

OFFICIAL TRANSCRIPT PROCEEDINGS BEFORE

THE SUPREME COURT OF THE UNITED STATES

DKT/CASE NO. 86-270

TITLE SAN FRANCISCO ARTS & ATHLETICS, INC. AND THOMAS F.
WADDELL, Petitioners V. UNITED STATES OLYMPIC COMMITTEE
AND INTERNATIONAL OLYMPIC COMMITTEE

PLACE Washington, D. C.

DATE March 24, 1987

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1 IN THE SUPREME COURT OF THE UNITED STATES

2 -----x
3 SAN FRANCISCO ARTS & ATHLETICS, INC. :
4 AND THOMAS F. WADDELL :

5 Petitioners: No. 86-270

6 vs. :

7 UNITED STATES OLYMPIC COMMITTEE AND :
8 INTERNATIONAL OLYMPIC COMMITTEE :
9 -----x

10 Washington, D.C.

11 Tuesday, March 24, 1987

12 The above-entitled matter came on for oral
13 argument before the Supreme Court of the United States
14 at 12:59 a.m.

15 APPEARANCES:

16 MARY C. DUNLAP, ESQ., Dunlap & Thorkelson, 1599 Dolores
17 Street, San Francisco, California; on behalf of
18 Petitioners.

19 JOHN G. KESTER, ESQ., Williams & Connolly, Hill Building,
20 Washington, D.C.; on behalf of Respondents.

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PROCEEDINGS

CHIEF JUSTICE REHNQUIST: We will hear argument now in No. 86-270, San Francisco Arts and Athletics, Inc. versus United States Olympic Committee.

Ms. Dunlap, you may proceed whenever you are ready.

MS. DUNLAP: Thank you.

ORAL ARGUMENT OF MARY C. DUNLAP
ON BEHALF OF THE PETITIONERS

MS. DUNLAP: Mr. Chief Justice, and may it please the Court, the United States Olympic Committee in both its statutory and its constitutional position in this case, aims and hits wide of the mark.

Congress, in the enactment of the Amateur Sports Act of 1978 sought to bestow upon the United States Olympic Committee a trademark and, among other things, the word "Olympic".

The legislative history on this matter is plain. In part it states, in a letter from the Commissioner of Patents and Trademarks, and this is at Page 7495 of the Congressional Code and Administrative News for the pertinent Bill,:

"It is our understanding that this sub-section--"

The sub-section at issue in this case.

1 " -- is intended to make actionable those
2 marks which falsely represent an association
3 with the Olympics."

4 So, we know at the very least, from the
5 legislative history, that the purpose and the intent of
6 the user of the word "Olympic" does matter under the
7 Statute.

8 Congress cared whether a user of the word
9 "Olympic" was engaged in an infringement or a confusion
10 or a false association with the U.S. Olympic Committee
11 or not.

12 It is our position in this case that the very
13 first issue that should have been tried below was
14 whether the "Gay Olympic Games" sponsors' use of the
15 word "Olympic" had any tendency whatsoever to confuse,
16 to cause mistake or to falsely suggest some relationship
17 with the United States Olympic Committee.

18 A number of facts in the record would have
19 borne upon that question, had the lower Court afforded
20 us a trial. For example, there would have been the fact
21 that San Francisco Arts and Athletics offered to place a
22 disclaimer of an appropriate size and appropriate
23 effectiveness on all of its paraphernalia, claiming "Not
24 associated with the United States Olympic Committee."

25 Perhaps more important and more to the point

1 in this case, is the fact that the founders of the "Gay
2 Olympic Games", from the outset, sought to distinguish
3 their activity and sought to make distinctive their
4 activity with relation to the word "Olympic" and I rely,
5 in part, on the factual record created by Dr. Waddell's
6 letter, Dr. Waddell being the primary volunteer and
7 founder of the games, who was also sued as a party
8 Defendant below, to Mr. Miller, who was then the
9 Executive Director of the U.S. Olympic Committee. He
10 wrote him a letter explaining why this particular
11 organization claimed a right and wished to have consent
12 to use the word "Olympic", and he said, I think, in the
13 most important part of that letter:

14 "Colonel Miller, these games are very
15 specialized indeed. Our outreach and emphasis
16 differs widely from the traditional Olympic
17 Games, In that we, openly gay people around the
18 world are struggling to produce an image that
19 more closely resembles the facts, rather than
20 same libidinous stereotype generated over
21 decades of misunderstanding and intolerance."

22 In short, the essence of the "Gay Olympic
23 Games" was a political activity and an associative
24 activity quite distinct in its very nature from the U.S.
25 Olympics, the U. S. Olympic Team and the International

1 Olympic Games."

2 There was no confusion, we submit, nor was any
3 proved below in the case of the gay users of the word
4 "Olympic" and Congress cared, again, whether such
5 confusion or false association was shown and it cared
6 enough to put in the statute the language "tending to
7 cause confusion, mistake or the like."

8 QUESTION: The language referred to, I mean,
9 the full phrase is "the words 'Olympic', 'Olympiad',
10 'Citius Altius Fortius' or any combination or simulation
11 thereof tending to cause confusion".

12 MS. DUNLAP. That is, indeed, one reading of
13 the statute. As the Court realizes, what Congress, I
14 think, did not do --

15 QUESTION: It is reading it without a comma,
16 which is the way it is written.

17 MS. DUNLAP: Well, it is reading it, it seems
18 to me, also without attention to Congress' purpose,
19 which was to prohibit uses of the word "Olympic",
20 whether or not in combination, which misled people.

21 QUESTION: well, how do you know that? The
22 best indication of Congress' purpose is what they wrote.

23 MS. DUNLAP: Yes, and in the Puerto Rico case
24 this Court found that a comma ought not to decide a
25 question of public policy to the grammar, that is to

1 say, ought not to exclude the other two elements of the
2 trivium, which are logic and rhetoric.

3 Now, grammar cannot decide the significant
4 public policy question before this Court, for two good
5 reasons.

6 QUESTION: The Congress should but the
7 Congress writes statutes.

8 MS. DUNLAP: Congress writes statutes and
9 Congress's grammar, Justice Scalia, is not the primary
10 source of information about Congress' intent.

11 QUESTION: I'm not talking about its grammar.
12 I am talking about its meaning. I am talking about the
13 words that it wrote and the symbols that it used.

14 MS. DUNLAP: That's and in that statute, the
15 most important words that it used were the citation to
16 the Lanham Act and the language "tending to cause
17 confusion".

18 QUESTION: How does it mean anything to say
19 the word "Olympic" or any combination -- the word
20 "Olympic" tending to cause confusion, to cause mistake,
21 to deceive? It makes no sense.

22 The word "Olympic" tending to cause confusion,
23 to cause mistake, to deceive or to falsely suggest. You
24 can say the word "Olympic" in such fashion but the only
25 way that modifying clause makes any sense is as

1 referring only to any combination or simulation thereof
2 tending to cause confusion. Not to the words "Olympic".

3 MS. DUNLAP: Well, I think even the amicus for
4 the U.S. Olympic Committee doesn't go so far as to say
5 that that is the only reading of the statute that makes
6 sense.

7 The AFcfL brief says that one can read that
8 statute either of the two ways that the parties have
9 presented to this Court. That is why I say the question
10 here does not hang upon the absence or presence of a
11 comma.

12 QUESTION: You think that makes sense? I am
13 not talking about the comma, now. You think it makes
14 sense to say, "the word 'Olympic' tending to cause
15 confusion, to cause mistake", that makes sense to you?

16 MS. DUNLAP: That's right. It does make sense
17 because it was Congress's purpose, once again, as set
18 forth in the legislative history, to make actionable
19 those marks which falsely represent an association with
20 the Olympics.

21 Now, we can use some other language in the
22 Statute and suggest that perhaps Congress wasn't
23 perfectly grammatical in the exercise of its legislative
24 verbiage here, when it said combination or simulation
25 thereof. Certainly Congress didn't mean to reach only

1 combinations of "Olympic" and "Olympiad" or simulations
2 of "Olympic". It meant to reach, for example, a
3 trademark infringer using the following language:

4 "We are the Official U.S. Olympic Beer." That
5 would imply, of course, that the U.S. Olympic Committee
6 had an involvement, a participation in this particular
7 product and that the product gave support to the U.S.
8 Olympic Committee.

9 That's a combination or simulation but not
10 "thereof", not in the word "Olympic" but of the word
11 "Olympic" and the word "beer".

12 QUESTION: Well, a very much easier way to get
13 to that result is simply to say they used the word
14 "Olympic", which is automatically made unlawful, whether
15 it tends to cause confusion or not.

16 MS. DUNLAP: That is not only not how I believe
17 the statute here should be interpreted but not how
18 Congress, itself, expressed its intent in the
19 legislative history when it said, and this is more
20 legislative history, from the text. This has been
21 heavily briefed but I think this particular segment is
22 helpful:

23 "The present bill does not make the use
24 of the various designations in Section 110(a)
25 unlawful."

1 And the Court will note that there was bill
2 that got through the House, that would have given the
3 U.S. Olympic Committee sui generis protection for the
4 word. Not a trademark, but as Judge Kozinski said
5 below, "a crown monopoly" on the use of "Olympic". No
6 one could use it except the U.S. Olympic Committee and
7 anyone, according to that legislative history, who used
8 the word "shall be liable in a Civil Action", and the
9 Lanham Act was nowhere referred to in that bill.

10 That bill was rejected in favor of the
11 language now before this Court and I think that is
12 powerful evidence that Congress didn't mean, didn't
13 intend and didn't consider putting aside every use of
14 the word "Olympic" by anyone, in favor of the U.S.
15 Olympic Committee's fiat over this unusual form of
16 property.

17 QUESTION: What do you do about the separate
18 clause that the Corporation shall have exclusive right
19 to use the words "Olympic", "Olympiad" et cetera or any
20 combination thereof?

21 MS. DUNLAP: Than language replicates language
22 -- I was going to say simulates -- replicates language
23 in the Lanham Act. That is the kind of recital of a
24 trademark owner's right that one finds in the Trademark
25 Act. That's how we refer to trademark owners, exclusive

1 use is what they have but it does not mean exclusive use
2 as against a non-infringing user, and it does not mean
3 exclusive use in this case, reaching the Constitutional
4 matter, of a word separate from its trademark value that
5 had a powerful, political and associative value, not
6 only to gay people but, apparently, to police, Armenians
7 and a variety of others permitted their own Olympics
8 with, if not the imprimatur, at least, the tacit consent
9 of the U.S. Olympic Committee.

10 Congress did not go anywhere near as far in
11 granting the U.S. Olympic Committee a right in the word
12 "Olympic" as the U.S. Olympic Committee contends below
13 and to this Court, and they are, for that reason, wide
14 of the trademark.

15 Why did San Francisco Arts and Athletics, and
16 the Petitioners in this case, use the word "Olympic"?
17 Couldn't they have avoided this whole exchange about
18 what Congress meant by saying "The Celestial Gays",
19 which is a synonym for the word "Olympic", in its
20 adjectival sense in the O.E.D. Couldn't they just have
21 said the "Gay Just-As-Good-As-If-Not-Better-Than Olympic
22 Games"?

23 That I think, as I read the U.S. Olympic
24 Committee's brief, something the U.S. Olympic Committee
25 might have more trouble saying was infringing.

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QUESTION: Right.

MS. DUNLAP: There's a very good and powerful reason for San Francisco Arts and Athletics having chosen the word, other than the U.S. Olympic Committee's good will and that is this; the word is ancient. It was first used in 776 B.C. and it was used to identify a quadrennial athletic competition in a culture and in a place where some, at least, would argue, depending on your classic scholarship, homosexuality was more widely tolerated than in this culture.

QUESTION: They have also said the Hellenic Games. They were sometimes called that.

MS. DUNLAP. They did.

QUESTION: Do you think that would have had the same effect on those you were -- weren't you really appealing, not the ancient games but the modern revival of the ancient games?

MS. DUNLAP: Not at all. Not at all, and the evidence of record, again, is very strong that --

QUESTION ; You think Hellenic Games would have done just as well?

MS. DUNLAP: No, no, no. I think it would not have done anywhere near as well. I think --

QUESTION: Why not?

MS. DUNLAP: I think it would have been to the

1 word "Olympic" what Mr. Cohen's word on the back of his
2 jacket was to, I strongly resent. I think Judge
3 Kozinski below was correct when he pointed out that when
4 you take a word out of a vocabulary as powerful as this
5 one, when you withdraw it from the public domain and you
6 bestow it on what we believe, and will contend, is a
7 State actor, even if you bestow it on a private party,
8 you place it in a position where that word starves for
9 lack of enjoyment on the part of the majority, on the
10 part of others.

11 QUESTION: Only because of the United States
12 Olympic Committee. It was no more powerful in the
13 public domain before that Committee than was the phrase
14 "Hellenic Games".

15 MS. DUNLAP: Well, I think that, Justice
16 Scalia, is both incorrect and a tryable dispute of
17 material fact. What the Court seems to assume in that
18 question is that there is no other association on the
19 part of the public with the word "Olympic" other than
20 the U.S. Olympic Committee.

21 Now, I think the record shows, if it doesn't
22 show anything else, and keeping in mind that there was
23 no trial, that there is a vast array and wide variety of
24 uses of the word "Olympic", many of which seem to have
25 no reference whatsoever to the U.S Olympic Committee and

1 many of which the U.S. Olympic Committee chooses not to
2 sue, that reach back into the depths of this word, into
3 the depths of its history. Perhaps not going to the
4 O.E.D. for their reference but, indeed, understanding
5 that the word "Olympic" has pre-dated in its value, in
6 its linguistic power, the Olympics starting in 1896 by,
7 if not millennia, at least certainly hundreds of years,
8 and it is wrong, I think, in terms of summary judgment
9 and in terms of Federal procedure, to assume that the
10 only value the word "Olympic" has is the value the U.S.
11 Olympic Committee has garnered for it or that Congress
12 has chosen to believe that the U.S. Olympic Committee
13 has garnered for it.

14 But I think here we have to pause and look at
15 the importance of the purpose of the user because, once
16 again, below, at the trial level, the Court didn't do so.

17 Congress means when it says in the Amateur
18 Sports Act, "tendency to confuse and the like", that the
19 party using the word is to be shown to have, in some
20 way, impaired the value of the word relative to the
21 USOC. No such showing was ever made below in this
22 case. No such showing was ever required and I think the
23 Court ought to keep in mind that it is the contention of
24 these parties, of these Petitioners, that their use of
25 the word "Olympic" was independent and separate and

1 distinct from the U.S. Olympic Committee's good will.

2 So, at the very minimum, the question you
3 raise, I think, Justice Scalia, was a tryable dispute of
4 a material fact.

5 QUESTION: May I just clear up this one
6 thought of mine, if I may?

7 MS. DUNLAP: Yes.

8 QUESTION: If one reads the statute the way
9 Justice Scalia suggested, rather than the way you say,
10 with the words "tending to cause confusion" just
11 applying to Sub-Paragraph 4 -- would you agree that the
12 statute then reads directly on what your client did?

13 I mean, in other words, they did do it for the
14 purpose of promoting an athletic performance or
15 promotion and so forth?

16 MS. DUNLAP: If there is no confusion
17 requirement in the statute, then we get to the question,
18 the statutory question, if we stay within the construct
19 of dealing with the statutory questions first, then we
20 get to the statutory question of whether Lanham Act
21 defenses apply. Whether the Lanham Act defense of "fair
22 use and description in good faith" under 1115 before in
23 the Lanham Act applies, for example.

24 Whether the common law defenses are important.

25 QUESTION: What is the statutory predicate for

1 that argument?

2 MS. DUNLAP: The statutory predicate for that
3 argument is that Congress phrased the statute in terms
4 of Lanham Act remedies and we take the position that
5 Congress, in that reference, in that signal for the
6 boundaries of the statute, meant to impose on this
7 trademark holder a responsibility to keep its trademark
8 within trademark bounds. Congress did not create an
9 antidilution law in this case.

10 We have a lot of argument in the briefs that
11 somehow Congress really meant to go much further than it
12 did and give the U.S. Olympic Committee an ability to
13 control use, whether confusing or not, and, more than
14 that, to control every use of the word "Olympic" with
15 any element of trade involved, even if the element of
16 commerce was subsidiary and I think once again --

17 QUESTION: Just to be sure I understand. Your
18 argument is that because Congress specified remedies
19 comparable to those that are provided in the Lanham Act,
20 it follows that they also intended to incorporate the
21 Lanham Act defenses?

22 MS. DUNLAP: That is our position.

23 And more than that, Justice Stevens, I think
24 because it is true for legislative history that one has
25 words. One also has context and the context of this

1 bill, the bill that ultimately passed -- not the sui
2 generis bill but the trademark bill, was trademark
3 language.

4 We have the U. S. Olympic Committee in this
5 Court contending, apparently, if I understand their
6 brief, that Congress meant, in fact, to give the U.S.
7 Olympic Committee this much broader power to go in and
8 prohibit and enjoin and sanction, I suppose, and get
9 damages in a case where they prove them -- they did not
10 do so here -- any other users' use of the word "Olympic"
11 in promotion of any contest. You'll notice that
12 "athletic" doesn't modify the word "contest",
13 necessarily.

14 And it our position on this question of
15 antidilution that Congress could have made an
16 antidilution law with relation to the word "Olympic", as
17 a statutory matter. We'll come in a moment to the
18 question of constitutionality.

19 I would say on the question of
20 constitutionality of an antidilution law, that Congress
21 could make an antidilution law covering the word
22 "Olympic" the way that porcupines make love and that is
23 to say, with painstaking care.

24 They did nothing of the sort here. They made
25 a law that granted the U.S. Olympic Committee a

1 trademark. The U.S. Olympic Committee, within the
2 bounds of the trademark, has successfully and without
3 any great resistance, enforced the mark against real
4 infringers.

5 What it has also done, starting with the Stop
6 the Olympic Prison case is, it has made an argument,
7 based on the statute, that it is essentially entitled to
8 control any use of the word "Olympic" in conjunction
9 with any activity that it finds, as one of its own
10 lawyers put the matter in the record below, not suitable
11 to the U.S. Olympic Committee's purposes and we think
12 Congress didn't go nearly so far in this Statute.

13 Let me turn to the problem of what it would
14 mean if Congress did go so far, because I think there
15 are questions, there are extremely profound and
16 important Constitutional questions here that have to be
17 raised.

18 I think the bridge -- there probably are
19 several -- but the conceptual bridge that occurs to me
20 between trademark law and the First Amendment in
21 particular and the Constitution in general, the bridge
22 in this case is the bridge of genericness,
23 classificatory language and as I understand this Court's
24 opinion in Dollar Park and Fly, a generic word is not
25 registrable.

1 I quote from the Court:

2 "Generic terms are not registrable and
3 a registered mark may be cancelled at
4 any time on the grounds that it has
5 become generic."

6 And as I understand it, again, the term
7 generic refers to a genus, such as "Olympic" and, for
8 example, in this case then the phrase "Gay Olympic
9 Games" would refer to a species.

10 The genus that "Olympic" represents, the
11 generic term that "Olympic" represents cannot be
12 registered as a trademark. So Congress did here as a
13 constitutional matter what Congress cannot do in general
14 with words under the Lanham Act.

15 QUESTION: Are you relying on Dollar Park and
16 Fly for the proposition that a generic word cannot be
17 subject to that sort of regulation by Congress?

18 MS. DUNLAP: Marks that constitute a common
19 descriptive name are referred to as generic. Generic
20 terms are not registrable and -- yes, I am.

21 QUESTION: But that was a statutory case.
22 There was nothing in Dollar Park and Fly that said
23 Congress could not have gone that far, had it wanted to,
24 was there?

25 MS. DUNLAP: I think there is language in the

1 case that indicates the Court's sensitivity to the
2 relationship between the commercial element of the
3 generic terms doctrine and the free speech element of
4 that doctrine.

5 QUESTION: Ms. Dunlap, I'm asking a question.

6 MS. DUNLAP: Please.

7 QUESTION: Did the Court's opinion in Dollar
8 Park and Fly refer to any constitutional considerations
9 when it was talking about the generic --

10 MS. DUNLAP: Only, I think, in dictum dealing
11 with the dissent. That is to say, in saying: be
12 reassured that Congress cannot give away words here
13 because there is a generic terms doctrine and because
14 there is a fair use and description doctrine.

15 But in so many words, Chief Justice Rehnquist,
16 this Court did not do so there. This Court did not have
17 to do so there. This Court will, if it finds that
18 Congress indeed meant to strip away "tending to confuse"
19 and not apply it to a case like this one, have to reach
20 the question whether the generic words doctrine has a
21 constitutional root and it is our position that it does.

22 And it's a very simple Constitutional root.
23 It is quite logical.

24 The idea is this. If Congress, in the best
25 interests of whatever legislation it proposes, decides

1 that the value of a word is such that to bestow it upon
2 an entity will further that entity's purposes and
3 Congress then withdraws from the common domain or, as
4 some call it, the marketplace of ideas, a word and
5 bestows it upon that entity for that entity's control,
6 there are First Amendment implications to that bestowal
7 if that word is not bestowed within a legal boundary,
8 within a framework.

9 Judge Kozinski, in dissent from the denial of
10 rehearing en banc below, I think phrased well the
11 problem, which is that when you loose these rights and
12 intellectual property from their conceptual moorings,
13 from their trademark law or other property right
14 boundaries and you set them free, they roam across the
15 First Amendment and take things away from people, such
16 as the right of free speech in a fashion that Congress
17 is surely not free to do.

18 But let's start at the beginning, I think, of
19 the whole question of whether --

20 QUESTION: Ms. Dunlap, let me ask you on this
21 point, doesn't it make a difference whether you're using
22 the generic term analogously or whether you're using it
23 literally?

24 MS. DUNLAP: Comparing it to something as
25 opposed to having it exists on it's own?

1 QUESTION: That's right. I mean, you can
2 obviously trademark a lot of generic terms. Dove Soap,
3 if you consider a dove just a species, and I'm sure you
4 could make it Bird Soap and that would be trademarkable;
5 wouldn't it?

6 MS. DUNLAP: Bird Soap?

7 QUESTION: Sure.

8 MS. DUNLAP. Yes, I think probably --

9 QUESTION: Bird is a genus, right?

10 MS. DUNLAP: Bird is a genus, that's right.
11 But Bird Soap does not have either the history of the
12 word "Olympic" in conjunction with athletic contests.

13 QUESTION: That's the point.

14 MS. DUNLAP: Right.

15 QUESTION: It's being used analogously.
16 You're not saying "this is a bird". Neither is the
17 Olympic Committee saying "these are the Hellenic Games",
18 the original Olympic Games. It's an analogous use and
19 whenever you allow a trademark use, you allow such
20 analogous use of generic terms sometimes.

21 MS. DUNLAP: I think here's the trouble with
22 that approach, as I see it. The main trouble I see with
23 that approach is that it would sponsor trademark parody
24 at the cost of serious speech.

25 Take, for example, the Girl Scout Poster. You

1 have a pregnant Girl Scout in the Personality Posters
2 Case -- It's cited to this Court in the amicus -- and
3 what the Court said there is, is no one in the world who
4 is ever going to associate this with the Girl Scouts
5 because those two things just don't go together.
6 The idea being then, that a trademark parody, an
7 absurdity, a piece of spurious or silly speech can use a
8 generic word outside the trademark context and enjoy the
9 full ambit of First Amendment protection.

10 A serious use of a generic word outside its
11 expected context, such as "Gay Olympic Games", then
12 deserves under this analysis, less protection than a
13 frivolous use of a generic term and I think that's
14 probably more than dangerous when it comes to affording
15 the drawing of some boundary around the relationship
16 between trademark law and the First Amendment.

17 QUESTION: I don't entirely understand. Let
18 me go back to Bird Soap again.

19 You can trademark something "Bird Soap" but
20 you couldn't trademark it "Soap Soap"; right? It's only
21 a matter of taking the generic term and using it
22 literally; right? I assume you could not trademark
23 something called "Soap".

24 MS. DUNLAP: And call it "Soap Soap"?

25 QUESTION: That's right.

1 MS. DUNLAP: I don't believe you could do so
2 as a trademark law matter but --

3 QUESTION: But you could trademark a shoe
4 polish named "Soap"; I presume.

5 MS. DUNLAP: I suppose you could.

6 What I'm trying to do at this point is, move
7 the Court to the consideration of the constitutional
8 implications of permitting the having, not of "Soap
9 Soap" but of a "Gay Olympic Games".

10 You see, you talking in commercial analogies

11 --

12 QUESTION: What I'm trying to focus on is
13 whether "Olympic" is being used in that analogous sense,
14 in the sense in which you say "Bird Soap".

15 MS. DUNLAP: Right.

16 QUESTION: We don't expect anybody to believe
17 these are the real Olympics but it's an analogous use,
18 or is it being used in the literal sense?

19 If it were in the literal sense, I might agree
20 with you that Congress can't say "the only thing that
21 can say it's an 'Olympic' is this."

22 MS. DUNLAP: Well, there's a very strong
23 procedural answer to your question and that is, from
24 this record, without a trial, this Court cannot properly
25 say that my client was using the word analogously as

1 opposed to literally, by your definition of the
2 distinction.

3 It is my contention from this record that Dr.
4 Waddell told the U.S. Olympic Committee "we're using the
5 word in an ancient generic sense." In a sense of the
6 word as he put it in his letter "that pre-dated Christ",
7 so for this Court to say, "You really meant it this
8 way.", is, I think, to ignore the fact that there was no
9 trial in this case that would have disposed of that
10 question and the parties' intent was entirely relevant
11 both as a statutory and a constitutional matter.

12 I wish very quickly to say one thing about
13 State action. One thing.

14 And that is, that in the very statute that
15 we're looking to for the sake of interpretation in this
16 case, the U.S. Olympic Committee is given power to
17 "organize, finance and control the representation of the
18 United States in the Olympic Games" and that statute
19 goes on, Section 375, to describe a number of powers of
20 the U.S. Olympic Committee that make it plainly
21 different from a private hospital or a private nursing
22 home or a private school, such as were before the Court
23 in Blum and in Rendell-Baker.

24 This is much more the appearance of a State
25 actor than were present in any of those cases and, once

1 again, absent a trial, it seems rash for this Court to
2 do what the lower Courts did, throw aside the indicia of
3 State action and say, "But we'll find it wasn't a State
4 actor here."

5 I'd like to save my remaining time for
6 rebuttal.

7 Thank you.

8 CHIEF JUSTICE REHNQUIST: Thank you, Ms.
9 Dunlap.

10 We'll hear now from you, Mr. Kester.

11 ORAL ARGUMENT OF JOHN G. KESTER

12 ON BEHALF OF THE RESPONDENT

13 MR. KESTER: Thank you, Mr. Chief Justice.

14 May it please the Court, I will deal in a
15 moment, if I may, with the questions of legislative
16 history and purpose of the statute that were raised in
17 the earlier argument but I would say at the beginning,
18 that as we see it, the central issue in this case is a
19 constitutional issue because we think the statute
20 clearly covers and the issue is whether Congress had
21 sufficient basis to pass this very important
22 legislation, which is the foundation of amateur sports
23 in the United States and which imposes a very limited
24 and a very traditional kind of restriction on
25 Petitioners use of a label.

1 Whether Congress, in short, could prevent them
2 from using the U.S. Olympic Committee's label to label
3 their week-long international athletic games and there
4 are three points that I think centrally bear on that
5 question.

6 The first is that this was not some kind of
7 whimsical or casual or improvident largesse on the part
8 of Congress. Congress was recognizing, as it had
9 earlier in 1950 -- and I might say, Justice Scalia, that
10 the 1950 Statute sheds light also on the proper
11 interpretation of the 1978 statute. The 1950 statute
12 clearly had no requirement of confusion in it.

13 Congress was recognizing that the U.S.
14 Olympic Committee and the International Olympic
15 Committee were the creators of the modern Olympic games.

16 Congress was providing a very limited labeling
17 protection for that very important creation and when
18 people think of the Olympic Games today, the connotation
19 of that word "Olympic", the state of Greek scholarship
20 in this country is not such today that they are thinking
21 of something that happened in valley under Mount Olympus
22 as a religious festival in honor of Olympian Zeus.

23 They are thinking about the creation of the
24 U.S. Olympic Committee and International Olympic
25 Committee going back to a group of people who got

1 together in 1896 and thought that they would create
2 something that would be a good thing for the world.

3 Congress and the States protect creations of
4 all kinds, all the time, under various legal headings
5 and I would say the Lanham Act certainly does not
6 exhaust the constitutional power of Congress.

7 In fact, trademarks do not even exhaust what
8 the Lanham Act does, as this Court has recognized in the
9 Ives Labs case, Section 43 of the Lanham Act may very
10 well go beyond trademark protection, but we have
11 categories of misappropriation, antidilution, trademark,
12 sometimes copyright and sometimes something even called
13 privacy, as we had in the Zacchini case, and all of
14 those kinds of protection have been recognized by this
15 Court and most of them have been upheld against various
16 kinds of First Amendment challenge.

17 As this Court said in Friedman against Rogers,
18 which dealt specifically with trade names, this Court
19 said that when there is an adequate State purpose,
20 States can regulate the use of trade names and that this
21 Court is very cautious and very reluctant in approaching
22 First Amendment challenges to commercial economic
23 regulations.

24 The second main point is that what is at stake
25 here is the life blood of the U.S. Olympic Committee.

1 There was a very important interest that Congress
2 recognized here. The legislation in 1978 was passed at
3 the culmination of a two-year study by a Presidential
4 Commission, and that Presidential Commission concluded
5 that U.S. amateur sports were in a tremendously
6 difficult and, in fact, decaying situation and that
7 there were two things, two things that were the problem
8 with U.S. amateur sports at that time.

9 The first was disorganization, which was
10 hurting the athletes themselves, and the second was lack
11 of funding, and it was clear in that report of the
12 Presidential Commission, which came in after two years
13 in 1977, and it is clear throughout the legislative
14 history of the Amateur Sports Act of 1978 -- you cannot
15 escape it -- that one thing that the Commissioners and
16 the Congress were all intent upon was keeping amateur
17 sports well-funded but in the private sector.

18 Moreover, in order to deal with the problems
19 that that Presidential Commission had recognized and
20 pointed out, Congress did not just hand out a gift
21 here. What Congress created here was a two-way street.
22 Congress said, We will continue as we had in 1950 to
23 protect the word 'Olympic' and the other words and
24 symbols associated with the Olympic Games. We will give
25 civil right of action instead of the criminal offense

1 that existed in 1950. We will continue all that but
2 USOC has to do something in return. And if you look at
3 Section 104 of the Act, there are fourteen different
4 duties and obligations, a long list of obligations that
5 were imposed upon the U.S. Olympic Committee in return
6 for what it received from the Congress in the way of
7 protection for its mark.

8 The third point I would make, is that
9 clearly what Petitioners were seeking here was a free
10 ride on the good will of the U.S. Olympic Committee's
11 good name.

12 What was going on here --

13 QUESTION: Mr. Kester, how can we be sure that
14 Congress did not intend to incorporate Lanham Act
15 defenses?

16 MR. KESTER: I think we start as the Dollar
17 Park and Fly case said and as Justice Scalia noted
18 earlier, Justice O'Connor, with the language of the Act.

19 QUESTION: You think remedies doesn't include
20 defenses?

21 MR. KESTER: I think clearly it doesn't in
22 case because if Congress had meant that, Congress would
23 have been doing nothing more than it had already done in
24 the Lanham Trademark Act.

25 QUESTION: That would be doing something, I

1 guess; wouldn't it?

2 MR KESTER: It would be doing very little
3 more, Justice O'Connor, because there was a trademark on
4 the word "Olympic".

5 QUESTION: Just on "Olympic"; wasn't it? It
6 wasn't on all of the words.

7 MR. KESTER: It was on the word "Olympic" and
8 there were also trademarks on the symbols, and --

9 QUESTION: Right.

10 MR. KESTER: -- I think that as a matter of
11 trademark law, Justice Scalia, derivatives are treated
12 by the Trademark Office as being incorporated within a
13 mark. In other words, if you had "Olympic" or
14 "Olympiad", "Olympiad" might well be covered by the word
15 "Olympic".

16 So there was no question here of the validity
17 of the trademark that USOC already had. It is suggested
18 in the reply brief that somehow that was an
19 unenforceable mark. The fact is, it was enforced before
20 1978 under the Trademark Laws. There are cases.

21 There was a case in the Middle District of
22 Florida. A case in the U.S. District Court in
23 Missouri. Many cases in the Trademark Office.

24 What Congress had in mind here was to
25 something more than provide trademark protection, which,

1 of course, depends on showings of likelihood of
2 confusion and which usually means that there has to be a
3 trial. It means that there is no simple way to enforce
4 a trademark, and what they were concerned with beyond
5 the cost of a trial, they were interested, of course, in
6 the USOC spending its money on amateur sports and not on
7 lawyers.

8 What they were interested in was also
9 preventing dilution of the name. This is, we contend,
10 and we think with absolutely clear basis in the
11 legislative history, what is called an Antidilution
12 Statute, such as we have in practically every commercial
13 center as a matter of State law in the United States
14 right now.

15 We think Congress clearly had adequate and
16 ample basis to pass an Antidilution Statute, in the
17 context of what these people had done, to make something
18 of the word "Olympic" and to give it a meaning and in
19 the context of the U. S. Olympic Committee's willingness
20 to undertake to promote and to enhance amateur sports in
21 the United States.

22 This law has basically been the Magna Charta
23 of amateur sports in the United States. There has been,
24 since 1978, a real renaissance. When you think of the
25 activities of the U.S. Olympic Committee, and these can

1 be seen in the record, you should not think that what
2 they do with the money that they get from licensing the
3 name is simply buy airplane tickets for athletes to go
4 to games throughout the world.

5 QUESTION: How would recognition of a "fair
6 use" defense defeat the goals of Congress?

7 MR. KESTER: A "fair use" defense would simply
8 lead to more and more litigation, Justice O'Connor, and,
9 simply, what we're saying is, in the context of
10 antidilution there might be some situation where you
11 could imagine, for instance, if someone were saying "We
12 protest the Olympic Games." and there is not an ounce of
13 suggestion in this record that anyone was protesting the
14 Olympic Games here. If it came to the point of
15 discussion, of public controversy, that sort of thing,
16 we don't think the statute would apply because this
17 statute is limited to a very specified and narrow range
18 of uses, which Congress set forth for purposes of trade
19 --

20 QUESTION: Well, I guess my question is -- I'm
21 sure your client would not want to bother with lawsuits
22 but putting that aside -- how would the application, the
23 proper application of "fair use" defenses defeat
24 Congress' purpose and intent?

25 MR. KESTER: "Fair use" defenses, Justice

1 O'Connor, first of all, are a statutory matter under the
2 Lanham Act, under the copyright, whatever. So what the
3 Petitioners are talking about here, I think, is some
4 sort of constitutional privilege rather than a "fair
5 use" defense.

6 What Petitioners did here, Justice O'Connor,
7 is to essentially stage the modern Olympic Games. In
8 fact, they refer throughout the record to the
9 traditional Olympic Games and they compare themselves to
10 that. At Page 403 of the record, they say "The Modern
11 Olympic Games" is what they are emulating.

12 In every respect --

13 QUESTION: Well, your answer is that in this
14 case the application of "fair use" would reach the same
15 result or conclusion.

16 MR. KESTER: Absolutely, and it would --

17 QUESTION: My inquiry was directed at what
18 Congress intended when it referred to the Lanham Act and
19 incorporated the remedies.

20 MR. KESTER: When Congress incorporated the
21 remedies, I think it was simply using a shorthand. It
22 said that if this mark is used in this way, the normal
23 Lanham Act type of remedy shall follow but it was not
24 reenacting the Lanham Act, because it didn't have to.
25 They already had a trademark, and to the extent that

1 certain uses might be thought to be outside the scope of
2 what Congress intended, I suppose one could say that
3 Congress certainly would not want to get into some
4 fringe area where the Constitution might well be
5 involved, and that could be called "fair use" or it
6 could be called Constitutional Privilege, but what we
7 have here is, in this case, an actual copying of, a
8 virtual reproduction of the modern Olympic Games.

9 QUESTION: Mr. Kester, supposing that next
10 year Congress were to get a report from a Presidential
11 Commission that says baseball is in a moribund state and
12 so Congress passes a law creating the United States
13 Baseball Commission and, among other things, it gives
14 the Commission the right to the sole use of the word
15 "Baseball", is that strictly a statutory matter? Any
16 constitutional objection to that?

17 MR. KESTER: Well, it certainly isn't this
18 case, Chief Justice Rehnquist, and I think the first
19 answer that I would give to that -- several to that --
20 the first is what Justice Scalia pointed out in an
21 argument this morning and that's that we don't expect
22 that Congress is going to do silly things and the
23 Congress, when it passes an Act, it has the benefit of a
24 presumption of constitutionality.

25 Now, if baseball were, as in this case, a term

1 which really had no particular significance or only a
2 distant mythological, historical significance and a
3 group of people had done something to improve baseball,
4 had done something to give it some meaning and it was in
5 a moribund state and Congress then said, "Let's ask this
6 group, in return for doing some other things for us, to
7 --

8 QUESTION: Bringing a franchise to Washington.

9 (Laughter.)

10 MR. KESTER: I can't help you there.

11 QUESTION: It sounds more and more realistic.

12 MR. KESTER: But another thing that I think
13 should be considered, too, is that there is a
14 Grandfather Clause in the Statute and obviously Congress
15 did reasonably have in mind that the name had been in
16 use in the past in a legitimate way and it didn't intend
17 to upset vested rights but can Congress, in the unique
18 circumstances that we have here, pass what is really a
19 law not very much different -- in fact, it's much more
20 narrow -- in fact, it's much better thought out than the
21 antidilution statutes of many States. Can Congress do
22 that? Of course it can.

23 QUESTION: Mr. Kester, I am really interested
24 in your answer to the Chief Justice's question.

25 Supposing they did just as he said, but they

1 said, of course, you cannot use the word "Baseball" in
2 any commercial sense to promote contests and the like.
3 The same kind of language you have here. Do you think
4 that would be constitutional?

5 MR. KESTER: In the commercial sense?

6 QUESTION: Yes. Say just for the purposes you
7 have in the Statute here, "to induce the sale of any
8 goods or services, to promote any theatrical exhibition,
9 athletic performance or competition, you cannot use the
10 word 'Baseball', because that is going to be given to
11 the Major League Players Association.", or something
12 like that, because they are all starving.

13 MR. KESTER: And are you going to put in a
14 Grandfather Clause?

15 QUESTION: Put in a Grandfather Clause.

16 MR. KESTER: And are you going to --

17 QUESTION: Just talking about the future. You
18 can't form any new leagues that want to play baseball
19 and use the name to promote it.

20 MR. KESTER: And did the word "Baseball" gain
21 popularity as the result of the efforts of the group to
22 whom you are giving --

23 QUESTION: It's pretty popular because of all
24 the baseball that has been played up to now; yes.

25 MR. KESTER: But it was this group that caused

1 it to become popular?

2 QUESTION: Yes.

3 MR. KESTER: Nobody had ever heard of it since
4 Abner Doubleday until this group go together?

5 QUESTION: Let me ask you a serious question.
6 Do you think that would be constitutional?

7 And if so, what's the difference between that
8 and the Olympic --

9 MR. KESTER: I think that what you have at
10 stake, Justice Stevens, in this case as in so many cases
11 that come up here where there is a First Amendment
12 defense asserted, is you have to weigh the scope of the
13 restriction against the substantiality of the State
14 interest and I doubt, in your hypothetical, that the
15 State interest would be nearly so great and it seems to
16 me that the scope of the restriction -- baseball is
17 something that is much more universal than the Olympic
18 Games. The Olympic Games are something very special,
19 they are very simple, they are very unique. We know
20 what they are and --

21 QUESTION: The answer is no, as to baseball?

22 MR. KESTER: The answer is, I'd like to hear
23 argument on it. I'm pretty sure it's no but I think
24 that the question has to be put --

25 QUESTION: And the difference is that baseball

1 is a much more -- a word of more general application
2 than "Olympics". "Olympics" had a much more --

3 MR. KESTER: Sure.

4 QUESTION: Is that the difference or is it
5 that --

6 MR. KESTER: That's a difference.

7 QUESTION: -- the word "Baseball" does not
8 primarily refer, as the word "Olympic" nowadays
9 primarily refers to something that has been created by
10 this group to which the special use has been given?

11 MR. KESTER: Yes. That's --

12 QUESTION: It primarily refers to quite
13 something else.

14 Change the hypothetical to Major League
15 Baseball. They could give a monopoly to Major League
16 Baseball.

17 MR. KESTER: You mean the term "Major League"?

18 QUESTION: No, Major League Baseball.

19 MR. KESTER: You're adding that --

20 QUESTION: Make the statute, just substitute
21 the words "Major League Baseball" for "Olympics"
22 wherever it appears.

23 MR. KESTER: And I assume then that your
24 Statute would give that protection to the Major Leagues?

25 QUESTION: To the Major Leagues. The National

1 Association --

2 MR. KESTER: And they could call their product
3 Major League Baseball and they would do certain things
4 for the Government and the public?

5 QUESTION: They would move a franchise to
6 Washington and one to New Orleans --

7 (Laughter.)

8 QUESTION: Mr. Kester, isn't it your position
9 that the "Olympics" is absolutely different from
10 anything else?

11 MR. KESTER: It is.

12 QUESTION: Well, why don't you say so?

13 MR. KESTER: I've been inadequately primed to
14 say that, sir. They are different.

15 QUESTION: I mean, what is the difference
16 between the Baseball Commission and -- is that the
17 Olympics is non-profit.

18 If anybody wants to say that baseball is
19 non-profit, go ahead.

20 MR. KESTER: The Olympics are certainly a
21 charitable, non-profit, eleemosynary, do-good, if you
22 want, institution in our society and --

23 QUESTION: Yes, but this is a form of subsidy
24 for the Olympics; is it not?

25 MR. KESTER: This is a form of subsidy.

1 QUESTION: And it's not inconceivable that the
2 Government would want to subsidize a national sport of
3 some kind? They do --

4 MR. KESTER: The Government subsidizes all
5 kinds of things, as we all well know.

6 QUESTION: That's a distinction of my
7 hypothetical. I'm not sure what your answer is on Major
8 League Baseball. yet.

9 MR. KESTER: My answer on Major League
10 Baseball is that that gets closer than "Baseball" did
11 but it is certainly nothing, as Justice Marshall pointed
12 out, as unique as the Olympics. There's only one thing
13 called the Olympic Games and everybody knows what the
14 games are and --

15 QUESTION: There's only one thing called Major
16 League Baseball.

17 MR. KESTER: -- it's the modern Olympic Games.

18 QUESTION: I think it's pretty close.

19 MR. KESTER: Well, that's for another day.

20 QUESTION: Why don't you say yes?

21 (Laughter.)

22 MR. KESTER: I'm trying to leave some room and
23 I don't think Congress is going to pass that law,
24 particularly given the economic aspects of Major League
25 Baseball but I think probably they could. Yes.

1 I spoke of the First Amendment earlier.

2 I will say something about the legislative
3 history. I don't think that there is any fair way to
4 read the statute other than the way we suggest. There
5 is no requirement for confusion in that statute and if
6 you go back to the 1950 statute, which was a criminal
7 law, there was nothing about confusion in that, and when
8 this Act was passed -- I will just give you as a sample
9 of the kind of statements that were made in the
10 Congressional Record, Mr. Kindness, one of the sponsors
11 of the bill said:

12 "The bill significantly expands the
13 purposes and powers of the U.S. Olympic
14 Committee. In addition, the U. S. Olympic
15 Committee is granted broadened exclusive
16 use protection with respect to the Olympic
17 symbol, emblem and name."

18 And that kind of language is throughout the
19 history, if there were any doubt.

20 Clearly, they intended to broaden and to give
21 a civil remedy.

22 QUESTION: May I ask one other question. I
23 don't remember all the examples Judge Kozinski had in
24 his dissent but things like "Olympic Beer" and "Olympic"
25 this that and the other thing.

1 Most of those, I guess, are saved by the
2 grandfather clause.

3 MR. KESTER: Many of them would be. And many
4 of them are de minimis from the point of view of
5 litigating.

6 USOC doesn't want to litigate against
7 everybody but this is the biggest infringement that ever
8 happened.

9 QUESTION: I understand that but as to all
10 those, I take it under the statute you, in effect, by
11 just not suing, you have consented to the use.

12 MR. KESTER: I don't think so. I would not --
13 if we're talking about non-grant -- there were produced
14 in the lower Court hundreds and hundreds of letters that
15 the Olympic Committee had sent to various people who
16 were infringing the name "Olympic", and the fact is,
17 fortunately, we live in a law-abiding society, and most
18 infringers stop.

19 QUESTION: It is your position, I take it, if
20 somebody in a town named Olympic wanted to open an
21 Olympic Laundry or a laundromat or something, you would
22 have the right to stop them from doing that?

23 MR. KESTER: That would be our position. I
24 doubt that we would do it.

25 QUESTION: I understand that but --

1 MR. KESTER: We are interested in sports but
2 we are not interested in litigating. I stand before you
3 as a living example of what Congress was trying to avoid
4 and here we are.

5 QUESTION: Are you going to address the State
6 actor issue at all, Mr. Kester?

7 MR. KESTER: I will address it to the extent
8 the Court desires, Justice O'Connor. I don't think the
9 Court has to reach the point, because that issue, as I
10 take it, goes to the question of whether there was some
11 sort of selective prosecution. I think the record amply
12 shows that there was no sort of singling out when USOC
13 sued the largest infringer and copier that had ever come
14 along of its name.

15 QUESTION: Was that issue really resolved in
16 the Courts below? I gather it wasn't.

17 MR. KESTER: I would say that it was, Justice
18 O'Connor, in the findings that Chief Judge Peckham made
19 on the preliminary injunction. He made a finding that
20 there had been no discrimination.

21 What happened after that was that there was
22 approximately a year of discovery that went on and
23 nothing, nothing was put into the record. There was
24 nothing, when it got to summary judgment, to support the
25 assertion that was made that there had been some kind of

1 selective prosecution discrimination, here.

2 QUESTION: I guess that I had assumed that
3 that issue was open, provided we were to determine
4 somehow that the Olympic Committee is a State actor.

5 MR. KESTER: I take it that the issue was
6 preliminarily settled on the preliminary injunction
7 motion, that nothing was put in the record on it.

8 The summary judgement record is before this
9 Court and if this Court looks at the summary judgment
10 record, it will find that there is absolutely nothing in
11 there to show selective prosecution.

12 They came in and they said, "Well, no one else
13 has ever been sued." The U. S. Olympic Committee put in
14 ample evidence that many people had been sued, even when
15 the statute was as new as it was at that time, and then
16 they said, "Well, you didn't sue non-profit
17 organizations.", and we put in evidence that five (5)
18 non-profit organizations were sued, and they said,
19 "Well, you didn't sue them until you sued us.", and then
20 there was evidence that two of them had been sued before
21 they were sued.

22 So it is, if I may use the vernacular, simply
23 a "bum rap". There is nothing in this record to support
24 that, and even if there were, I cannot imagine that the
25 doctrine of State action, of governmental action, as it

1 has been applied in the past by this Court, would
2 possibly extend to this private organization.

3 Congress said over and over and over again,
4 for example, that they intended to keep amateur sports
5 private and wanted to keep the Government out of it.

6 So I think that with respect to State action,
7 we just can't get there from here on this record, nor
8 should we.

9 QUESTION: May I ask you another question?

10 MR. KESTER: Surely.

11 QUESTION: About the construction of the
12 statute. Supposing a cereal manufacturer wants to put a
13 picture of a gold medal winner on the box and just
14 recite on it, "Winner of Three Olympic Events", "Three
15 Olympic Gold Medals", you could prohibit that; couldn't
16 you?

17 MR. KESTER: I think that when you get into --
18 if you are saying, "I am the winner of three Olympic
19 events -- "

20 QUESTION: Using the word "Olympics", yes.

21 MR. KESTER: I think then you are getting kind
22 of into the area of news and we have never contended --

23 QUESTION: No. It's for a commercial
24 purpose. I'm assuming it is done for advertising.

25 MR. KESTER: I understand but if it's the

1 individual and he's saying, "I won three Olympic
2 events." --

3 QUESTION: It seems to me the statute would
4 literally apply to that situation.

5 MR. KESTER: It's not this case, obviously.

6 QUESTION: I understand.

7 MR. KESTER: And the statute might be we have
8 taken the position since as early as Page 20 of the
9 record in this case, that newsworthiness is something
10 that we regard as constitutionally privileged and if
11 there is --

12 QUESTION: Newsworthiness in a commercial? I
13 don't understand that.

14 MR. KESTER: If somebody wants to say, "I won
15 three Olympic events --"

16 QUESTION: No. The cereal manufacturer wants
17 you to eat my cereal and you'll be as good an athlete as
18 Mr. So-and-so who won three Olympic games. That would
19 be covered by --

20 MR. KESTER: That might be within the statute.

21 QUESTION: "Breakfast of Olympic Champions",
22 for example.

23 (Laughter.)

24 MR. KESTER: That, I would say, is clearly
25 covered. Clearly covered.

1 QUESTION: Well, my example is clearly
2 covered, too; Isn't it? I mean, seriously.

3 MR. KESTER: Not quite as clearly as Justice
4 O'Connor's.

5 QUESTION: Why not? It's exactly the same
6 word, "Olympic", in a commercial thing used for the --

7 MR. KESTER: The reason I hesitate is this,
8 Justice Stevens, in your example you were saying, "I am
9 the winner of three Olympic -- "

10 QUESTION: No. I'm saying the cereal
11 manufacturer puts a picture of an athlete on it and
12 says, "This person eats this cereal and he won three
13 Olympic gold medals in the last Olympics."

14 MR. KESTER: You mean, they are presumably
15 doing it with his consent?

16 QUESTION: Presumably; yes.

17 My question is, is it not perfectly clear that
18 the Statute gives you the right to enjoin that use of
19 the word "Olympic"?

20 MR. KESTER: I think under the Statute, yes,
21 but you'd have to look also at the rights of the athlete
22 in that situation. I mean, he may be like Zacchini, in
23 the Zacchini case --

24 QUESTION: Well, he may not --

25 MR. KESTER: I mean, his performance -- he may

1 have some common law right of his own but I think the
2 statute would cover it.

3 I would only sum up by saying that a more
4 eloquent lawyer than I was Daniel Webster, who was
5 before this Court in the Dartmouth College case, which
6 also involved a charter of an eleemosynary institution,
7 and he summed up the statute you have before you in one
8 sentence, which says it much better than I can. He said:

9 "A charter of more liberal sentiments,
10 of wiser provisions, drawn with more care
11 or in a better spirit could not be expected
12 at any time or from any source."

13 And at that point, he lapsed into Latin, which
14 I shall spare you.

15 Thank you very much.

16 CHIEF JUSTICE REHNQUIST: Thank you, Mr.
17 Kester.

18 Ms. Dunlap, you have five minutes remaining.

19 REBUTTAL ARGUMENT OF MARY C. DUNLAP

20 ON BEHALF OF PETITIONERS

21 MS. DUNLAP: I have a little bit of Latin left
22 for the Court and this is not, this time, the Latin of
23 the trivium of grammar, logic and rhetoric, but the
24 49tin that says that in litigation a Court should be
25 concerned with facts.

1 My opponent has argued to this Court that the
2 Olympics is unique. We won't dispute that, Justice
3 Marshall, and then he has gone on to contend that it is
4 the only thing called the Olympics, and there I think he
5 defies the open record in a rather blatant and important
6 way.

7 What this Court has before it is a record,
8 granted, again, without a trial, that shows that the
9 word "Olympic" has been used -- continues to be used --
10 in a variety of contexts to describe, among other
11 things, athletic events held by what some might consider
12 to be minority groups. Among those most vividly and
13 obviously similar to the U.S. Olympic Committee in terms
14 of athletic activity, we have in the record, the Police
15 with their International Olympics and the exhibits show
16 that they are using the five rings. In fact, I
17 understand two of those are handcuffs but they are five
18 rings, all the same.

19 With the U.S. Olympic Committee in 1982
20 representing to the Court, "Oh, there's no
21 discrimination here.", we wrote them a letter and in
22 1984 when the Police continued to use the word
23 "Olympic", no one says anything and they proceed.

24 With all respect, the question of
25 discrimination here is not a tiny one, it is not small

1 one, it is not a trivial one because we have an entity
2 funded by the U.S. Government and here I want to say on
3 the point of funding, there has been a little bit of an
4 anomaly, I think, in the USOC's position, because they
5 argue on the one hand, "Congress gave us our most
6 valuable asset in these trademarks. We raised forty
7 (40) million dollars with them." Miller's affidavit
8 shows that.

9 And then they turn around in the State action
10 realm and they say, "We never got any Government
11 funding.", and that's the mistake that the De Frantz
12 Court made as well. They said, "This entity isn't
13 funded by the Government." Funding alone is not State
14 action. We're well aware of that.

15 There are a number of other factors here. All
16 the factors this Court has set forth as important to
17 State action, not the least of which is the structural
18 derivative of the U.S. Olympic Committee from Congress.
19 The Board of the U.S. Olympic Committee was named by
20 Congress in the first section of the Amateur Sports Act,
21 371.

22 That makes this case dramatically different
23 than Rendell-Baker versus Kohn.

24 The State action question cannot be lightly
25 set aside here, and in this case, what should happen is

1 that the case should be remanded for a trial on the
2 factual questions that determine whether this is a State
3 actor.

4 The reason that's so important is that,
5 otherwise, San Francisco Arts and Athletics, which has
6 set forth some serious and important counter-claims
7 about invasion of its First Amendment and Fourteenth
8 Amendment rights will never have a trial on those
9 counter-claims because the Court will do what the lower
10 Courts have done and depart from its own precedents
11 about what the indicia of State action are.

12 But I think an even more crucial departure
13 from the factual record occurred in my opponent's
14 argument --

15 QUESTION: Would you just refresh my
16 recollection.

17 What if you do win on State action? What
18 constitutional --

19 MS. DUNLAP: Well, that opens the Bill of
20 Rights to us, in terms of litigation. Surely that
21 doesn't mean we win the discrimination claim, it means
22 we get to litigate..

23 QUESTION: Say we agreed with him on the --
24 your opponent -- on the First Amendment, what good would
25 it do you to find State action?

1 MS. DUNLAP: Well, again, this Court is only
2 in a position to say there should have been a trial on
3 the question. That's the procedural posture of the
4 case. I don't think this Court is about to --

5 QUESTION: But why would we need a trial on
6 the question if we think he's right on the First
7 Amendment? I'm not saying --

8 MS. DUNLAP: There's another First Amendment
9 issue that is perhaps deeper than the one as to whether
10 this particular organization, San Francisco Arts and
11 Athletics, can hold an Olympics. and that is, does
12 Congress have the power to give away words in the public
13 domain?

14 And that constitutional issue is sufficiently
15 fundamental that if this Court finds --

16 QUESTION: You've got State action there.
17 Congress did it. You don't need to prove these people
18 are State actors.

19 MS. DUNLAP: Right. But if this Court finds
20 -- right. That State action is plain enough.
21 Congress's action is unambiguously the action of the
22 State.

23 If this Court were to find that Congress acted
24 outside its constitutional bounds in bestowing the
25 trademark to begin with, then certainly that would be

1 held unconstitutional.

2 We've taken the position all along that that's
3 the last issue this Court need reach.

4 Judge Kozinski, I think, takes a somewhat
5 different position and seems to contend that --

6 QUESTION: You still haven't explained to me
7 why we should care about whether there is State action.

8 MS. DUNLAP: Because it is the bridge, it is
9 the gateway to my client's litigation of its
10 counter-claims that it was discriminated against and
11 that its speech was suppressed when the U. S. Olympic
12 Committee chose it, and it alone, among these many users
13 of the word "Olympic" to describe athletic contests to
14 suppress that speech.

15 There is evidence of record that there was a
16 discriminatory attitude on the part of the USOC toward
17 my client. It is an equal protection claim, Justice
18 White.

19 And framed so in the counter-claims which are
20 at the very end of Volume I of the Joint Appendix.

21 QUESTION: How is it left by the lower Court?

22 MS. DUNLAP: The counter-claims were dismissed.
23 The lower Court said no State action -- in the only case
24 where the Courts ever dealt with State action, meaning
25 DeFrantz, there was no State action found. The Court

1 never addressed the specific facts of this case as the
2 State action doctrine should have applied to them.

3 Let me address one more point of Counsel's
4 argument, if I may.

5 Counsel said to this Court, "When people think
6 of the Olympic Games, they are thinking of the creation
7 of the U.S. Olympic Committee and not of something that
8 happened under a mountain in ancient Greece."

9 I think at this point we have --

10 CHIEF JUSTICE REHNQUIST: Thank you, Ms.
11 Dunlap. Your time has expired.

12 The case is submitted.

13 (Whereupon, at 1:57 p.m., the case in the
14 above-entitled matter was submitted.)
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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:

#86-270 - SAN FRANCISCO ARTS & ATHLETICS, INC., AND THOMAS F. WADDELL,

Petitioners V. UNITED STATES OLYMPIC COMMITTEE AND INTERNATIONAL OLYMPIC COMMITTEE

and that these attached pages constitutes the original transcript of the proceedings for the records of the court.

BY Paul A. Richardson

(REPORTER)