Park'n Fly, Inc. v. Dollar Park and Fly, Inc.: A Welcome Review by the Supreme Court of Trademark Incontestability

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PARK'N FLY, INC. v. DOLLAR PARK AND FLY, INC.: A WELCOME REVIEW BY THE SUPREME COURT OF TRADEMARK INCONTESTABILITY

The Lanham Act (the Act),1 passed in 1946, was the first national legislation designed to protect the exclusive use of trademarks.2 One of the benefits of the Act is that registrants’ use of a trademark can become “incontestable.”3 The status of incontestability precludes significant challenges to an owner’s right to use the trademark.4 In the past, some courts distinguished between the offensive and defensive assertions of incontestable trademark rights.5 These courts held that while the incontestability of a plaintiff’s trademark could protect the mark from cancellation, it could not serve as the basis for an “offensive” injunction against a defendant who


2. Congress’s authority to protect trademarks in the Lanham Act is based on the Commerce Clause, U.S. Const. art. 1, § 8, cl. 3. Federal protection is provided for trademark owners who register their marks according to the requirements of the Lanham Act. These requirements include the filing of a written application and a drawing of the mark. 15 U.S.C. § 1051(a)(1), (a)(2) (1982). The United States Patent and Trademark Office reviews the application to insure that it complies with statutory guidelines. These guidelines command that the trademark shall not be refused registration unless it: “conists of or comprises immoral, deceptive, or scandalous matter,” “resembles a mark registered in the Patent and Trademark Office . . . [so] as to be likely . . . to cause confusion, or to cause mistake, or to deceive,” or “when applied to the goods of the applicant is primarily geographically descriptive or deceptively misdescriptive of them.” Id. § 1052(a), (d), (e). Once the Patent and Trademark Office determines that the trademark is qualified for registration, it is published in the Official Gazette. Id. § 1062(a). Within thirty days of publication, an opposition proceeding to prevent registration may be brought by persons who claim that they would be injured by the registration of the mark. Id. § 1063. A certificate of registration is issued when the trademark is not challenged. Id. § 1057(a). This certificate of registration “shall be prima facie evidence of the validity of the registration, registrant’s ownership of the mark, and of registrant’s exclusive right to use the mark in commerce with the goods or services specified in the certificate.” Id. § 1057(b). Trademark owners who use their mark in commerce are protected in their use by federal law. Id. § 1051.

3. Incontestability is a substantive right provided by three sections of the Lanham Act. 15 U.S.C. §§ 1064, 1065, 1115(b) (1982). After a mark is registered and in continuous use for five years, the mark becomes incontestable and the owner is guaranteed exclusive use of the mark, subject to certain exceptions. See infra note 30. Sections 15 and 16 provide for the cancellation and application for incontestable status respectfully. Id. §§ 1064, 1065.

4. Challenges foreclosed by the Act include allegations that the mark is inferior in priority to the defendant’s mark, and that the mark is descriptive without having a secondary meaning. See Ooms and Frost, Incontestability, 14 LAW & CONTEMP. PROBS. 220 (1949).

seeks to use a mark similar to the registrant's mark. While the Seventh Circuit and other courts denounced this distinction, the Ninth Circuit only permitted the defensive assertion of incontestability under the Lanham Act. Because of the judicial split of opinion over the Lanham Act, the incontestability of trademarks has not been uniformly protected.

To ensure consistency in the federal circuits, the United States Supreme Court reviewed the incontestability provisions of the Lanham Act in Park'N Fly, Inc. v. Dollar Park and Fly, Inc. In Park'N Fly, the Court determined that a trademark owner can rely on the incontestable status of a mark to enjoin an infringement. The Court also held that an infringing party cannot defend its use of a mark by proving that the registrant's mark is merely descriptive and therefore improperly registered. The Court did not follow


8. See infra notes 49-55 and accompanying text; see also Lindy Pen Co., Inc. v. Bic Pen Corp., 725 F.2d 1240 (9th Cir. 1984) (court applies offensive/defensive distinction to limit plaintiff's incontestable trademark rights).


11. Id. at 667.

12. Id. A "merely descriptive mark" describes the product to which it is attached; it does not identify the origin of the product. These marks have a primary meaning that "describes a characteristic or ingredient of an article." Miller Brewing Co. v. G. Heilemann Brewing Co., 561 F.2d 75, 79 (7th Cir. 1977), cert. denied, 434 U.S. 1025 (1978); Application of Keebler Co. 479 F.2d 1405 (C.C.P.A. 1973) (language that describes a quality of the product is "primarily descriptive"; "RICH'N CHIPS" for chocolate chip cookies held descriptive).

A merely descriptive term may be registered when it "has become distinctive of the applicant's goods in commerce." 15 U.S.C. § 1052(f) (1982). Thus, a merely descriptive mark is registrable once it has acquired the secondary meaning of indicating the source of origin of the product. Union Carbide Corp. v. Ever-Ready, Inc., 531 F.2d 366 (7th Cir.) (holding that the descriptive EVEREADY mark was valid based on the proof of secondary meaning), cert. denied, 429 U.S. 830 (1976). The court in Union Carbide stated, "[w]hile perhaps not many know that Carbide is the manufacturer of EVEREADY products, few would have any doubt that the term was being utilized other than to indicate the single, though anonymous, source. A court should not play the ostrich with regard to such general public knowledge." 531 F.2d at 381.
the conventional trademark analysis, which focused on the strength\(^\text{13}\) of a plaintiff's incontestable mark, to determine whether an infringing mark actually hurt the registrant.\(^\text{14}\) Instead, the Court examined the incontestability provisions and legislative history of the Lanham Act, and concluded that the Act did not support the offensive/defensive distinction drawn by the Ninth Circuit.\(^\text{15}\) The Court's determination settles definitively that trademark owners hold incontestable trademark rights that can be enforced against infringing parties.\(^\text{16}\)

**THE PARK'N FLY DECISION**

In 1967, the plaintiff corporation, Park'N Fly, Inc., established an airport parking facility business in St. Louis, Missouri.\(^\text{17}\) The plaintiff registered the name “Park'N Fly” in Missouri after a search for other users of the name.\(^\text{18}\) On August 13, 1969, the plaintiff filed for federal trademark registration of

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13. The strength of a trademark is determined by its ability to distinguish the trademarked good from similar goods. A trademark is considered weak when it does not distinguish the source of the good. Such marks are deemed to be "generic" or "common descriptive." Section 14(c) of the Lanham Act provides for the cancellation of registered common descriptive marks at any time. 15 U.S.C. § 1064(c) (1982). The rationale for the difference in the statutory treatment of "common descriptive" marks and "merely descriptive" marks was set forth by the court in Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4 (2d Cir. 1976):

In the former case [generic terms] any claims to an exclusive right must be denied since this in effect would confer a monopoly not only of the mark but of the product by rendering a competitor unable effectively to name what it was endeavoring to sell. In the latter case [merely descriptive terms] the law strikes the balance, with respect to registration, between the hardships to a competitor in hampering the use of an appropriate word and those to the owner who, having invested money and energy to endow a word with the good will adhering to his enterprise, would be deprived of the fruits of his efforts.

537 F.2d at 10. A generic term is subject to cancellation because it fails to comply with the trademark requirement of distinguishing the source of goods. See, e.g., King-Seeley Thermos Co. v. Aladdin Indus., 321 F.2d 577 (2d Cir. 1963) ("thermos" held to be the common descriptive name for vacuum bottle); Bayer Co. v. United Drug Co., 272 F. 505 (S.D.N.Y. 1921) ("aspirin" held to be the common descriptive name of acetyl salicylic acid, as understood by the general public); Folsom and Telply, *Trademarked Generic Words*, 70 TRADE-MARK REP. 206 (1980) (discussion of cases that define the term "generic"); Trece and Stephenson, *Another Look at Descriptive and Generic Terms in American Trademark Law*, 66 TRADE-MARK REP. 452 (1976) (discussing doctrine of secondary meaning in trademark law).

14. Even courts that give a broad construction to the incontestability provisions have reviewed whether incontestable marks can be registered. See Union Carbide Corp. v. Ever-Ready, Inc., 531 F.2d 366 (7th Cir.) (because of overwhelming evidence of incontestable mark's secondary meaning, court need not determine whether the mark was registrable as descriptive), cert. denied, 429 U.S. 830 (1976).

15. *See infra* notes 61-73 and accompanying text.

16. *See infra* notes 53-64 and accompanying text.


18. *Id.*
the words "Park'N Fly," along with an airplane logo; the registration was approved on August 31, 1971. Between 1969 and 1971, the plaintiff opened four other facilities in Cleveland, New Orleans, Houston, and San Francisco. Under section 15 of the Lanham Act, the plaintiff filed an affidavit to establish the incontestable status of its trademark. The plaintiff then affirmatively enforced its trademark right by sending cease and desist letters to, and bringing actions against, companies that infringed the mark.

In 1977, the plaintiff discovered that the defendant, Dollar Park and Fly, Inc., had been using the name "Dollar Park and Fly" to identify its services since 1973; the defendant ran an airport parking lot business in Portland, Oregon. Following the defendant's refusal to drop the company name, the plaintiff filed a trademark infringement action in the District Court of Oregon. The plaintiff alleged that the defendant infringed its incontestable mark by using the same terms, "park and fly," for the same kind of business. The plaintiff invoked section 32(1)(a) of the Lanham Act to permanently enjoin the defendant's use of the words "Park and Fly." The defendant argued that the plaintiff's "Park'N Fly" mark should be deemed invalid because it was a common description of the plaintiff's services. The defendant also argued that the expression "Park'N Fly" was

19. Id. Federal registration of trademarks protects the owner's exclusive use of the mark. The federal registration procedures enhance the security of trademark use by: (1) publishing marks that have become registrable in the Official Gazette, which serves as constructive notice to other potential users, 15 U.S.C. §§ 1062, 1072 (1982); (2) providing for opposition proceedings to be initiated within 30 days by any persons who believe they would be damaged by the registration, id. § 1063; (3) allowing cancellation proceedings, id. § 1064; and (4) allowing concurrent use and interference proceedings, id. §§ 1052, 1066, 1067. See generally In re Beatrice Foods Co., 429 F.2d 466 (C.C.P.A. 1970) (prior user of a trademark in current use is prima facie entitled to national registration).

20. 217 U.S.P.Q. at 969. The district court stated that, "the use of the words 'Park'N Fly' alone creates the same, continuing, commercial expression as the words 'Park'N Fly' and the logo of the airplane." Id. at 970. The plaintiff did not lose its right to the words "Park'N Fly" when it registered them together with the logo.

21. Id. at 969.

22. Id. Section 15 of the Act provides that if a mark has been registered and continuously and exclusively used for five years with no pending action, then the right of the registrant to use the mark becomes incontestable upon the filing of a proper affidavit. 15 U.S.C. § 1065 (1982).


25. Id. at 970.

26. Id.

27. Id. Section 1114(1)(a) of the Lanham Act provides that a trademark registrant may bring an action for infringement against a party who seeks use of the same or a similar term in a manner "likely to cause confusion, or to cause mistake, or to deceive." 15 U.S.C. § 1114(1)(a) (1982).

28. 217 U.S.P.Q. at 970; see, e.g., Anti-Monopoly, Inc. v. General Mills Fun Group, Inc.,
"merely descriptive" of the plaintiff's services, and therefore could not be enforced. The plaintiff responded that, because the mark was incontestable, a "merely descriptive" defense could not be maintained. The defense was not among those listed in section 33(b) of Lanham Act, which limits those defenses that can be raised against a registered incontestable mark.

The district court dismissed the defendant's claim that the plaintiff's "Park 'N Fly" mark was invalidly registered. The court observed that to

611 F.2d 296, 301 (9th Cir. 1979) (common descriptive marks could not become trademarks because public did not perceive them as primarily associated with particular source), on remand, 515 F. Supp. 448 (N.D. Cal. 1981), rev'd, 684 F.2d 1316 (9th Cir. 1982), cert. denied, 459 U.S. 1227 (1983).

29. 217 U.S.P.Q. at 970. Merely descriptive marks are designations that require proof of secondary meaning to achieve trademark status because they have a primary meaning that describes information about the qualities and characteristics of the product for which they were registered. See, e.g., Miller Brewing Co. v. G. Heileman Brewing Co., 561 F.2d 75, 79 (7th Cir. 1977), cert. denied, 434 U.S. 1025 (1978).

30. Section 33(b) of the Lanham Act, as amended, states:

If the right to use the registered mark has become incontestable under section 1065 of this title, the registration shall be conclusive evidence of the registrant's exclusive right to use the registered mark in commerce or in connection with the goods or services specified in the affidavit filed under the provisions of said section 1065 subject to any conditions or limitations stated therein except when one of the following defenses or defects is established:

(1) That the registration of the incontestable right to use the mark was obtained fraudulently; or

(2) That the mark has been abandoned by the registrant; or

(3) That the registered mark is being used, by or with the permission of the registrant or a person in privity with the registrant, so as to misrepresent the source of the goods or services in connection with which the mark is used; or

(4) That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a trade or service mark, of the party's individual name in his own business, or of the individual name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to describe to users the goods or services of such party, or their geographic origin; or

(5) That the mark whose use by a party is charged as an infringement was adopted without knowledge of the registrant's prior use and has been continuously used by such party or those in privity with him from a date prior to registration of the mark under this chapter or publication of the registered mark under subsection (c) of section 1062 of this title: Provided, however, that this defense or defect shall apply only for the area in which such continuous prior use is proved; or

(6) That the mark whose use is charged as an infringement was registered and used prior to the registration under this chapter or publication under subsection (c) of section 1062 of this title of the registered mark of the registrant, and not abandoned: Provided, however, That this defense or defect shall apply only for the area in which the mark was used prior to such registration or such publication of the registrant's mark; or

(7) That the mark has been or is being used to violate the antitrust laws of the United States.


31. 217 U.S.P.Q. at 971 (ordering defendant to cease using the words "Park and Fly" and any other mark confusingly similar to "Park 'N Fly").
overcome the presumption of validity given to registered marks, the defendant had the initial burden of proving that the plaintiff's trademark registration was defective. The court found that the defendant did not sustain its burden on this point. The court determined that the term “Park'N Fly” was not a common descriptive mark, i.e. one that failed to distinguish the plaintiff's service from other airport parking lots. The court also rejected the defendant’s contention that “Park’N Fly” was a merely descriptive mark. The court followed a Seventh Circuit decision, Union Carbide Corp. v. Ever-Ready, Inc., and ruled that the defendant could not challenge the validity of an incontestable mark on the ground that it was merely descriptive. The court stated that an incontestable mark could only be challenged on the limited grounds listed in section 33(b) of the Lanham Act. Accordingly, the district court upheld the validity of plaintiff’s “Park’N Fly” trademark.

The district court also enjoined the defendant from using the name “Park’N Fly” to identify its services. The court found that the defendant’s “Park and Fly” designation was indistinguishable from the plaintiff’s “Park’N Fly” mark. The court rejected the defendant’s argument that, because the companies were located in different geographical areas, there was no likelihood of confusion between the two parking lot services. Because the defendant and the plaintiff were in the same business, the court concluded that the plaintiff had proven a likelihood of confusion in the marketplace between the two companies. The court concluded that the plaintiff was entitled to injunctive relief to protect its use of the trademark.

The United States Court of Appeals for the Ninth Circuit substantially reversed the district court and overturned the injunction against the defendant. The appellate court began its analysis by affirming the validity of the plaintiff’s mark, despite the defendant’s claim that the plaintiff’s mark was

32. Id. at 970; see, e.g., Hindu Incense v. Meadows, 692 F.2d 1048 (6th Cir. 1982) (burden to disprove incontestability not carried by allegation that the mark is descriptive); Coit Drapery Cleaners, Inc. v. Coit Drapery Cleaners of New York, Inc., 423 F. Supp. 975 (E.D.N.Y. 1976) (burden to disprove incontestability rests on the party that asserts right to use mark).
33. 217 U.S.P.Q. at 970; see supra note 13 (definition of common descriptive marks under Lanham Act).
34. Id.
35. 531 F.2d 366 (7th Cir.), cert. denied, 429 U.S. 830 (1976).
37. Id.; see supra note 30 and accompanying text.
38. 217 U.S.P.Q. at 970.
39. Id. The court stated that, “[t]he owner of a federal registration must have the security of knowing that no one else may, henceforth, legitimately adopt his trademark and create rights in another area of the country superior to his own.”
40. Id.
41. Id. at 970-71.
42. Park’N Fly, Inc. v. Dollar Park and Fly, Inc., 718 F.2d 327 (9th Cir. 1983).
a common description of the plaintiff’s business. For the mark to be considered a common description, the court decided, the defendant was required to establish something more than a simple connection between the words “park and fly” and a description of the airport parking facilities business. The defendant’s evidence that a number of operators had been using a name similar to “park and fly” placed the validity of the plaintiff’s mark in question. The court noted, however, that the defendant failed to prove that the public related the “Park’N Fly” mark with the service offered. Because the evidence that supported the defendant’s common description claim was weak, the court of appeals affirmed the district court’s opinion that the mark was valid.

While the court of appeals agreed that the plaintiff had an exclusive right to use the “Park’N Fly” mark, it concluded that the petitioner was not entitled to injunctive relief. The court recognized that the Seventh Circuit had interpreted incontestable trademark rights as conclusively establishing the registrant’s exclusive right to use a mark, yet the court decided to follow prior Ninth Circuit determinations that conflicted with the Seventh Circuit approach. The court reaffirmed its 1965 decision in *Tillamook County Creamery Association v. Tillamook Cheese & Dairy Association*, in which it held that a trademark holder cannot enjoin a defendant’s use of a mark under the Lanham Act when the plaintiff’s similar mark was invalidly registered. In this case, the court agreed with the defendant that the plaintiff’s similar mark, although validly registered, was merely descriptive.

The *Park’N Fly* court concluded that because there was no evidence that the plaintiff’s mark had acquired a secondary meaning, the “Park’N Fly” mark should never have been registered. Consistent with *Tillamook*, the

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43. *Id.* at 330. The court reviewed the meaning of the terms “common descriptive” and “merely descriptive.” The court stated that a common descriptive mark “is one that refers, or has come to be understood as referring, to the genus of which the particular product or service is a species; a merely descriptive mark specifically describes a characteristic or ingredient of an article or service.” *Id.* at 329.

44. *Id.* at 330.

45. *Id.* The court also discovered that, “the word 'park' followed by a verb suggesting the activity to follow occurs frequently in commerce.”

46. *Id.*

47. *Id.* at 331. The court observed that the incontestable right was asserted by the plaintiff in an infringement action.

48. *Id.; see supra* note 8 and accompanying text.

49. 345 F.2d 158 (9th Cir.), *cert. denied*, 382 U.S. 903 (1965).

50. The court drew the conventional offensive/defensive distinction: “A registrant can use the incontestable status of its mark defensively, as a shield to protect its mark against cancellation and to protect its right to continued use of the mark, but not offensively, as a sword to enjoin another’s use.” 718 F.2d at 331.

51. 718 F.2d at 331. The expression was said to be a “clear and concise” description of the service offered, and therefore readily understood by airport patrons.

52. *Id.* The plaintiff did not claim that its mark had acquired a secondary meaning.
The court held that the defendant’s use of the words “Park and Fly” could not be enjoined. The United States Supreme Court reversed the Ninth Circuit and held that a trademark owner can rely on the incontestable status of the mark to enjoin an infringement. The Court based its decision on the legislative history of the Lanham Act and the language of the incontestability provisions. The Court observed that Congress enacted the incontestability provisions to protect the owner’s exclusive use of federally registered marks. According to the Court, Congress recognized that labelling the source of the product for consumer identification helps to maintain product quality and promotes competition. To provide greater protection for trademarks, Congress adopted the incontestability provision to limit the types of challenges that can be made against a mark’s validity.

The Supreme Court reviewed the language of the incontestability provisions and determined that a mark which is merely descriptive can be registered and accorded the status of incontestability. The Lanham Act, however, distinguishes between “common descriptive” marks and “merely descriptive” marks. The Court observed that common descriptive marks cannot be registered under the Act because, by definition, they are not distinctive of a source of goods. A merely descriptive mark, by contrast, can be registered if it is proven to be distinctive. The court held that a merely descriptive mark can qualify for incontestability status once it is registered.

The Supreme Court then examined whether an incontestable but merely descriptive mark could be protected from infringement by injunction. Because the incontestability provisions do not include a specific defense against merely descriptive marks, the Court inferred that Congress intended to exclude such a defense. Congress apparently intended to protect merely descriptive marks that attained presumptive distinctiveness through continuous use and registration. This conclusion is supported by the legislative history of the Lanham Act. When the Act was considered by Congress, the Justice Department expressed concern that a merely descriptive mark that lacked a

54. Id. at 664.
55. Id. at 661. (citing S. Rep. No. 1333, 79th Cong., 2d Sess. 5 (1946)).
56. 105 S. Ct. at 661.
58. 105 S. Ct. at 664-65.
59. Id. at 661-62; see supra note 28 and accompanying text.
60. Id. at 662; see supra note 29 and accompanying text.
61. Id.; see supra note 30 and accompanying text.
62. The Court stated that, because Congress provided for the defense of common descriptiveness, Congress could also have included mere descriptiveness as a defense to incontestable rights. Id. (citing H.R. Conf. Rep. No. 2321, 79th Cong., 2d Sess. 4 (1946))
distinctive quality could attain incontestable status. Congress responded to these concerns by creating procedures for challenging registered marks for five years before the marks can attain incontestable status. These procedures are the sole remedy under the Act for companies that want to challenge marks as merely descriptive.

Finally, the Court criticized the Ninth Circuit's interpretation of the effect of incontestability in infringement actions. The Court found no support under the incontestability provisions for the offensive/defensive distinction drawn by the Ninth Circuit. The Court reasoned that the Ninth Circuit's rule violated Congress's policy of granting trademark owners the exclusive right to use their mark. The Court also discredited the Ninth Circuit's case law on incontestability. The Court observed that the Tillamook decision, cited by the Ninth Circuit in support of the offensive/defensive distinction, recognized that distinction only in dicta. The Tillamook court held, on the facts, that a defendant owned a common law right to the "Tillamook" mark before the plaintiff registered its mark; the common law right was decisive. The distinction between offensive and defensive uses of incontestability were not relevant to this decision. Furthermore, the Tillamook court relied on an early Seventh Circuit case, John Morrell & Co. v. Reliable Packing Co., as authority for its interpretation of section 33 of the Lanham Act. The Supreme Court, however, found Morrell to be unpersuasive authority for two reasons. First, the Morrell court relied on Rand McNally & Co. v. Christmas Club, which itself discussed the distinction only briefly in dicta.

63. 105 S. Ct. at 664 (citing Hearings on H.R. 82 Before the Subcomm. of the Senate Comm. on Patents, 78th Cong., 2d Sess. 59-60 (1944)) (stating that incontestable status for descriptive marks would "create an exclusive right to use language that is descriptive of a product").
64. 105 S. Ct. at 665.
65. The Court stated that the language in the three enumerated defenses in § 33(b) demonstrated Congress's intent to allow plaintiffs to use incontestability in infringement actions. 105 S. Ct. at 662.
66. Id. at 663.
67. 345 F.2d 158 (9th Cir.), cert. denied, 382 U.S. 903 (1965).
68. 105 S. Ct. at 667.
69. 295 F.2d 314 (7th Cir. 1961) (overruled by Union Carbide v. Ever-Ready, Inc., 531 F.2d 366 (7th Cir.), cert. denied, 429 U.S. 830 (1976)).
71. 105 S. Ct. at 667. The registered term in Rand McNally was "Christmas Club" for the title of a periodical. The plaintiff brought a petition to cancel registration of the defendant's mark within five years of its registration. Therefore, the Rand McNally court was not faced with an infringement action based on incontestable rights. 242 F.2d 776, 777 (C.C.P.A. 1957).

In dicta, however, the Rand McNally court discussed the effect of incontestability in order to address the plaintiff's concern that should the challenged mark become incontestable, it could not be used to enjoin the use of the same mark by a different service. 105 S. Ct. at 667. See Rand McNally & Co. v. Christmas Club, 105 U.S.P.Q. (BNA) 499 (1955), aff'd, 242 F.2d 776 (C.C.P.A. 1957), where the court stated:
Second, the Morrell decision was overruled by the Seventh Circuit in Union Carbide v. Ever-Ready, Inc. The Court concluded that the Ninth Circuit's reliance on the case law supporting the offensive/defensive distinction was misplaced. In a dissenting opinion, Justice Stevens agreed with the Court's conclusion that "the descriptive character of the mark does not provide an infringer with a defense." Justice Stevens determined, however, that the majority erred when it applied that conclusion to a merely descriptive mark that had not been shown to be distinctive of the registrant's goods. According to Justice Stevens, the real issue in the case was whether an "inherently unregistrable" mark could provide the basis for an injunction. He argued that the plaintiff had never shown any proof of distinctiveness in the "Park'N Fly" mark. Therefore, the Court should have construed the Lanham Act as a whole to determine whether a merely descriptive mark, without proof of distinctiveness, could become incontestable.

The effect of "incontestability" is a defensive and not an offensive effect. To put it another way, when the right to use a given mark has become incontestable, the owner's rights are in no wise broadened, but he is free from challenges of his right to continue to use the mark to identify and distinguish the goods recited in the registration, subject only to the defenses and defects enumerated in Section [1115(b)] of the Statute.

105 U.S.P.Q. at 501. The Supreme Court found that this dicta had been misinterpreted and could no longer be used to support the offensive/defensive distinction. 105 S. Ct. at 667. The Court interpreted the dicta to mean, "that a mark may not be expanded beyond the goods or service for which it was originally designated." Id.; see Ferber, Trade-marks—Incontestability—Union Carbide Corp. v. Ever-Ready Inc., 18 B.C. INDUS. & COM. L. REV. 396, 410 (1976) (supporting this interpretation of the dicta).

72. 531 F.2d 366 (7th Cir.), cert. denied, 429 U.S. 830 (1976). The court of appeals in Union Carbide reviewed the language and legislative history of the Lanham Act and found no support for the prior decision in Morrell. The court then determined that the dicta in Rand McNally also failed to support the reasoning in Morrell. Accordingly, Morrell was overruled.

73. 105 S. Ct. at 667.
74. Id. at 669 (Stevens, J., dissenting).
75. Id. (Stevens, J., dissenting).
76. Id. (Stevens, J., dissenting). Justice Stevens limited his agreement with the court to only those cases in which the merely descriptive mark has an "obvious and well-established secondary meaning."

77. Id. at 668 (Stevens, J., dissenting).
78. Id. (Stevens, J., dissenting). According to Justice Stevens, the plaintiff's "Park'N Fly" mark was "inherently unregistrable" because it was merely descriptive, and there had been no proof of its distinctiveness. But see Fletcher, Incontestability and Constructive Notice: A Quarter Century of Adjudication, 63 TRADE-MARK REP. 71, 97 (1973), where the author states:

In principle, there is no distinction between the defense of functionality and several others . . . which also go to inherent registrability and are generally recognized as being cut off by incontestability. The theory seems to be that once a potential infringer or cancellation petitioner has put on notice of the claim to rights in an allegedly unregistrable mark for a certain period, he must either take action or live with the consequences of his failure to do so. It is no more than an arbitrary, statutory application of the principles of laches, acquiescence and estoppel, justified by the difficulties in establishing actual reliance.

Id. at 97.
Justice Stevens relied on the Lanham Act and its legislative history to support his conclusion that the incontestable status of the plaintiff's mark should not preclude the Court from reviewing its registrability. He found that Congress provided broad authority for courts to review the validity of trademarks in any trademark action. Justice Stevens also reasoned that Congress did not provide for a merely descriptive defense to incontestable marks because procedures were established to prevent merely descriptive marks which lacked distinctiveness from reaching the incontestable status. He concluded that the legislative policy of providing strong protection for trademarks did not include protection for indistinctive marks.

Finally, Justice Stevens criticized Justice O'Connor's main arguments in support of the Court's holding. First, in construing the Lanham Act, Justice Stevens argued that the incontestability provisions should be read together with the registration provisions. Under this analysis, Justice Stevens concluded that a mark must be registrable before it can become incontestable, and that the plaintiff's mark was not necessarily registrable because it could have been merely descriptive. Second, Justice Stevens argued that the legislative history of the Act did not support the conclusion that incontestability can protect merely descriptive marks that lack distinctiveness. He concluded that the defense was not listed in the Act because merely descriptive marks were not supposed to be registered, absent a showing of distinctiveness, and that Congress may have assumed that merely descriptive marks would never be registered. Finally, Justice Stevens argued that it is not too burdensome for registrants to prove the distinctiveness of an incontestable mark in an infringement suit. In Justice Steven's view, instead of granting the plaintiff an injunction based solely on the mark's incontestable status, the Court should have required proof from the plaintiff that the "Park'N Fly" mark was distinctive of the plaintiff's services.

79. 105 S. Ct. at 668 (Stevens, J., dissenting).
80. Id. at 670 (Stevens, J., dissenting). Justice Stevens cited testimony before a House subcommittee hearing by Dr. Karl Pohl, who suggested that the procedure for registration would make it difficult for merely descriptive marks to become registered, absent a showing of distinctiveness. See Hearings Before the Subcomm. on Trade-Marks of the House Comm. on Patents on H.R. 102, H.R. 5461, and S. 895, 77th Cong., 1st Sess. 136 (1941).
81. 105 S. Ct. at 671 (Stevens, J., dissenting). Justice Stevens interpreted § 33(b) in conjunction with § 2(e)-(f), which prohibit the registration of a merely descriptive mark absent proof of distinctiveness. See 15 U.S.C. §§ 1115(b), 1053(e)-(f) (1982).
82. 105 S. Ct. at 673-674 (Stevens, J., dissenting).
83. Id. at 674 (Stevens, J., dissenting).
84. Id. (Stevens, J., dissenting). Justice Stevens stated that the Court's interpretation of Congress's "failure to include mere descriptiveness" as a defense in the statute endorses incontestable status for merely descriptive marks.
85. Id. (Stevens, J., dissenting).
86. Justice Stevens stated that this approach to the case would promote the purposes of the Lanham Act by requiring that the statutory procedures to be followed. Id. at 674-75 (Stevens, J., dissenting).
By abolishing the offensive/defensive distinction in the common law of trademark incontestability, the Park’N Fly decision strengthened federal trademark protection. The majority opinion set forth a strict statutory approach to trademark infringement actions that reenforces the legislative policy behind the Lanham Act. Because the majority construed the incontestability provisions strictly, and refused to weigh the “strength” of the plaintiff’s mark against the defendant’s infringement, the Court revitalized the status of incontestability under the Act. A more detailed analysis of Congress’s intent to establish incontestable rights for trademark owners, however, is needed to cement the Court’s interpretation of trademark protection.

The Park’N Fly Court strictly construed the Lanham Act to determine that the plaintiff could rely on the incontestable status of its mark to enjoin the mark’s infringement. In its examination of the incontestability provisions, the Court found that Congress intended to provide the registrant with the “exclusive right to use” incontestable trademarks. The Court correctly interpreted this language to preclude the Ninth Circuit’s offensive/defensive distinction in incontestable rights. Moreover, the Court found that the Act’s guarantee to registrants of an “exclusive right to use,” and the limited list of defenses against incontestable marks, proved that Congress intended to

87. The offensive/defensive distinction neutralized the value of § 33(b). Section 33(b) cannot be effective in an infringement action unless the validity of the incontestable mark was challenged. Therefore, § 33(b) would provide defensive protection for the incontestable mark. Yet, when there was no challenge to the incontestable mark’s validity, § 33(b) was not argued since the distinction only prohibited the offensive assertion of incontestable rights. Therefore, § 33(b) was neutralized by the offensive/defensive distinction and only provided a defense against cancellation. For a more extensive analysis of the effect of the offensive/defensive distinction, see McKnight, Section 33(b) of the Lanham Act: What Effect in Trademark Infringement Litigation? 72 TRADE-MARK REP. 329 (1982) (inconsistent judicial interpretations of incontestability affected rights of trademark owners in infringement litigation).

88. See infra notes 91-96 and accompanying text.
89. See supra note 14 and accompanying text. See, e.g., Volkswagenwerk A.G. v. Church, 256 F. Supp. 626 (S.D. Cal. 1966) (court permitted defense of mere descriptiveness to be raised).
90. See infra notes 99-105 and accompanying text.
91. See supra note 66 and accompanying text.
92. 105 S. Ct. at 663. See also Hearings on H.R. 4744 Before the Subcomm. on Trademarks of the House Comm. on Patents, 76th Cong., 1st Sess. 105 (1939) (statement of Robert W. Byerly). Mr. Byerly noted that courts could misinterpret the effect of incontestability: “[N]ow if that same doctrine of construction should be applied here . . . the court might hold that we had a right to sue others, but have not been given the right to use it ourselves.” The authors of the Lanham Act feared that judicial misconstruction would interfere with the incontestable trademark owner’s right to protect the mark. To the contrary, the courts misinterpreted incontestability to preclude the right to sue others, until the Park’N Fly Court eliminated the offensive/defensive distinction.
limit challenges to incontestable trademark rights. The Court's rejection of the offensive/defensive distinction promotes uniform application of federal trademark rights, which dovetails the policy of the Lanham Act.

The Court also applied a strict statutory approach to the question of whether an infringing party can defend itself by arguing that an incontestable mark was merely descriptive and therefore improperly registered. The Court determined that because Congress did not list descriptiveness among the enumerated defenses, it could not be raised by defendants. The dissent did not agree with this statutory construction. Justice Stevens argued that although mere descriptiveness was not an enumerated defense, the Lanham Act construed as a whole did not preclude the review of the distinctiveness of a merely descriptive mark that had attained incontestable status. Although the majority reached the proper decision on this issue, Justice O'Connor's opinion for the Court did not respond to Justice Steven's conclusion that the scheme of the Lanham Act supported the defense.

A more thorough analysis of the history of the Act reinforces the Court's conclusion that Congress intended to protect merely descriptive, incontestable trademarks from review. The testimony of Edward S. Rogers in the House subcommittee hearings on the Lanham Act indicates that the purpose of the incontestability provisions is to offer more protection for trademarks than pre-Lanham Act trademark law. Mr. Rogers commented that the existing trademark law allowed for the cancellation of a trademark registration at

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93. 105 S. Ct. at 663. The Supreme Court indicated that the defenses enumerated in § 33(b)(4), (5), & (6), because they were crafted for use in infringement actions, anticipated the offensive use of incontestability to enforce a registrant's trademark rights. 15 U.S.C. § 1115(b)(4), (5), & (6) (1982).


95. See Hearings on H.R. 82 Before Subcomm. of the Sen. Comm. on Patents, 78th Cong., 2d Sess. 19-20 (1944) (statements of Daphne Robert). One of the five main purposes behind the Lanham Act was "to put all existing trade-mark statutes in a simple piece of legislation." This statute highlights the legislative policy to provide uniform federal protection for trademarks.

96. See supra note 62 and accompanying text.

97. See supra notes 75-78 and accompanying text.

98. See supra notes 79-81 and accompanying text.


Of course the purpose of this incontestable business is to clean house. The existing law is that a trade-mark of the registrant may be cancelled at any time, and the courts interpret at any time to mean just that. The result is that old marks that have been registered under the act of 1881 and that have been renewed from time to time are always subject to cancellation, which tends to a feeling of insecurity in trade-mark property.

Id.
any time. He also stated that the trademark provisions for incontestability foreclosed attack upon a registrant’s trademark right. Representative Lanham, sponsor of the trademark law, stated that a trademark holder should be able to rely on its right and be secure from challenge after five years of continuous use, or “otherwise he is simply likely to the formenting litigation.”

Moreover, the legislative record reveals Congress’s intent to bar challenges against merely descriptive marks, once such marks are registered. Robert W. Byerly testified before the Senate Subcommittee that once a mark is registered, the issue of whether the mark was merely descriptive should not be raised in court. Mr. Byerly also stated that if Congress intended to allow the defense of mere descriptiveness, then Congress should have denied incontestable protection for merely descriptive marks. Byerly reasoned that it would be less confusing to leave merely descriptive marks unprotected than to give mark owners illusory protection and then allow defendants to challenge the registrability of the disputed mark. Congress apparently accepted Byerly’s reasoning because the Lanham Act provides for the protection of merely descriptive marks under the incontestability provisions and excludes the defense of mere descriptiveness. In sum, the legislative history of the Lanham Act supports the Supreme Court’s holding that an incontestable mark cannot be challenged as merely descriptive. The Court’s interpretation of the Lanham Act was also correct as a matter of trademark policy. Had the Court adopted the dissent’s approach and required the plaintiff to prove the distinctiveness of its mark, the policy behind the incontestability provisions would have been emasculated. TRADE-
marks would have virtually no protection at all. The Court observed that section 14(a) of the Lanham Act permits a cancellation petition to be filed against a registered mark that is merely descriptive within the first five years of registration.\(^{107}\) Congress therefore intended to protect merely descriptive registrations from review after five years.\(^{108}\) The Court reasoned that incontestability must provide at least as much protection as registration.\(^{109}\) The Court properly concluded that a review of the distinctiveness of the plaintiff's incontestable mark would abolish any protection that incontestability is designed to provide.\(^{110}\)

**IMPACT**

The *Park'N Fly* Court’s reinstatement of uniformity in federal trademark protection extends strong federal rights to owners of incontestable trademarks.\(^{111}\) The decision implements the legislative policy expressed in the history of the Lanham Act to foreclose certain attacks on the validity of a trademark’s registration.\(^{112}\) When an owner’s trademark attains incontestable status, the owner may enforce the right to use the mark without having to prove the mark’s validity. Thus, the *Park'N Fly* decision enhances the ability of an incontestable trademark owner to enforce its right to use the mark.

The sponsors of the Lanham Act intended to make federal registration of trademarks more desirable so that more trademark owners would register their marks with the federal government.\(^{113}\) Increased use of the federal trademark system will enhance trademark identification\(^{114}\) and thereby stimulate competition in the marketplace.\(^{115}\) The Court’s affirmative endorsement

\(^{107}\) Section 14(a) provides in part:

A verified petition to cancel a registration of a mark, stating the grounds relied

upon, may . . . be filed by any person who believes that he is or will be damaged

by the registration of a mark on the principal register . . .

(a) within five years from the date of the registration of the mark under this chapter . . .


108. *Id.*


110. *Id.*

111. See supra note 87 and accompanying text.

112. See supra notes 99-105 and accompanying text.

113. See Hearing on H.R. 82 Before Subcomm. of the Sen. Comm. on Patents, 78th Cong., 2d Sess. 19-21 (1944) (statements of Daphne Roberts). Ms. Roberts stated "[t]his bill will bring about, as I think I have stated heretofore, an incentive to register because it provides in Section 15, for example, an incontestable right."


115. See S. REP. No. 1333, 79th Cong., 2d Sess. 1 (1946), reprinted in 1946 U.S. Code Cong. & Ad. News 1274. The Senate Committee Report shows that the Lanham bill was designed to stimulate competition in the marketplace. *Id.* The Committee explained:

Trade-marks, indeed, are the essence of competition, because they make possible a choice between competing articles by enabling the buyer to distinguish one from
of the plaintiff's incontestable right to use the "Park'N Fly" mark should make federal registration of trademarks more desirable and, therefore, more likely to fulfill the goals that support the Lanham Act.\textsuperscript{116}

Finally, the Park'N Fly decision is one of the few Supreme Court cases to discuss the Lanham Act.\textsuperscript{117} The Court's strict statutory approach will provide guidance to the lower courts on how to interpret the incontestability provisions. The lower courts may search the legislative history of the Act to find legislative intent contrary to the Court's interpretation of incontestability. Nevertheless, an analysis of the legislative history demonstrates that the Court interpreted the incontestability provisions correctly.\textsuperscript{118} The Park'N Fly case signals that the Lanham Act strongly favors incontestable rights.

CONCLUSION

In Park'N Fly, the Supreme Court conclusively established that a trademark owner can rely on the incontestable status of a mark to enjoin an
infringement. The Park’N Fly Court also established that a defendant in an infringement action cannot defeat a claim by proving that an incontestable mark is invalid because it is merely descriptive. The Court’s decision is based on a strict construction of the Lanham Act’s incontestability provisions. Trademark owners will welcome the Park’N Fly decision because it provides legal security against infringement. Businesses will increasingly use federal registration to protect their marks. Moreover, trademark owners will be more diligent in seeking cancellation of merely descriptive marks that they believe are not distinctive of the source for which they were registered. On the whole, registrants will more fully appreciate and exercise their trademark rights after the Park’N Fly decision.

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