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Ms. Eleanor K. Meltzer
Attorney Advisor
Office of Legislative and International Affairs
U.S. Patent and Trademark Office
2121 Crystal Drive, Suite 902
Arlington, VA 22202

VIA E-MAIL; ORIGINAL BY U.S. MAIL

Re: Request for Comments - Official Insignia of Native American Tribes

Dear Ms. Meltzer:

We write on behalf of Oneida Ltd., a New York state manufacturer of metal flatware, tableware, and other products, in response to the March 16, 1999 notice (the "March 16 Notice") regarding the request for comments from the public on all aspects of trademark protection for official insignia of Native American tribes. We have reviewed the comments dated April 16, 1999 from the International Trademark Association ("INTA"), and concur with each of INTA's recommendations on this issue. After discussing the current trademark protection available to Native American tribes, we will address each of the specific issues raised in the March 16 Notice.

BACKGROUND

Critical to the most successful consideration of the proposed legislation will be an understanding of the nature of trademark rights, and the effect of the proposed legislation on those rights. Simply put, trademark rights are essentially economic rights, acquired through the promotion and sale of products or services of consistent quality and character. See, e.g., W. Landes and R. Posner, *The Economics of Trademark Law*, 78 *Trademark Rep.* 267 (1988). Trademark rights are intended both to protect the investment and reputation of the trademark owner and to protect the expectations of the consuming public. See, e.g., *Qualitex Co. v. Jacobson Products Co.*, 514 U.S. 159, 34 U.S.P.Q.2d 1161 (1995).

The proposed legislation would provide significant additional trademark rights to Native American tribes. These rights would be additional because Native American tribes are now entitled to all of the common law and registration rights and benefits provided by trademark law. These include:

- The right to register Native American insignia as trademarks or service marks, if those marks meet the proper statutory criteria. In fact, the records of the federal Trademark Office make clear that Native American Tribes have frequently sought to register marks consisting of or including official insignia, and relating to commercial activities.
- The right to prevent third parties from using confusingly similar trademarks, under either Section 43(a) of the Lanham Act if a Native American insignia is unregistered, or under Section 32(1) of the Lanham Act, if that insignia is registered.
- The right to prevent third parties from registering confusingly similar trademarks, under Section 2(d) of the Lanham Act.
- The right to prevent federal registration of marks that contain matter that is disparaging to Native Americans, or is immoral, deceptive or scandalous, or may falsely suggest a connection with Native Americans or Native American symbols.

SPECIFIC ISSUES

1. Definition of “Official Insignia”. It is not inherently clear, from the two terms “official insignia” themselves, exactly what would be covered by any legislated protection for Official Insignia. “Official” is defined as “prescribed or recognized as authorized.”¹ An “insignia” is “a distinguishing mark or sign.”² Thus, an “official insignia” of a Native

¹ *Merriam Webster’s Collegiate Dictionary* (10th ed. 1997), p. 807.

² *Id.*, at p. 605.

American tribe would be a distinguishing mark or sign of the tribe that is prescribed or recognized as authorized by the appropriate State or federal body. However, this definitional analysis still does not provide a useful guideline for determining which insignia are entitled to be designated as “official.” There are at least two significant issues in connection with this definition:

- Whether Official Insignia would cover designs and symbols only, or would also cover words (Apache, Shoshone, etc.). Defining Official Insignia to cover words will create significant difficulty and hardship for trademark owners and prospective owners where the terms also have geographic significance, and Oneida strongly opposes including any term with demonstrated geographic significance within the definition of Official Insignia.
- How many Official Insignia would be available to any single Native American tribe. As noted by INTA in its comments, allowing an unlimited number of Official Insignia would create a burden both for the federal Trademark Office and for trademark owners.

2. Establishing and Maintaining a List of Official Insignia. Oneida concurs with the comments provided by INTA, and has no additional comments.

3-4. Impact of Changes in Current Law or Policy and on New Uses. Again, Oneida supports the comments of INTA. Clearly, the proposed changes will provide a significant benefit to Native American tribes. Such tribes would be the only entities entitled to register marks consisting in whole or in part of Official Insignia. If the effect of the change extended to prevent use of an Official Insignia by any entity other than the Native American tribe, that tribe would also have the exclusive right to use the insignia.

These benefits to Native American tribes would come at an obvious cost to trademark users who are not Native American tribes. Clearly, the ability to use a mark in commerce is a significant benefit in connection with the marketing and sale of goods. The ability to register a mark provides those additional benefits identified in the Lanham Act, including presumptions of validity and nationwide ownership of the mark. Further, the proposed changes will in many cases add time and expense to the trademark clearance and registration process. Finally, any change that would affect the ability of a trademark owner to demonstrate that the mark is “famous,” under Section 43(c) of the Lanham Act, would severely impact the decades of advertising

and promotional effort, as well as the millions of dollars, spent achieving famous mark status.

The effect of any protection granted for Native American insignia will depend in part on how the Trademark Office or courts define the term “identical,” in connection with any prohibition on registration of marks identical to Native American insignia. Because a broad interpretation of this term not only could interfere significantly with the legitimate interests of trademark owners, but also result in substantial uncertainty (and therefore litigation) regarding the interpretation of that term, Oneida strongly supports a very literal and narrow interpretation of the term “identical.”

The proposed changes could also have less obvious consequences, however, that may be even more damaging to trademark users and the public. Specifically, the prohibition on registration, and possibly on use, of Official Insignia by anyone other than Native American tribes, may create incentives to license or sell the Official Insignia for use or registration by others. Because a particular tribe would not be a trademark owner, but simply the owner of a right to prevent use or ownership, the tribe could potentially sell or license rights in particular official insignia in a manner resulting in consumer confusion, without risk of losing its exclusive rights.

A number of limitations or defenses should be provided in connection with any change to current law to limit registration or use of Official Insignia. These should include:

- federal trademark or service mark registrations existing on the date of implementation of any legislation regarding Official Insignia should not be affected by such legislation, and any federal trademark or service mark applications pending on that effective date should be allowed to mature to registration assuming compliance with other statutory requirements.
- a valid federal registration of a mark should be an absolute defense to any claim that use of the registered mark violates any rule against use of an Official Insignia.
- actual use, as of the effective date of any change to the trademark law concerning Official Insignia, of a mark constituting or including an Official Insignia should not violate any Native American rights in that Official Insignia, with respect to the geographic area of use and the particular goods or services with which the mark is used, together with any zone of natural geographic or product or service expansion.

- proof that a mark has become famous, under Section 43(c) of the Lanham Act, as of the effective date of any change to the trademark law concerning Official Insignia should be allowed to defeat any claim by a Native American tribe that it has the right to use the Official Insignia.
- use of a term, whether by itself or as a component of a mark, that is otherwise not entitled to trademark protection, should be considered a fair use of that term (for example, it should be considered fair use if the term is also a recognized geographic term, such as Miami, Mississippi, Oneida or Chippewa, or a generic term for a particular product).

5. Administrative Feasibility. Oneida concurs with the comments provided with INTA. In addition, any change prohibiting registration of Official Insignia would add significant cost to the Trademark Office. Not only would the Trademark Office need to implement any new requirements, but it would have to appoint personnel to deal with the issue and devote physical and/or electronic space to materials required for this issue. Prohibitions on use of Official Insignia would not affect the Trademark Office, but could increase litigation in state or federal courts.

6. Timing of Proposed Changes. Oneida concurs with the comments provided with INTA. Oneida would like to emphasize its concern that any retroactive application of legislative protection for Native American insignia would be unconstitutional. As discussed above, trademark rights are clearly property rights, and are therefore subject to constitutional protection. As a result, any protection that limits or eliminates these vested rights may well be unconstitutional. See, e.g., *General Motors Corp. v. Romein*, 503 U.S. 181, 191 (1992) (“[r]etroactive legislation presents problems of unfairness that are more serious than those posed by prospective legislation, because it can deprive citizens of legitimate expectations and upset settled transactions”); *Roth v. Pritikin*, 710 F.2d 934, 219 U.S.P.Q. 204 (2d Cir. 1983) (risk of an unconstitutional “takings” problem caused court to find 1978 amendments to federal Copyright Act applied prospectively and not retroactively).

7. Statutory Changes. Any prohibition on registration of Official Insignia would require an addition to Section 2 of the Lanham Act, which lists specific types of matter not subject to registration.

CONCLUSION

The proposed protection for Native American insignia would have significant and overwhelmingly negative consequences for many trademark owners. In addition, because of the trademark protection currently afforded

to Native Americans under the Lanham Act, the proposed protection is unnecessary. Oneida strongly opposes granting any special status, or amending the Lanham Act to provide express protection, for Official Insignia of Native American tribes.

Sincerely,

/s/

James L. Vana*

*Admitted in Vermont; admission in Wisconsin pending.