly can do to arrest that.

6 That cannot conceivably, I submit, be the
7 scheme that Congress had in mind when it enacted the
8 Lanham Act Act. There is no basis, as I say, in the
9 statute nor in the legislative history.

10 The position taken by the Respondent is that
11 to interpret the statute as we contend would frustrate
12 the purposes of the Lanham Act. And we think and we
13 submit, as our briefs have shown, that the contrary is
14 true. The very purposes of the Lanham Act will be
15 fulfilled, rather than frustrated, by applying the plain
16 meaning of this statute to its interpretation.

17 QUESTION: Is it true that a mark that has
18 been issued or granted can become generic?

19 MR. POPKIN: Yes, sir.

20 QUESTION: Let's suppose an incontestable mark
21 becomes generic.

22 MR. POPKIN: Yes, sir.

23 QUESTION: What about your theory then?

24 MR. POPKIN: Genericness is one of the seven
25 defenses that Congress has written, Your Honor.

1 QUESTION: Where does that fall?

2 MR. POPKIN: I think it's 1115(b). It's
3 incorporated under 1164(c). But genericness is one of
4 the defenses.

5 QUESTION: 1164, but it's not in --

6 MR. POPKIN: Commonly descriptive, Your
7 Honor.

8 QUESTION: But it's not in 1115(b)?

9 MR. POPKIN: I believe it's incorporated under
10 the provisions of 1064(c), which are incorporated into
11 1115(b). And common descriptiveness is genericness, so
12 that if the mark comes to mean the product or the
13 service that is a defense to incontestability. And in
14 the instant case, there has been a specific finding by
15 the district court and affirmed by the Ninth Circuit
16 that there has been no proof that this mark has become
17 generic. But genericness is a defense, Your Honor.

18 QUESTION: Would it be open in a case like
19 this for the Defendant in the action you brought to say,
20 well, it was generic when it was issued?

21 MR. POPKIN: Yes, Your Honor. Not only is it
22 available, it was urged.

23 QUESTION: But you think that's the only --
24 because the essence of your opponent's case, I guess, is
25 that your mark should never have been issued, or that it

1 certainly shouldn't have been made incontestable.

2 MR. POPKIN: The essence is --

3 QUESTION: And that it was just merely
4 descriptive.

5 MR. POPKIN: That is part --

6 QUESTION: And you say that Congress itself
7 has said that the mark could be cancelled if it was
8 generic or becomes generic, but it didn't say merely
9 descriptiveness would be a ground?

10 MR. POPKIN: It's quite clear that mere
11 descriptiveness is not a grounds for a defense to
12 incontestability. That's clear. Genericness is a
13 defense to incontestability.

14 QUESTION: Expressly, you say?

15 MR. POPKIN: Expressly, yes, Your Honor.

16 QUESTION: Could it have been argued
17 successfully that the mark had never acquired a
18 secondary meaning?

19 MR. POPKIN: Your Honor, secondary meaning is
20 not an issue.

21 QUESTION: I understand that, but could it
22 have been injected as an issue if it had been alleged by
23 your Respondent?

24 MR. POPKIN: No, Your Honor, not under the
25 construction that we contend. Under the plain meaning

1 of this statute, there are seven defenses to
2 incontestability. The fact that a mark has or has not
3 acquired secondary meaning does not cut across those
4 seven defenses. Even if the mark had not acquired
5 secondary meaning, it is not a defense to
6 incontestability that it has not acquired such a
7 meaning.

8 The issue of secondary meaning arises when you
9 have a merely descriptive mark. A merely descriptive
10 mark is susceptible of registration if that mark has
11 acquired secondary meaning. And it raises, of course, a
12 very interesting problem for litigants, because in the
13 trenches of litigation what happens is that, as counsel
14 points out, in many of these cases there has been
15 evidence that marks alleged to have been merely
16 descriptive have in fact acquired secondary meaning.

17 What happens consistently is that counsel, as
18 lawyers are wont to be sometimes, they are very
19 cautious, so they will go out and they will conduct
20 surveys. Each side will have them. They'll conduct
21 extensive discovery. They will absorb huge slots of
22 courts' times presenting evidence concerning secondary
23 meaning, when it's utterly unnecessary under the literal
24 meaning of 1115(b).

25 And we would urge and hope that, when the

1 Court declares that 1115(b) means what Congress said it
2 means, that there will be some judicial economy achieved
3 in putting an end to this sort of useless proceeding.

4 QUESTION: Mr. Popkin, can you help me again?
5 I understood you to say that the seven paragraphs were
6 the exhaustive list of defenses.

7 MR. POPKIN: Yes, Your Honor.

8 QUESTION: And I also understood you to say,
9 in response to Justice White, that the defense of
10 genericness is available, but you didn't tell us which
11 of the seven paragraphs it's in.

12 MR. POPKIN: If Your Honor please, I think
13 that 1064(c) is incorporated into the body of 1115(b).
14 It's specifically incorporated.

15 QUESTION: But then that's something in
16 addition to the seven defenses.

17 MR. POPKIN: It's part -- it is incorporated
18 into it. It is in addition to those defenses.

19 QUESTION: So then the seven defenses is not
20 an exhaustive list?

21 MR. POPKIN: It is not an exhaustive list in
22 the sense that there --

23 QUESTION: Are there others beside genericness
24 in addition to the seven, other defenses?

25 MR. POPKIN: Well, 1064(c) is duplicative in a

1 number of aspects. For example, fraud, abandonment are
2 mentioned in 1064(c); fraud and abandonment are also
3 defenses under 1115(b), so that there is some
4 duplication.

5 But under 1064(c) there is, "at any time if
6 the registered mark becomes the common descriptive name
7 of an article or substance." That is one of the
8 defenses that is incorporated under the provisions of
9 1115(b).

10 QUESTION: But it's not listed in the seven.
11 So the seven is really not -- this is the heart of the
12 case, because really one of your main arguments is that
13 the language is perfectly clear on its face, there's
14 seven defenses, this is not one of them, therefore we
15 win. But now you're telling us there are other
16 defenses.

17 MR. POPKIN: There are other defenses which
18 have specifically been incorporated. They are there in
19 black and white.

20 QUESTION: But not in 1115.

21 MR. POPKIN: They're not listed in the body of
22 the section, but they are specifically referred to by
23 the section.

24 QUESTION: Where does the incorporation take
25 place? Where is the express? Is that in --

1 MR. POPKIN: Let's see if I can find it
2 precisely for Your Honor.

3 (Pause.)

4 QUESTION: 1064 is the cancellation section,
5 isn't it?

6 MR. POPKIN: Yes. And under 1065 it says,
7 "except on a ground for which application to cancel may
8 be filed at any time under subsections (c) and (e) of
9 Section 1064 of this title." So that 1065, which sets
10 up what incontestability is, says that the defenses of
11 1064(c) and (e) will be incorporated into 1115(b).
12 That's where it appears, Your Honor.

13 QUESTION: Okay.

14 MR. POPKIN: There is a -- I wanted to speak
15 briefly about the way in which this offensive-defensive
16 dichotomy arose, and it has a long history that goes
17 back to 1955, when the Patent and Trademark Office
18 issued their Rand McNally decision, and in 1961 the
19 United States Court of Appeals for the Seventh Circuit
20 decided the John Morrell case, which adopted an
21 offensive-defensive dichotomy, really on very little
22 basis.

23 And there were several courts, including the
24 Ninth Circuit, that adopted that offensive-defensive
25 dichotomy without much thought to it, until 1976 when

1 the Union Carbide case was decided by Judge Pell in the
2 Seventh Circuit. And Judge Pell there overruled the
3 Morrell decision, and since 1976 every circuit that has
4 had an opportunity -- and there are four or five of them
5 now -- to review this question has adopted the position
6 taken by Judge Pell in Union Carbide.

7 And there is one other thing that I would like
8 to point out before I sit down, and that is that one of
9 the -- it's rather revealing in one of the footnotes
10 that Respondent has in its brief that one of the
11 exceptions, they say, that should be included, as they
12 say in footnote 39 on page 36, one of the exceptions
13 that should be included is of marks that are incapable
14 of identifying and distinguishing goods and services.

15 I submit that this Court is not concerned with
16 what should be an exception, but it is concerned with
17 what is an exception and what Congress has said shall be
18 the exceptions. And as this Court observed in TVA
19 versus Hill: "Our individual appraisal of the wisdom or
20 unwisdom of a particular course consciously selected by
21 the Congress is to be put aside in the process of
22 interpreting a statute.

23 And I submit that that's what should be done
24 here. This statute should be enforced as it is written,
25 interpreted as it is written, and some respite put to

1 the unnecessary travails in the court below. This case
2 should be reversed and remanded with instructions to
3 affirm the decision of the district court.

4 QUESTION: Well, Mr. Popkin, I suppose the
5 Respondent has raised certain defenses and argues that
6 the trial court ruling on the local use exception
7 defense, for example, was erroneous. So even if the
8 Court were to agree with you on the points you made this
9 morning, it would have to be remanded for review by CA-9
10 on this issues?

11 MR. POPKIN: No, Your Honor. Judge Frye in
12 the district court found that the 1115(b)(4) exception
13 was not applicable for two reasons: there was no
14 privity; and, in addition to being no privity, she did
15 not reach the further point that this is not a local
16 use. The prior use was in Seattle and this use is in
17 Portland, Oregon.

18 The Court of Appeals did not upset that
19 finding.

20 QUESTION: Well, it just didn't address it,
21 did it?

22 MR. POPKIN: It did not.

23 QUESTION: So I suppose it would be open to
24 the Ninth Circuit to at least review that finding on the
25 remand, would it not?

1 MR. POPKIN: I think it would be open to
2 review that to find if the judge was clearly erroneous.

3 QUESTION: Yes.

4 MR. POPKIN: Whatever time remaining I have, I
5 would like to have for rebuttal, if Your Honor please.

6 CHIEF JUSTICE BURGER: Mr. McCormack.

7 CRAL ARGUMENT OF JOHN M. MCCORMACK, ESQ.,

8 ON BEHALF OF RESPONDENT

9 MR. MCCORMACK: Mr. Chief Justice, may it
10 please the Court:

11 Respondent should prevail here because of
12 three very fundamental, very basic reasons.

13 The first is, Park 'N Fly was improperly
14 registered. It should never have been registered in the
15 first place. It was defective ab initio.

16 QUESTION: Under what section?

17 MR. MCCORMACK: Under Section 1052(e), Your
18 Honor.

19 QUESTION: 1052(e).

20 MR. MCCORMACK: Yes. Section 1052(e) of the
21 Lanham Act specificall proscribes registration of merely
22 descriptive marks or terms, and unless --

23 QUESTION: But subsection (f) says that if it
24 has become distinctive of the applicant's goods in
25 commerce, it can be.

1 MR. McCORMACK: That's correct, Your Honor.

2 QUESTION: And that was the determination of
3 the Patent Office.

4 MR. McCORMACK: No, Your Honor, it was not the
5 determination. The Patent Office, the examiner never
6 received any evidence as to distinctiveness at all. The
7 examiner in the Patent Office -- this is an ex parte
8 proceeding.

9 The examiner in the Patent Office initially
10 rejected this application for Park 'N Fly. It's "Park
11 'N Fly" plus a logo of an airplane over a runway. The
12 examiner said the mark is rejected because the words
13 "Park 'N Fly" merely describe the services that were
14 rendered.

15 And then the Petitioner filed a response to
16 that and the response was just merely a legal argument
17 setting forth various cases. There was no evidence of
18 distinctiveness that was submitted at all. The record
19 is absolutely empty as to distinctiveness not only
20 before the Patent and Trademark Office and the examiner,
21 but also at the trial court level. There is nothing in
22 the record as to distinctiveness.

23 QUESTION: Mr. McCormack, well, what do you
24 concede or agree is concluded by the decision of the
25 Trademark Office?

1 MR. McCORMACK: I believe that the decision of
2 the trademark examiner, especially in a case like this
3 where it did not go to an appeal to the Trademark Trial
4 and Appeal Board, it's just the examiner's decision. I
5 believe those decisions are always reviewable.

6 What Petitioner wants to have this Court do
7 here is shackle courts from reviewing what the examiner
8 decides.

9 QUESTION: Well, I think Petitioners contend
10 that Congress has shackled the courts from reviewing the
11 case the way you want it reviewed.

12 MR. McCORMACK: No, Your Honor.

13 QUESTION: I'm saying Petitioner has contended
14 that. I'm not saying I agree.

15 MR. McCORMACK: Yes, Your Honor, that is what
16 Petitioner is saying.

17 QUESTION: Well, I take it you would say,
18 then, that the mark should be cancelled?

19 MR. McCORMACK: No, Your Honor.

20 QUESTION: You said it never should have been
21 issued and it's always open to challenge.

22 MR. McCORMACK: That's right.

23 QUESTION: Well, why shouldn't it be
24 cancelled, then?

25 MR. McCORMACK: I'll try to explain, Your

1 Honcr. Under Section 1064 it says that a mark cannot be
2 cancelled after five years, unless there are certain
3 specific grounds. And mere descriptiveness is not one
4 of those grounds.

5 Now, this may sound inconsistent to you, but
6 keeping in mind the Congressional scheme it is not,
7 because what Congress wanted to do -- the 1905 Act
8 permitted marks to be cancelled at any time. A party
9 would have a mark registered for 20 years and then a
10 prior user would come out and cancel that mark after 20
11 years.

12 And Congress saw this as an evil. And this is
13 all pointed out in Roberts' book, "The New Trademark
14 Manual," which is very instructive on a lot of these
15 points. Congress wanted to prevent the cancellation of
16 marks after a certain period of time.

17 And the reason that a merely descriptive mark
18 should not be cancelled after five years is because
19 possibly it can acquire secondary meaning after that
20 five-year period or at any time, and once it acquires
21 secondary meaning then there is an enforceable cause of
22 action for trademark infringement. But we have not
23 reached that point in this case.

24 QUESTION: Counsel, tell me the difference
25 between a trademark being cancelled and this Court

1 saying it can't be enforced?

2 MR. McCORMACK: Yes, Your Honor. If the mark
3 is not cancelled there are certain benefits that still
4 attach to that mark being on the register.

5 QUESTION: I'm listening.

6 MR. McCORMACK: Okay. The first one is that
7 it will block somebody else trying to register the same
8 or a confusingly similar mark. It's on the register, so
9 if somebody else wanted to seek to register Park 'N Fly
10 that registration uncanceled would block that
11 registration under Section 1052(d) of the Act, I
12 believe.

13 The other thing that it would do is it would
14 enable the registrant to acquire secondary meaning. If
15 secondary meaning was ever acquired, then the registrant
16 could go into court, into federal court, armed with the
17 federal registration and bring a lawsuit.

18 A third reason is, under Section 1126 of the
19 Lanham Act -- this is a section that refers to
20 registering your mark in foreign countries. If you have
21 a home registration, a U.S. registration, you can
22 register your mark in foreign countries based on that.

23 QUESTION: But there's nothing to stop anybody
24 under the sun from using it?

25 MR. McCORMACK: No, Your Honor, I don't

1 believe that that's correct. Park 'N Fly with their
2 registration can sue somebody else for, say, copying
3 their trade dress. Somebody else may use Park 'N Fly
4 and stylize the letters or the sign the same way.

5 QUESTION: Well, why do you register a
6 trademark? Don't you register it to stop other people
7 from using it?

8 MR. McCORMACK: Yes, Your Honor, you do.

9 QUESTION: But now anybody can use this
10 trademark.

11 MR. McCORMACK: No, Your Honor, not
12 necessarily. Only a person --

13 QUESTION: But your client can?

14 MR. McCORMACK: Yes, Your Honor, our client
15 can, because it's --

16 QUESTION: And any other client you get can.

17 MR. McCORMACK: No. Other parties could use
18 the designation Park 'N Fly. When I said that they
19 could sue another party for using Park 'N Fly, it would
20 be if that other party copied the trade dress, in other
21 words the way the signs were painted. Perhaps they used
22 Park 'N Fly. They would be free to use Park 'N Fly, but
23 the trade dress, it's a packaging concept. If your
24 package looks like somebody else's, then you have a
25 cause of action.

1 The other thing is, we don't use the logo that
2 the registration has. The Park 'N Fly registration has
3 a logo that's attached with it, the logo of an
4 airplane. So that's another reason why the Petitioner's
5 registration --

6 QUESTION: Well, Mr. McCormack, how do you
7 parse down this statute? Your opponent took us through
8 this 1115 and said that that listing of defenses to the
9 exclusive rights are exhaustive, except for genericness
10 that is incorporated under 1064 and 1065.

11 Now, where do you find mere descriptiveness
12 being added as a defense?

13 MR. McCORMACK: Okay. Mere descriptiveness is
14 a fundamental defense, just like non-likelihood of
15 confusion is a fundamental defense. One can look under
16 Section 1115 --

17 QUESTION: Genericness -- if it were so
18 fundamental, you would think Congress would have
19 mentioned it along with genericness.

20 MR. McCORMACK: Well, that's part of the
21 confusion of the statute, Your Honor. It is confusing.

22 QUESTION: Well, it's only -- it isn't very
23 confusing if you read it the way it's written.

24 MR. McCORMACK: Yes, but cases have always
25 held that non-likelihood of confusion can always be

1 offered as a defense, though non-likelihood of confusion
2 is not listed under Section 1115(b).

3 Now, there's one other important point here,
4 and that is that if a mark is initially not registrable
5 because it violates Section 1052(e) of the Act. Section
6 1052(e) is a substantive provision with respect to
7 registration. Now, Mr. Popkin has already conceded that
8 --

9 QUESTION: Well, I know, but 1064 and 1065 get
10 right back to 1052, and they only list, what, (b) and
11 (c).

12 MR. McCORMACK: That's correct.

13 QUESTION: Well, they didn't reach (e).

14 MR. McCORMACK: Well, we're not saying that
15 the mark should be cancelled, Your Honor.

16 QUESTION: Well, but you're saying that it's a
17 defense.

18 MR. McCORMACK: We're saying that it's not
19 enforceable, and this is because of traditional
20 trademark law principles. One thing that we have to
21 keep clear is that the right to register is not
22 necessarily the right to use. Now, according to
23 traditional trademark law principles, going back to the
24 case of Canal v. Clark, an 1871 case from this Court,
25 merely descriptive marks have always been held not to be

1 enforceable unless they have acquired secondary
2 meaning.

3 QUESTION: Well, but that's a, you said, an
4 1871 case. The Lanham Act, which was in what, 1946 or
5 something?

6 MR. MCCORMACK: Yes.

7 QUESTION: Clearly, that may have superseded
8 some of our old cases.

9 MR. MCCORMACK: Not with respect to this basic
10 fundamental provision, Your Honor. As a matter of fact,
11 Representative Lanham made a statement and he said -- he
12 was asked, what is the effect of the seven defenses
13 listed under Section 1115(e) with respect to the
14 substantive law of trademarks.

15 And Representative Lanham's statement on this
16 point is very instructive. He said -- and I will
17 paraphrase. He said that these seven defenses were not
18 intended to enlarge, modify, restrict or amend the
19 substantive law of trademarks as set out in other acts,
20 the Lanham Act, or as interpreted by courts.

21 Now, a substantive provision of trademark law
22 is that a mark is not registrable under Section 1052(e)
23 of the Lanham Act unless it's acquired secondary meaning
24 under Section 1052(f). That's a substantive principle
25 that's over 100 years old.

1 QUESTION: Well, don't we have to assume that
2 the Patent Office found a secondary meaning or the
3 distinctive description application to have issued the
4 mark in the first place?

5 MR. McCORMACK: No, Your Honor.

6 QUESTION: Well, it certainly seems to me we
7 do, because under your view they would have had no right
8 to issue the trademark otherwise.

9 MR. McCORMACK: That's correct. It was an
10 error by the Trademark Office.

11 QUESTION: And don't we have to assume that
12 the trial court felt the same way?

13 MR. McCORMACK: No, Your Honor, we don't. The
14 trial court could make the same mistake that the
15 examiner did. That issue --

16 QUESTION: Well, certainly CA-10 and CA-2, the
17 Court of Appeals in the Tenth and Second Circuits, say
18 that an incontestable mark is conclusively presumed to
19 be -- to have secondary meaning.

20 MR. McCORMACK: That's correct. They're
21 following the Ever-Ready line of cases, and we submit
22 that is in error. That's an easy way out, but the point
23 of the Lanham Act is to --

24 QUESTION: Well, it also tracks the language
25 of the statute.

1 MR. McCORMACK: Yes, in one particular, but
2 not in a fundamental particular. And the fundamental
3 particular is that a merely descriptive mark cannot be
4 registered unless it is shown to have secondary
5 meaning. And that is a question of fact, Your Honor,
6 and the burden is upon the party seeking to assert the
7 mark to show that it's acquired secondary meaning.

8 Now, for a court to say, just because it's
9 been accorded incontestable status, therefore it's
10 conclusively presumed that it has secondary meaning, is
11 we submit in gross error.

12 QUESTION: But it would be your position that
13 the Patent Office could never issue the mark in the
14 first place if it didn't have secondary meaning?

15 MR. McCORMACK: That's correct, Your Honor;
16 precisely the point.

17 QUESTION: Well, but it did issue it and it
18 wasn't contested within the five years, and there we
19 are. So we have to assume, do we not, that it has
20 secondary meaning?

21 MR. McCORMACK: No, Your Honor, we don't. A
22 Patent Office mistake can be reviewed. Now, we set
23 forth cases in our brief, the American Heritage case and
24 the Vision Optics case. The American Heritage case
25 talks about a court going in and reviewing Patent and

1 Trademark Office examiner's mistakes.

2 QUESTION: Well, Mr. McCormack, under your
3 theory what benefit does a registrant get from
4 registering his mark and having it approved by the
5 Patent and Trademark Office?

6 MR. McCORMACK: He gets a presumption, but
7 that presumption can be attacked at a later time.
8 Courts should always have the power to review the
9 examiner's decision.

10 QUESTION: Well, you say courts should always
11 have the power to review. What's the source of that
12 statement? Is that just your idea of how the law ought
13 to run?

14 MR. McCORMACK: No, that's from court
15 decisions.

16 QUESTION: Well, but court decisions
17 interpreting the Lanham Act?

18 MR. McCORMACK: Well, actually in the Lanham
19 Act itself, under Section 1116, it says that the court
20 should have -- excuse me. In 1116 --

21 QUESTION: Is that in the brief somewhere?

22 MR. McCORMACK: Excuse me, 1119. I misspoke
23 here, Your Honor. 1119 and I'll just quote it. It
24 says: "In any action involving a registered mark, the
25 court may determine the right to registration or to the

1 cancel of registrations in whole or in part, restore
2 cancelled registrations, and otherwise rectify the
3 register."

4 QUESTION: So if there hadn't been -- if this
5 mark hadn't gone through the incontestability
6 proceeding, it had just been issued, and then this suit
7 was brought, you would have had any of the defenses that
8 would go to the validity of the mark?

9 MR. McCORMACK: Any legal one.

10 QUESTION: That would have prevented the
11 issuance in the first place?

12 MR. McCORMACK: I'm sorry, Your Honor, I
13 didn't quite follow that.

14 QUESTION: Well, suppose the mark hadn't been
15 made incontestable.

16 MR. McCORMACK: Yes.

17 QUESTION: But this suit was brought against
18 your client. Your client would have had the right to
19 claim that the Plaintiff's mark should be cancelled.

20 MR. McCORMACK: Yes.

21 QUESTION: On any of the grounds that should
22 have prevented its issuance.

23 MR. McCORMACK: Yes, Your Honor, that's
24 correct.

25 QUESTION: And so you say the incontestability

1 thing just goes to cancellation?

2 MR. McCORMACK: That's correct. We cannot
3 cancel the mark at this point, that's correct.

4 QUESTION: May I ask you a question about the
5 proceedings in the Patent and Trademark Office in
6 response to what Justice O'Connor was concerned about.
7 As I understand -- and you correct me if I'm wrong on
8 the record -- the issue before the examiner was whether
9 or not the mark was descriptive. There was no issue as
10 to whether there was secondary meaning; is that
11 correct?

12 MR. McCORMACK: That's correct, Your Honor.

13 QUESTION: So there isn't any finding one way
14 or another on the question of secondary meaning?

15 MR. McCORMACK: That's precisely --

16 QUESTION: The initial rejection was because
17 it was not descriptive -- I mean, because it was
18 descriptive, and then the examiner changed his mind.

19 MR. McCORMACK: That's correct. The examiner
20 said it was merely descriptive, rejected the
21 application. No showing of secondary meaning was ever
22 offered to the examiner.

23 QUESTION: And then what happened?

24 MR. McCORMACK: And then, as so often happens
25 in these ex parte prosecutions, the examiner just buys

1 this legal argument and the case goes to registration.

2 QUESTION: What legal argument? What legal
3 argument?

4 MR. McCORMACK: There was a legal argument.
5 The Petitioner filed a response saying in essence, our
6 mark is not merely descriptive, and then cited other --

7 QUESTION: Well, then the examiner must have
8 at least implicitly found some basis for issuing the
9 mark.

10 MR. McCORMACK: Presumably so, Your Honor,
11 though it's hard to tell, because in many of these
12 Patent Office cases before the examiners --

13 QUESTION: You mean the examiner just says,
14 well, I don't care if there's a legal ground for it or
15 not; I'll give you your mark?

16 MR. McCORMACK: I don't think --

17 QUESTION: Stop badgering me?

18 MR. McCORMACK: I don't think I'd say that.

19 QUESTION: Well, you must be saying one thing
20 or the other. Either he found something that would
21 justify issuance of the mark or he didn't.

22 MR. McCORMACK: I think that the examiner made
23 a mistake. The line between suggesting --

24 QUESTION: You mean he made a mistake in the
25 sense that he didn't think he needed a ground to issue

1 it?

2 MR. McCORMACK: No, he felt that he --

3 QUESTION: He mistakenly found a ground?

4 MR. McCORMACK: He mistakenly found --

5 QUESTION: What ground is that? You don't
6 know?

7 MR. McCORMACK: He mistakenly found that the
8 mark was suggestive, as opposed to merely descriptive.

9 QUESTION: All right, all right. So he did
10 find that, implicitly?

11 MR. McCORMACK: Implicitly. There's nothing
12 in the record that would show. There's no response from
13 the examiner.

14 QUESTION: Well, isn't that what Justice
15 O'Connor was really inquiring about?

16 QUESTION: Precisely.

17 QUESTION: Well, I sure didn't understand that
18 -- I thought there was a difference between merely
19 descriptive and being descriptive with a secondary
20 meaning. They did address the descriptiveness issue,
21 but they did not address the secondary meaning issue.

22 MR. McCORMACK: They did not address the
23 secondary meaning issue. What we're saying here is, the
24 words of the mark itself, "Park 'N Fly," as used on an
25 offsite airport parking lot merely describe the

1 functions, the characteristics of that lot.

2 The examiner was correct. His initial
3 reaction was precisely correct by saying that the mark
4 was merely descriptive.

5 QUESTION: Well, but he changed his mind, you
6 see, and there had to be a reason, unless he does it by
7 just throwing the papers up in the air and seeing which
8 one lands. He had a reason for changing his mind, and
9 the only reason legally that would have permitted him to
10 would be to conclude that it had a secondary meaning,
11 right?

12 MR. McCORMACK: No, Your Honor. I
13 respectfully --

14 QUESTION: Well, what other legal ground would
15 he have had to issue the trademark?

16 MR. McCORMACK: He would contend that the mark
17 was suggestive. Suggestive marks supposedly are
18 registrable. But this mark is not suggestive.

19 QUESTION: Well, but you agree that he
20 implicitly found that it was. He must have.

21 MR. McCORMACK: He must have, Your Honor.

22 QUESTION: Which is a valid ground for issuing
23 it, if it were true.

24 MR. McCORMACK: If it were true.

25 QUESTION: Mr. McCormack, if that had been

1 raised it would have been cancelled, wouldn't it, under
2 your argument?

3 MR. McCORMACK: It would never have been
4 registered in the first place, Your Honor.

5 QUESTION: Well, after it was registered how
6 could it be cancelled?

7 MR. McCORMACK: Somebody in a court action, if
8 they --

9 QUESTION: You could have?

10 MR. McCORMACK: Yes.

11 QUESTION: But you didn't.

12 MR. McCORMACK: Well, that's because the
13 lawsuit didn't come until after the mark had become,
14 according to --

15 QUESTION: And so since you couldn't take an
16 action to cancel it, you took this action.

17 MR. McCORMACK: Well, we said that the mark
18 cannot be enforced.

19 QUESTION: You couldn't have filed an action
20 to cancel?

21 MR. McCORMACK: No, Your Honor, we couldn't.

22 QUESTION: So you filed this one in lieu
23 thereof.

24 MR. McCORMACK: Yes.

25 QUESTION: He defended it.

1 QUESTION: Couldn't the provisions of Section
2 1119 that you quoted about judicial review be given full
3 force and effect by saying, that's what courts can do
4 during the period of -- during the period before it
5 becomes incontestable, the five-year period?

6 MR. McCORMACK: I think the courts can do that
7 at any time, Your Honor.

8 QUESTION: Now, what does incontestability
9 mean?

10 MR. McCORMACK: Incontestability means that if
11 a mark has been accorded registration properly, in
12 accordance with the substantive requirements of Section
13 1052(e), for example, then there are certain procedural
14 advantages that will be given to that registration. But
15 only then -- if you have a procedural advantage under
16 incontestability, we don't see how that can override a
17 substantive failure under proper registration.

18 QUESTION: You say that's always open,
19 notwithstanding the five-year incontestability?

20 MR. McCORMACK: Always, Your Honor, because
21 it's a fundamental defense. If the mark should never
22 have been registered in the first place and if we can
23 show that, which we have -- the evidence is exhaustive
24 showing that Park 'N Fly is merely descriptive, it's not
25 suggestive, it's not arbitrary or fanciful. If it

1 does not comply with the initial registration
2 requirements of Section 1052, the substantive
3 requirements of trademark law, then it can never be
4 enforced.

5 QUESTION: Well, registration and
6 incontestability then certainly don't mean much in your
7 book.

8 MR. MCCORMACK: I think that the way the
9 statute -- it's not only my book, Your Honor. The amici
10 brief here says that there are 21 exceptions. Mr.
11 Popkin says that there are seven and he concedes, well,
12 maybe 1116 allows him some others. There's all kinds of
13 exceptions to this particular statute.

14 We feel that fundamental defenses such as
15 non-likelihood of confusion, which are not listed as
16 those seven defenses, are so key to implementation of
17 the Lanham Act, if non-likelihood of confusion isn't a
18 defense, what does a Defendant against an incontestable
19 registration? Just sit there and say, well, I lose?
20 You know, obviously a Defendant can plead non-likelihood
21 of confusion.

22 QUESTION: But isn't that a traditional
23 defense to an injunction?

24 MR. MCCORMACK: Yes, and mere descriptiveness
25 is a traditional defense, too. It's a fundamental

1 defense.

2 QUESTION: Well, I said defense to an
3 injunction, not a defense on the merits of the copyright
4 action. Non-likelihood of confusion I would think could
5 be analogized to unclean hands, the kind of equitable
6 type defenses that really don't go to the substantive
7 law.

8 MR. McCORMACK: I respectfully submit, Your
9 Honor, that non-likelihood of confusion is a very
10 substantive provision of trademark law, and I'll attempt
11 to explain why. Marks can be registered for one class
12 of goods or services. For instance, Ford is registered
13 for automobiles. Now, if somebody else comes along and
14 they use Ford for say a florist shop -- now, I'm not
15 attempting to impugn Ford, obviously. I'm just using
16 this as an example.

17 But if Ford attempted to sue the owner of the
18 florist shop for trademark infringement, the florist
19 would say: There is no likelihood of confusion here
20 because we sell flowers under the Ford name -- a very
21 substantive defense going to non-related goods in
22 issue. It's not an equitable defense per se, like
23 laches or unclean hands or whatever.

24 So it is a substantive defense, non-likelihood
25 of confusion is, just as if a mark is not registrable in

1 the first place, substantively it's not registrable
2 under Section 1052(e), if it's not registrable in the
3 first place then to accord it protection under the
4 incontestability provision seems to us to completely
5 frustrate the purpose of the Lanham Act, which is to
6 protect trademarks, and trademarks must identify and
7 distinguish the goods or services of one manufacturer
8 from the services of another.

9 QUESTION: Mr. McCormack, the
10 defensive/offensive distinction is really something
11 developed by the judiciary. What is there in the
12 legislative history of the Lanham Act that would
13 indicate support for that judicial gloss on the
14 statute?

15 MR. MCCORMACK: The term "offensive/defensive
16 dichotomy" is a shorthand way for the courts saying that
17 they do not want to enforce a merely descriptive --
18 merely descriptive mark. That strikes the courts as
19 being incorrect. There's something substantively and
20 basically wrong with that.

21 QUESTION: So what is it in the legislative
22 history of the Lanham Act that lends any support?

23 MR. MCCORMACK: The legislative history of the
24 Lanham Act, it was set up to proscribe registration of
25 merely descriptive terms under Section 1052(e).

1 QUESTION: Well, can you point to anything
2 other than the text of the statute?

3 MR. McCORMACK: Your Honor, we did not
4 research that specific point. The Lanham Act I believe
5 would have much trademark on saying that merely
6 descriptive marks were not to be accorded registration,
7 because that follows with traditional trademark law.

8 QUESTION: Well, the inquiry was not as to
9 merely descriptive, but whether there is a defensive/
10 offensive distinction in the enforcement aspect.

11 MR. McCORMACK: Yes, Your Honor. I am unaware
12 of any specific defensive/offensive -- I think that's
13 fashioned by courts to prevent unjust and inequitable
14 results.

15 QUESTION: Regardless of what the Congress
16 might have intended when the language was drafted?

17 MR. McCORMACK: I believe that the courts have
18 fashioned that shorthand way of interpreting the statute
19 because they have felt that they would be interpreting
20 the Lanham Act the way the Congress wanted it to be
21 interpreted.

22 QUESTION: Is that primarily for policy
23 reasons of trying to discourage taking out of commonly
24 used words from our --

25 MR. McCORMACK: Yes, Your Honor.

1 QUESTION: -- useable language?

2 MR. MCCORMACK: Yes, Your Honor.

3 QUESTION: Well, isn't that the kind of a
4 policy issue that Congress really should address, rather
5 than the Court?

6 MR. MCCORMACK: I think that Congress has
7 addressed that. I can't point to a specific provision.
8 But through traditional trademark law cases, one of the
9 main reasons for not registering merely descriptive
10 marks is that it would have an anti-competitive effect,
11 and the trademark statute said that it was set up to
12 provide protection to consumers and to trademark
13 owners. And protection -- this is in the preamble to
14 the Lanham Act.

15 And it said that one of the reasons for the
16 Lanham Act was to foster fair competition, and by taking
17 merely descriptive words out of the language and giving
18 them to one party to their exclusive use so no other
19 party could use it would harm competition.

20 And there's another point that I would like
21 --

22 QUESTION: Do you feel that your Park 'N Fly
23 or Dollar Park and Fly can't compete with the Petitioner
24 because you can't use the name Dollar Park and Fly?

25 MR. MCCORMACK: We feel that Park and Fly is a

1 very apt shorthand way of immediately informing
2 prospective users of our parking lot what those services
3 are. If you can picture the words "Park and Fly" up on
4 a sign; somebody is driving around near an airport, they
5 see that sign, they know immediately, I can go there and
6 park so I can fly on a plane. They know it
7 immediately.

8 So it is very valuable to us to be able to use
9 "Park and Fly." Other companies may or may not choose
10 to use "Park and Fly." Many others have chosen to use
11 "Park and Fly," and the record is replete with these
12 instances. These are others beside Petitioner,
13 extending everywhere from -- completely across the
14 country.

15 These are other parties that have used "Park
16 and Fly." They've selected to use the name in Boston,
17 New York, Philadelphia, Atlanta, in Indiana, in Denver,
18 Los Angeles, Portland, Seattle, and over a very
19 widespread period of time, from 1970 at least through
20 the time of trial, 1981.

21 In the district court case, somebody else had
22 just used "Park and Fly" in Portland, another party.
23 It's a term that --

24 QUESTION: Mr. McCormack, can I ask you a
25 question on your theory. Assume we agreed with your

1 view of the law. Would you lose if they had proved
2 secondary meaning?

3 MR. McCORMACK: I believe so, Your Honor.

4 QUESTION: And supposing they prove secondary
5 meaning in the areas in which they operate, but not in
6 the area in which your client operates. Would you still
7 lose?

8 MR. McCORMACK: No, because they don't operate
9 in our area. They would actually have to be in our
10 market area or have a reputation.

11 QUESTION: In other words, they not only must
12 prove secondary meaning in your view, but also secondary
13 meaning in every market in which they seek to enforce
14 the mark?

15 MR. McCORMACK: They have to prove likelihood
16 of confusion. They would have to be in our market.

17 QUESTION: Well, at least to talk about the
18 validity of the mark and the enforceability.

19 MR. McCORMACK: They could attempt to enforce
20 the mark. It would be a valid mark if they showed that
21 it had secondary meaning.

22 QUESTION: If it had secondary meaning in any
23 market?

24 MR. McCORMACK: Excuse me?

25 QUESTION: If it had secondary meaning in any

1 market?

2 MR. McCORMACK: No, they would -- if they had
3 secondary meaning in any market, then they would have a
4 valid mark, but they would still have to show likelihood
5 of confusion.

6 QUESTION: Let me put it a little
7 differently. Supposing before the patent examiner,
8 instead of fighting about whether it was descriptive,
9 they say: We agree it's descriptive, but we can prove
10 it has secondary meaning in Atlanta. And they just
11 prove it had secondary meaning in Atlanta and then went
12 ahead and registered and filed an affidavit later.
13 Would you lose?

14 MR. McCORMACK: No, and the reason for that is
15 that they may not have -- their reputation zone may not
16 extend into the Portland-Seattle area. Under the Dawn
17 Donut rule, they actually have to have a reputation in
18 our area. They'd have to be in our area or have a
19 reputation in our area.

20 But we also have a second, very fundamental
21 defense here, and that is that Respondent here has a
22 defense under subsection (5) of 1115(b), and that is the
23 so-called innocent user defense. And Respondent had use
24 -- Respondent's in privity with the party that had
25 used.

1 QUESTION: Well, of course, that's a different
2 theory than the Ninth Circuit's theory, though. That's
3 a different theory than the Ninth Circuit's theory?

4 MR. McCORMACK: Than the Ninth Circuit's
5 theory, yes, the offensive-defensive dichotomy, yes,
6 that's correct.

7 QUESTION: Let me ask -- let me make sure. If
8 an incontestable mark becomes generic, it can be
9 cancelled?

10 MR. McCORMACK: Yes, Your Honor.

11 QUESTION: So that you just wouldn't lose your
12 exclusive right; you would lose the mark.

13 MR. McCORMACK: That's correct, Your Honor.
14 We're not asking for cancellation.

15 QUESTION: No, I understand.

16 CHIEF JUSTICE BURGER: Your time has expired,
17 counsel.

18 QUESTION: The Ninth Circuit Court of Appeals
19 decision should be affirmed. Thank you.

20 CHIEF JUSTICE BURGER: Do you have anything
21 further? You have two minutes remaining, Mr. Popkin.

22 REBUTTAL ARGUMENT OF ALAN E. POPKIN, ESQ.,

23 ON BEHALF OF PETITIONER

24 MR. POPKIN: Thank you, Your Honor.

25 First of all, I think that counsel said that

1 during that five-year period, when Mr. Justice Marshall
2 was questioning him, that they couldn't have done
3 anything because the suit was brought later. But any
4 time up until that five years ran they could have
5 themselves brought a cancellation proceeding to have
6 this mark cancelled, and any defense would have
7 applied.

8 Moreover, when they talk about the fundamental
9 defense of non-likelihood of confusion, non-likelihood
10 of confusion goes to infringement, not to validity of
11 the mark. And what 1115(b) addresses itself to is
12 whether the defenses are available in an
13 incontestability proceeding as to the mark's validity.

14 Of course non-likelihood of confusion is
15 available, because that's -- if Park 'N Fly decided to
16 sue somebody who was calling himself Joe's Parking
17 Service, he could not prevail, because the test would
18 again be was there any likelihood of confusion.

19 QUESTION: Well, suppose one of the defenses
20 is proved in 1115. You say that goes to the validity of
21 the mark?

22 MR. POPKIN: Yes, sir.

23 QUESTION: Not just whether you can prevent
24 somebody else from using, not just to your exclusive
25 right?

1 MR. POPKIN: In a trademark infringement
2 action, Your Honor, there are two issues involved. The
3 first issue is whether the mark is valid. It's much
4 like a title suit, a suit on a piece of property.

5 The second issue is whether the mark has been
6 infringed, and 1115(b) and all of the incontestability
7 provisions speak to that first portion: Is the mark
8 valid? If it's valid, then it's susceptible of being
9 enforced. But the provisions and the exceptions speak
10 to that.

11 With regard to Justice O'Connor's question as
12 to what happened in the Patent Office, on page 57 of the
13 joint appendix there is the ruling of the Patent Office,
14 and it says: "The mark of the application above
15 identified appears to be entitled to registration."

16 QUESTION: Let me ask you a concrete
17 question.

18 MR. POPKIN: Yes, sir.

19 QUESTION: Mr. Popkin, suppose they put up a
20 sign in just large, bold-faced type: "Park/Fly." Now,
21 those are two common words, just "Park/Fly."

22 MR. POPKIN: What do I think of it? I think
23 that's a question of fact for the court below to decide,
24 whether or not that's confusingly similar with "Park 'N
25 Fly." That's something he can take evidence on and make

1 a decision with respect to. That's a question of fact
2 of whether it's confusingly similar.

3 QUESTION: Yes. Well, now pretend you're the
4 judge. You're finding the facts.

5 MR. POPKIN: An enviable position, Your
6 Honor.

7 (laughter.)

8 QUESTION: What would you do? Is it
9 confusing?

10 MR. POPKIN: I would find that confusingly
11 similar. I think it would be. I wouldn't have any
12 trouble with it. But I would be glad to hear evidence
13 on both sides, and perhaps we would have consumer
14 surveys and the like.

15 CHIEF JUSTICE BURGER: Very well. Thank you,
16 gentlemen --

17 QUESTION: Mr. Popkin, can I ask you --

18 (Brief interruption.)

19 MR. POPKIN: Yes, Your Honor.

20 QUESTION: Mr. Popkin, I just wanted to
21 complete one thought because it was lost in the
22 dialogue. You quoted the ruling of the examiner that
23 the mark is entitled to registration. Is it not
24 perfectly clear from the affidavit that was filed on
25 behalf of your client that the reason it was entitled to

1 application was that he presumably accepted the argument
2 that it was not a descriptive mark?

3 MR. POPKIN: In my opinion that is true, Your
4 Honor. I can't --

5 QUESTION: You can't be positive.

6 MR. POPKIN: I can't be positive.

7 QUESTION: But there was no effort in the
8 Patent Office to try and establish secondary meaning?

9 MR. POPKIN: No, sir. And if you want my
10 opinion --

11 QUESTION: It's not descriptive.

12 MR. POPKIN: -- it's because he found that it
13 was not descriptive. And that may mean not that it was
14 just suggestive, but the brief suggested that it was
15 arbitrary or fanciful, because Park 'N Fly not only
16 implied taking a plane, it implied parking and getting
17 away with great haste so that you could meet your
18 plane.

19 Thank you.

20 CHIEF JUSTICE BURGER: Thank you, gentlemen.
21 The case is submitted.

22 (Whereupon, at 11:08 a.m., the argument in the
23 above-entitled case was submitted.)

24 * * *

CERTIFICATION

Alderson Reporting Company, Inc., hereby certifies that the attached pages represents an accurate transcription of electronic sound recording of the oral argument before the Supreme Court of The United States in the Matter of:
#83-1132 - PARK 'N FLY, INC., Petitioner v. DOLLAR PARK AND FLY, INC.

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BY

Paul A. Richardson

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